



**BEAUMONT-CHERRY VALLEY WATER DISTRICT**  
560 Magnolia Avenue, Beaumont, CA 92223

**NOTICE AND AGENDA  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
ENGINEERING WORKSHOP**

*This meeting is hereby noticed pursuant to  
California Government Code Section 54950 et. seq. and  
under the provisions of Assembly Bill 361 and BCVWD Resolution 2021-23*

**NOTE DATE CHANGE DUE TO HOLIDAY  
Tuesday, December 21, 2021 - 6:00 p.m.  
560 Magnolia Avenue, Beaumont, CA 92223**

**COVID-19 NOTICE**

**This meeting of the Board of Directors is open to the public who would like to attend in person. COVID-19 safety guidelines are in effect pursuant to the Cal/OSHA COVID-19 Prevention Emergency Temporary Standards and the California Department of Public Health Recommendations and Requirements**

- **Face coverings are mandatory indoors for all persons and must be properly worn over the nose and mouth at all times**
- **Maintain 6 feet of physical distancing from others in the building who are not in your party**
- **There will be no access to restrooms in the building**

**TELECONFERENCE NOTICE**

*The BCVWD Board of Directors will attend in person at the BCVWD Administrative Office **and/or** via Zoom Video Conference  
To access the Zoom conference, use the link below:*

<https://us02web.zoom.us/j/84318559070?pwd=SXlzMFZCMGh0YTFL2tnUGlpU3h0UT09>

*To telephone in, please dial: **(669) 900-9128**  
Enter Meeting ID: **843 1855 9070** Enter Passcode: **113552***

*For Public Comment, use the **“Raise Hand”** feature if on the video call when prompted, if dialing in, please **dial \*9 to “Raise Hand”** when prompted*

*Meeting materials are available on the BCVWD’s website:  
<https://bcvwd.org/document-category/regular-board-agendas/>*

## BCVWD ENGINEERING WORKSHOP – DECEMBER 21, 2021

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**Call to Order: President Slawson**

Roll Call - Board of Directors

**Pledge of Allegiance: Director Ramirez**

**Invocation: Director Hoffman**

**Teleconference Verification**

**Roll Call**

**Public Comment**

	President Daniel Slawson
	Vice President Lona Williams
	Secretary Andy Ramirez
	Treasurer David Hoffman
	Member John Covington

**PUBLIC COMMENT: RAISE HAND OR PRESS \*9 to request to speak when prompted**

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. **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:** In accordance with Government Code Section 54954.2, additions to the agenda require a 2/3 vote of the legislative body, or if less than 2/3 of the members are present, a unanimous vote of those members present, which makes the determination that there is a need to take action, and the need to take action arose after the posting of the agenda.

- a. Item(s) to be removed or continued from the Agenda
- b. Emergency Item(s) to be added to the Agenda
- c. Changes to the order of the agenda

**2. Reorganization of the Board of Directors for Calendar Year 2022**

*Officers and appointees take their positions as of January 1, 2022 (pages 6 - 12)*

- a. Officers
  - i. President
  - ii. Vice President
  - iii. Secretary
  - iv. Treasurer
- b. Board Appointment of the Recording Secretary
- c. President-Elect Appointments to Standing Committees
  - i. Appointment to the Finance & Audit Committee
  - ii. Appointment to the Personnel Committee
- d. President-Elect Appointment of Representatives to Outside Agencies
  - i. Appointment of Representative and Alternate to the San Geronio Pass Regional Water Alliance

- ii. Appointment of Representative and Alternate to the Collaborative Agencies Committee
  - iii. Appointment of Representative and Alternate to San Gorgonio Pass Water Agency
- 3. **Resolution 2021-\_\_ : Adopting the Fiscal Year 2022 Operating Budget and 2022-2026 Capital Improvement Budget, and Approval of the 2021 Operating Budget Carryover Schedule** (pages 13 - 135)
- 4. **Resolution 2021-\_\_ : Acknowledging the Review, Receipt and Acceptance of the District's Investment Policy** (pages 136 - 168)
- 5. **Receive and File Professional Services Agreement with Chandler Asset Management for Investment Advisory Services** (pages 169 - 189)
- 6. **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 \$99,165** (pages 190 - 233)
- 7. **Authorization of Funding for Roof Repair at District Properties not to exceed \$89,000** (pages 234 - 235)
- 8. **Adoption of 2022 Board of Directors Meeting Schedule** (pages 236 - 240)
- 9. **Annual List of Preapproved Events and Director Appointments** (pages 241 - 253)
- 10. **Consideration of California Drought Conditions, District Urban Water Management Plan Drought Restrictions and BCVWD Resolution 2014-05 Regarding Issuance of Will-Serve Letters and Other Drought Response** (pages 254 - 257)
- 11. **Consideration of Attendance at Upcoming Events and Authorization of Reimbursement and Per Diem** (pages 258 - 260)
- 12. **Status of Local Emergency regarding the Impact of the Respiratory Illness Pandemic COVID-19 pursuant to Resolution 2020-07** (No Staff Report)
- 13. **Status of Declared Local Emergencies related to Fires**
  - a. **Impact of the Apple Fire pursuant to Resolution 2020-17** (No Staff Report)
  - b. **Impact of the El Dorado Fire pursuant to Resolution 2020-20** (No Staff Report)
- 14. **Reports for Discussion**
  - a. **Directors' Reports**
    - In compliance with Government Code § 53232.3(d), Water Code § 20201, and BCVWD Policies and Procedures Manual Part II Policies 4060 and 4065, directors claiming a per diem and/or expense reimbursement (regardless of pre-approval status) will provide a brief report following attendance.*
    - o Institute for Local Government – Level Up Your Leadership Training – Dec. 6 and 13, 2021 – Director Covington, Director Ramirez and President Slawson

- b. Directors' General Comments
- c. General Manager's Report
- d. Legal Counsel Report

#### **15. Action List for Future Meetings**

- Water supply for BCVWD and the region
- Matrix for delivery of recycled water
- Legal Counsel report on changes in Proposition 218
- Legal update on drought conditions in the west
- Maintenance costs at 800-hp well sites

#### **16. Announcements** – *In compliance with Assembly Bill 361, BCVWD Board and Committee meetings may be held via Teleconference only. Meetings listed below will be held both in-person at the BCVWD Administrative Office AND via Zoom teleconference unless otherwise indicated below:*

- District offices will be closed Thursday, Dec. 23, 2021 in observance of Christmas Day
- District offices will be closed Thursday, Dec. 30, 2021 in observance of New Year's Day
- Collaborative Agencies Meeting: Wednesday, Jan. 5, 2022 at 5 p.m.  
*Meeting location or teleconference TBD*
- Finance and Audit Committee Meeting: Thursday, Jan. 6, 2022 at 3 p.m.  
*Open to the public in the Conference Room at the BCVWD Administration Building*
- Special Board Meeting: Tuesday, Jan. 11, 2022 (time TBD)
- Regular Board Meeting: Wednesday, Jan. 12, 2022 at 6 p.m.
- District offices will be closed Monday, Jan. 17, 2022 in observance of Martin Luther King, Jr. Day
- Personnel Committee Meeting: Tuesday, Jan 18, 2022 at 5:30 p.m.
- Special Board Meeting: Tuesday, Jan. 25, 2022 (time TBD)
- Engineering Workshop: Thursday, Jan. 27, 2022 at 6 p.m.

#### **17. Closed Session**

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

#### **18. Report on Closed Session**

#### **19. Consideration and Possible Action Regarding Proposed Changes to Contract, Salary, and / or Fringe Benefits of General Manager (No Staff Report)**

#### **20. Adjournment**

## NOTICES

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

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

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

## CERTIFICATION OF POSTING

A copy of the foregoing notice was posted near the regular meeting place of the Board of Directors of Beaumont-Cherry Valley Water District and to its website at least 72 hours in advance of the meeting (Government Code §54954.2(a)).



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 21, 2021**

Item 2

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** Reorganization of the Board of Directors for Calendar Year 2022

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**Staff Recommendation**

- a. Affirmation of Board Officer rotation
  - i. President Lona Williams
  - ii. Vice President Andy Ramirez
  - iii. Secretary David Hoffman
  - iv. Treasurer John Covington
- b. Board Appointment of the Recording Secretary
- c. President-Elect Appointments to Standing Committees
  - i. Appointment to the Finance & Audit Committee
  - ii. Appointment to the Personnel Committee
- d. President-Elect Appointment of Representatives to Outside Agencies
  - i. Appointment of Representative and Alternate to the San Geronio Pass Regional Water Alliance
  - ii. Appointment of Representative and Alternate to the Collaborative Agencies Committee
  - iii. Appointment of Representative and Alternate to the San Geronio Pass Water Agency

**Background**

The District's Policies and Procedures Policy 4025.4 Annual Organizational Meeting states:

*"The Board of Directors shall hold an annual organizational meeting at its regular meeting in December. At this meeting the Board will affirm the rotation of officers for the offices of president, vice president, secretary, and treasurer."*

Officers selected at this meeting assume their offices on January 1, 2022 and establish the lineup for the annual rotation of officers pursuant to Policy 4025 as adopted on December 8, 2021. If a Board member wishes to decline rotation into a new office they should notify the outgoing president during this item. Per the District's Policies and Procedures Policy 4025.4.5:

*"If a Board member declines the automatic nomination for the next office in the rotation, a vote may be held to fill the office, or the rotation may move forward to fill the position with the declining Board member returning to the fifth position."*



The General Manager recommends appointment of Director of Finance and Administrative Services Kirene Manini, PhD, as the District’s Recording Secretary.

Further, Section 3C, Appointment states:

*“The Board President shall appoint and publicly announce the members of the standing committees for the ensuing year no later than the Board’s regular meeting in December.”*

**Fiscal Impact**

Per Water Code Section 20201, director per diem fees are payable for attendance at meetings of the Board or for each day’s service rendered as a member of the Board. The total fiscal impact for 2022 is estimated to be \$71,760 for director per diem fees. This is budgeted annually as part of director expenses. The per diem fee as set by Ordinance 2021-01 is \$260 per day of service to the District. The number of meetings in Table A below has been estimated based on the annual meeting schedule and anticipated number of ad hoc committee meetings.

- Finance and Audit Committee: meets once per month
- Personnel Committee: depending on the Board’s adopted 2021 Meeting Schedule, the Personnel Committee may meet monthly or bi-monthly. Table A includes a meeting every month.
- Ad Hoc Committees: meet monthly or as needed, for a limited term. Table A below assumes the Ad Hoc committees will be re-established by the incoming Board President and will continue meeting irregularly through 2022, estimating 30 meetings. Ad Hoc committees will be established and appointed at the pleasure of the President.

TABLE A – Director Per Diem Fees

	Monthly Meetings	Mo. Per Diem	# of mtgs	Annual total, all directors, all meetings
	Individual per diem (Ord. 2021-01)	\$ 260		
5 directors	Regular meetings	\$ 1,300	24	\$ 31,200
2 directors	Standing committees (2)	\$ 1,040	12	\$ 12,480
2 directors	Ad Hoc committees (4)	\$ 2,080	12	\$ 24,960
1 director	San Gorgonio Pass Regional Water Alliance	\$ 260	6	\$ 1,560
1 director	Collaborative Agencies Committee	\$ 260	6	\$ 1,560
	<b>TOTAL</b>		<b>60</b>	<b>\$ 71,760*</b>

\*Total does not include trainings or Special Meetings as needed

Attachments:

1. Organization Worksheet
2. Resolution 2021-24: Amending the District’s Policies and Procedures Manual Part II: Applicable to Board of Directors and Staff

Staff Report by Lynda J. Kerney, Administrative Assistant



# ATTACHMENT 1

## ORGANIZATION WORKSHEET

Position	2021	2022
President	Slawson	
Vice President	Williams	
Secretary	Ramirez	
Treasurer	Hoffman	
Recording Secretary	(Rodriguez)	
Finance & Audit Committee member	Hoffman	
Finance & Audit Committee member	Williams	
Finance & Audit Committee alternate	Covington	
Personnel Committee member	Covington	
Personnel Committee member	Ramirez	
Personnel Committee alternate	Hoffman	
San Geronio Pass Regional Water Alliance	Slawson	
San Geronio Pass Water Alliance (alternate)	Williams	
Collaborative Agencies Committee	Ramirez	
Collaborative Agencies Committee (alternate)	Williams	
San Geronio Pass Water Agency	None	
San Geronio Pass Water Agency (alternate)	None	



RESOLUTION 2021-24

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT AMENDING THE DISTRICT'S POLICIES AND PROCEDURES MANUAL PART II: APPLICABLE TO BOARD OF DIRECTORS AND STAFF**

**WHEREAS**, on March 18, 2009 the Board of Directors of the Beaumont-Cherry Valley Water District adopted Resolution 2009-05, establishing a Policy and Procedures Manual applicable to Board of Directors and District staff; and

**WHEREAS**, pursuant to Water Code 21376 et. seq. and Beaumont-Cherry Valley Water District Policies and Procedures Manual Part II, Section 5, the Board of Directors "shall hold an annual organizational meeting at its regular meeting in December. At this meeting the Board will elect a President, Vice President, Secretary and Treasurer from among its members to serve during the coming calendar year;" and

**WHEREAS**, the Board of Directors has determined that it is in the best interests of the District and to establish equality of opportunity, that the officers of the Board shall be automatically appointed pursuant to an established rotation; and

**WHEREAS**, the Board of Directors has reviewed and considered the revisions and additions to the BCVWD Policy and Procedures Manual Part II attached as Exhibit A, finds the policies relevant and acceptable, deems it to be in the best interests of the District, and desires that the following actions be taken,

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

1. The BCVWD Policies and Procedures Manual, Part II Section 5 is replaced in entirety with Policy 4025 as attached hereto as Exhibit A.
2. The BCVWD Policies and Procedures Manual Part II Section 6C is hereby amended to read:
  - C. Director Requests.** By contacting the General Manager, any Director may request that a matter directly related to District business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:
    - i. The request must be in writing and submitted to the Board President and General Manager together with supporting documents and information, if any, by noon at least six working days prior to the date of the next scheduled regular meeting.

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//  
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**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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

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

Attachment – Exhibit A

# EXHIBIT A

POLICY TITLE: BOARD MEETINGS  
POLICY NUMBER: 4025

4025.1 **Regular Meetings.** Regular meetings of the Board of Directors shall be held on the second Wednesday and fourth Thursday of each calendar month at 6:00 p.m. in the meeting room at 560 Magnolia Avenue, Beaumont, California, 92223-2258. The date, time, and place of regular Board meetings may be reconsidered annually at the annual organizational meeting of the Board.

4025.2 **Special Meetings and Workshops.** Special Meetings and Workshops of the Board of Directors may be called by the Board President or by a majority of the Board.

1. All Directors shall be notified of a Special Board Meeting and/or Workshop and the purpose or purposes for which it is called. Said notification shall be in writing, received by them at least 24 hours prior to the meeting.

4025.3 **Adjourned Meetings.** A majority vote by the Board of Directors may terminate any Board meeting at any place in the agenda to any time and place specified in the order of adjournment, except that if no Directors are present at any regular or adjourned regular meeting, the General Manager or their designee may declare the meeting adjourned to a stated time and place, and they shall cause a written notice of adjournment to be given to those specified in the paragraph above.

4025.4 **Annual Organizational Meeting.** The Board of Directors shall hold an annual organizational meeting at its regular meeting in December. At this meeting the Board will affirm the rotation of officers for the offices of president, vice president, secretary, and treasurer.

1. Rotation of Officers.
  - a. The offices of president, vice president, secretary, and treasurer will rotate annually with the vice president succeeding the president, the secretary succeeding the vice president, and the treasurer succeeding the secretary.
  - b. The Board member serving as president before the annual organizational meeting shall rotate out of that position and into the fifth position in the rotation among Board members.
  - c. The Board member serving as vice present before the annual meeting shall be appointed to the office of president.
  - d. Any Board member who takes office as a new member of the Board, as opposed to taking office upon reelection, shall take the fifth position in the rotation among the Board members as of the annual organizational meeting. At the time of such an event, the other Board members shall then be rotated to one higher position in the rotation.
2. At each Annual Organizational Meeting, all newly elected or newly appointed Board members will be added to the rotation list above the outgoing president and below all reelected.
3. In the event that two or more Board members are elected in the same election, the newly elected Board members will be placed in the rotation list in the order of the highest number of votes received to the lowest number of votes received.
4. In the event that two or more Board members are appointed at the same time, the newly appointed Board members will be placed on the rotation list in the order determined by the outgoing Board president.

5. If a Board member declines the automatic nomination for the next office in the rotation, a vote may be held to fill the office, or the rotation may move forward to fill the position with the declining Board member returning to the fifth position.
6. In the event the president, vice president, secretary, or treasurer does not complete their term in such office, the Board member next in line on the rotation list to assume that office will serve for the balance of the vacant term and the following term unless such officer desires to return to the end of the rotation list at the next Annual Organizational Meeting.
7. At any time prior to the appointment of officers during the Annual Organizational Meeting, the Board may determine by majority vote on a motion to waive or otherwise suspend the implementation of this section. In that event, an election for president, vice president, secretary, and treasurer will be held. Any such motion may also address what impact, if any, the suspension of the rotation procedure will have on the position of Board members in the rotation for future elections/appointments.

4025.5 **Recording Secretary.** A staff member recommended by the General Manager, or their designee, shall be appointed by the Board as the Board's Recording Secretary.

4025.6 **Agenda Order.** The President of the meetings described herein shall determine the order in which agenda items shall be considered for discussion and/or action by the Board.

4025.7 **Public Involvement.** The President and the General Manager, or their designee, shall ensure that appropriate information is available for the audience at meetings of the Board of Directors, and that physical facilities for said meetings are functional and appropriate.



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 21, 2021**

Item 3

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Finance and Administrative Services  
**SUBJECT:** **Resolution 2021-\_\_ : Adopting the Fiscal Year 2022 Operating Budget and 2022-2026 Capital Improvement Budget, and Approval of the 2021 Operating Budget Carryover Schedule**

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**Staff Recommendation**

1. Approve Resolution 2021-\_\_\_\_: Adopt the Beaumont-Cherry Valley Water District Fiscal Year 2022 Operating & 2022-2026 Capital Improvement Budget for the Fiscal Year (FY) ending December 31, 2022.
2. Approve the 2021 Operating Budget Carryover Schedule, authorizing the carryover from the fiscal year 2021 budget to the fiscal year 2022.

**Background**

The Finance and Administrative Services Department prepares the annual Operating and Capital Improvement Budget. In the past, the Department has prepared and has submitted the projected revenues and expenses for presentation at the budget workshop scheduled in early December, before submitting the final budget document to the Board for approval before year-end.

This year, staff took a more forward thinking approach and therefore, at the Special Finance & Audit Committee meeting on November 22, 2021, staff presented the first draft of the 2022 Operating and Capital Improvement Budget. After discussion, advisement from the Committee, and additional staff reviews, staff updated and refined the 2022 Operating and Capital Improvement Budget and presented said refined budget at the December 2, 2021, Finance and Audit Committee meeting. On December 8, 2021, the document was presented to the full Board of Directors at the Budget Workshop for discussion.

At the December 2, 2021 Finance & Audit Committee meeting and December 8, 2021, Budget Workshop, staff also presented a new report consisting of a schedule listing the anticipated unspent funds budgeted for 2021 to be carried forward to the 2022 fiscal year as necessary to complete ongoing activities. Said list was of encumbered or known individual operating expenses of \$5,000 or more to be spent under an ongoing contract or purchase order.

This new report – the Fiscal Year 2021 Operating Budget Carryover Schedule - includes funding for equipment and vehicle purchases and capital projects that are not yet complete that are to be carried forward as a matter of routine. Department requests for the carryover of operating funds are reviewed in detail by the Finance and Administrative Services Department and justified by the requesting Department. This carryover schedule identifies that \$151,900 in unspent funds



budgeted for the Fiscal Year 2021 should be carried over to complete budget/planned 2021 expenditures.

### **Fiscal Impact**

The proposed 2022 Operating Budget & 2022-2026 Capital Improvement Budget includes the proposed gross revenues in the amount of \$26,175,000 and the proposed gross expenses in the amount of \$21,640,800.

The proposed Fiscal Year 2021 Operating Budget Carryover Schedule also requests that \$151,900 in unspent funds budgeted for the fiscal year 2021 be carried over to the 2022 fiscal year.

### **Attachments**

- Attachment A – Resolution 2021:\_\_\_\_: Adopting the Beaumont-Cherry Valley Water District Fiscal Year 2022 Operating Budget & 2022-2026 Capital Improvement Budget for the Fiscal Year ending December 31, 2022
- Attachment B – BCVWD FY 2022 Operating Budget & 2022-2026 Capital Improvement Budget
- Attachment C –Fiscal Year 2021 Operating Budget Carryover Schedule

Staff Report prepared by Sylvia Molina, Senior Accountant

RESOLUTION 2021-\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT ADOPTING THE FISCAL YEAR 2022 OPERATING BUDGET AND 2022-2026 CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022**

**WHEREAS**, the Board of Directors of the Beaumont-Cherry Valley Water District has reviewed the staff report, draft budget, and associated materials distributed for December 21, 2021, Regular Meeting of the Board of Directors; and

**WHEREAS**, the Board of Directors has determined that it is necessary for the efficient management of the District that certain sums of revenue be appropriated to the activities as set forth in said budget,

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Beaumont-Cherry Valley Water District:

1. In all aspects, the recitals stated above are true and correct.
2. The Budget Staff Report and Presentation and all associated documents are incorporated herein by reference, approved, and adopted as findings.
3. The Board of Directors determines and adopts the proposed organizational structure outlined in the staff report, budget, and associated documents.
4. The Board of Directors hereby approves and adopts the Fiscal Year (FY) 2022 Operating Budget and 2022-2026 Capital Improvement Budget.
5. The District's General Manager is authorized to take all necessary actions to implement the provisions of the FY 2022 Budget as adopted by this Resolution, including recruiting and appointing positions within the limits of said Budget and Plan without further Board action.
6. The General Manager is directed to implement the intent of this Resolution as soon as reasonable following applicable procedures. The expenditure amounts designated for FY 2022 are hereby appropriated and may be expended by the departments or funds for which they are designated.

**ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

\_\_\_\_\_  
Director Daniel Slawson, President of 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

### FY 2022 Operating Budget & 2022-2026 Capital Improvement Budget





## Board of Directors



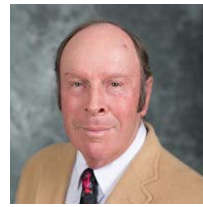
Daniel Slawson  
President



Lona Williams  
Vice-President



Andy Ramirez  
Secretary



David Hoffman  
Treasurer



John Covington  
Director

## General Manager



Daniel Jagers

## BCVWD Staff



*Prepared by the Finance and Administrative Services Department*

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# Budget Message

*December 21, 2021*

## **To the Board of Directors, Customers, and Stakeholders of the Beaumont-Cherry Valley Water District:**

For over one hundred years, the Beaumont-Cherry Valley Water District (BCVWD or District) has provided residents and businesses in the City of Beaumont and the community of Cherry Valley with a safe and reliable water supply.

The purpose of this budget is to provide customers, the Board of Directors, and other stakeholders with reliable financial information about the District. Through the process of planning and preparing the budget, the District assesses its plans and goals for the foreseeable future by identifying and estimating the spending of financial resources.

The budget was prepared after considering major policy issues that impact District revenues such as reasonable water conservation efforts and changes in the local rate of development.

The fundamental theme of the document is to present a balanced Budget with conservative estimates for revenues and realistic expense projections.

## **Notable Accomplishments**

In 2021, the District continued to address the impacts of COVID-19 by implementing a District-wide COVID-19 Prevention Program (CPP) in compliance with updated Cal/OSHA requirements. This included training all staff in best practices, creating a daily tracking process, and establishing an Emergency Preparedness Committee for implementation of the District's Emergency Response Plan (ERP). Additionally, the District proactively expanded on the Backup and Disaster Recovery Plan to ensure business continuity. The District also completed the 2020 Urban Water Management Plan (UWMP) and the 2020 Water Shortage Contingency Plan (WSCP), continuing to analyze District services, and the supporting infrastructure, to identify areas of improvement to better service the local community. This included the completion of the Grand Avenue Storm Drain (MDP Line 16) design and bid to move forward with the project, as well as initiating the Grand Avenue Storm Drain (MDP Line 16) Grading, and Pipeline Relocation Projects. In addition to the investment in District facilities, the District has invested in professional development opportunities with a Management and Leadership Academy for management and supervisory employees as well as the centralization of the District's safety program with the implemented quarterly safety inspections.

## **Short- and Long-Term Issues Impacting the Budget**

### *Water Rates*

The District Board of Directors approved proposed changes to water rates and service charges following a public hearing on February 27, 2020, after a seven-month evaluation by an independent financial expert who studied the then-current rate structures and cost of service, balancing revenue needs with mitigating rate increases for customers. The study revealed the need for new rates and charges based on increasing operating, maintenance, and capital replacement costs, which went into effect on March 1, 2020. Fiscal Year 2022 will be the third of a five-

year period in which rates will be increased. These adjustments will provide a stable financial plan which ensures charges reflect the current and future cost recovery.

Prior to the Emergency Declaration associated with the COVID-19 pandemic, the economic health in the District's service area was very strong and unemployment rates were near all-time lows. The District has observed an increase in consumption over 2019 to date, and as such the economic impacts of the pandemic-induced shutdown and subsequent partial progress of re-opening actions by State and County officials do not appear to be having as adverse of an impact on water consumption and associated payment of water bills as was anticipated at the onset of the shutdown.

### *Delta Conveyance Project*

California's largest supply of clean water is dependent on an aging and inefficient system that cannot adequately store water when it is available. The proposed solution, the Delta Conveyance Project (DCP), will provide an alternate delivery pathway through the Delta, thereby reducing risk from earthquakes, climate change impacts (including sea level rise), and provide reliable water while protecting the environment. Part of the cost to fix California's primary water delivery system will be paid for by State Water Project (SWP) contractors and other public water agencies that rely on the supply. The California Department of Water Resources is pursuing a new environmental review and planning process for a single tunnel solution to modernize Delta conveyance. The Delta Conveyance Authority (DCA) developed a preliminary cost estimate for the DCP, and while it is still very early in the planning process, it is in the DCA's opinion that there is a 50% probability that the DCP will cost \$15.9 billion in 2019 dollars. The San Geronimo Pass Water Agency's (SGPWA) proportionate share of the estimated \$15.9 billion cost would range from about \$194 million up to \$318 million depending on participation level.

### *Sites Reservoir*

The District Board continues to provide authorization to participate as a member of the Sites Reservoir Project, a new off-stream water storage project that was contemplated as part of the initial discussions to increase opportunities for flood protection and water storage in the geographic area north of the Bay Delta. Currently in the planning stages, this reservoir is envisioned to have a maximum storage capacity of 1.5 million acre-feet (MAF), which will have the ability to store water during wet hydrologic years and release water during dry periods. The revised project is estimated to cost approximately \$3 billion, (2019 \$), down from an initial project estimate of over \$5 billion. Although it is too early in the planning process to determine the final cost to participating members, the District's Board has authorized a participation level of 4,000 acre-feet per year (AFY) of supply in conjunction with the SGPWA's 10,000 AFY of supply participation during the planning phase of this project.

### *Increasing CalPERS Costs*

Considerations at the state level include the various policy decisions presided over by the CalPERS Board that can have direct bearing on the District's financial obligations to the pension fund. There are three key policy areas that affect the District thereby causing contribution amounts to change and the measurements of unfunded accrued liability to fluctuate. Those policy areas include asset allocation across investment portfolios, which, in turn affects the second area; discount rate (or rate of return on investments of the fund); and the amortization policy, which governs the payment of unfunded accrued liability. In December 2016, the Board adopted a policy to lower the discount rate (or rate of return) from 7.5% to 7% with a three-year phase in beginning with fiscal year 2016-17. As

of fiscal year 2019, the lowered discount rate of 7% was fully implemented. Implications for the District include higher pension costs and considerations of establishing a stabilization fund in order to build budget resiliency against future policy changes by the CalPERS Board.

## **Budget Summary**

In summary, staff is proposing a budget that has estimated gross revenues of \$26,175,000 which includes \$18,727,000 of operating revenues, \$6,354,000 of capacity charges (facilities fees), and \$1,094,000 of other non-operating revenues.

The estimated gross operating expenses of \$21,640,800 allows a set aside for the Capital Replacement Fund of \$1,180,200, with \$104,000 of that amount earmarked for the District's Other Post-Employment Benefits (OPEB) Liability and \$45,000 for the Pension Liability. To date, the District has no mechanism for contributing the set aside amounts for the OPEB or Pension Liabilities either to a trust fund or to the OPEB and Pension plans themselves, but will track all funds earmarked for these purposes in the District's accounting system.

The District continues to be debt free.

### *Revenues*

The District receives funding from domestic water sales and service charges, agricultural water sales, grants, investment income, charges for miscellaneous services, and capacity charges that support future development. Water sales and pass-through charges are 67.5% of gross budgeted revenues in the budget for fiscal year 2022.

A significant source of future funding contributions continues to be the use of reserves for capital improvement projects. Those funds were set aside to start and complete capital projects identified as necessary and planned for in the District's 2017 and 2018 Ten Year Capital Improvement Plan (CIP).

### *Expenses*

The Beaumont Basin relies on imported water to protect and replenish groundwater supplies. The District's largest operating expense is for the purchase of imported water from the SWP. In fiscal year 2022, \$4,349,000, 20.1% of gross operating expenses, is appropriated for SWP water purchases of 10,900 acre-feet (AF). As a cost recovery district, the water purchases are intended to be financed through pass-through charges.

Salaries and benefits make up 34.0% of total budgeted operating expenses and include 41 full-time positions to address functions critical to providing service in accordance with best management practices.

### *Capital Improvement Budget (CIB)*

In March 2017, the Board of Directors adopted the 10 Year Capital Improvement Plan (FY 2017-2026) (CIP). The CIP was subsequently updated in March 2018. The CIP is designed to show how the District will build, maintain, and manage the assets needed to produce, treat, and distribute water while keeping costs as low as possible. This planning tool provides the framework for District investments over a ten-year horizon, while providing the flexibility to adapt to changing infrastructure needs and opportunities as they arise.

The Capital Improvement Budget (CIB) presented in this document includes only the next five years of the CIP as updated by the Board in March 2018. Any additions or changes to the CIP are documented in the CIB.

Respectfully Submitted,

Daniel Jagers  
General Manager

Dr. Kirene Manini  
Director of Finance and Administrative Services

# Overview

## About the Community

### History

The origin of the District dates back to the latter part of the 1800's when the Southern California Investment Company was the owner of the land that currently is the City of Beaumont and the community of Cherry Valley. The Company intended to build a system of water lines for the purpose of developing subdivisions throughout the Beaumont and Cherry Valley areas. The area started to develop in the late 1880s and in 1912 the community of Beaumont was incorporated. The District was formed in 1919 as the Beaumont Irrigation District under California Irrigation District law, Water Code Section #20500 et seq. The name was changed to the Beaumont-Cherry Valley Water District in 1973. The District owns 575 acres of watershed land in Edgar Canyon in San Bernardino County and 949 acres of watershed land in Riverside County. Edgar Canyon is named after Dr. William F. Edgar, a military doctor who was in charge of a number of hospitals during the Civil War. Dr. Edgar appreciated the beauty of the land and purchased it in 1859. He planted fruits and vineyards and later established the first winery in the area. Over the years, both the name and the mission of the District have changed. Today, the Beaumont-Cherry Valley Water District continues to develop programs and policies that ensure a supply of water for the area's growing population.

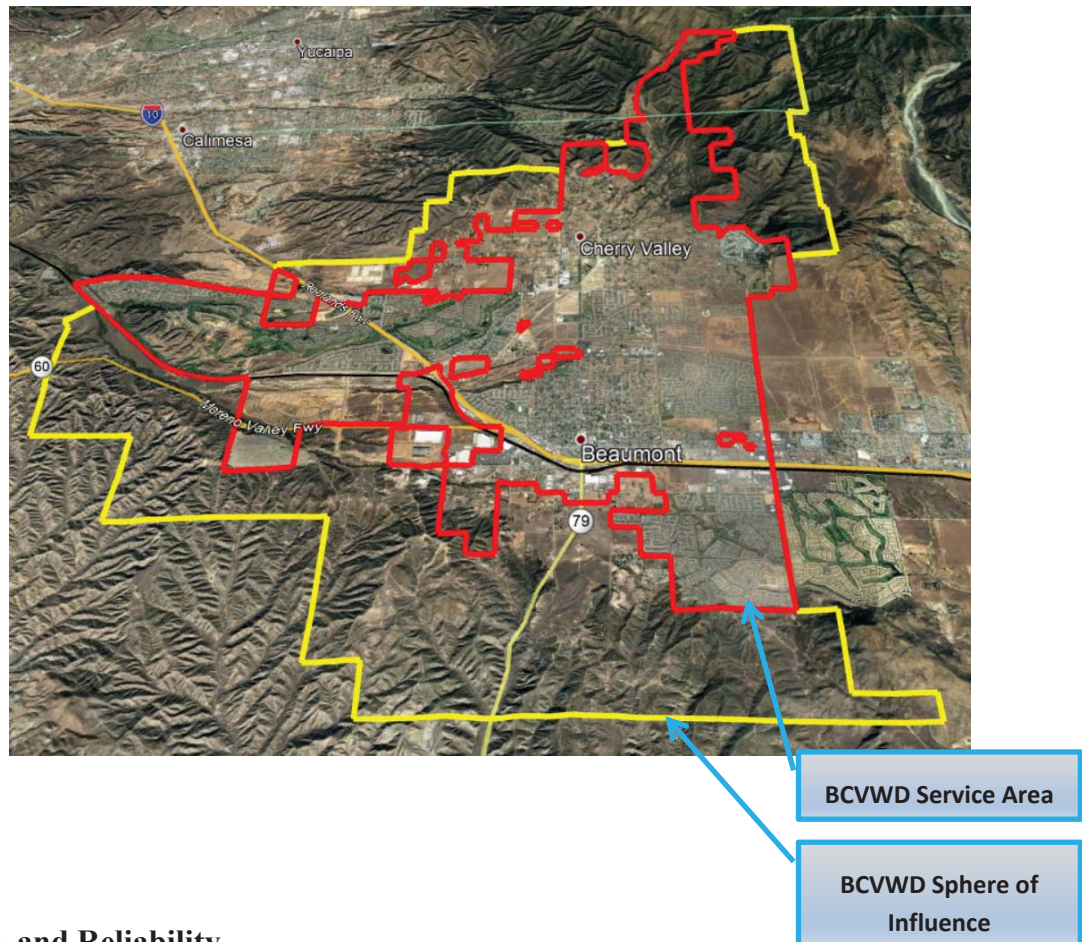




## Service Area

The District's present service area covers approximately 28 square miles, virtually all of which is in Riverside County, and includes the City of Beaumont, the community of Cherry Valley, and some small areas of Calimesa.

**Figure 1**  
**BCVWD Service Area**



## Water Services, Supply, and Reliability

The District has both a potable and non-potable water distribution system. At the end of September 2021, the District had a total of 19,995 connections, an increase of 336 connections since September 30, 2020, 93.1% of which are for single family residences.

The District has a total of 24 wells and 15 tanks ranging in size from 0.5 million gallons (MG) to 5 MG. Total storage is approximately 23 MG.

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

The District’s water supplies for the year ended December 31, 2020 of 13,818 acre-feet (AF) was comprised of 10,577 AF of imported water (76.6%), 1,279 AF of groundwater from Edgar Canyon (9.2%), and a 1,962 AF allocation of unused overlying water rights (14.2%) as determined by the Beaumont Basin Watermaster. Groundwater is pumped from Edgar Canyon and the Beaumont Basin. The allocation of unused overlying water rights within the Beaumont Basin is derived from a calculated volume of available water not produced by Overlying Parties and distributed to the Beaumont Basin Appropriators.

**Local Economy and Profile**

The District is primarily located within Riverside County, the fourth largest county in the State. Riverside County and San Bernardino County comprise the Inland Empire which is one of the fastest growing metropolitan areas in the nation. The Inland Empire covers approximately 27,000 square miles with a population of about 4.6 million. Riverside County has a population of 2.4 million people and of this, the District serves approximately 60,800 between the City of Beaumont and the community of Cherry Valley. According to the State Department of Finance, Beaumont was the fastest growing California city of those with populations exceeding 30,000 in 2019. Table 1 below presents additional demographic and economic statistics for the City of Beaumont and the County of Riverside.

The District’s customer base currently is comprised of mostly residential and commercial customers. Large consumers remain consistent year to year with the City of Beaumont, Beaumont Unified School District, K Hovnanian’s Four Seasons, Highland Springs Country Club, and TNT Blanchard General Eng Inc. rounding out the top five users.

According to US Census Bureau projections, median household incomes within the City of Beaumont of \$84,105 are 26% higher than for the County of Riverside at \$67,005, and 12% higher than the State-wide median household income of \$75,235. Housing prices in the District’s service area continue to increase incrementally. The median value of a single-family owner-occupied housing unit in the vicinity of the City of Beaumont is \$419,631, up 16.5% over the past year.

**Table 1  
Demographic and Economic Statistics**

<b>Demographic and Economic Statistics Last Ten Years</b>					
Calendar Year	Population	County of Riverside			
		Median Household Income	Per Capita Personal Income	Unemployment Rate	
2011	38,553	\$ 58,365	\$ 24,516	12.9%	
2012	39,353	57,096	23,863	14.2%	
2013	40,424	56,529	23,591	14.9%	
2014	42,117	63,523	23,660	14.3%	
2015	43,629	56,603	23,783	12.9%	
2016	45,349	57,972	24,443	11.3%	
2017	46,179	60,807	25,700	4.3%	
2018	49,630	63,948	27,142	4.1%	
2019	51,475	67,005	28,596	3.6%	
2020	52,686	67,005	28,596	8.6%	

**Sources:**  
Population Source: State of California Department of Finance;  
County Source: Riverside County Economic Development Agency

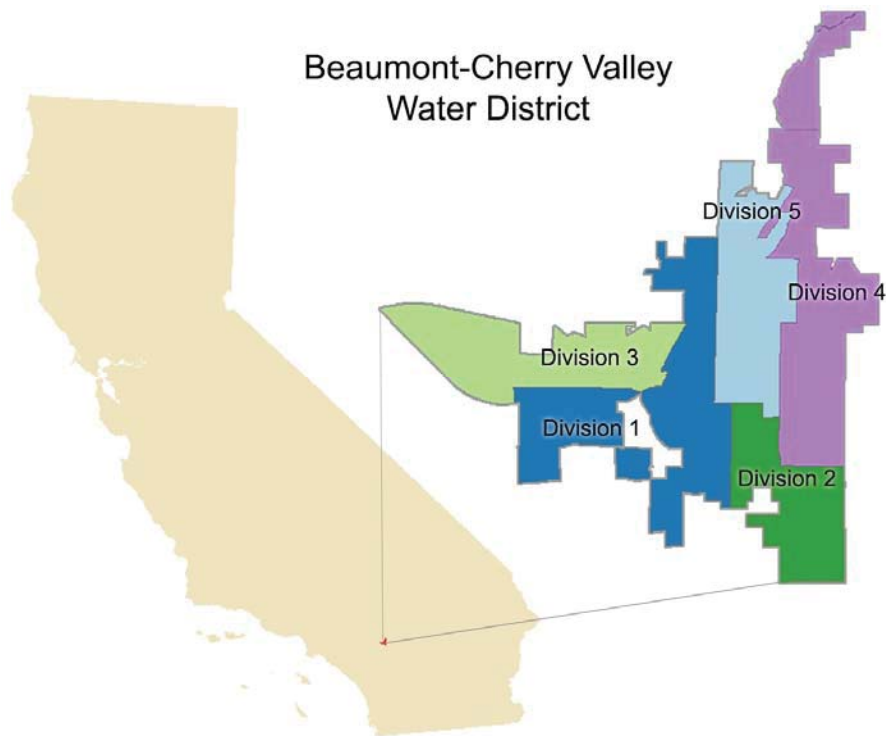


# About the Beaumont-Cherry Valley Water District

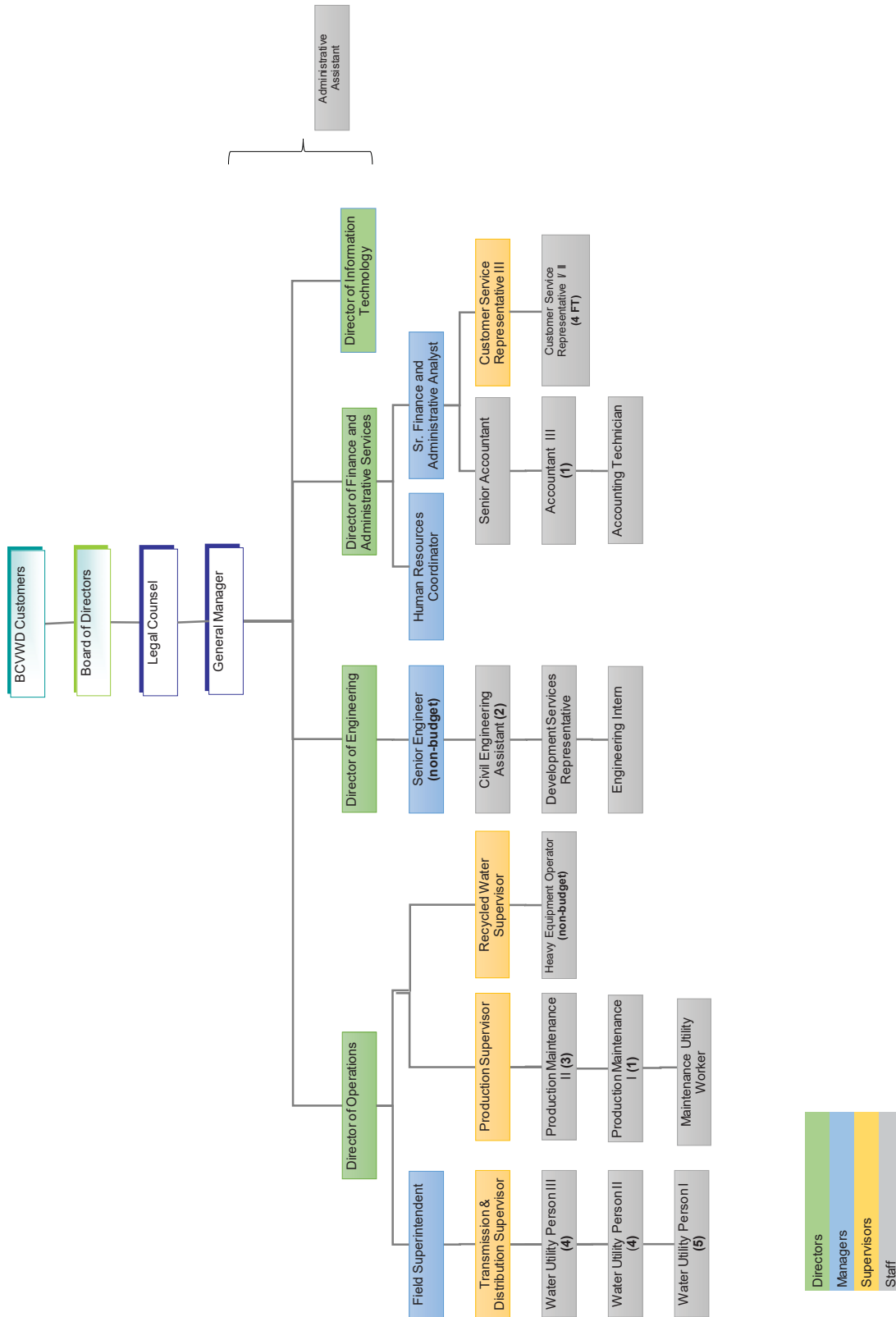
## District Governance

The District's Board of Directors is comprised of five members elected at-large by voters to serve a four-year staggered term and must be a resident of the division they represent. The District operates under a Board-Manager form of government. The General Manager is appointed by the Board and administers the daily affairs of the District and carries out policies of the Board of Directors. The Board of Directors meets twice a month, on the second Wednesday and fourth Thursday of the month. Each year the Board of Directors adopts an operating budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operation and accountability for District funds.

Board of Directors	Division Represented	Term Expiration
Daniel Slawson, President	Division 3	December 2, 2022
Lona Williams, Vice President	Division 2	December 6, 2024
Andy Ramirez, Secretary	Division 1	December 6, 2024
David Hoffman, Treasurer	Division 5	December 2, 2022
John Covington	Division 4	December 2, 2022



BCVWD Organization Chart 2022



Effective 01/01/2022

## **Accounting, Budgeting, and Rate-Setting Structure**

### **Basis of Budgeting: Proprietary Fund Accounting**

The District's Proprietary Fund recognizes revenues when they are earned, and expenses when the liability is incurred. Unbilled water utility revenues are accrued at year end. The District's financial reporting structure is fund-based. A fund is defined as a separate, self-balancing set of accounts, used to account for resources that are segregated for specific purposes in accordance with special regulations, restrictions, or limitations. There are two types of proprietary funds – enterprise funds and internal service funds. Both fund types use the same Generally Accepted Accounting Principles (GAAP), like businesses in the private sector.

GAAP requires full accrual accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the accounting period incurred. Both enterprise and internal service funds recover the full cost of providing services (including capital costs) through fees and other revenues, and charges on those who use their services.

The District reports all activity in one enterprise fund, the Water Fund, which is intended to be entirely or predominantly supported from user charges or rates for water service. Operations are accounted for in a manner to show a profit or loss, on a basis comparable with industries in the private sector. Occasionally, rate adjustments are needed to ensure that the fund maintains adequate cash balances to cover operating costs, debt service, and capital repairs and replacements.

### **What is a Budget?**

The calendar 2022 budget provides the following functions:

1. A Policy Document

The budget links desired goals and policy direction to the actual day-to-day activities of the District.

2. An Operational Tool

The budget directs the operation of the District. Activities of each function or department have been formalized and described in the chapter Budget by Department. This process helps maintain an understanding of the various enterprises of the District, how they relate to each other and to the goals and policies of the District and the Board.

3. A Financial Planning Tool

The budget is a financial planning tool. A balanced budget must be adopted by the Board of Directors and in place, prior to the expense of District funds on January 1. The budget provides the authority to spend District funds.

4. A Link with the Community

Transparency: The budget provides an opportunity to allow and encourage public review of District operations. The document describes the activities of the District, the reason or cause for those activities, future implications, and the direct relationship to constituents.

## **Budget Planning and Preparation**

Budget preparation begins in July of each year with the departments reviewing their expense accounts to determine if any mid-year adjustments are needed and to prepare for the requirements for the following fiscal year. An annual kickoff meeting is scheduled in August to discuss the upcoming timeline, process, and required forms and documents for requests. The budget requests are reviewed by the Director of Finance and Administrative Services and recommendations are presented to the General Manager by October. The budget is presented to the Board of Directors in December and includes information from prior years, projections on the current year, and an explanation of the changes from year to year. Below is the budget calendar for fiscal year 2022.

### **Key Budget Dates – Budget Calendar - Fiscal Year 2022**

June 1, 2021	Draft Timeline prepared by Finance
June 29, 2021	Mid-Year Budget Workshop with departments
July 8, 2021	Accounting staff finalizes budget calendar based on budget workshop deadline
July 13, 2021	Accounting staff reviews and updates all budget related forms
July 15, 2021	Excel worksheets for each department prepared
July 20, 2021	Department Kickoff Meeting (Operation Budget Workshop)
August 9, 2021	Department Kickoff Meeting (CIP Budget Workshop)
September 8, 2021	Deadline for Personnel Requests
September 14, 2021	Accounting/Payroll update Salary schedule based on CPI/MOU
September 29, 2021	Deadline for Operational Budget requests
September 30, 2021	Deadline for requests on new Capital Improvements, Capital Outlay Equipment
October 7, 2021	Department Goals and Accomplishments
October 18, 2021	Final Projections review
October 21, 2021	Draft Organization chart based on personnel requests
October 28, 2021	Deadline for Draft Revenue and Expenses; including Personnel and CIP
November 4, 2021	Finance and Audit Committee reviews Draft Revenue and Expenses
November 15, 2021	Draft Operating and Capital Improvement Budget document
November 22, 2021	Special Finance and Audit Committee Meeting to review Budget document draft
December 2, 2021	Finance and Audit Committee Meeting to review Budget document changes
December 8, 2021	Budget Workshop; presentation to the Board
December 21, 2021	2022 Operating and Capital Budget submitted for Review and adoption
December 28, 2021	New General Ledger accounts created
December 29, 2021	Budget upload to Springbrook software system
January 1, 2022	Fiscal 2022 Budget takes effect

## **How Does the Budget Compare to the Annual Financial Report?**

The budgetary management of District funds is based on the “bottom line” and whether the expenses, including capital replacements, are supported by revenue. The District uses its reserve balances or “ending reserves”, to evaluate its funds.

Some of the common differences between a GAAP-based Annual Comprehensive Financial Report (ACFR) and a budgetary basis of accounting are as follows:

- Under a budgetary basis, the receipt of debt proceeds, capital outlays (including the capital improvement program) and debt service principal payments are reported as non-operating revenues and expenses. Depreciation expense is not reported, except for informational purposes only
- The opposite is true under a GAAP-based ACFR: capital outlays are reflected as additions to assets on the balance sheet and depreciated over their useful lives. Debt proceeds are shown as a liability and principal expenses on debt service are reflected as a reduction of a liability
- The timing of revenue and expenses are the same under both a GAAP-based ACFR and a budgetary basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred

## **Proposition 218**

The need for a rate increase can dictate the timing of the budget process. Proposition 218, officially titled the “Right to Vote on Taxes Act,” was approved by California voters in 1996. It amended the State Constitution, and established additional procedural requirements, and limitations on new and increased taxes, assessments, and property-related fees and charges.

For special districts such as Beaumont-Cherry Valley Water District (BCVWD), any fees or charges imposed on persons as an incident of property ownership (water commodity charges, service charges, related late charges and fees, sanitation fees, etc.) must comply with the requirements of this law. Specifically, the District must notify all affected property owners 45 days prior to a public hearing on any proposed rate increase. During that 45-day period, the property owner may choose to protest the increase by submitting a written form to that effect. The proposed fee or increase is prohibited if written protests constitute a simple majority (50% + 1).

Substantive requirements of Proposition 218 include restrictions on expenses that may be included in the fee or rate. For example, revenues cannot exceed the costs required to provide the property related service, and revenues from the fee cannot be used for any purpose other than that for which it was imposed. These requirements suggest that an agency develop cost of service studies that document the costs for which their fees and rates are imposed, utilizing appropriate industry principles and guidelines.

## **Budget Control and Amendment**

Throughout the budget period management staff are responsible for monitoring their department’s budgets. Finance staff provide tools for managers to review their budgets at any time. In addition to the budget process, staff presents a monthly budget report to the Board for review and approval. This report updates the Board on the progress of all operating revenues and expense for all funds. The Finance and Audit Committee also undertakes a comprehensive mid-term and mid-year review of the District’s operating budget, which is then submitted to the full Board. If during



the mid-year budget review or during the budget presentation to the Finance and Audit Committee it is determined that a significant adjustment is needed, then finance staff will work with managers to prepare the request for the Board of Directors to approve.

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

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

The General Manager may authorize the hiring of full-time staff as necessary, as long as the position or classification has been authorized by the Board. In addition, the General Manager may authorize the hiring of temporary or part-time staff as needed.

The General Manager's Declaration of a District Emergency is a public acknowledgement of the serious situation the District faces, and that the District's resources may not be adequate to respond to the emergency. The Board of Directors, in consultation with the General Manager, may delegate to the General Manager the authority to suspend competitive bidding and enter emergency contracts of up to two-hundred fifty thousand dollars (\$250,000), as authorized by Public Contract Code §20567 and §22050. The Board must ratify the declaration within fourteen (14) days at a regular, special, or emergency Board meeting.

## **Financial Guidelines and Policies**

### **General Financial Goals**

- Ensure delivery of an adequate level of water-related services, by assuring reliance on ongoing resources and maintaining an adequate financial base
- Ensure the District is able to respond to changes in the economy or new service requirements, without an undue amount of financial stress
- Assure ratepayers that the District is well-managed financially
- Adhere to the highest accounting and management policies as set by Government Finance Officers Association (GFOA), Governmental Accounting Standards Board (GASB), and other professional standards for financial reporting and budgeting

### **Cash and Investments**

The District maintains cash and investment programs in accordance with the Investment Policy, which is intended to provide a guideline for the prudent investment of surplus cash, reserves, trust funds, and restricted monies and to outline a policy for maximizing the efficiency of the District's cash management system in compliance with

Section 53646 of the Government Code of California. The policy applies to all financial assets of the District as accounted for in the audited financial statements. The primary objectives of the District's investment activities, in order of priority, are safety of principal through the mitigation of both credit and market risk, maintenance of the liquidity necessary to meet cash flow needs and, lastly, return on investment.

## **Operating Budget Guidelines**

Based on the District's definition of a balanced budget, current operating expenses will be paid from current revenues and reserves carried forward from the prior year. Additional personnel will only be requested to meet program initiatives and policy directives after service needs have been thoroughly examined, and it has been determined that additional staffing will result in increased revenue, enhanced operating efficiencies, or service levels.

## **Reserve Policy**

This policy, incorporated with Board of Directors Resolution 2010-10, adopted on July 14, 2010, identifies restricted reserves as Future Capital Commitments, Funds Held for Others, and Debt Service. Board designated unrestricted reserves are identified in the policy as Emergency, Capital Replacement, and Operations.

### *Designated Reserves*

#### 1. *Emergency Reserve*

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

#### 2. *Capital Replacement Reserve*

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

#### 3. *Reserve for Operations*

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

## *Restricted Reserves*

### *1. Reserves for Future Capital Commitments*

Reserves for Future Capital Commitments are established by resolution to ensure that specific fees are set aside to provide for expansion of the domestic water system. The annual minimum funded is represented by fees collected during the year. Appropriation of these reserves is done through Board action and funds appropriated to these reserves are invested in the same manner as other District investments, with interest earnings on the restricted reserves credited in a logical and systematic manner.

### *2. Reserves for Funds Held for Others*

Reserves for Funds Held for Others are established by the Board to be used to segregate funds held for others, such as refundable or prepaid deposits and are adjusted to equal the amount of funds held for others at year-end. Funds appropriated to these reserves are invested in the same manner as other District investments.

### *3. Debt Service Reserve*

The Debt Service Reserve is established to be used to provide for the repayment of debt. This reserve is maintained at the minimum required by funding covenants and funds appropriated to these reserves are invested in the same manner as other District investments, with interest earnings on the restricted reserves credited in a logical and systematic manner.

# Operating Budget – Water Enterprise Fund



## How is Water Measured?

### What is one hundred cubic feet (CCF) of water?

This is the unit of measure used when measuring and billing water to domestic water customers. One hundred cubic feet of water, or one CCF, is equal to 748 gallons of water. For reference, a typical bathtub holds 50 gallons of water. It takes approximately 15 bathtubs full of water to equal one CCF.

### What is an acre-foot of water?

Water is commonly measured by the acre-foot (AF). The acre-foot measurement is what is used when the District imports large quantities of water from the San Geronio Pass Water Agency (SGPWA) by way of the California State Water Project (SWP).

One acre-foot equals 325,851 gallons. Put another way, an acre-foot of water is enough to flood a football field - which is roughly an acre in size - one foot deep.

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### Actual Water Production

Actual water production from January through September was up 133,450 CCF in fiscal year 2021 versus the same time period in fiscal year 2020. A suspected reason for the increase in consumption is warmer and drier weather than experienced in 2020 over the same period.



### Rate Structure

The District bills every two months (bi-monthly), resulting in six total bills per year for most customers. The existing rate structure for potable water consists of a bi-monthly fixed charge based on meter size and by customer classification.

Each customer classification type is assigned a different monthly fixed charge to reflect the difference in the cost of providing service to them. The classifications for the 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.

<b>Bi-Monthly Potable and Non-Potable Water Meter Service Charges</b>				
<b>Meter Size</b>	<b>January 2021</b>	<b>January 2022</b>	<b>January 2023</b>	<b>January 2024</b>
<b>5/8"</b>	\$24.17	\$25.87	\$27.69	\$29.63
<b>3/4"</b>	\$33.31	\$35.65	\$38.15	\$40.83
<b>1"</b>	\$51.62	\$55.24	\$59.11	\$63.25
<b>1 1/2"</b>	\$97.39	\$104.21	\$111.51	\$119.32
<b>2"</b>	\$152.30	\$162.97	\$174.38	\$186.59

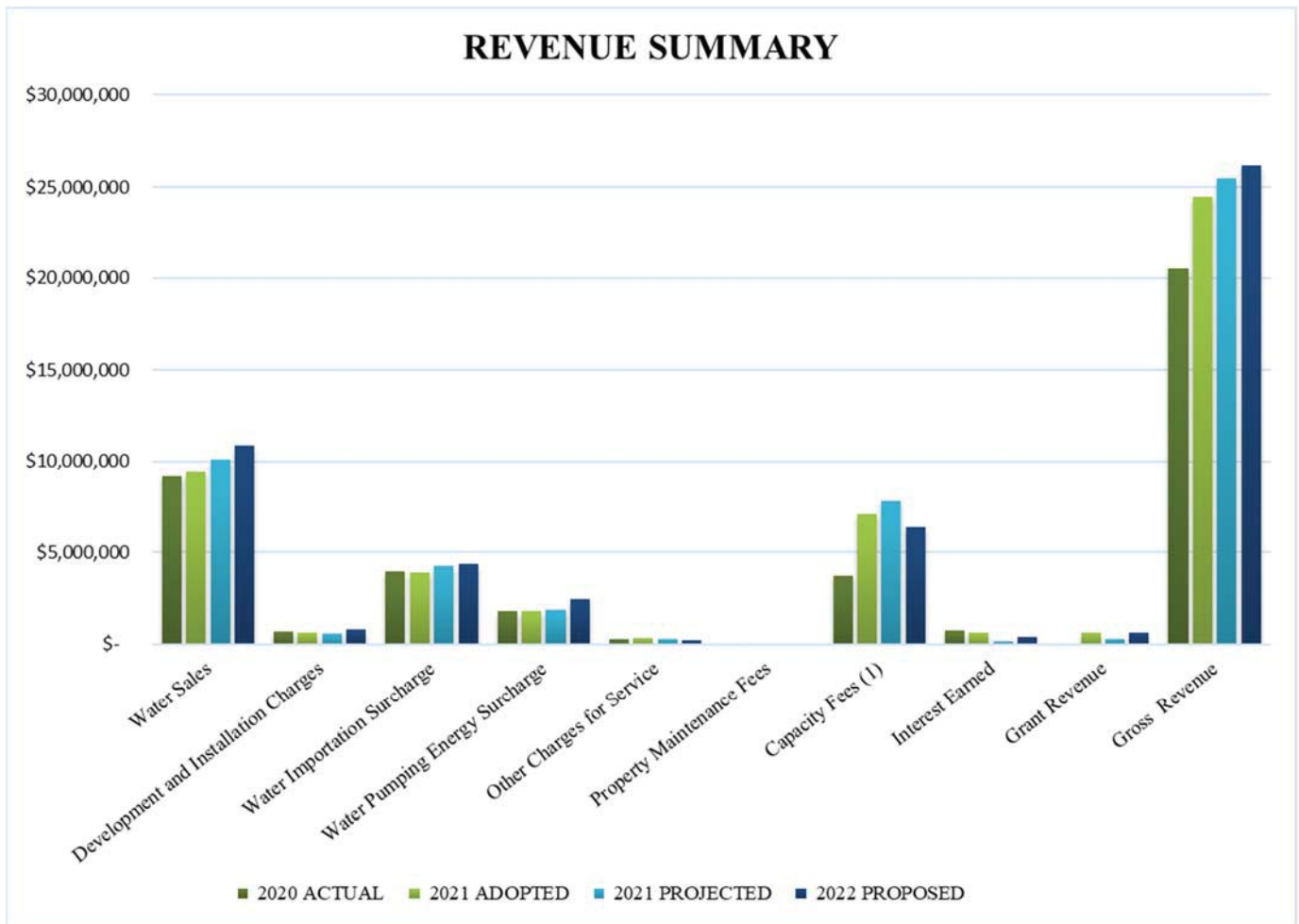
Additionally, all customers pay a commodity rate by customer class on all water consumption. These rates are shown in the table below. Domestic residential customers pay a three-tiered rate based on consumption at each tier level. All other customers pay a uniform rate per CCF consumed. Additionally, the District passes through imported water charges and the cost of power to transmit and distribute water to all customers.

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

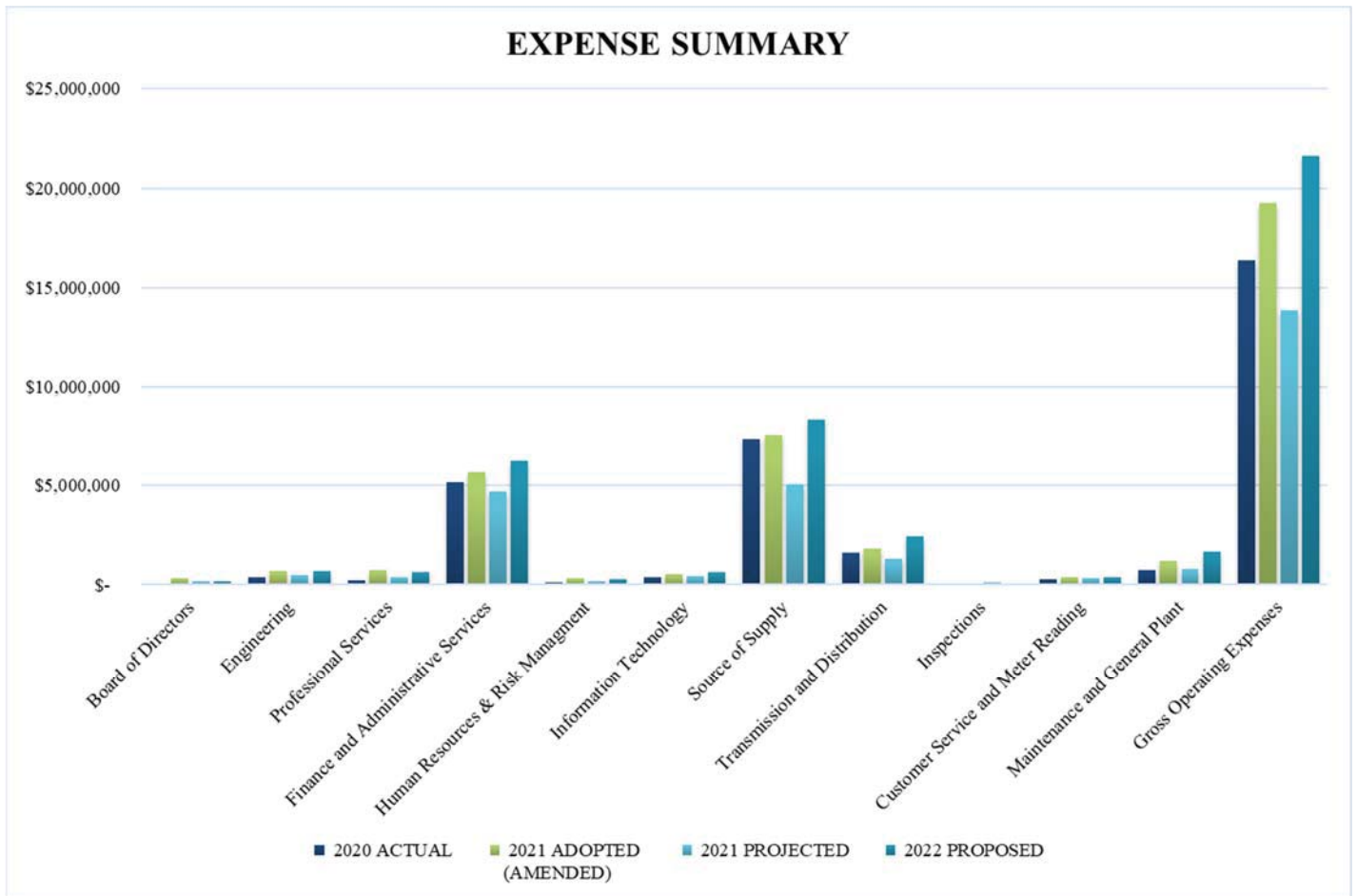
## Financial Summary – Water Enterprise Fund

	2020 ACTUAL	2021 ADOPTED	2021 PROJECTED	2022 PROPOSED	CHANGE
<b>Operating Revenue</b>					
Water Sales	\$ 9,175,900	\$ 9,412,233	\$ 10,130,500	\$ 10,842,000	\$ 1,429,767
Development and Installation Charges	712,900	660,000	581,300	834,000	174,000
Water Importation Surcharge	3,951,500	3,870,300	4,278,600	4,349,000	478,700
Water Pumping Energy Surcharge	1,820,400	1,816,800	1,901,600	2,467,000	650,200
Other Charges for Service	272,000	329,290	287,300	235,000	(94,290)
<b>Total Operating Revenue</b>	<b>15,932,700</b>	<b>16,088,623</b>	<b>17,179,300</b>	<b>18,727,000</b>	<b>2,638,377</b>
<b>Non-Operating Revenue</b>					
Property Maintenance Fees	\$ 23,100	\$ 26,318	\$ 26,500	\$ 46,000	\$ 19,682
Capacity Fees <sup>(1)</sup>	3,726,000	7,061,076	7,813,100	6,354,000	(707,076)
Interest Earned	761,400	648,429	167,800	408,000	(240,429)
Grant Revenue	36,000	642,091	306,500	640,000	(2,091)
<b>Total Non-Operating Revenue</b>	<b>4,546,500</b>	<b>8,377,914</b>	<b>8,313,900</b>	<b>7,448,000</b>	<b>(929,914)</b>
<b>Gross Revenue</b>	<b>20,479,200</b>	<b>24,466,537</b>	<b>25,493,200</b>	<b>26,175,000</b>	<b>1,708,463</b>

(1) Capacity Fees Projected for 2021 include actuals up to November 23, 2021. All others are until September 30, 2021.

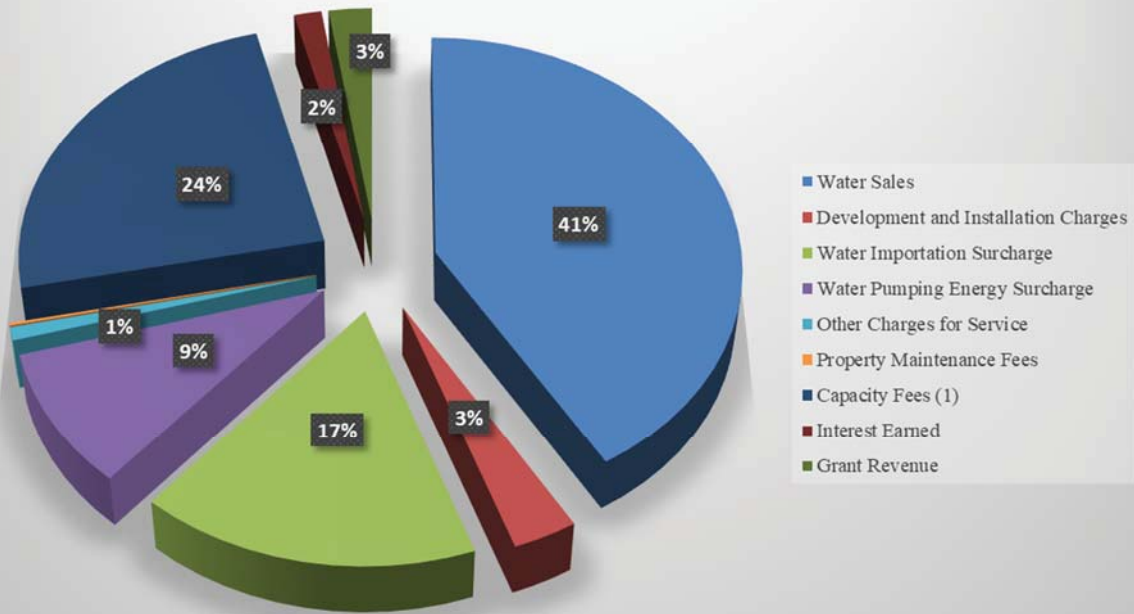


	2020 ACTUAL	2021 ADOPTED (AMENDED)	2021 PROJECTED	2022 PROPOSED	CHANGE
<b>Operating Expenses</b>					
Board of Directors	\$ 43,624	\$ 322,305	\$ 152,000	\$ 197,000	\$ (125,305)
Engineering	404,266	684,430	480,100	698,000	13,570
Professional Services	210,759	723,030	398,200	631,000	(92,030)
Finance and Administrative Services	5,154,303	5,670,616	4,681,300	6,236,100	565,484
Human Resources & Risk Management	124,342	308,055	160,500	282,200	(25,855)
Information Technology	376,287	514,543	438,900	637,000	122,457
Source of Supply	7,377,929	7,620,375	5,057,400	8,393,000	772,625
Transmission and Distribution	1,599,156	1,821,554	1,297,200	2,439,000	617,446
Inspections	39,857	62,175	102,400	72,000	9,825
Customer Service and Meter Reading	288,937	360,622	304,500	380,000	19,378
Maintenance and General Plant	763,256	1,196,312	793,300	1,675,500	479,188
<b>Gross Operating Expenses</b>	<b>\$ 16,382,716</b>	<b>\$ 19,284,017</b>	<b>\$ 13,865,800</b>	<b>\$ 21,640,800</b>	<b>\$ 2,356,783</b>
Gross Revenue	\$ 20,479,200	\$ 24,466,537	\$ 25,493,200	\$ 26,175,000	\$ 1,708,463
Gross Expenses	\$ 16,382,716	\$ 19,284,017	\$ 13,865,800	\$ 21,640,800	\$ 2,356,783
<b>Net Increase/(loss)</b>	<b>\$ 4,096,484</b>	<b>\$ 5,182,519</b>	<b>\$ 11,627,400</b>	<b>\$ 4,534,200</b>	<b>\$ (648,319)</b>

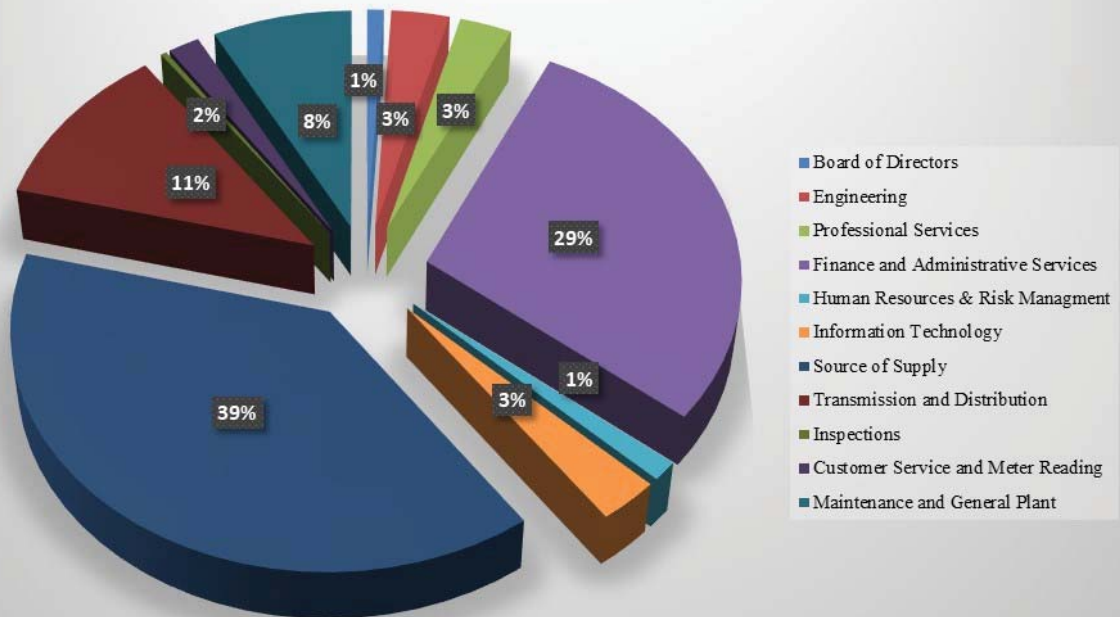




## 2022 PROPOSED REVENUE



## 2022 PROPOSED EXPENSES



# Water Enterprise Fund – Statement of Revenues, Expenses, and Changes in Fund Balance (Unrestricted Reserves)

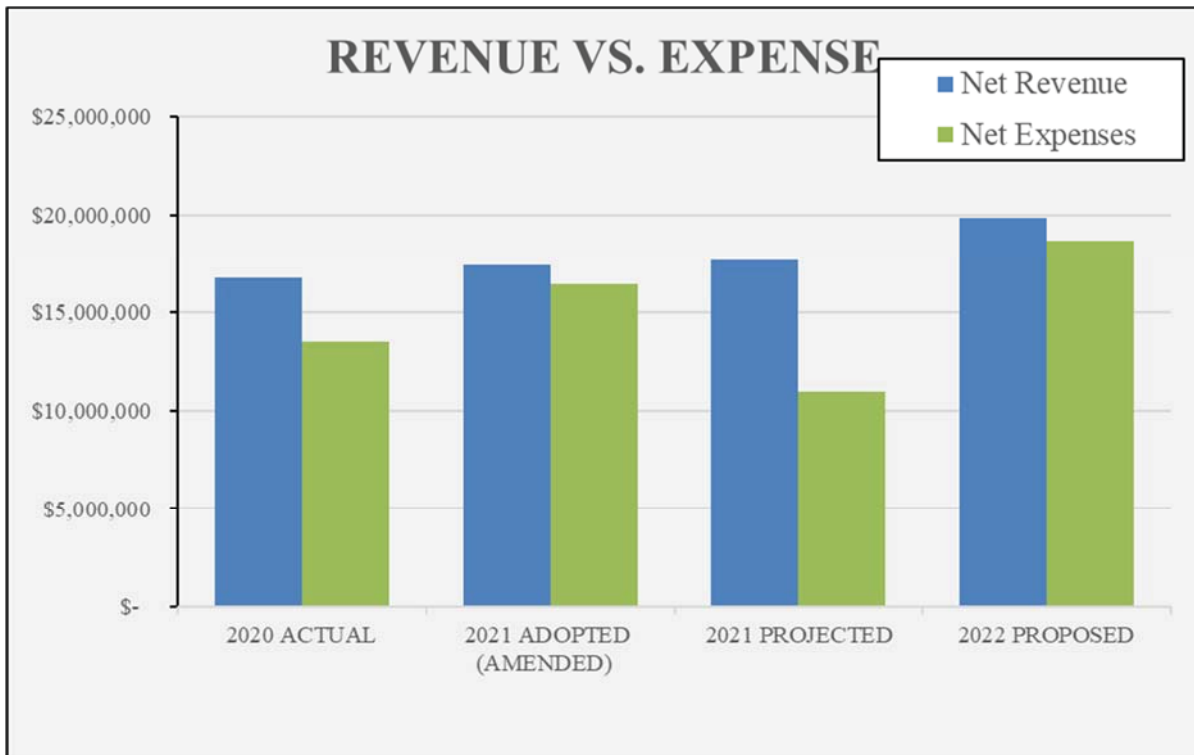
	2020 ACTUAL	2021 ADOPTED (AMENDED)	2021 PROJECTED	2022 PROPOSED	CHANGE	% CHANGE
<b>Operating Revenue</b>						
Water Sales	\$ 9,175,900	\$ 9,412,233	\$ 10,130,500	\$ 10,842,000	\$ 1,429,767	15.2%
Development and Installation Charges	712,900	660,000	581,300	834,000	174,000	26.4%
Water Importation Surcharge	3,951,500	3,870,300	4,278,600	4,349,000	478,700	12.4%
Water Pumping Energy Surcharge	1,820,400	1,816,800	1,901,600	2,467,000	650,200	35.8%
Other Charges for Service	272,000	329,290	287,300	235,000	(94,290)	-28.6%
<b>Gross Operating Revenue</b>	<b>15,932,700</b>	<b>16,088,623</b>	<b>17,179,300</b>	<b>18,727,000</b>	<b>2,638,377</b>	<b>16.4%</b>
<b>Operating Expenses</b>						
Board of Directors	\$ 43,624	\$ 322,305	\$ 152,000	\$ 197,000	\$ (125,305)	-38.9%
Engineering	404,266	684,430	480,100	698,000	13,570	2.0%
Professional Services	210,759	723,030	398,200	631,000	(92,030)	-12.7%
Finance and Admin Services (less Depreciation)	2,288,724	2,820,616	1,794,300	6,236,100	3,415,484	121.1%
Human Resources & Risk Management	124,342	308,055	160,500	282,200	(25,855)	-8.4%
Information Technology	376,287	514,543	438,900	637,000	122,457	23.8%
Source of Supply	7,377,929	7,620,375	5,057,400	8,393,000	772,625	10.1%
Transmission and Distribution	1,599,156	1,821,554	1,297,200	2,439,000	617,446	33.9%
Inspections	39,857	62,175	102,400	72,000	9,825	15.8%
Customer Service and Meter Reading	288,937	360,622	304,500	380,000	19,378	5.4%
Maintenance and General Plant	763,256	1,196,312	793,300	1,675,500	479,188	40.1%
<b>Gross Operating Expenses</b>	<b>\$ 13,517,136</b>	<b>\$ 16,434,017</b>	<b>\$ 10,978,800</b>	<b>\$ 21,640,800</b>	<b>\$ 5,206,783</b>	<b>31.7%</b>
<b>Operating Income (Loss)</b>	<b>\$ 2,415,564</b>	<b>\$ (345,394)</b>	<b>\$ 6,200,500</b>	<b>\$ (2,913,800)</b>	<b>\$ (2,568,406)</b>	<b>743.6%</b>
<b>Non-Operating Revenue</b>						
Property Maintenance Fees	\$ 23,100	\$ 26,318	\$ 26,500	\$ 46,000	\$ 19,682	74.8%
Capacity Fees	3,726,000	7,061,076	7,813,100	6,354,000	(707,076)	-10.0%
Interest Earned	761,400	648,429	167,800	408,000	(240,429)	-37.1%
Grant Revenue	36,000	642,091	306,500	640,000	(2,091)	0.0%
Capital Improvement Budget	(1,382,654)	(30,907,717)	(8,145,750)	(30,918,300)	(10,583)	0.0%
Developer Funded Capital Improvement	360,959	6,413,160	6,032,338	1,629,600	(4,783,560)	0.0%
Use of Restricted Funds	553,313	13,720,461	15,122	13,155,400	(565,061)	-4.1%
<b>Total Non-Operating Revenue (Expense)</b>	<b>\$ 4,078,118</b>	<b>\$ (2,396,182)</b>	<b>\$ 6,215,610</b>	<b>\$ (8,685,300)</b>	<b>\$ (6,289,118)</b>	<b>262.5%</b>
<b>Increase (Decrease) in Cash Flow</b>	<b>\$ 6,493,682</b>	<b>\$ (2,741,577)</b>	<b>\$ 12,416,110</b>	<b>\$ (11,599,100)</b>	<b>\$ (8,857,523)</b>	<b>323.1%</b>
<b>Beginning Reserve <sup>(1)</sup></b>	<b>\$ 26,475,846</b>	<b>\$ 27,963,184</b>	<b>\$ 27,963,184</b>	<b>\$ 40,379,294</b>	<b>\$ 12,416,110</b>	<b>44.4%</b>
<b>Days' Cash on Hand <sup>(2)</sup></b>	<b>890</b>	<b>560</b>	<b>1342</b>	<b>485</b>	<b>-75</b>	<b>-13.4%</b>
<b>Ending Reserve</b>	<b>\$ 32,969,528</b>	<b>\$ 25,221,607</b>	<b>\$ 40,379,294</b>	<b>\$ 28,780,194</b>	<b>\$ 3,558,587</b>	<b>14.1%</b>
<b>Target Reserve <sup>(3)</sup></b>	<b>\$ 12,782,686</b>	<b>\$ 13,106,884</b>	<b>\$ 12,561,270</b>	<b>\$ 14,524,459</b>	<b>\$ 1,417,575</b>	<b>10.8%</b>
<b>Ending Reserve per 2019 Rate Study</b>	<b>\$ 19,965,611</b>	<b>\$ 11,559,986</b>	<b>\$ 11,559,986</b>	<b>\$ 11,509,321</b>		
<b>Difference Over (Under) Rate Study</b>	<b>\$ 13,003,917</b>	<b>\$ 13,661,621</b>	<b>\$ 28,819,308</b>	<b>\$ 17,270,873</b>		

(1) Source: BCVWD Comprehensive Annual Financial Report (CAFR), note 11

(2) Calculation: Ending Reserve multiplied by 365 days, divided by Operating Expenses less depreciation

(3) Calculation: Sum of Emergency Reserve (15% of Operating Expense), Capital Replacement Reserve, and Reserve for Operations (3 months, or 25%, of Operating expenses) The Capital Replacement Reserve Target amount comes from the 2019 Water Rate Model

	<b>2020</b>	<b>2021</b>	<b>2021</b>	<b>2022</b>
	<b>ACTUAL</b>	<b>ADOPTED (AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>
Gross Revenue	\$ 20,479,200	\$ 24,466,537	\$ 25,493,200	\$ 26,175,000
Less Capacity Fees	3,726,000	7,061,076	7,813,100	6,354,000
<b>Net Revenue</b>	<b>\$ 16,753,200</b>	<b>\$ 17,405,461</b>	<b>\$ 17,680,100</b>	<b>\$ 19,821,000</b>
Gross Expenses	\$ 16,382,716	\$ 19,284,017	\$ 13,865,800	\$ 21,640,800
Less Depreciation	2,865,579	2,850,000	2,887,000	3,000,000
<b>Net Expenses</b>	<b>\$ 13,517,136</b>	<b>\$ 16,434,017</b>	<b>\$ 10,978,800</b>	<b>\$ 18,640,800</b>
<b>Net Increase/(loss)</b>	<b>\$ 3,236,064</b>	<b>\$ 971,443</b>	<b>\$ 6,701,300</b>	<b>\$ 1,180,200</b>



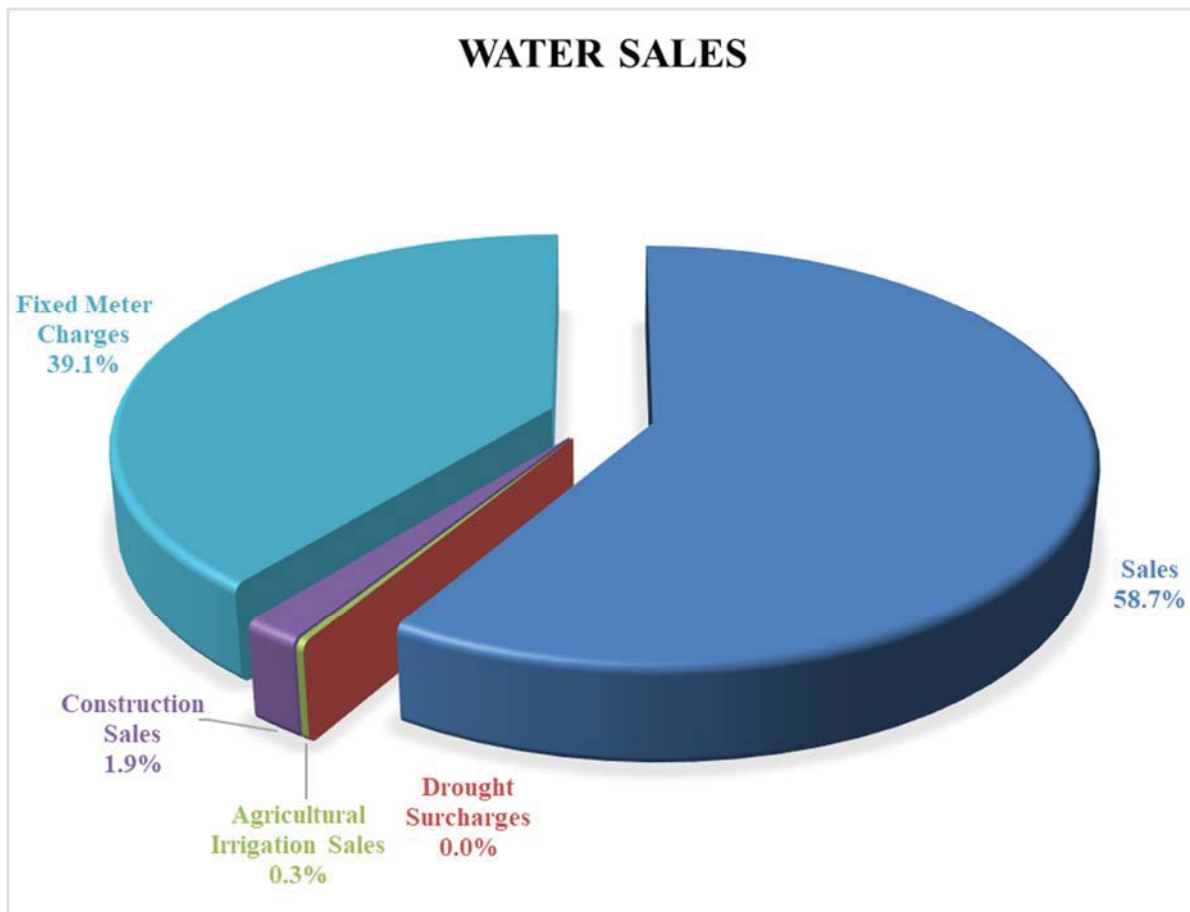
## Revenue Detail

### OPERATING REVENUE

#### Water Sales

The District produces potable water for sale to seven customer classes: single family residential, multifamily residential, commercial, industrial, irrigation, agricultural irrigation, and other. Most customers are billed on a bi-monthly cycle based on the amount of water usage, which is metered and measured in hundred cubic feet (CCF) where 1 CCF is equal to 748 gallons, as well as a fixed charge for the meter. Proposed water sales for 2022 are \$10,842,000, a 15.2% increase above the budgeted sales for 2021 with potable water usage estimated at 12,462 AF for 2022.

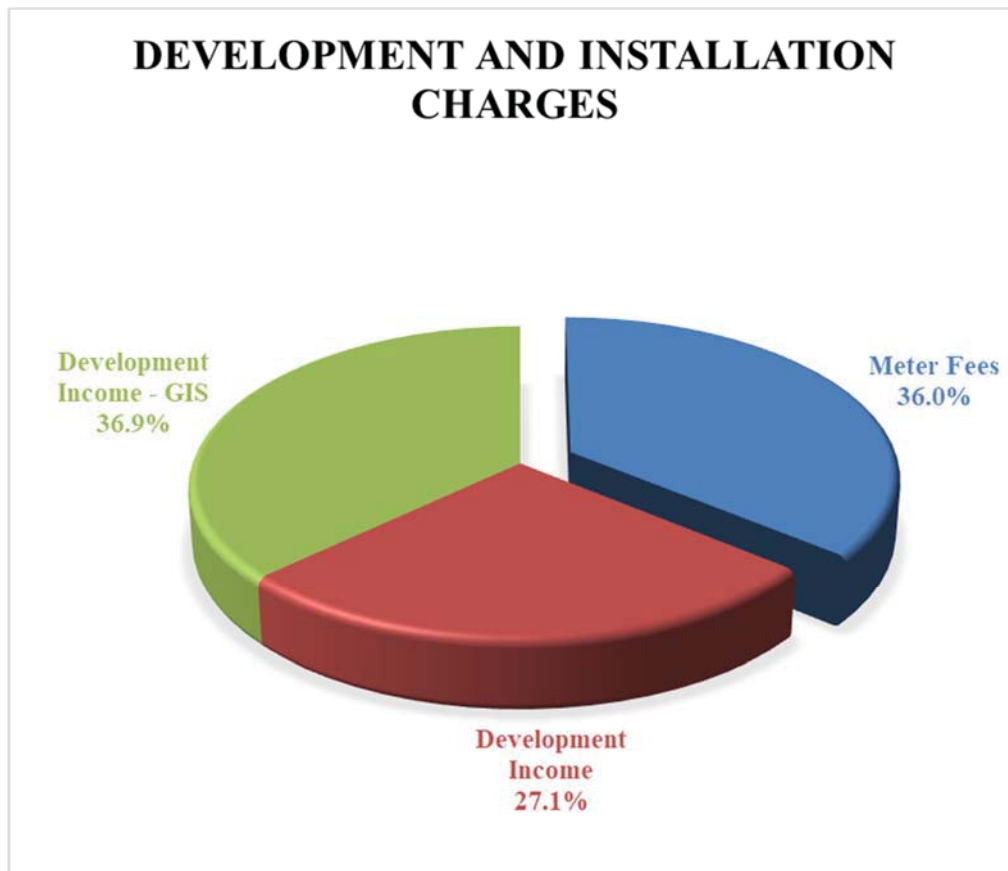
		2020 ACTUAL	2021 ADOPTED	2021 PROJECTED	2022 PROPOSED	CHANGE
<b>Water Sales</b>						
01-50-510-410100	Sales	\$ 5,183,600	\$ 5,626,822	\$ 5,949,800	\$ 6,367,000	\$ 740,178
01-50-510-410111	Drought Surcharges	-	-	-	-	-
01-50-510-410151	Agricultural Irrigation Sales	24,300	22,316	26,700	29,000	6,684
01-50-510-410171	Construction Sales	124,600	101,314	189,100	203,000	101,686
01-50-510-413011	Fixed Meter Charges	3,843,400	3,661,781	3,964,900	4,243,000	581,219
		<b>\$ 9,175,900</b>	<b>\$ 9,412,233</b>	<b>\$ 10,130,500</b>	<b>\$ 10,842,000</b>	<b>\$ 1,429,767</b>



### Development and Installation Charges

The District incurs engineering, legal and administrative costs associated with new development, which are charged against deposits collected and recorded as revenue. The District also collects deposits for new service installations, which are recorded as revenue against the deposits when the services are installed. Proposed development and installation charges for 2022 are \$834,000 a 26.4% increase above the budgeted charges for 2021, based on conservative projections of development growth.

		<u>2020 ACTUAL</u>	<u>2021 ADOPTED</u>	<u>2021 PROJECTED</u>	<u>2022 PROPOSED</u>	<u>CHANGE</u>
<b>Development and Installation Charges</b>						
01-50-510-413021	Meter Fees	\$ 500,400	\$ 300,000	\$ 386,400	\$ 300,000	\$ -
01-50-510-419011	Development Income	212,500	60,000	194,900	226,000	166,000
01-50-510-419012	Development Income - GIS	-	300,000	-	308,000	8,000
		<u>\$ 712,900</u>	<u>\$ 660,000</u>	<u>\$ 581,300</u>	<u>\$ 834,000</u>	<u>\$ 174,000</u>



### *Water Importation Surcharge*

The Water Importation Surcharge is the cost to the end user (Rate Payer) for imported water supplies to offset existing groundwater overdraft not to exceed the actual State Water Project Water costs incurred by the District. The proposed water importation surcharge for 2022 is \$4,349,000, a 12.4% increase above the budgeted amount for 2021.

	<u>2020 ACTUAL</u>	<u>2021 ADOPTED</u>	<u>2021 PROJECTED</u>	<u>2022 PROPOSED</u>	<u>CHANGE</u>
<b>Water Importation Surcharge</b>					
01-50-510-415001 SGPWA Importation Charges	\$ 3,951,500	\$ 3,870,300	\$ 4,278,600	\$ 4,349,000	\$ 478,700

### *Water Pumping Energy Surcharge*

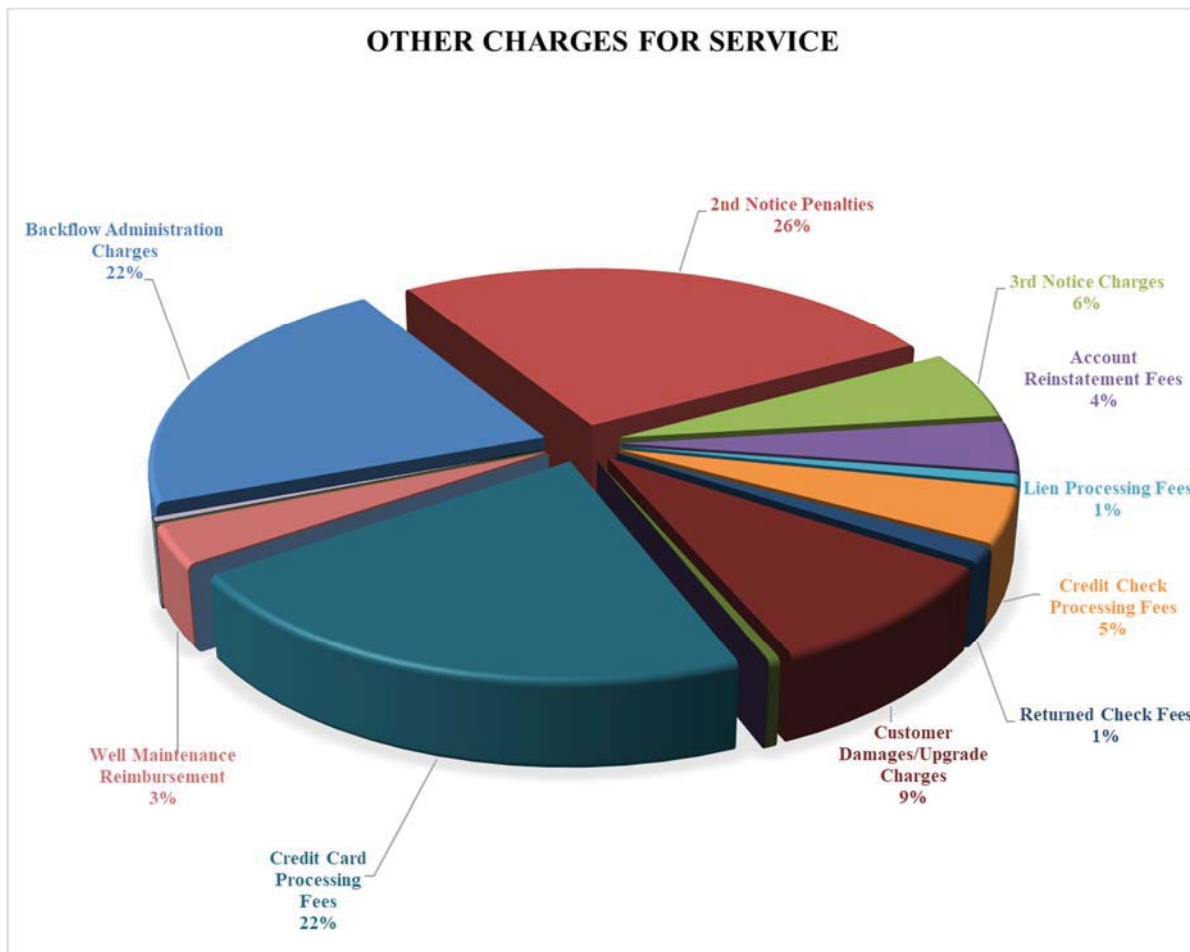
The Water Pumping Energy Surcharge is the cost to the end user (Rate Payer) for electricity to pump and deliver water. It includes all Southern California Edison (SCE) charges for operation of pumps, wells, and booster stations in the water system. The proposed amended water pumping energy surcharge for 2022 is \$2,467,000 a 35.8% increase above the budgeted amount for 2021.

	<u>2020 ACTUAL</u>	<u>2021 ADOPTED</u>	<u>2021 PROJECTED</u>	<u>2022 PROPOSED</u>	<u>CHANGE</u>
<b>Water Pumping Energy Surcharge</b>					
01-50-510-415011 SCE Power Charges	\$ 1,820,400	\$ 1,816,800	\$ 1,901,600	\$ 2,467,000	\$ 650,200

### Other Charges for Service

Other Charges for Service include many of the user fees customers pay to utilize specific services such as account reinstatement fees, past due notices, and other service fees. The proposed charges for 2022 are \$235,000, a 28.6% decrease from the budgeted charges for 2021.

		2020 ACTUAL	2021 ADOPTED	2021 PROJECTED	2022 PROPOSED	CHANGE
<b>Other Charges for Service</b>						
01-50-510-413001	Backflow Administration Charges	\$ 50,500	\$ 45,000	\$ 50,200	\$ 51,000	\$ 6,000
01-50-510-417001	2nd Notice Penalties	18,000	100,000	60,800	61,000	(39,000)
01-50-510-417011	3rd Notice Charges	10,500	50,000	13,700	14,000	(36,000)
01-50-510-417021	Account Reinstatement Fees	3,700	10,000	-	10,000	-
01-50-510-417031	Lien Processing Fees	1,200	2,000	300	2,000	-
01-50-510-417041	Credit Check Processing Fees	9,600	9,600	10,500	11,000	1,400
01-50-510-417051	Returned Check Fees	3,900	4,000	2,700	3,000	(1,000)
01-50-510-417061	Customer Damages/Upgrade Charges	16,300	22,000	17,600	22,000	-
01-50-510-417071	After-Hours Call Out Charges	400	600	600	1,000	400
01-50-510-417081	Bench Test Fees	-	90	-	-	(90)
01-50-510-417091	Credit Card Processing Fees	13,500	78,000	49,300	51,000	(27,000)
01-50-510-419001	Rebates/Reimbursements	1,700	-	26,400	-	-
01-50-510-419021	Recharge Income	-	-	-	-	-
01-50-510-419031	Well Maintenance Reimbursement	100,500	7,500	8,800	8,000	500
01-50-510-419041	Gain (Loss) - Asset Disposal	-	-	-	-	-
01-50-510-419061	Miscellaneous Income	42,200	500	46,400	1,000	500
		<u>\$ 272,000</u>	<u>\$ 329,290</u>	<u>\$ 287,300</u>	<u>\$ 235,000</u>	<u>\$ (94,290)</u>



## NON-OPERATING REVENUE

### Property Maintenance Fees

The District owns four residential properties and charges maintenance fees and utilities for use of the properties. Proposed property related fees for 2022 is \$46,000, a 74.8% increase from the budgeted revenue for 2021.

	2020 ACTUAL	2021 ADOPTED	2021 PROJECTED	2022 PROPOSED	CHANGE
<b>Property Maintenance Fees</b>					
01-50-510-471001 Maintenance Fees - 12303 Oak Glen Rd	\$ 2,400	\$ 2,400	\$ 2,400	\$ 9,000	\$ 6,600
01-50-510-471011 Maintenance Fees - 13695 Oak Glen Rd	2,400	2,400	2,400	6,000	3,600
01-50-510-471021 Maintenance Fees - 13697 Oak Glen Rd	2,400	2,400	2,400	7,000	4,600
01-50-510-471031 Maintenance Fees - 9781 Avenida Miravilla	2,400	2,400	2,400	5,000	2,600
01-50-510-471101 Utilities - 12303 Oak Glen Rd	3,500	4,118	4,400	5,000	882
01-50-510-471111 Utilities - 13695 Oak Glen Rd	2,800	4,000	3,700	4,000	-
01-50-510-471121 Utilities - 13697 Oak Glen Rd	4,200	5,000	5,000	6,000	1,000
01-50-510-471131 Utilities - 9781 Avenida Miravilla	3,000	3,600	3,800	4,000	400
	<u>\$ 23,100</u>	<u>\$ 26,318</u>	<u>\$ 26,500</u>	<u>\$ 46,000</u>	<u>\$ 19,682</u>

### Capacity Charges

Capacity Charges (Facilities Fees), or development impact fees, are paid by industrial, commercial and residential developers to fund the cost of the impacts of their developments on the District's water system. The District has collected capacity charges since the early 1980's. Capacity charges pay for oversizing of pipelines, new wells, tanks, transmission mains, etc. needed to serve new developments. Proposed capacity charges for 2022 are \$6,354,000 a 10.0% decrease from the budgeted facilities charges for 2021, based on projections of development growth.

	2020 ACTUAL	2021 ADOPTED	2021 PROJECTED	2022 PROPOSED	CHANGE
<b>Capacity Charges <sup>(1)</sup></b>					
01-50-510-481001 Facility Fees-Wells	\$ 640,500	\$ 1,496,528	\$ 1,638,100	\$ 1,210,000	\$ (286,528)
01-50-510-481006 Facility Fees-Water Rights (SWP)	405,300	383,425	464,400	766,000	382,575
01-50-510-481012 Facility Fees-Water Treatment Plant	304,700	711,933	779,300	576,000	(135,933)
01-50-510-481018 Facility Fees-Local Water Resources	160,500	151,805	183,900	304,000	152,195
01-50-510-481024 Facility Fees-Recycled Water Facilities	638,400	1,083,746	1,192,800	877,000	(206,746)
01-50-510-481030 Facility Fees-Transmission (16")	518,800	1,212,064	1,326,700	980,000	(232,064)
01-50-510-481036 Facility Fees-Storage	664,400	1,552,184	1,699,000	1,255,000	(297,184)
01-50-510-481042 Facility Fees-Booster	46,000	107,447	117,600	87,000	(20,447)
01-50-510-481048 Facility Fees-Pressure Reducing Stations	23,500	54,883	60,100	45,000	(9,883)
01-50-510-481054 Facility Fees-Miscellaneous Projects	20,500	47,926	52,500	39,000	(8,926)
01-50-510-481060 Facility Fees-Financing Costs	106,200	235,765	258,300	191,000	(44,765)
01-50-510-485001 Front Footage Fees	197,200	23,370	40,400	24,000	630
	<u>\$ 3,726,000</u>	<u>\$ 7,061,076</u>	<u>\$ 7,813,100</u>	<u>\$ 6,354,000</u>	<u>\$ (707,076)</u>

(1) Capacity Charges Projected for 2021 include actuals up to November 23, 2021. All other tables are actuals until September 30, 2021.



*Interest Earned*

The District currently holds a diverse portfolio of investments to meet both short term liquidity, mid-term cash funded Capital Improvement Plans, and long-term earnings. The goals for the District’s investments are:

- Safety
- Liquidity
- Earn a total rate of return commensurate with the first two goals

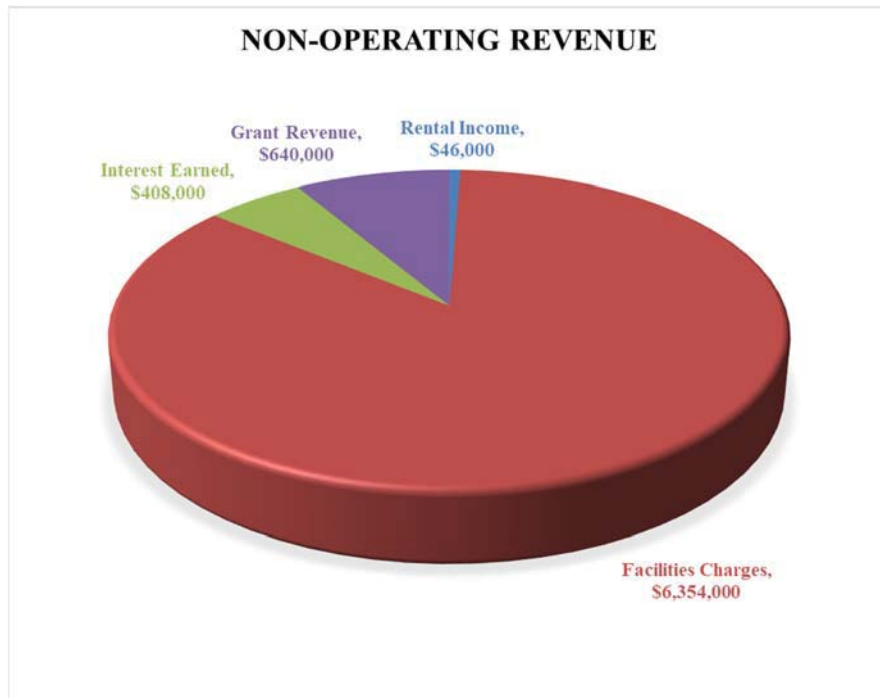
The proposed \$408,000 of general interest earned for 2022 is based on the expected level of capital invested throughout the fiscal year and the expected continuance of low interest rates, a 37.1% decrease from the 2021 budgeted interest revenue.

		<u>2020 ACTUAL</u>	<u>2021 ADOPTED</u>	<u>2021 PROJECTED</u>	<u>2022 PROPOSED</u>	<u>CHANGE</u>
<b>Interest Earned</b>						
01-50-510-490001	Interest Income - Bonita Vista	\$ 1,400	\$ 1,600	\$ 900	\$ 1,000	\$ (600)
01-50-510-490011	Interest Income-Fairway Canyon	46,800	46,829	-	281,000	234,171
01-50-510-490021	Interest Income - General	713,200	600,000	166,900	126,000	(474,000)
		<u>\$ 761,400</u>	<u>\$ 648,429</u>	<u>\$ 167,800</u>	<u>\$ 408,000</u>	<u>\$ (240,429)</u>

*Grant Revenue*

The District anticipates grant revenue of \$640,000 for the AMI/AMR project. The expected level of grant revenue is based on the terms of the awards on record.

		<u>2020 ACTUAL</u>	<u>2021 ADOPTED</u>	<u>2021 PROJECTED</u>	<u>2022 PROPOSED</u>	<u>CHANGE</u>
<b>Grant Revenue</b>						
01-50-510-419051	Grant Revenue	\$ 36,000	\$ 642,091	\$ 306,500	\$ 640,000	\$ (2,091)



## Operating Expenses Detail

### 2021 DISTRICT-WIDE ACCOMPLISHMENTS

- The District implemented a District-wide COVID-19 Prevention Program (CPP) in compliance with updated Cal/OSHA requirements and conducted training of all staff in best practices and establishment of an Emergency Preparedness Committee for implementation of the District's Emergency Response Plan (ERP). Expanded District Backup and Disaster Recovery Plan to ensure business continuity, to include offsite replication.
- The District enhanced the phone system to support offsite working conditions during emergency situations and launched an enhancement tool for customer service online bill payment platform.
- The District returned to full time on-site staffing of District activities in June of 2021 and continues to maintain 100% Staffing levels.
- The District provided complete in-house engineering support to ongoing local development activities, District facilities maintenance and repairs. The District completed the 2020 Urban Water Management Plan (UWMP) and the 2020 Water Shortage Contingency Plan (WSCP).
- The District updated policy to align with SB998 requirements, expanding on communication, transparency, and providing payment options for need-based customers.
- Finalize Grand Avenue Storm Drain (MDP Line 16) design and project bid. Commence Grand Avenue Storm Drain (MDP Line 16) Grading, and Pipeline Relocation Projects.
- The completion and execution of Facilities Agreements collected over \$6M of restricted funds for expansion of the District's infrastructure.
- The District received a Certificate of Achievement for Excellence in Financial Reporting for the year ending December 31, 2020, from the Government Finance Officers Association (GFOA) and received the Operating Budget Excellence Award from the California Society of Municipal Finance Officers (CSMFO) award. The district attained an unmodified "clean" opinion for the financial statement audit of the year ended December 31, 2020.
- Implementation of the \$1.5 million WaterSMART Water and Energy Efficiency Grant from the United States Bureau of Reclamation for the Advanced Meter Infrastructure (AMI) Project. Project implementation included accurate monitoring and remediation of leaks in the district's service area. Financial reimbursements totaling over half a million dollars are tracked through the project management module.
- Professional development for the district included a Management and Leadership Academy as a professional development opportunity for management and supervisory employees and centralized the District's safety program and implemented quarterly safety inspections.
- Upgraded the Board of Directors chambers Audio Visual systems and incorporate Zoom and Video Conferencing technologies, upgraded Conference Equipment in Conference Rooms and General Manager Office, and upgraded District cybersecurity defenses to include additional hardware, software, and monitoring capabilities.

## 2022 DISTRICT-WIDE GOALS

- Continued development of Capital Improvement Plan implementation including Grand Avenue Storm Drain (MDP Line 16), Grand Avenue Storm Drain (MDP Line 16) – NCRF Phase II Pond Grading, Grand Avenue Storm Drain (MDP Line 16) – Pipeline Relocation Project, Wells 30 and 31 drilling projects, and 2020-2021 Replacement Pipelines, Edgar Canyon Line B replacement pipeline, various tank recoating activities, booster stations, and pressure reducing stations.
- Advancement of water supply review and analysis for the District, the San Geronio Pass Water Agency, and the San Geronio Pass region stakeholders and continued involvement in Site Reservoir project.
- Implementation of recycled water opportunity with the City of Beaumont including the coordination of activities with City of Beaumont staff and Council Members.
- Finalized the Developer Impact Fee Study (Facilities Fee Study), another step toward enhancing the district's financial stability.
- Timely completion of the district's audited Annual Comprehensive Financial Report (ACFR) and submittal to the Government Finance Officers Association (GFOA) for the annual Certificate of Achievement for Excellence in Financial Reporting for the year ending December 31, 2021.
- Apply and receive the Operating Budget Excellence Award from the California Society of Municipal Finance Officers (CSMFO) for 2022 Budget document.
- Implementation of additional NeoGov modules for Payroll, Self Service, and Learn, as part of Human Resources Information System (HRIS), to continue to improve departmental workflow efficiency.
- Update of District policies for clarity and compliance of changes in legislative changes and personnel law changes.
- Upgrade Backflow System to electronic program that links directly to enterprise software, upgrade the Core Network Switching Environment, and upgrade/deploy Cybersecurity technical controls to continue to improve on District cybersecurity.

## **BUDGET BY DEPARTMENT**

### *Department Descriptions*

The District has five departments, each of which is an organizational unit of the District, providing distinct and different services. Included within each department are 2021 accomplishments and 2022 goals. Within every department are separate divisions, each with a listing of budgeted positions, a description of the division, and a two-year financial trend detailing the division's expenses at the account level.

Operating expenses are controlled at the department level and should not exceed appropriations. Budget transfers between divisions may be made administratively if the transfer is within the same department. Budget transfers between departments must be approved by both department directors. Any single modification more than \$50,000 shall require approval by the Board. Any addition to the budget shall also require approval by the Board. All budget transfers are documented and tracked in the District's computerized financial system and reported to the Finance and Audit committee at their regular meetings on the first Thursday of each month.

### *Salaries and Benefits*

The personnel budget for 2022 reflects 42 full-time equivalent (FTE) positions, not including the Board of Directors. The additional positions include the addition of the Assistant General Manager as well as the part-time positions of the Accounting Technician and Customer Service Representative I changing to full-time. The personnel budget for 2022 also reflects 13 part-time positions, up from 12 part-time positions budgeted in 2021, for a total of 55 positions in the budget. Total payroll and related costs are budgeted at \$7,685,000 for an increase of \$880,018 or 12.9%, as compared to 2021.

Over the years, as the community has continued to grow, there has been a need for additional personnel to provide for services, infrastructure, projects, and state mandates. To minimize the fiscal impact of the additional resources needed, the District is increasing the number of part-time and/or temporary positions to be filled rather than implement costly additional full-time positions. The following table depicts changes in personnel from fiscal year 2018 through fiscal year 2022 required to meet new operating demands.

The Beaumont-Cherry Valley Water District Employee Association is the bargaining unit of the Beaumont-Cherry Valley Water District for non-exempt employees, with a multiyear Memorandum of Understanding (MOU) that expires on December 31, 2021. The MOU provides a COLA based upon the August-to-August Unadjusted Consumer Price Index, U.S. Cities average.

## Personnel Summary by Department

Full and Part-Time District Employees	2018 Actual	2019 Actual	2020 Actual	2021 Budget (FT)	2021 Budget (PT)	2022 Budget (FT)	2022 Budget (PT)
<b>Engineering</b>	3	6	6	4	3	4	3
<b>Finance and Administrative Services</b>							
<b>Administrative Services <sup>(1)</sup></b>	5	7	7	6	5 <sup>(2)</sup>	7	4 <sup>(2)</sup>
<b>Finance</b>	6	6	4	4	2	5	0
<b>Human Resources</b>	0	1	1	1	0	1	0
<b>Information Technology</b>	1	1	1	1	0	1	0
<b>Operations</b>							
<b>Source of Supply</b>	5	4	4	6 <sup>(3)</sup>	0	6	0
<b>Transmission and Distribution</b>	14	13	12	13	2 <sup>(2)</sup>	13	6 <sup>(2)</sup>
<b>Field Inspections</b>	0	0	0	0	0	0	0
<b>Customer Service and Meter Reading</b>	3	3	3	3	0	3	0
<b>Maintenance and General Plant</b>	0	0	0	1 <sup>(3)</sup>	0	1	0
<b>Total Positions</b>	<b>37</b>	<b>41</b>	<b>41</b>	<b>39</b>	<b>12</b>	<b>41</b>	<b>13</b>
<p><i>(1) Includes General Manager, Administrative Assistants, and Customer Service</i></p> <p><i>(2) Includes 2 temporary part-time employees to implement the AMR/AMI program</i></p> <p><i>(3) Maintenance Utility Worker listed in Source of Supply in 2021 in error. Actually Maintenance and General Plant.</i></p>							

### Salaries and Benefits

The District contributes to CalPERS, a multiple-employer defined benefit pension plan. Effective fiscal 2002, the District contracted the retirement formula of 2.7% @ 55. All employees hired before 01/01/13 are covered under this retirement formula and are referred to as Classic Members. The Public Employees' Pension Reform Act (PEPRA) went into effect 01/01/13, with a retirement formula of 2% @ 62. All employees hired after 12/31/12 and not a prior Classic Member of CalPERS are covered under this retirement formula. Participants are required to contribute up to 8% of their annual covered salary. In previous years the District's unfunded liability was included as a percentage of the employer's contribution. Effective fiscal year 2018, CalPERS collects the employer contributions toward the plan's unfunded liability as dollar amounts instead of the prior method of a contribution rate. The plan's normal contribution will continue to be collected as a percentage of payroll. The unfunded accrued liability (UAL) is billed at the beginning of the fiscal year, with the option of prepayment at a discounted rate or

monthly payments. The District's UAL total for 12 monthly payments was \$203,589 for 2021. The District opted to go with the single prepayment option of \$196,817 in lieu of the monthly payments, saving \$6,772.

*Retiree Benefits/Other Post-Employment Benefits (OPEB)*

The District offers post-employment medical benefits. Benefits and employee/employer contributions are based on a minimum of five years of service, hire date, and date of retirement. These benefits are currently funded on a pay-as-you-go basis.



# BOARD OF DIRECTORS

## BOARD OF DIRECTORS

Board of Directors	Positions
Director, Division 1	1
Director, Division 2	1
Director, Division 3	1
Director, Division 4	1
Director, Division 5	1
<b>Total Positions</b>	<b>5</b>

### *Division Description*

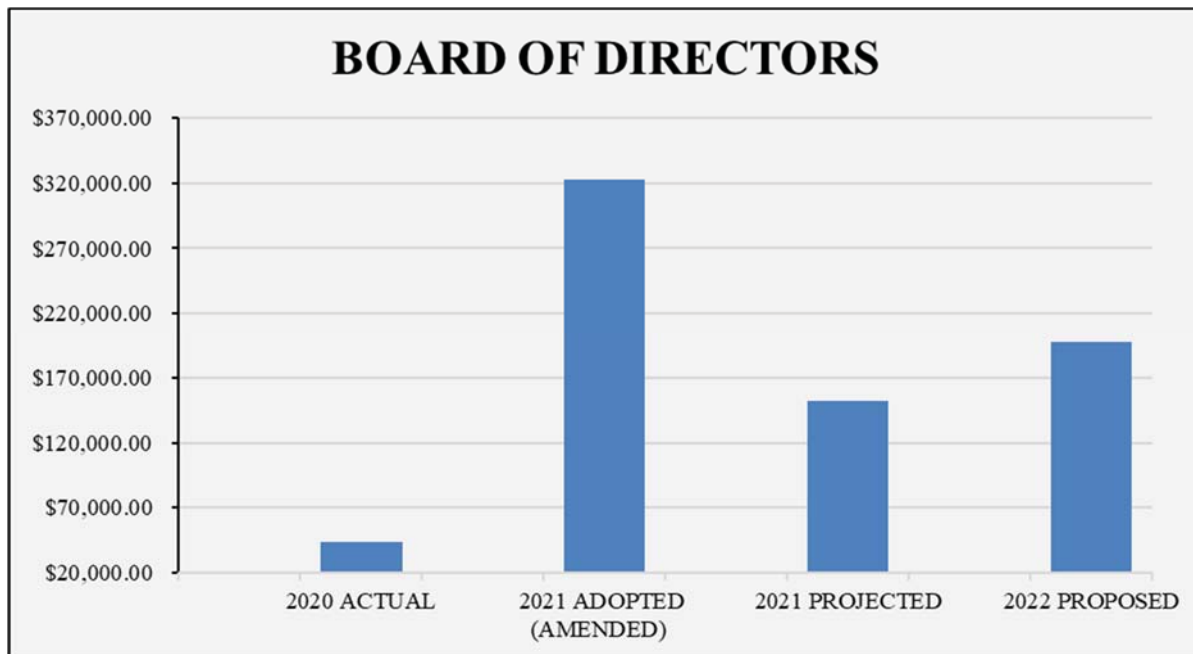
This division includes per diem paid to each Board member as well as the associated payroll tax expenses, health insurance benefits, election expenses and seminar/travel expenses.



*Division Budget*

Proposed expenses for 2022 are \$197,000, a 38.9% decrease from the amended budgeted expenses for 2021. This decrease is primarily due to a portion of the Board accepting the available Health Insurance benefit as well as the delayed election-related expenses, recorded the year following an election.

<b>BOARD OF DIRECTORS</b>		<b>2020</b>	<b>2021</b>	<b>2021</b>	<b>2022</b>	<b>CHANGE</b>
		<b>ACTUAL</b>	<b>ADOPTED (AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	
01-10-110-500101	Board of Directors Fees	\$ 37,400	\$ 45,200	\$ 63,900	\$ 79,000	\$ 33,800
01-10-110-500115	Social Security	2,319	2,805	4,000	5,000	2,195
01-10-110-500120	Medicare	542	658	900	2,000	1,342
01-10-110-500125	Health Insurance	-	130,241	20,000	76,000	(54,241)
01-10-110-500140	Life Insurance	62	120	100	1,000	880
01-10-110-500143	EAP Program	70	360	100	1,000	640
01-10-110-500145	Workers' Compensation	201	521	300	1,000	479
01-10-110-500175	Training/Education/Mtgs/Travel	2,615	10,000	3,800	14,000	4,000
01-10-110-550012	Election Expenses	6	130,000	58,000	10,000	(120,000)
01-10-110-550042	Supplies-Other	189	1,000	-	4,000	3,000
01-10-110-550051	Advertising/Legal Notices	220	1,400	900	4,000	2,600
		<b>\$ 43,624</b>	<b>\$ 322,305</b>	<b>\$ 152,000</b>	<b>\$ 197,000</b>	<b>\$ (125,305)</b>





# ENGINEERING

## DIVISIONS

- Engineering

## 2021 ACCOMPLISHMENTS

- Maintained and improved working relationships with regional stakeholders including:
  - City of Beaumont
  - San Gorgonio Pass Water Agency
  - Yucaipa Valley Water District, City of Banning, San Gorgonio Pass Regional Water Alliance, County of Riverside, Riverside County Flood Control & Water Conservation District, LAFCO, and others
- Continued to expand on water supply review and analysis for the District, the San Gorgonio Pass Water Agency, and the San Gorgonio Pass Region stake holders including an in-depth review and analysis of District and regional water supply, water demand, costs and financing analysis of current and future District and regional water supply needs and costs.
- Continued implementation of recycled water opportunity with the City of Beaumont including coordination of activities with City of Beaumont staff and Council Members, continued preparation of recycled water booster station preliminary and final design requirements, design and equipment parameters, and construction schedule and associated costs.
  - Furthered coordination efforts with City of Beaumont staff to provide a suitable location for the District's recycled water booster station.
  - Drafted an Agreement between the District and the City of Beaumont for the purchase and distribution of Recycled Water.
- Prepared and Completed the update to the District's 2015 Urban Water Management Plan (UWMP) as the 2020 UWMP. Prepared and completed the District's 2020 Water Shortage Contingency Plan (WSCP).
- Provided complete in-house (District staff) development engineering support activities including but not limited to: planning, water system modeling, water supply review and assessment, development plan checking, main extension agreement preparation, construction support (including project management pre-construction and construction support, inspection, project coordination, project testing and commissioning, final project inspection, and project closeout) and continued improved communication with the City of Beaumont and other regional stakeholders regarding development activities.
  - Includes completion and execution of Facilities Agreements collecting over \$6M of restricted funds for expansion of the District's infrastructure.
- Further the mapping efforts of the District's GIS system to include a multitude of past District projects and Developer projects.
- Provided engineering support for rehabilitation and repair of existing wells due to failure or ongoing maintenance cycle activities related to equipment failures for Wells 24 and 29.
- Prepared engineering drawings, bid documents, and provided engineering support for the installation of a new pipeline in Antonell Court from Pennsylvania Avenue to Cherry Avenue (Approximately 540 LF).

- Completed and executed the Cooperative Agreement for the MDP Line 16 Storm Drain Project (joint project between Riverside County Flood Control and Water Conservation District and BCVWD). Additionally, responsible for the processing, completion, and execution of Amendment 1 of the Cooperative Agreement.
- Provided District and Regional Master Planning Activities including the following efforts:
  - Continued review and analysis of District water demands including updates to 32 housing tract water consumption data for 2016, 2017, and 2018, and 2019 to understand effects of new water conservation measures as they relate to District Water Supply Consumption. Work included sharing said information with regional and retail water managers as part of regional water supply planning efforts. Work was used for completion of new District water supply projections and preparation of 2020 Urban Water Management Plan.
  - Continued to advance Recycled Water Master Plan. (Plan completion in process and is approximately 85% complete)
- Supported Finance department with the on-going capacity charge study. Provided an in-depth analysis of the Capital Improvement Plan (infrastructure and pipelines expansion projects) to formulate the funding requirements.
- Provided support to Finance and Operations departments with grant funding opportunities for AMR/AMI Projects.
- Completed Leadership Development Academy training for two team members in the Engineering department to further educate staff and develop leadership skills that align with District values.

## **2022 ENGINEERING DEPARTMENT GOALS AND OBJECTIVES**

- Continued advancing water supply review and analysis for the District, the San Geronio Pass Water Agency, and the San Geronio Pass region stakeholders
- Continue implementation of recycled water opportunity with the City of Beaumont including;
  - Coordination of activities with City of Beaumont staff and Council Members
  - Further the Draft Recycled Water Agreement
  - Continue District recycled water implementation efforts
- Coordinate with BCVWD Operations Department to complete on-going Capital Improvement Design activities and commence construction of:
  - Noble Reservoir No. 2 and Transmission Pipeline
  - 2017 Replacement Pipeline Project
  - Well 1A and 2A Well Drilling Project
  - Noble Booster equipment purchase
- Coordinate with BCVWD Operations Department to commence Capital Improvement Projects including request for proposals (as necessary) and design of:
  - Well 30
  - Well 31
  - Well 1A and 2A Pumping Plants
  - Well 30 and 31 Pumping Plants

- City of Beaumont WWTP Recycled Water Booster Station and connection piping
- 2750 PZ to 2850 PZ Booster Station
- 2020 and 2021 Replacement Pipelines
- “B” Line Replacement Pipeline
- Michigan Avenue from 5th to 6th Street Pipeline Replacement
- Non-Potable Pressure Regulating Stations
- Property Acquisition for BCVWD Engineering and Operations Center
- Other miscellaneous projects.
- Continued development of CIP implementation including:
  - Grand Avenue Storm Drain (MDP Line 16)
  - Grand Avenue Storm Drain (MDP Line 16) – NCRF Phase II Pond Grading
  - Grand Avenue Storm Drain (MDP Line 16) – Pipeline Relocation Project
  - Wells 30 and 31 drilling projects
  - 2020-2021 Replacement Pipelines
- Coordinate with Finance Staff to complete a comprehensive Capacity Charges study for Domestic Water and Recycled Water.
- Continued well rehabilitation activities
- Continued mud and debris flow response activities related to the Apple and El Dorado Fires.

## ENGINEERING

Engineering	2021 Budget Full-Time Positions	2021 Budget Part-Time Positions	2022 Budget Full-Time Positions	2022 Budget Part-Time Positions
Director of Engineering	1	0	1	0
Senior Engineer	0	0	0	0
District Engineer	0	2 <sup>(1)</sup>	0	2 <sup>(1)</sup>
Civil Engineering Assistant	2	0	2	0
Development Services Representative <sup>(4)</sup>	1	0	1	0
Engineering Intern	0	1 <sup>(2)</sup>	0	1 <sup>(2)</sup>
<b>Total Positions</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>
<p>(1) Based on maximum of 640 hours each            (2) Based on maximum of 988 hours</p>				

### Division Description

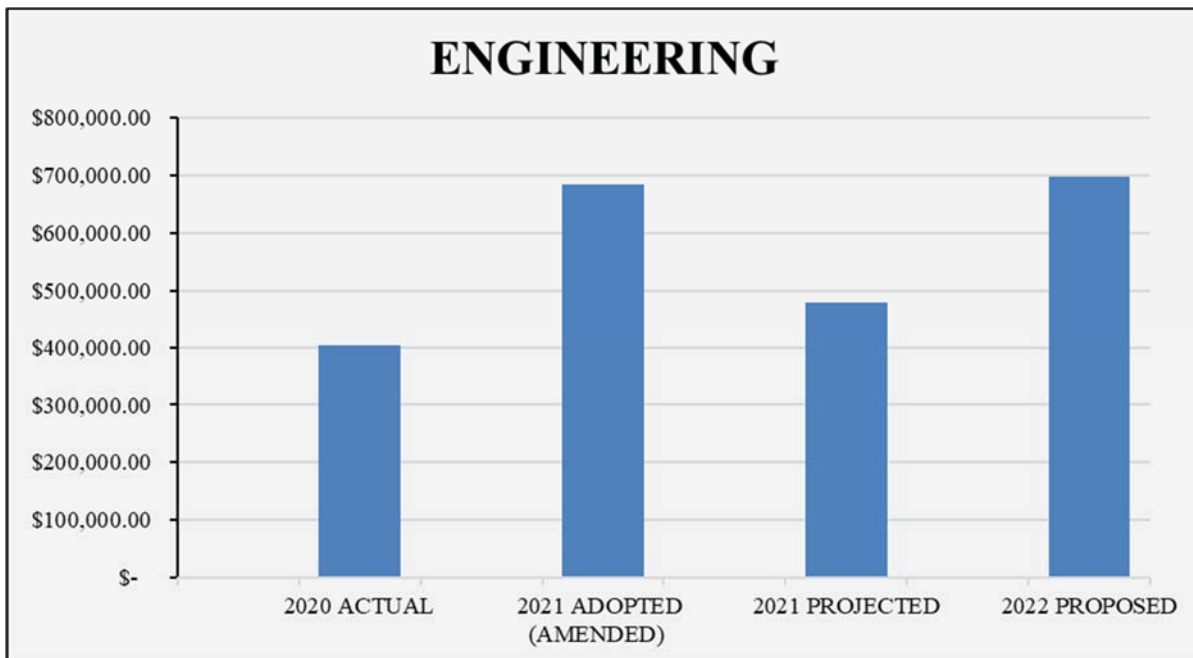
This division is responsible for the plan, design, and construction of the District’s domestic water, non-potable water, and general District facilities included in the District’s Ten Year Capital Improvement Plan. It develops and implements developer capacity and connection charges and tracks all new development within the District service area, prepares development review letters and agreements, and coordinates developer meetings.



*Division Budget*

Proposed expenses for 2022 are \$698,000, a 2.0% increase above the budgeted expenses for 2021. The expected increase is primarily due to increased cost and number of notices for proposals for planning and construction projects.

		2020	2021	2021	2022	
		ACTUAL	ADOPTED (AMENDED)	PROJECTED	PROPOSED	CHANGE
<b>ENGINEERING</b>						
01-20-210-500105	Labor	\$ 365,871	\$ 561,698	\$ 373,200	\$ 567,000	\$ 5,302
01-20-210-500115	Social Security	20,694	39,169	23,700	40,000	831
01-20-210-500120	Medicare	5,557	9,164	5,600	10,000	836
01-20-210-500125	Health Insurance	27,283	107,328	46,400	101,000	(6,328)
01-20-210-500140	Life Insurance	558	2,736	400	2,000	(736)
01-20-210-500143	EAP Program	71	344	100	1,000	656
01-20-210-500145	Workers' Compensation	2,447	5,778	2,400	5,000	(778)
01-20-210-500150	Unemployment Insurance	3,543	19,100	1,200	20,000	900
01-20-210-500155	Retirement/CalPERS	45,540	90,255	50,500	90,000	(255)
01-20-210-500165	Uniforms & Employee Benefits	-	350	-	1,000	650
01-20-210-500175	Training/Education/Mtgs/Travel	180	6,000	1,300	6,000	-
01-20-210-500180	Accrued Sick Leave Expense	6,743	28,816	4,200	29,000	184
01-20-210-500185	Accrued Vacation Leave Expense	4,976	21,282	11,900	23,000	1,718
01-20-210-500187	Accrual Leave Payments	10,312	14,510	2,900	16,000	1,490
01-20-210-500190	Temporary Labor	-	-	-	-	-
01-20-210-500195	CIP Related Labor	(90,887)	(225,000)	(45,600)	(225,000)	-
01-20-210-550030	Membership Dues	416	900	400	2,000	1,100
01-20-210-550051	Advertising/Legal Notices	960	2,000	1,500	10,000	8,000
		<u>\$ 404,266</u>	<u>\$ 684,430</u>	<u>\$ 480,100</u>	<u>\$ 698,000</u>	<u>\$ 13,570</u>



# FINANCE AND ADMINISTRATIVE SERVICES

## DIVISIONS

- Professional Services
- Finance and Administrative Services
- Human Resources

## 2021 ACCOMPLISHMENTS

### Administrative Services

- Contributed to the California Water & Wastewater Arrearages Payment Program survey to pursue grant funding related to COVID-19 related revenue losses.
- Continued public outreach to the District rate payers during the COVID-19 Pandemic and drought conditions.
- Updated District policy to align with SB 998 requirements, expanding on communication, transparency, and providing payment options for need-based customers.
- Implemented an enhanced phone system to support offsite working conditions during emergency situations and launched an enhancement tool for customer service online bill payment platform.
- Distributed a welcome brochure for new Utility Billing customers to introduce them to the district, services provided, billing and payments, and provide additional information for other services within the district.
- Completed Leadership Development Academy training for three team members in the Administrative Division of the Finance and Administrative Services department to further educate staff and develop leadership skills that align with District values.

### Finance

- Acknowledgement of the annual Certificate of Achievement for Excellence in Financial Reporting for the year ending December 31, 2020, from the Government Finance Officers Association (GFOA).
- Received the Operating Budget Excellence Award from the California Society of Municipal Finance Officers (CSMFO) award.
- Completed 2021 District Budget approved by the Board of Directors.
- Attained an unmodified “clean” opinion for the financial statement audit of the year ended December 31, 2020.
- Completion of the Annual Comprehensive Financial Report.
- Continuance of the Miscellaneous Fee Study, in conjunction with the Capacity Fee Study on enhancements for the district’s financial stability.
- Funding implementation of the \$1.5 million WaterSMART Water and Energy Efficiency Grant from the United States Bureau of Reclamation for the Advanced Meter Infrastructure (AMI) Project. Project

implementation included accurate monitoring and remediation of leaks in the district's service area. Financial reimbursements totaling over half a million dollars are tracked through the project management module.

- Continued districtwide implementation of AMR / AMI meter reading project and billing improvement. On target to complete 7,700-meter upgrades with AMR technology by the 2021 year-end.
- Continued review and analysis of District water demands including updates to 32 housing tract water consumption data for 2016, 2017, 2018, 2019 and 2020 to understand effects of new water conservation measures as they relate to District water supply consumption.
- Collaboration with District Board of Directors and Department staff on financial information including, revenue, and cash flow trends to sustain the district's financial resources during the COVID-19 pandemic and drought conditions.
- Participated in the Lift to Rise program, a new funding source, for COVID-19 utility arrearages program made available for renters in Riverside County.
- Completed Leadership Development Academy training for four team members in the Finance Division of the Finance and Administrative Services department to further educate staff and develop leadership skills that align with District values.

## **Human Resources**

- Surveyed and measured employee engagement through a District-wide survey and achieved Great Place to Work certification, establishing the District as an employer of choice.
- Implemented a District-wide COVID-19 Prevention Program (CPP) in compliance with updated Cal/OSHA requirements and conducted training of all staff in best practices.
- Implementation of NeoGov Human Resources Information System (HRIS) with Insight module.
- Implemented a Classification and Compensation study with consultant.
- Collaborated with the Employee Association in the development of a Memorandum of Understanding (MOU) agreement effective January 1, 2022.
- Establishment of an Emergency Preparedness Committee for implementation of the District's Emergency Response Plan (ERP).
- Conducted a Management and Leadership Academy as a professional development opportunity for management and supervisory employees.
- Completed Leadership Development Academy training for team members in the Human Resources Division of the Finance and Administrative Services department to further educate staff and develop leadership skills that align with District values.
- Centralized the District's safety program and implemented quarterly safety inspections.
- Implementation of consistent best practices recruiting strategies to recruit quality candidates.
- Hosted a Benefits Fair which coincided with Open Enrollment and provided employees with relevant benefit information.
- Collaborated with benefits broker to improve the value of Ancillary benefits for all employees.
- Implementation and completion of Cal/OSHA compliance requirements for COVID-19 Prevention Program (CPP).

- Implemented emergency policies to mitigate risk to the district during COVID-19 pandemic.
- Conducted a virtual open enrollment for the 2021 benefits period and a virtual health fair due to the COVID-19 emergency.

## **2022 FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT GOALS AND OBJECTIVES**

### **Administrative Services**

- Finalize Developer Impact Fee Study (Facilities Fee Study), another step toward enhancing the District's financial stability.
- Additional bill-pay tools are being considered for implementation in 2022.
- Continue to improve District computer systems and email system to ensure the most up-to-date and secure system to provide high quality service and to minimize exposure to increased public agency cyber-attacks.
- Continue updating District policies to current best practices and current laws, where applicable.
- Continue implementing best practice with the District's Records Retention Policy and paperless filing system.

### **Finance**

- Finalize 2020 Miscellaneous Fee Study and implement updated fees, continuing to enhance the district's financial stability.
- Obtain an unmodified "clean" opinion for the financial statement audit of the year ended December 31, 2021.
- District Backflow software will be upgraded in 2022.
- Timely completion of the district's audited Annual Comprehensive Financial Report and submittal to the Government Officers Association (GFOA) for the annual Certificate of Achievement for Excellence in Financial Reporting for the year ending December 31, 2021.
- Apply and receive the Operating Budget Excellence Award from the California Society of Municipal Finance Officers (CSMFO) for 2022 Budget document.
- Continue seeking prudent cost saving mechanisms, such as applying for Grants for Capital Improvement Projects
- Continue to implement best practices to maximize rate of return of investments safely and prudently.
- Review District's cost recovery components to ensure accurate fees.
- Continue to provide an annual total compensation report for all full-time employees.
- Deploy 4,700 meters with AMR Technology in 2022, based on additional staffing options made possible with grant funding.

### **Human Resources**

- Implementation of additional NeoGov modules for Payroll, Self Service, and Learn, as part of Human Resources Information System (HRIS), to continue to improve departmental workflow efficiency.
- Update District policies for clarity and compliance changes in legislative changes and personnel law changes.
- Workforce and succession planning for essential classifications.



- Development of an employee profile assessment tool to improve onboarding, teambuilding, professional development, and employee engagement.
- Professional development safety training to centralize the District's safety program and implement quarterly safety inspections.
- Update the District's Injury and Illness Prevention Plan.
- Attain the Special District Leadership Foundation (SDLF)'s District Transparency Certificate of Excellence.
- Sustain the District as an Employer of Choice accreditation.
- Conduct the annual benefits/health fair.

## PROFESSIONAL SERVICES

There are no positions budgeted in this division.

### Division Description

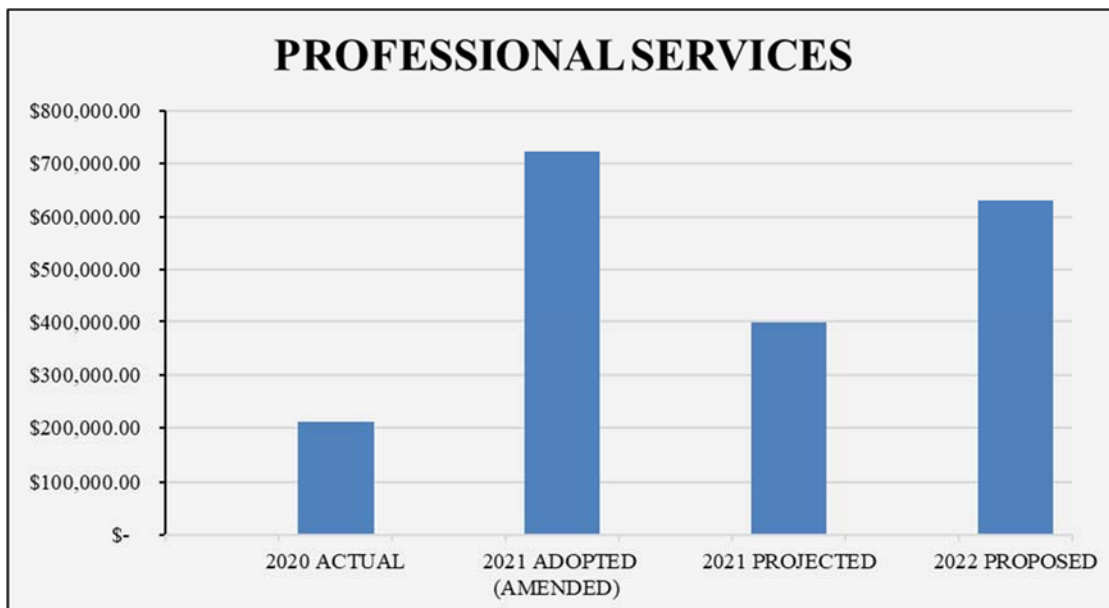
This category includes professional services from outside consultants for legal services, engineering, auditing, and other professional services.

### Division Budget

Proposed expenses for 2022 are \$631,000, a 12.7% decrease below the amended budgeted professional services expenses for 2021, due to an anticipated decrease in other professional services expenses including Development Reimbursable-GIS.

		2020	2021	2021	2022	
PROFESSIONAL SERVICES		ACTUAL	ADOPTED (AMENDED)	PROJECTED	PROPOSED	CHANGE
01-20-210-540012	Development Reimbursable Engineering	\$ -	\$ -	\$ -	\$ -	\$ -
01-20-210-540014	Development Reimbursable GIS	-	300,000	77,300	75,000	(225,000)
01-20-210-540018	Grant & Loan Procurement	-	-	-	-	-
01-20-210-540048	Permits, Fees & Licensing	-	2,060	-	3,000	940
01-20-210-580031	Outside Engineering	3,780	60,000	-	60,000	-
01-20-210-580032	CIP Related Outside Engineering	-	(41,280)	-	(42,000)	(720)
01-30-310-580001	Accounting and Audit	30,143	36,050	35,100	37,000	950
01-30-310-580011	General Legal	66,717	150,000	94,700	112,000	(38,000)
01-30-310-580036	Other Professional Services	52,989	147,200	115,500	317,000 <sup>(1)</sup>	169,800
01-50-510-550096	Beaumont Basin Watermaster	42,354	50,000	57,600	50,000	-
01-50-510-550097	SAWPA Basin Monitoring Program	14,776	19,000	18,000	19,000	-
		\$ 210,759	\$ 723,030	\$ 398,200	\$ 631,000	\$ (92,030)

(1) Includes Efficiency of Workforce and Succession Planning Consultant



## FINANCE AND ADMINISTRATIVE SERVICES

Finance and Administrative Services	2021 Budget Full-Time Positions	2021 Budget Part-Time Positions	2022 Budget Full-Time Positions	2022 Budget Part-Time Positions
General Manager	1	0	1	0
Director of Finance and Administrative Services	1	0	1	0
Senior Finance and Administrative Analyst	1	0	1	0
Senior Accountant	1	0	1	0
Accountant III	1	1 <sup>(1)</sup>	1	0
Accounting Technician	0	0	1	0
Account Clerk ( <i>Part-Time</i> ) <sup>(2)</sup>	0	1 <sup>(3)</sup>	0	0
Administrative Assistant	1	1 <sup>(3)</sup>	1	1 <sup>(3)</sup>
Customer Service Representative III	1	0	1	0
Customer Service Representative II	1	0	1	0
Customer Service Representative I	2	2 <sup>(3)</sup>	3	1 <sup>(3)</sup>
Customer Service Representative I (AMR) <sup>(4)</sup>	0	2 <sup>(4)</sup>	0	2 <sup>(4)</sup>
<b>Total Positions</b>	<b>10</b>	<b>7</b>	<b>12</b>	<b>4</b>
<p>(1) Total budget for position is based on 900 hours            (2) Position eliminated for 2022            (3) Total budget for position is based on 988 hours            (4) Specific to AMR project with 50% grant match; each position is based on 1,000 hours</p>				

### Division Description

This division includes all administrative salaries, employee benefits, operating supplies, property insurance and other expenses associated with the following administrative functions of the District.

#### *General Manager*

Appointed by the Board of Directors, the General Manager plans, directs and oversees District programs, services and resources in accordance with short and long-range goals, policy statements and directives.

#### *Accounting*

The accounting section is responsible for managing the general ledger, bank reconciliation, fixed assets, financial reports, payroll, accounts payable, accounts receivable, annual budget and investment and cash management.

*Billing and Customer Service*

This section is responsible for managing all billing data, coordinating with other departments, ensuring that all customer bills are accurate and sent on time, aiding with payments, opening, and closing accounts, account information, water consumption and more.

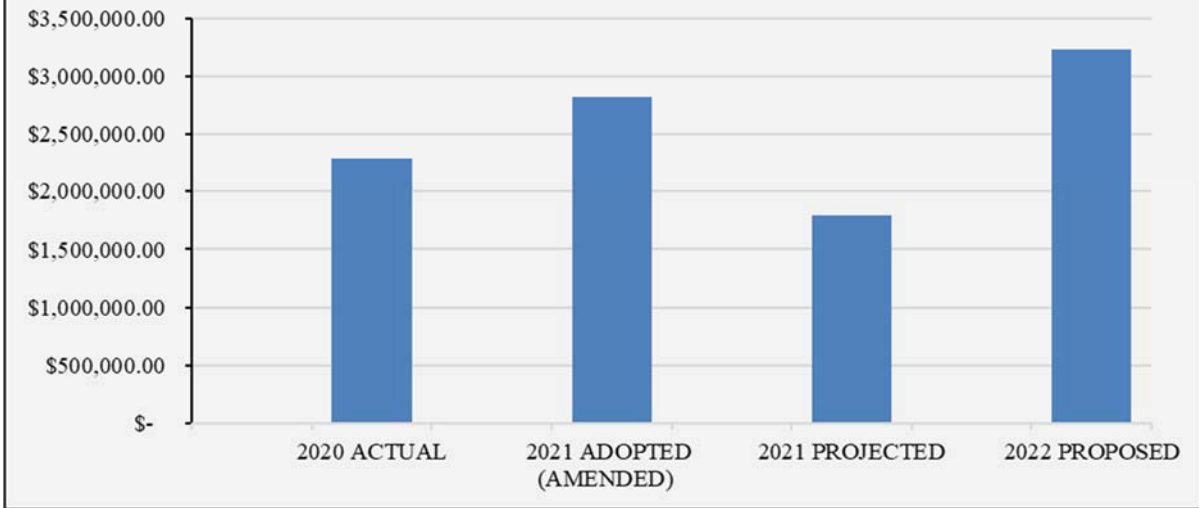


## Division Budget

Proposed expenses for 2022 are \$3,236,100, a 14.7% increase above the amended budgeted finance and administrative services expenses for 2021. The expected increase for 2022 is due to the conversion of two part-time positions to full-time for 2022 as well as the anticipated increase in the GASB 68 Pension Expense and Estimated Current Year OPEB Expense, which are non-cash expenses, that are actuarially determined and are required to record the changes in the respective liabilities.

FINANCE AND ADMINISTRATIVE SERVICES	2020	2021	2021	2022	CHANGE
	ACTUAL	ADOPTED (AMENDED)	PROJECTED	PROPOSED	
01-30-310-500105 Labor	\$ 891,530	\$ 1,178,947	\$ 822,500	\$ 1,225,000	\$ 46,053
01-30-310-500110 Overtime	1,045	1,214	5,400	9,000	7,786
01-30-310-500111 Double Time	181	193	300	1,000	807
01-30-310-500115 Social Security	47,945	88,696	53,500	92,000	3,304
01-30-310-500120 Medicare	14,496	20,759	13,500	22,000	1,241
01-30-310-500125 Health Insurance	188,265	268,320	190,700	348,000	79,680
01-30-310-500130 CalPERS Health Administration Costs	1,778	2,500	1,800	2,000	(500)
01-30-310-500140 Life Insurance	1,943	6,348	1,200	4,000	(2,348)
01-30-310-500143 EAP Program	238	885	200	2,000	1,115
01-30-310-500145 Workers' Compensation	5,248	11,734	4,900	10,000	(1,734)
01-30-310-500150 Unemployment Insurance	10,725	40,094	-	42,000	1,906
01-30-310-500155 Retirement/CalPERS	183,901	211,738	184,300	244,000	32,262
01-30-310-500161 Estimated Current Year OPEB Expense	202,149	151,500	-	213,000	61,500
01-30-310-500165 Uniforms & Employee Benefits	24	1,000	-	1,000	-
01-30-310-500175 Training/Education/Mtgs/Travel	7,311	25,000	4,500	31,000	6,000
01-30-310-500180 Accrued Sick Leave Expense	20,536	57,478	17,100	63,000	5,522
01-30-310-500185 Accrued Vacation Leave Expense	28,755	86,947	47,000	89,000	2,053
01-30-310-500187 Accrual Leave Payments	74,782	93,571	48,300	93,000	(571)
01-30-310-500190 Temporary Labor	62,404	49,154	71,800	45,000	(4,154)
01-30-310-500195 CIP Related Labor	(6,253)	(16,032)	-	(16,000)	32
01-30-310-550001 Bank/Financial Service Fees	6,435	20,600	6,400	17,000	(3,600)
01-30-310-550006 Cashiering Shortages/Overages	(1)	50	-	100	50
01-30-310-550008 Transaction/Return Fees	872	2,500	900	3,000	500
01-30-310-550010 Transaction/Credit Card Fees	69,346	78,000	80,600	80,000	2,000
01-30-310-550014 Credit Check Fees	5,042	10,300	6,100	7,000	(3,300)
01-30-310-550018 Employee Medical/First Aid	-	300	-	-	(300)
01-30-310-550030 Membership Dues	30,740	43,260	45,800	40,000	(3,260)
01-30-310-550036 Notary & Lien Fees	363	2,060	700	3,000	940
01-30-310-550042 Office Supplies	7,507	10,000	9,700	10,000	-
01-30-310-550046 Office Equipment	174	5,000	2,200	5,000	-
01-30-310-550048 Postage	3,446	12,000	3,400	40,000	28,000
01-30-310-550050 Utility Billing Service	65,759	72,000	67,400	81,000	9,000
01-30-310-550051 Advertising/Legal Notices	556	4,000	-	1,000	(3,000)
01-30-310-550054 Property, Auto & General Liability Insurance	92,035	85,000	104,100	120,000	35,000
01-30-310-550066 Subscriptions	538	2,000	-	-	(2,000)
01-30-310-550072 Miscellaneous Operating Expenses	0	1,000	-	1,000	-
01-30-310-550078 Bad Debt Expense	-	25,000	-	25,000	-
01-30-310-560000 GASB 68 Pension Expense	268,909	167,500	-	283,000	115,500
	<u>\$ 2,288,724</u>	<u>\$ 2,820,616</u>	<u>\$ 1,794,300</u>	<u>\$ 3,236,100</u>	<u>\$ 415,484</u>
NOTE: System Depreciation is omitted from the chart for clarity					
01-30-310-550084 Depreciation	\$ 2,865,579	\$ 2,850,000	\$ 2,887,000	\$ 3,000,000	\$ 150,000

## FINANCE AND ADMINISTRATIVE SERVICES





*Division Budget*

Proposed expenses for 2022 are \$282,200, a 8.4% decrease below budgeted human resources and risk management expenses for 2021, due to

		2020	2021	2021	2022	
<b>HUMAN RESOURCES AND RISK MANAGEMENT</b>		<b>ACTUAL</b>	<b>ADOPTED (AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
01-30-320-500105	Labor	\$ 53,479	\$ 67,242	\$ 53,300	\$ 71,000	\$ 3,758
01-30-320-500110	Overtime	1,037	563	2,700	3,000	2,437
01-30-320-500111	Double Time	48	-	400	-	-
01-30-320-500115	Social Security	3,182	4,630	3,700	6,000	1,370
01-30-320-500120	Medicare	818	1,084	900	2,000	916
01-30-320-500125	Health Insurance	14,878	26,832	15,300	26,000	(832)
01-30-320-500140	Life Insurance	118	444	100	1,000	556
01-30-320-500143	EAP Program	22	72	-	1,000	928
01-30-320-500145	Workers' Compensation	303	661	300	1,000	339
01-30-320-500150	Unemployment Insurance	-	2,287	-	3,000	713
01-30-320-500155	Retirement/CalPERS	5,054	11,828	5,800	8,000	(3,828)
01-30-320-500165	Uniforms & Employee Benefits	-	111	-	200	89
01-30-320-500175	Training/Education/Mtgs/Travel	693	9,400	100	13,000	3,600
01-30-320-500176	District Professional Development	-	29,000	100	24,000	(5,000)
01-30-320-500177	General Safety Training & Supplies	9,275	28,250	7,800	31,000	2,750
01-30-320-500180	Accrued Sick Leave Expense	1,968	3,106	800	4,000	894
01-30-320-500185	Accrued Vacation Leave Expense	2,924	3,202	1,900	4,000	798
01-30-320-500187	Accrual Leave Payments	-	449	-	2,000	1,551
01-30-320-500190	Temporary Labor	-	-	-	-	-
01-30-320-550024	Employment Testing	170	4,530	1,900	5,000	470
01-30-320-550025	Employee Retention	898	5,000	600	5,000	-
01-30-320-550026	Recruitment Expense	-	8,059	3,300	13,000	4,941
01-30-320-550028	District Certification	-	2,550	2,300	4,000	1,450
01-30-320-550030	Membership Dues	199	1,470	1,700	3,000	1,530
01-30-320-550042	Office Supplies	906	2,500	1,500	3,000	500
01-30-320-550051	Advertising/Legal Notices	2,882	2,785	1,500	4,000	1,215
01-30-320-580036	Other Professional Services	25,489	92,000	54,500	45,000	(47,000)
		<u>\$ 124,342</u>	<u>\$ 308,055</u>	<u>\$ 160,500</u>	<u>\$ 282,200</u>	<u>\$ (25,855)</u>





# INFORMATION TECHNOLOGY

## DIVISIONS

- Information Technology

## 2021 ACCOMPLISHMENTS

- Completed computer workstation upgrades, server upgrades and application upgrades to ensure that the BCVWD computer network was current and capable of providing the District with an efficient computer environment to conduct business.
- Upgraded existing telephone system at the District to provide additional features, call routing capabilities and remote work capabilities.
- Upgrade District printing capabilities by adding new / additional Multi-Function Printers.
- Expanded District Backup and Disaster Recovery Plan to ensure business continuity, to include offsite replication.
- Upgraded the Board of Directors chambers Audio Visual systems and incorporate Zoom and Video Conferencing technologies.
- Upgraded Conference Equipment in Conference Rooms and General Manager Office.
- Upgraded District cybersecurity defenses to include additional hardware, software, and monitoring capabilities.
- Further matured the Information Security Plan at BCVWD by conducting an Internal Information Security Risk Assessment and improve on findings in preparation for an external risk assessment and pen test.
- Deployed NeoGov Human Resource Information System (HRIS) and modules that will allow the further expansion for adding Personnel tracking, Payroll, and Self Service in 2022.
- Upgraded District 2-way radio system, adding a digital frequency and installing a new repeater and mobile radio capabilities District wide.
- Assisted all departments with fulfilling technical requirements for their 2021 goals and objectives.
- Completed Leadership Development Academy training for team members in the Information Technology department to further educate staff and develop leadership skills that align with District values.

## 2022 INFORMATION TECHNOLOGY DEPARTMENT GOALS AND OBJECTIVES

- Ongoing computer workstation upgrades, server upgrades and application upgrades to ensure that the BCVWD computer network is current and capable of providing the District with an efficient computer environment to conduct business.
- Upgrade Backflow System to electronic program that links directly to enterprise software.
- Add additional iPads and automated forms to field staff to help streamline processes.
- Continued NeoGov module implementation.
- Continue Supervisory Control and Data Acquisition (SCADA) system upgrade.

- Continue to implement AMR / AMI project, and complete Phase III.
- Assist all departments with fulfilling technical requirements for their 2022 goals and objectives.
- Upgrade Core Network Switching Environment.
- Upgrade / Deploy Cybersecurity technical controls to continue to improve on District cybersecurity.
- Upgrade Core UPS in IT Server Room for backup power.
- Re-wire server room to clean up and de-clutter existing environment.
- Update IT Policies and Procedures as well as Update Cybersecurity Policies and Procedures.

## INFORMATION TECHNOLOGY

Information Technology	2021 Budget Full-Time Positions	2021 Budget Part-Time Positions	2022 Budget Full-Time Positions	2022 Budget Part-Time Positions
Director of Information Technology	1	0	1	0
<b>Total Positions</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>

### *Division Description*

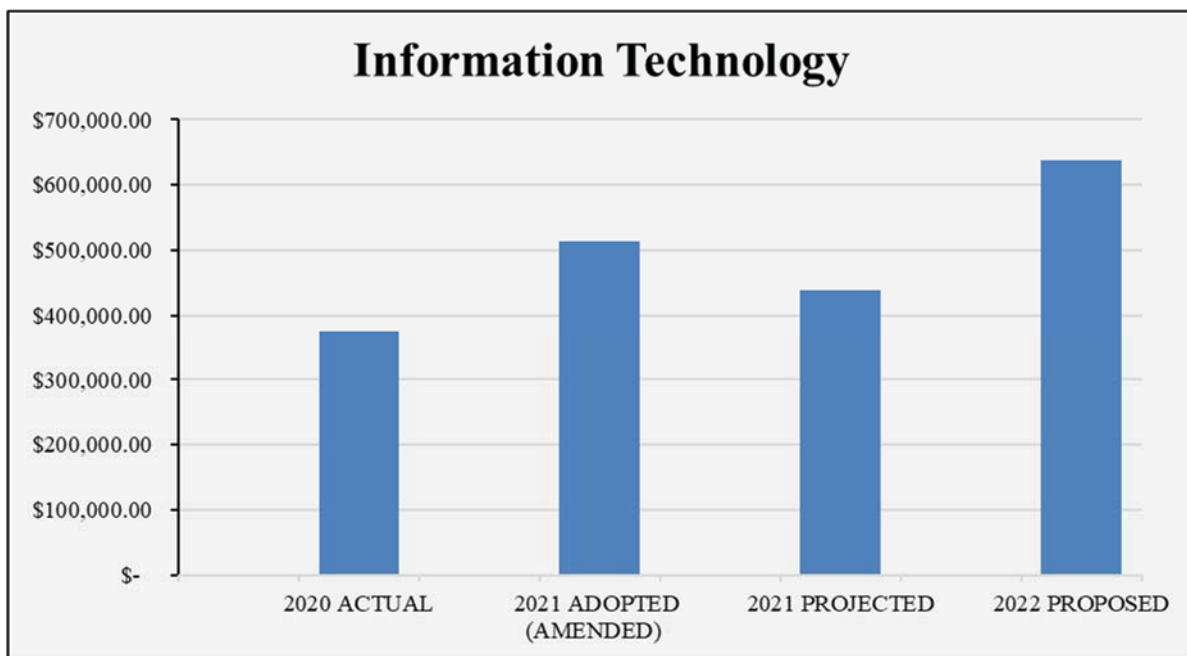
This division includes the administrative salaries, employee benefits, operating supplies, and other expenses associated with the effective and efficient integration of technology into the District’s business practices and procedures.



*Division Budget*

Proposed expenses for 2022 are \$637,000 a 23.8% increase above the budgeted information technology expenses for 2021, due to an anticipated increase in license, maintenance, and support expenses related to information technology as well as new expenses for cybersecurity software and hardware.

INFORMATION TECHNOLOGY		2020	2021	2021	2022	CHANGE
		ACTUAL	ADOPTED (AMENDED)	PROJECTED	PROPOSED	
01-35-315-500105	Labor	\$ 128,504	\$ 143,514	\$ 131,000	\$ 152,000	\$ 8,486
01-35-315-500115	Social Security	8,634	11,298	9,500	12,000	702
01-35-315-500120	Medicare	2,341	2,643	2,200	3,000	357
01-35-315-500125	Health Insurance	25,371	26,832	26,000	26,000	(832)
01-35-315-500140	Life Insurance	276	936	200	1,000	64
01-35-315-500143	EAP Program	22	72	-	1,000	928
01-35-315-500145	Workers' Compensation	696	1,476	700	2,000	524
01-35-315-500150	Unemployment Insurance	-	4,880	-	6,000	1,120
01-35-315-500155	Retirement/CalPERS	14,034	15,804	15,500	18,000	2,196
01-35-315-500165	Uniforms & Employee Benefits	-	-	-	-	-
01-35-315-500175	Training/Education/Mtgs/Travel	3,810	4,120	4,300	5,000	880
01-35-315-500180	Accrued Sick Leave Expense	454	8,270	-	9,000	730
01-35-315-500185	Accrued Vacation Leave Expense	(14,937)	15,035	-	16,000	965
01-35-315-500187	Accrual Leave Payments	32,827	14,660	22,600	15,000	340
01-35-315-500190	Temporary Labor	-	-	-	-	-
01-35-315-500195	CIP Related Labor	-	(32,875)	-	(33,000)	(125)
01-35-315-501511	Telephone/Internet Service	29,025	36,668	39,100	45,000	8,332
01-35-315-501521	Building Alarms and Security	-	-	-	10,000	10,000
01-35-315-540014	GIS Maintenance and Updates	-	-	-	10,000	10,000
01-35-315-550030	Membership Dues	-	2,060	2,300	3,000	940
01-35-315-550044	Printing/Toner & Maintenance	-	19,000	17,100	28,000	9,000
01-35-315-550051	Advertising/Legal Notices	1,250	-	-	-	-
01-35-315-580016	Computer Hardware	16,202	25,000	3,900	30,000	5,000
01-35-315-580021	IT/Software Support	-	5,150	4,700	8,000	2,850
01-35-315-580026	License/Maintenance/Support	127,780	210,000	159,800	220,000	10,000
01-35-315-580028	Cybersecurity Software/Hardware	-	-	-	50,000	50,000
		<u>\$ 376,287</u>	<u>\$ 514,543</u>	<u>\$ 438,900</u>	<u>\$ 637,000</u>	<u>\$ 122,457</u>





# OPERATIONS

## DIVISIONS

- Source of Supply
- Transmission and Distribution
- Field Inspections
- Customer Service and Meter Reading
- Maintenance and General Plant

## 2021 ACCOMPLISHMENTS

- Provided coordination with the District's Information Technology (IT) department to leverage IT and establish an efficient process for compliance with Electronic Positive Response for Underground Service Alert (USA) tickets.
- Replaced over 6,000 customer meters and met required benchmarks identified in the awarded grant contract for AMR/AMI implementation of electronic meters.
- Provided coordination and support for contractor work to complete the replacement of water facilities on Antonell Ct., including water main and service lines.
- Provided over 1,200 hours of developer funded new facility inspections of water mains, service lines, fire hydrant laterals and associated appurtenances.
- Provided field planning and ongoing support for the Grand Avenue Storm Drain (MDP Line 16) Project in cooperation with the Engineering Department and Riverside County Flood Control & Water Conservation District.
- Provided support to Riverside County Flood Control & Water Conservation District and emergency response personnel, as a member of the Burn Area Task Force, during weather conditions that pose a risk for mud and debris flows from the Apple/El Dorado burn scars.
- Provided community outreach and drought related presentations to various HOAs and community groups.
- Completed the Well 14 and Well 24 well rehabilitation and pumping unit repair projects.
- Completed the Well 25 and Well 29 (in progress) emergency pumping unit and electric motor repair projects to increase pumping capacity during the high demand summer months to provide redundancy for fire protection efforts and to prepare for anticipated Southern California Edison Public Safety Power Shutoffs (PSPS).
- Completed a District wide sanitary survey with the California Water Resources Control Board, Division of Drinking Water.
- Developed and implemented new emergency leak response and repair activities in support of the City of Beaumont's encroachment permit and street moratorium requirements.
- Provided a grant application, support, planning and deployment of a new digital repeater and handheld radio system.
- Continue to improve the District Safety Program by utilizing professional risk management, safe work practices, training, and by providing additional safety equipment.

- Completed the installation of additional eyewash/showers at District facilities in accordance with safety improvements identified in the District's 2021-2025 Capital Improvement Budget.
- Provided coordination with the District's IT department to deploy a drone, pilot training and drone policy, to reduce risk and further improve the District Safety Program by reducing the need to climb elevated water storage tanks and buildings for both normal and emergency facility inspections.
- Completed Leadership Development Academy training for nine team members in the Operations department to further educate staff and develop leadership skills that align with District values.

## **2022 OPERATIONS DEPARTMENT GOALS AND OBJECTIVES**

- Continue mapping of the District's non-potable system including the mapping of customer non-potable/potable water use areas and piping for use in Recycled Water permitting.
- Complete system wide shutdown tests of non-potable water system including all non-potable water users to ensure complete separation of the non-potable and potable water systems on both District and end user properties.
- Begin recycled water conversion as end user properties are approved and included in the City of Beaumont's Recycled Water Use Permit.
- Support Engineering staff and the City of Beaumont to design and build a booster station that will allow the District to receive recycled water from the City of Beaumont's Wastewater Treatment Plant and deliver said water to the District owned non-potable 2800 Reservoir.
- Provide support and inspection activities for the District's capital projects to drill two new potable water wells (i.e. Wells 1A and 2A) to increase redundancy and provide additional pumping capacity to meet high system demands.
- Provide support and inspection activities for the construction of the District's capital project Noble Reservoir 2 and associated pipeline improvements to provide additional storage capacity in the District's 3040 pressure zone.
- Provide support and inspection activities for the capital replacement project of two potable water mains identified as P-3620-0012 Avenue Altejo Bella, Avenida Miravilla to End of Cul-De-Sac and P-3620-0015 Appletree Lane, B-Line to Oak Glen Road.
- Coordinate with Engineering staff to design and construct well buildings in Edgar Canyon with fire-resistant material to replace wood structures and provide additional protection for crucial District infrastructure during wildfires.
- Coordinate with the District's Information Technology (IT) department and District vendors to update and replace the existing SCADA Telemetry system in accordance with the District's Capital Improvement Plan (CIP).
- Continue aggressive meter replacement to meet benchmarks identified in the awarded grant contract for AMR/AMI implementation with complete meter replacement and AMI infrastructure installation by year's end.
- Coordinate with the District's IT department to leverage IT and improve the District's valve maintenance, flushing, and backflow programs.

## SOURCE OF SUPPLY

Source of Supply	2021 Budget Full-Time Positions	2021 Budget Part-Time Positions	2022 Budget Full-Time Positions	2022 Budget Part-Time Positions
Recycled Water Supervisor	1	0	1	0
Production Supervisor	1	0	1	0
Production Maintenance II	3	0	3	0
Production Maintenance I	1	0	1	0
Maintenance Utility Worker <sup>(1)</sup>	1	0	0	0
Heavy Equipment Operator <sup>(2)</sup>	0	0	0	0
<b>Total Positions</b>	<b>7</b>	<b>0</b>	<b>6</b>	<b>0</b>
<p>(1) New position budgeted for 2021, for maintenance of District sites. These duties have historically been performed by a Production Maintenance I. Actual Division is Maintenance</p> <p>(2) Non-budget position, based on 988 hours</p>				

### Division Description

Source of Supply represents the division responsible for expenses related to the operation and maintenance of wells, booster stations, storage facilities, State Water Project supplies. It oversees supervisory control and data acquisition (SCADA), water quality functions, and the construction, installation, testing, calibration, maintenance and repair of electrical systems and process control instrumentation systems.

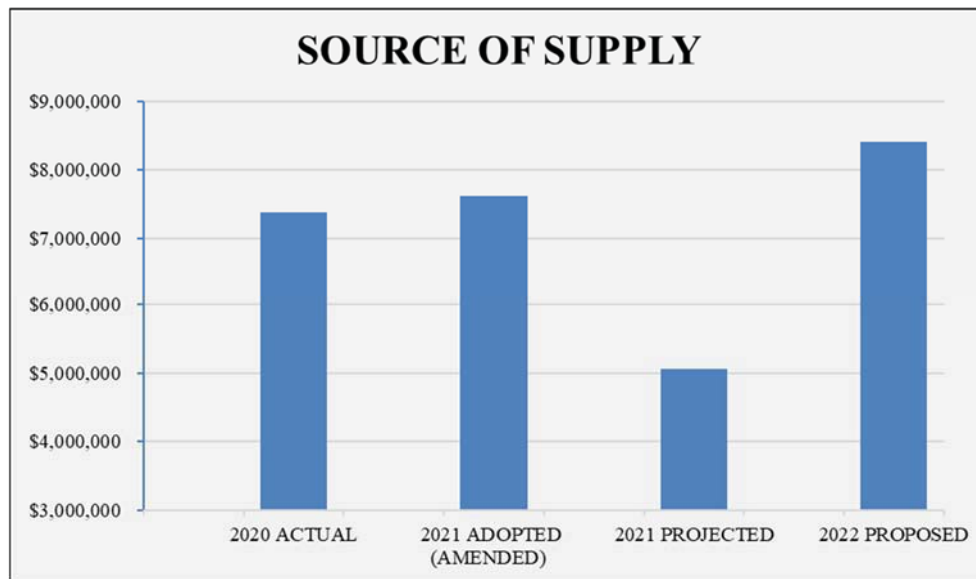




*Division Budget*

Source of supply expenses for 2022 are proposed as \$8,393,000, a 10.1% increase above the 2021 budgeted expenses, due to an increase in the expected State project Water Purchases.

SOURCE OF SUPPLY	2020	2021	2021	2022	CHANGE
	ACTUAL	ADOPTED (AMENDED)	PROJECTED	PROPOSED	
01-40-410-500105 Labor	\$ 236,537	\$ 483,039	\$ 236,600	\$ 451,000	\$ (32,039)
01-40-410-500110 Overtime	9,903	20,292	5,700	15,000	(5,292)
01-40-410-500111 Double Time	1,463	2,751	3,400	3,000	249
01-40-410-500113 Standby/On-Call	7,875	12,250	9,300	13,000	750
01-40-410-500115 Social Security	18,141	36,063	17,600	34,000	(2,063)
01-40-410-500120 Medicare	4,291	8,439	4,100	8,000	(439)
01-40-410-500125 Health Insurance	90,454	187,824	94,500	151,000	(36,824)
01-40-410-500140 Life Insurance	568	3,252	400	2,000	(1,252)
01-40-410-500143 EAP Program	87	504	100	1,000	496
01-40-410-500145 Workers' Compensation	8,110	24,270	7,600	19,000	(5,270)
01-40-410-500150 Unemployment Insurance	5,041	57,436	12,800	64,000	6,564
01-40-410-500155 Retirement/CalPERS	63,819	111,455	67,100	105,000	(6,455)
01-40-410-500165 Uniforms & Employee Benefits	1,456	3,652	1,500	4,000	348
01-40-410-500175 Training/Education/Mtgs/Travel	2,075	6,000	3,600	6,000	-
01-40-410-500180 Accrued Sick Leave Expense	15,536	22,256	11,400	21,000	(1,256)
01-40-410-500185 Accrued Vacation Leave Expense	14,631	31,088	15,000	31,000	(88)
01-40-410-500187 Accrual Leave Payments	3,015	8,586	-	11,000	2,414
01-40-410-500195 CIP Related Labor	-	(30,000)	-	(20,000)	10,000
01-40-410-500501 State Project Water Purchases	4,390,995	3,870,300	1,795,500	4,349,000	478,700
01-40-410-500511 Ground Water Purchases	-	-	-	-	-
01-40-410-501101 Electricity - Wells	2,105,011	2,327,800	2,316,200	2,467,000	139,200
01-40-410-501201 Gas - Wells	181	225	200	1,000	775
01-40-410-510011 Treatment & Chemicals	65,770	110,000	219,800	150,000	40,000
01-40-410-510021 Lab Testing	57,882	75,000	55,300	90,000	15,000
01-40-410-510031 Small Tools, Parts & Maintenance	6,988	8,000	7,900	8,000	-
01-40-410-520021 Maintenance & Repair-Telemetry Equiprr	3,212	4,280	-	5,000	720
01-40-410-520061 Maintenance & Repair-Pumping Equipme	185,630	142,613	51,700	303,000	160,387
01-40-410-540084 Regulations Mandates & Tariffs	78,040	90,000	120,100	97,000	7,000
01-40-410-550024 Employment Testing	150	-	-	1,000	1,000
01-40-410-550066 Subscriptions	1,070	3,000	-	3,000	-
	<u>\$ 7,377,929</u>	<u>\$ 7,620,375</u>	<u>\$ 5,057,400</u>	<u>\$ 8,393,000</u>	<u>\$ 772,625</u>



## TRANSMISSION AND DISTRIBUTION

Transmission and Distribution	2021 Budget Full-Time Positions	2021 Budget Part-Time Positions	2022 Budget Full-Time Positions	2022 Budget Part-Time Positions
Director of Operations	1	0	1	0
Field Superintendent	1	0	1	0
Transmission and Distribution Supervisor	1	0	1	0
Water Utility Person III	3 <sup>(1)</sup>	0	3 <sup>(1)</sup>	0
Water Utility Person II	2 <sup>(1)</sup>	0	2 <sup>(1)</sup>	0
Water Utility Person I	5 <sup>(1)</sup>	0	5 <sup>(1)</sup>	4 <sup>(2)</sup>
Water Utility Person I (AMR)	0	2 <sup>(3)</sup>	0	2 <sup>(3)</sup>
<b>Total Positions</b>	<b>13</b>	<b>2</b>	<b>13</b>	<b>6</b>
<p>(1) Employee counted in home department only; total budget splits expenses for other departments worked</p> <p>(2) Additional staffing to assist with peak summer activity</p> <p>(3) Specific to AMR/AMI project with 50% grant match; each position is based on 2,000 hours</p>				

### Division Description

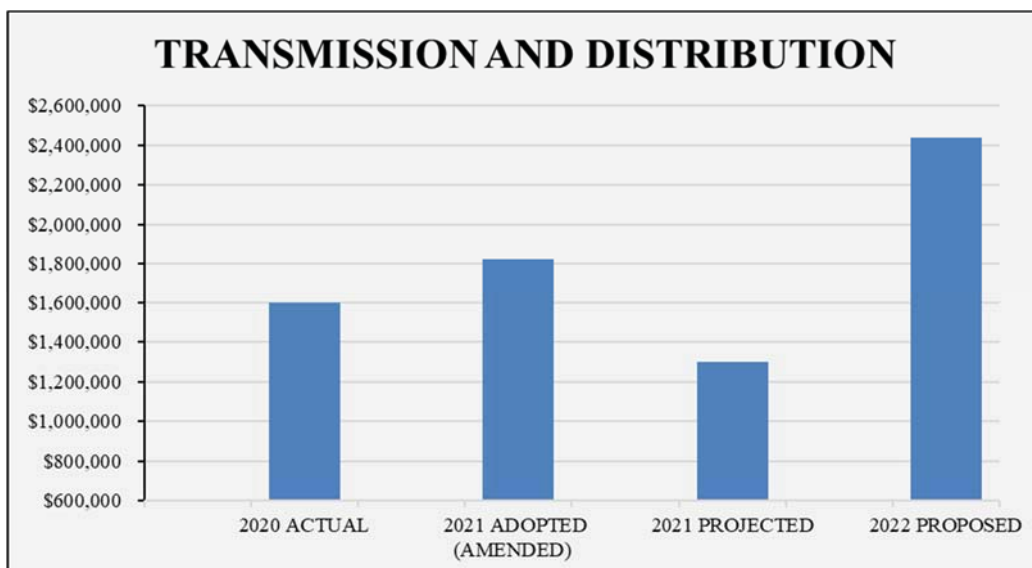
This division includes the maintenance of the distribution system, service connections, meters, tanks and pressure regulating stations that deliver water throughout the District. This division also includes expenses associated with new service requests, fire hydrants and fire services.



*Division Budget*

Proposed expenses for 2022 are \$2,439,000, a 33.9% increase above the 2021 budgeted transmission and distribution expenses. The expected increase is due to the additional temporary staffing for peak leak season as well as vegetation and weed control, along with contracted services for developer inspections.

TRANSMISSION AND DISTRIBUTION		2020	2021	2021	2022	CHANGE
		ACTUAL	ADOPTED (AMENDED)	PROJECTED	PROPOSED	
01-40-440-500105	Labor	\$ 582,607	\$ 890,681	\$ 531,000	\$ 1,061,000	\$ 170,319
01-40-440-500110	Overtime	50,521	42,887	50,700	57,000	14,113
01-40-440-500111	Double Time	22,275	11,117	28,000	30,000	18,883
01-40-440-500113	Standby/On-Call	15,775	29,250	16,000	28,000	(1,250)
01-40-440-500115	Social Security	47,828	68,068	42,000	85,000	16,932
01-40-440-500120	Medicare	11,286	15,931	9,800	20,000	4,069
01-40-440-500125	Health Insurance	204,604	303,216	171,300	351,000	47,784
01-40-440-500140	Life Insurance	1,529	5,496	900	4,000	(1,496)
01-40-440-500143	EAP Program	254	956	200	2,000	1,044
01-40-440-500145	Workers' Compensation	15,761	34,644	13,100	36,000	1,356
01-40-440-500155	Retirement/CalPERS	149,210	188,285	135,300	224,000	35,715
01-40-440-500165	Uniforms & Employee Benefits	6,200	7,000	6,100	14,000	7,000
01-40-440-500175	Training/Education/Mtgs/Travel	207	3,090	400	5,000	1,910
01-40-440-500177	General Safety Supplies	-	7,000	1,700	11,000	4,000
01-40-440-500180	Accrued Sick Leave Expense	39,722	45,345	17,600	54,000	8,655
01-40-440-500185	Accrued Vacation Leave Expense	34,804	53,352	35,500	64,000	10,648
01-40-440-500187	Accrual Leave Payments	33,100	20,399	1,800	63,000	42,601
01-40-440-500190	Temporary Labor	-	-	-	166,000	166,000
01-40-440-500195	CIP Related Labor	(8,580)	(110,920)	(800)	(111,000)	(80)
01-40-440-510031	Maintenance and Repair- Pipeline & Hyd	17,787	13,250	12,300	14,000	750
01-40-440-520071	Maintenance and Repair- Hydraulically C	100,058	30,000	65,900	73,000	43,000
01-40-440-520081	Maint & Rpr-Pressure Regulators	14,612	8,750	7,400	25,000	16,250
01-40-440-540001	Backflow Maintenance	1,810	4,200	4,100	5,000	800
01-40-440-540024	Inventory Adjustments	25,560	7,452	40,700	26,000	18,548
01-40-440-540036	Line Locates	2,070	3,605	2,600	4,000	395
01-40-440-540042	Meters Maintenance & Services	207,560	80,000	101,900	90,000	10,000
01-40-440-540078	Reservoirs Maintenance	20,927	54,500	-	33,000	(21,500)
01-40-440-550024	Employment Testing	-	-	-	1,000	1,000
01-40-440-550051	Advertising/Legal Notices	1,670	4,000	1,700	4,000	-
		<u>\$ 1,599,156</u>	<u>\$ 1,821,554</u>	<u>\$ 1,297,200</u>	<u>\$ 2,439,000</u>	<u>\$ 617,446</u>



## INSPECTIONS

Inspections	2020 Budget Full-Time Positions	2020 Budget Part-Time Positions	2021 Budget Full-Time Positions	2021 Budget Part-Time Positions
Water Utility Person III	0 <sup>(1)</sup>	0	0 <sup>(1)</sup>	0
<b>Total Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>(1) Budget amount represents portion of full-time position expenses from Transmission and Distribution employees who perform duties within this division</i>				

### Division Description

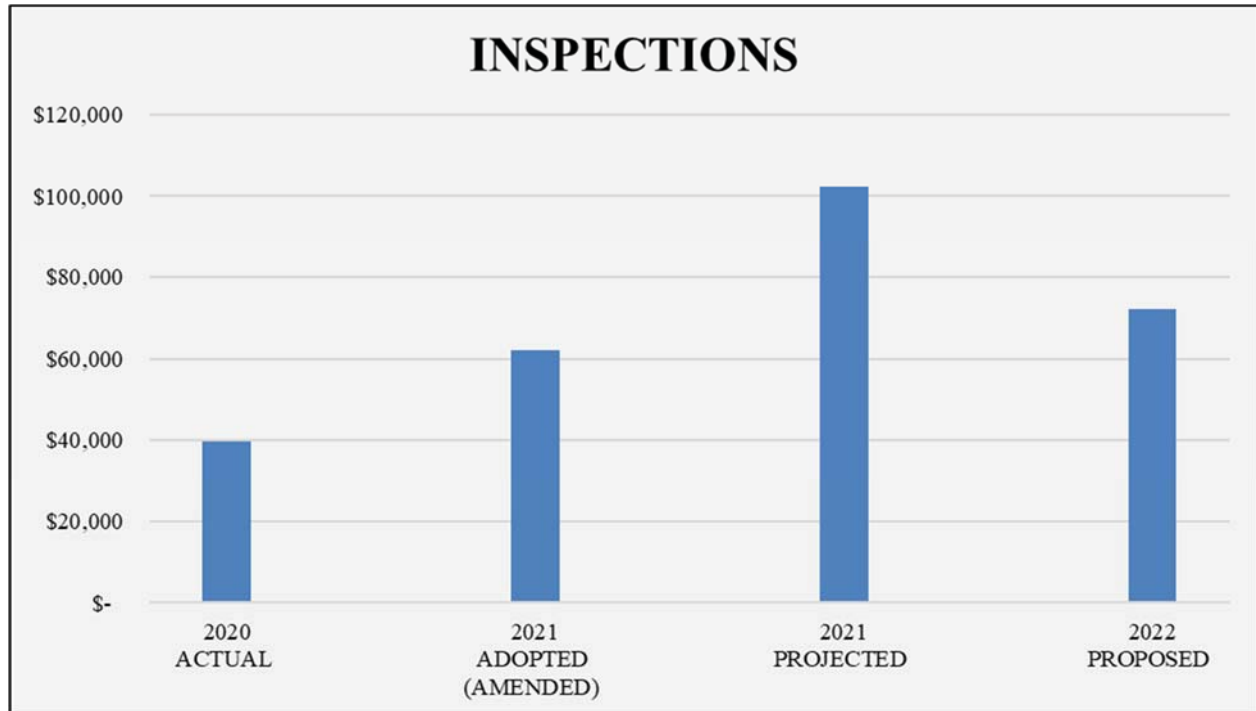
This division includes the labor expenses of inspecting developer-constructed additions to the distribution system such as service connections, meters, tanks and pressure regulating stations that deliver water throughout the District. These expenses are typically recovered through inspection fees and development charges.



*Division Budget*

Proposed expenses for 2022 are \$72,000, a 15.8% increase above 2021 budgeted inspection expenses.

INSPECTIONS		2020	2021	2021	2022	CHANGE
		ACTUAL	ADOPTED (AMENDED)	PROJECTED	PROPOSED	
01-40-450-500105	Labor	\$ 21,051	\$ 32,976	\$ 50,400	\$ 34,000	\$ 1,024
01-40-450-500110	Overtime	3,754	1,780	16,800	5,000	3,220
01-40-450-500111	Double Time	-	223	-	2,000	1,777
01-40-450-500113	Standby/On-Call	-	-	-	-	-
01-40-450-500115	Social Security	1,544	2,184	4,200	3,000	816
01-40-450-500120	Medicare	361	512	1,000	1,000	488
01-40-450-500125	Health Insurance	7,307	13,704	17,500	13,000	(704)
01-40-450-500140	Life Insurance	32	252	100	1,000	748
01-40-450-500143	EAP Program	6	36	-	1,000	964
01-40-450-500145	Workers' Compensation	541	1,617	1,600	2,000	383
01-40-450-500155	Retirement/CalPERS	5,261	8,891	10,800	10,000	1,109
		<u>\$ 39,857</u>	<u>\$ 62,175</u>	<u>\$ 102,400</u>	<u>\$ 72,000</u>	<u>\$ 9,825</u>



## CUSTOMER SERVICE AND METER READING

Customer Service and Meter Reading	2021 Budget Full-Time Positions	2021 Budget Part-Time Positions	2022 Budget Full-Time Positions	2022 Budget Part-Time Positions
Water Utility Person III	1	0	1	0
Water Utility Person II	2	0	2	0
<b>Total Positions</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>

### *Division Description*

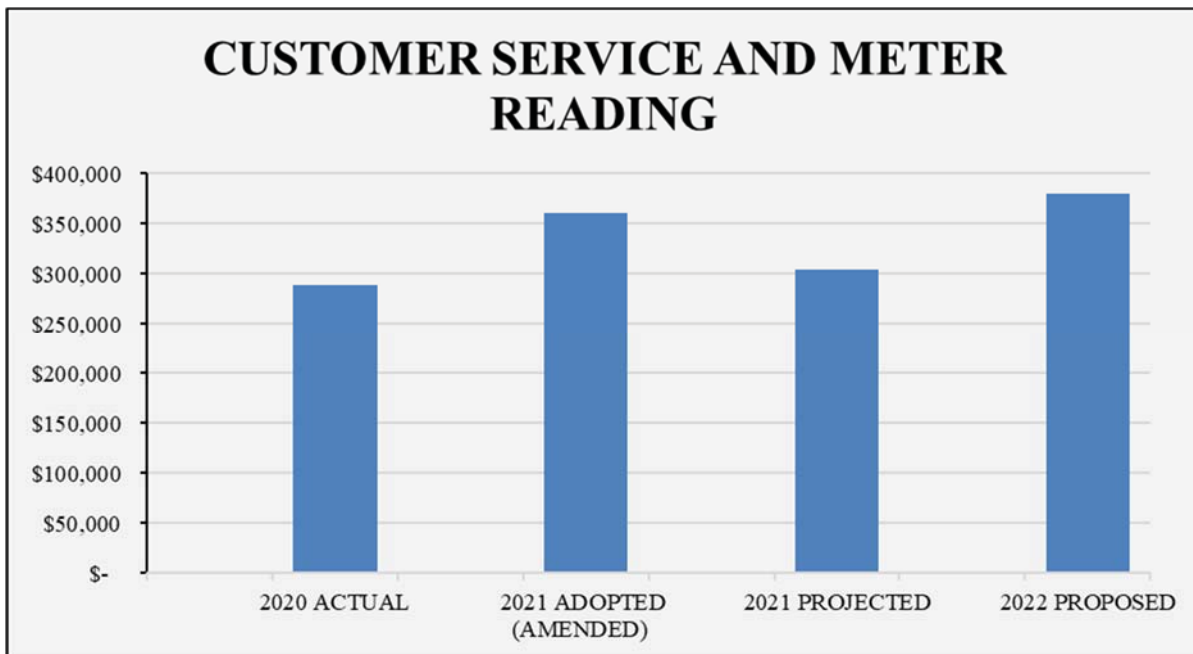
This department conducts meter reading and field related customer service activities for approximately 19,864 accounts.



### *Division Budget*

Proposed expenses for 2022 are \$380,000, a 5.4% increase above the 2021 budgeted customer service and meter reading expenses.

CUSTOMER SERVICE AND METER READING	2020	2021	2021	2022	CHANGE
	ACTUAL	ADOPTED (AMENDED)	PROJECTED	PROPOSED	
01-40-460-500105 Labor	\$ 148,009	\$ 174,027	\$ 151,800	\$ 184,000	\$ 9,973
01-40-460-500110 Overtime	10,252	14,424	7,600	16,000	1,576
01-40-460-500111 Double Time	4,464	3,933	2,300	4,000	67
01-40-460-500113 Standby/On-Call	-	3,250	-	5,000	1,750
01-40-460-500115 Social Security	11,296	14,421	11,800	16,000	1,579
01-40-460-500120 Medicare	2,681	3,375	2,800	4,000	625
01-40-460-500125 Health Insurance	60,650	80,496	64,400	76,000	(4,496)
01-40-460-500140 Life Insurance	342	1,188	200	1,000	(188)
01-40-460-500143 EAP Program	64	216	100	1,000	784
01-40-460-500145 Workers' Compensation	5,065	8,687	5,000	8,000	(687)
01-40-460-500155 Retirement/CalPERS	41,413	48,690	45,700	55,000	6,310
01-40-460-500165 Uniforms & Employee Benefits	1,527	1,800	700	3,000	1,200
01-40-460-500175 Training/Education/Mtgs/Travel	130	412	300	1,000	588
01-40-460-500180 Accrued Sick Leave Expense	11,750	8,040	12,900	9,000	960
01-40-460-500185 Accrued Vacation Leave Expense	15,447	14,918	16,000	16,000	1,082
01-40-460-500187 Accrual Leave Payments	1,421	13,584	-	11,000	(2,584)
01-40-460-500195 CIP Related Labor	(25,617)	(30,839)	(17,100)	(31,000)	(161)
01-40-460-550024 Employment Testing	45	-	-	1,000	1,000
	\$ 288,937	\$ 360,622	\$ 304,500	\$ 380,000	\$ 19,378



## MAINTENANCE AND GENERAL PLANT

Maintenance and General Plant	2021 Budget Full-Time Positions	2021 Budget Part-Time Positions	2022 Budget Full-Time Positions	2022 Budget Part-Time Positions
Maintenance Utility Worker <sup>(1)</sup>	0	0	1	0
<b>Total Positions</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<i>(1) New position budgeted for 2021 under Source of Supply for maintenance duties that had historically been performed by a Production Maintenance I. Corrected division for 2022.</i>				

### Division Description

This category includes utilities, auto/equipment fuel, maintenance and repairs for all residences and offices. It also includes all landscape maintenance related labor as well as general maintenance in the canyon areas, recharge basin system and the Noble Creek Recharge facility. A new position, Maintenance Utility Worker, has been added to the 2022 budget to focus on this category.

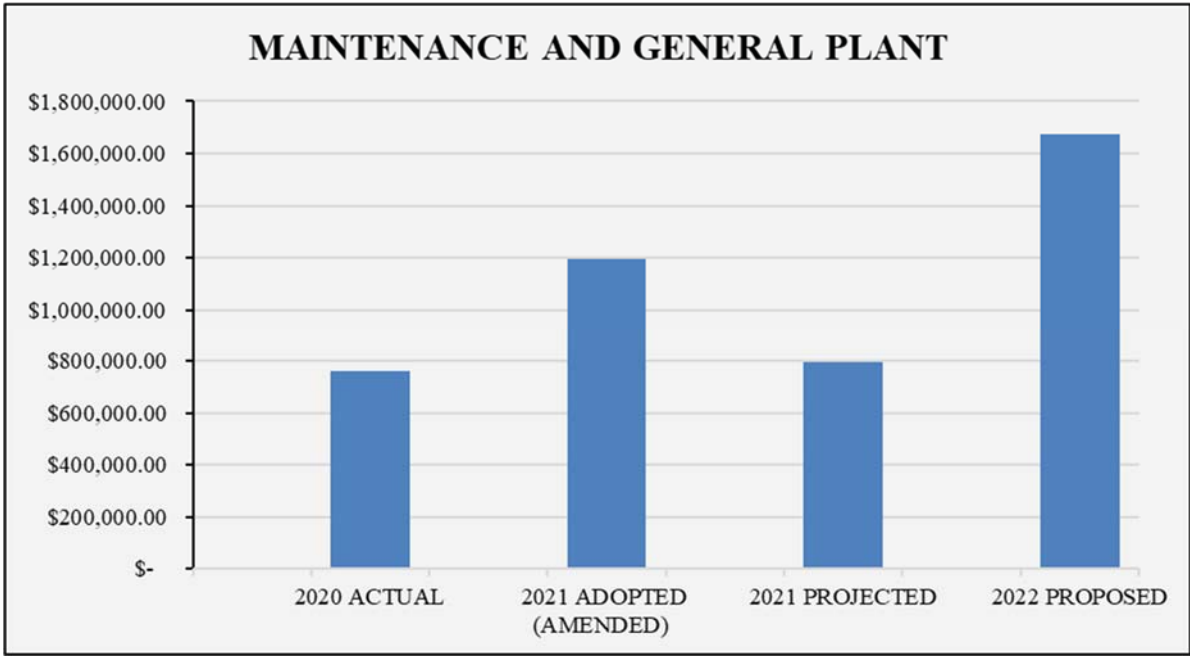
### Division Budget

Proposed expenses for 2022 are \$1,675,500 a 40.1% increase above the 2021 amended budgeted maintenance and general plant expenses, which include District Maintenance Repair and Paving expense previously budgeted in other maintenance and repair line items.





		2021				
MAINTENANCE AND GENERAL PLANT		2020	ADOPTED	2021	2022	CHANGE
		ACTUAL	(AMENDED)	PROJECTED	PROPOSED	
01-40-470-500105	Labor	\$ 16,501	\$ 63,243	\$ 3,100	\$ 90,000	\$ 26,757
01-40-470-500110	Overtime	-	3,081	-	4,000	919
01-40-470-500111	Double Time	-	955	-	2,000	1,045
01-40-470-500113	Standby/On-Call	-	-	-	-	-
01-40-470-500115	Social Security	1,024	4,186	200	7,000	2,814
01-40-470-500120	Medicare	239	982	-	2,000	1,018
01-40-470-500125	Health Insurance	4,150	31,956	2,100	38,000	6,044
01-40-470-500140	Life Insurance	44	432	-	1,000	568
01-40-470-500143	EAP Program	8	85	-	1,000	915
01-40-470-500145	Workers' Compensation	476	3,101	100	4,000	899
01-40-470-500155	Retirement/CalPERS	4,489	11,576	2,400	16,000	4,424
01-40-470-500165	Uniforms & Employee Benefits	-	-	-	1,000	1,000
01-40-470-500175	Training/Education/Mtgs/Travel	-	-	-	2,000	2,000
01-40-470-500180	Accrued Sick Leave Expenses	-	-	-	3,000	3,000
01-40-470-500185	Accrued Vacation Expenses	-	-	-	3,000	3,000
01-40-470-500187	Accrual Leave Payments	-	-	-	-	-
01-40-470-501111	Electricity - 560 Magnolia Ave	20,498	35,000	33,300	37,000	2,000
01-40-470-501121	Electricity - 12303 Oak Glen Rd	3,546	4,000	4,400	5,000	1,000
01-40-470-501131	Electricity - 13695 Oak Glen Rd	1,798	2,000	2,400	3,000	1,000
01-40-470-501141	Electricity - 13697 Oak Glen Rd	2,366	3,000	2,900	3,000	-
01-40-470-501151	Electricity - 9781 Avenida Miravilla	2,094	2,000	2,000	2,000	-
01-40-470-501161	Electricity - 815 E. 12th St	5,973	6,000	7,400	8,000	2,000
01-40-470-501171	Electricity - 851 E. 6th St	2,993	4,200	3,300	5,000	800
01-40-470-501321	Propane - 12303 Oak Glen Rd	-	118	-	1,000	882
01-40-470-501331	Propane - 13695 Oak Glen Rd	982	2,000	1,300	3,000	1,000
01-40-470-501341	Propane - 13697 Oak Glen Rd	1,811	2,000	2,100	3,000	1,000
01-40-470-501351	Propane-9781 Avenida Miravilla	1,062	1,600	1,500	2,000	400
01-40-470-501411	Sanitation - 560 Magnolia Ave	3,207	2,987	3,800	4,000	1,013
01-40-470-501461	Sanitation - 815 E. 12th St	4,922	4,172	5,400	6,000	1,828
01-40-470-501471	Sanitation - 11083 Cherry Ave	3,027	3,296	3,400	4,000	704
01-40-470-501600	Property Maintenance & Repairs	-	-	-	-	-
01-40-470-501611	Maintenance & Repair- 560 Magnolia Av	23,677	26,856	23,400	27,000	144
01-40-470-501621	Maintenance & Repair- 12303 Oak Glen	117	4,600	2,000	12,000	7,400
01-40-470-501631	Maintenance & Repair- 13695 Oak Glen	947	9,000	200	12,000	3,000
01-40-470-501641	Maintenance & Repair- 13697 Oak Glen	1,895	4,000	1,100	9,000	5,000
01-40-470-501651	Maintenance & Repair- 9781 Avenida M	470	4,000	100	9,000	5,000
01-40-470-501661	Maintenance & Repair- 815 E. 12th St	6,217	7,115	6,100	14,000	6,885
01-40-470-501671	Maintenance & Repair- 851 E. 6th St	3,529	3,000	2,600	3,000	-
01-40-470-501691	Maintenance & Repair- Buildings (General)	24,458	60,000	16,700	60,000	-
01-40-470-510001	Auto/Fuel	77,553	84,000	76,000	100,000	16,000
01-40-470-510002	CIP Related Fuel	-	-	-	-	-
01-40-470-520011	Maintenance & Repair-Safety Equipment	15,507	17,510	5,200	18,000	490
01-40-470-520031	Maintenance & Repair-General Equipment	70,140	47,380	47,200	50,000	2,620
01-40-470-520041	Maintenance & Repair-Fleet	49,987	125,500	74,600	126,000	500
01-40-470-520051	Maintenance & Repair-Paving	-	140,000	202,000	83,000	(57,000)
01-40-470-520061	Maintenance & Repair-Paving (City of Berkeley)	-	-	-	379,000	379,000
01-40-470-520091	Maintenance & Repair-Communication Equipment	47,972	6,500	-	7,000	500
01-40-470-540030	Landscape Maintenance	124,351	82,000	62,300	82,000	-
01-40-470-540072	Recharge Facility, Canyon & Pond Maintenance	-	200,000	43,200	200,000	-
01-40-470-540084	Encroachment Permits	-	-	-	36,000	36,000
01-40-470-550024	Employment Testing	-	-	-	500	500
01-50-510-502001	Rents/Leases	24,665	24,900	25,300	27,000	2,100
01-50-510-510031	Small Tools, Parts & Maintenance	-	515	500	1,000	485
01-50-510-540066	Property Damage & Theft	6,559	26,827	12,000	27,000	173
01-50-510-550040	General Supplies	10,977	15,279	7,200	17,000	1,721
01-50-510-550060	Public Education/Community Outreach	129,617	99,330	99,300	100,000	670
01-50-510-550072	Miscellaneous Operating Expenses	-	1,030	-	1,000	(30)
01-50-510-550074	Disaster Preparedness Ongoing Expenses	63,406	15,000	5,200	15,000	-
		\$ 763,256	\$ 1,196,312	\$ 793,300	\$ 1,675,500	\$ 479,188



# Budget Detail



**Revenues: 2021 Adopted Budget versus 2021 Projected Actuals versus 2022 Proposed Budget**

	<b>2020</b>	<b>2021</b>	<b>2021</b>	<b>2022</b>	
	<b>ACTUAL</b>	<b>ADOPTED</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>OPERATING REVENUE</b>					
<b>Water Sales</b>					
01-50-510-410100	\$ 5,183,600	5,626,822	5,949,800	6,367,000	740,178
01-50-510-410111	\$ -	0	0	0	0
01-50-510-410151	24,300	22,316	26,700	29,000	6,684
01-50-510-410171	124,600	101,314	189,100	203,000	101,686
01-50-510-413011	3,843,400	3,661,781	3,964,900	4,243,000	581,219
	<u>9,175,900</u>	<u>9,412,233</u>	<u>10,130,500</u>	<u>10,842,000</u>	<u>1,429,767</u>
<b>Development and Installation Charges</b>					
01-50-510-413021	500,400	300,000	386,400	300,000	-
01-50-510-419011	212,500	60,000	194,900	226,000	166,000
01-50-510-419012	-	300,000	-	308,000	8,000
	<u>712,900</u>	<u>660,000</u>	<u>581,300</u>	<u>834,000</u>	<u>174,000</u>
<b>Water Importation Surcharge</b>					
01-50-510-415001	3,951,500	3,870,300	4,278,600	4,349,000	478,700
<b>Water Pumping Energy Surcharge</b>					
01-50-510-415011	1,820,400	1,816,800	1,901,600	2,467,000	650,200
<b>Other Charges for Service</b>					
01-50-510-413001	50,500	45,000	50,200	51,000	6,000
01-50-510-417001	18,000	100,000	60,800	61,000	(39,000)
01-50-510-417011	10,500	50,000	13,700	14,000	(36,000)
01-50-510-417021	3,700	10,000	-	10,000	-
01-50-510-417031	1,200	2,000	300	2,000	-
01-50-510-417041	9,600	9,600	10,500	11,000	1,400
01-50-510-417051	3,900	4,000	2,700	3,000	(1,000)
01-50-510-417061	16,300	22,000	17,600	22,000	-
01-50-510-417071	400	600	600	1,000	400
01-50-510-417081	-	90	-	-	(90)
01-50-510-417091	13,500	78,000	49,300	51,000	(27,000)
01-50-510-419001	1,700	-	26,400	-	-
01-50-510-419021	-	-	-	-	-
01-50-510-419031	100,500	7,500	8,800	8,000	500
01-50-510-419041	-	-	-	-	-
01-50-510-419061	42,200	500	46,400	1,000	500
	<u>272,000</u>	<u>329,290</u>	<u>287,300</u>	<u>235,000</u>	<u>(94,290)</u>
<b>Total Operating Revenues</b>	<b>15,932,700</b>	<b>16,088,623</b>	<b>17,179,300</b>	<b>18,727,000</b>	<b>2,638,377</b>
<b>NON-OPERATING REVENUE</b>					
<b>Property Maintenance Fees</b>					
01-50-510-471001	2,400	2,400	2,400	9,000	6,600
01-50-510-471011	2,400	2,400	2,400	6,000	3,600
01-50-510-471021	2,400	2,400	2,400	7,000	4,600
01-50-510-471031	2,400	2,400	2,400	5,000	2,600
01-50-510-471101	3,500	4,118	4,400	5,000	882
01-50-510-471111	2,800	4,000	3,700	4,000	-
01-50-510-471121	4,200	5,000	5,000	6,000	1,000
01-50-510-471131	3,000	3,600	3,800	4,000	400
	<u>23,100</u>	<u>26,318</u>	<u>26,500</u>	<u>46,000</u>	<u>19,682</u>

**Revenues: 2021 Adopted Budget versus 2021 Projected Actuals versus 2022 Proposed Budget**

		<b>2020</b>	<b>2021</b>	<b>2021</b>	<b>2022</b>	
		<b>ACTUAL</b>	<b>ADOPTED</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>Facilities Charges</b>						
01-50-510-481001	Facility Fees- Wells	640,500	1,496,528	1,638,100	1,210,000	(286,528)
01-50-510-481006	Facility Fees- Water Rights (SWP)	405,300	383,425	464,400	766,000	382,575
01-50-510-481012	Facility Fees- Water Treatment Plant	304,700	711,933	779,300	576,000	(135,933)
01-50-510-481018	Facility Fees- Local Water Resources	160,500	151,805	183,900	304,000	152,195
01-50-510-481024	Facility Fees- Recycled Water Facilities	638,400	1,083,746	1,192,800	877,000	(206,746)
01-50-510-481030	Facility Fees- Transmission (16")	518,800	1,212,064	1,326,700	980,000	(232,064)
01-50-510-481036	Facility Fees- Storage	664,400	1,552,184	1,699,000	1,255,000	(297,184)
01-50-510-481042	Facility Fees- Booster	46,000	107,447	117,600	87,000	(20,447)
01-50-510-481048	Facility Fees- Pressure Reducing Stations	23,500	54,883	60,100	45,000	(9,883)
01-50-510-481054	Facility Fees- Miscellaneous Projects	20,500	47,926	52,500	39,000	(8,926)
01-50-510-481060	Facility Fees- Financing Costs	106,200	235,765	258,300	191,000	(44,765)
01-50-510-485001	Front Footage Fees	197,200	23,370	40,400	24,000	630
		<u>3,726,000</u>	<u>7,061,076</u>	<u>7,813,100</u>	<u>6,354,000</u>	<u>(707,076)</u>
<b>Interest Earned</b>						
01-50-510-490001	Interest Income - Bonita Vista	1,400	1,600	900	1,000	(600)
01-50-510-490011	Interest Income- Fairway Canyon	46,800	46,829	-	281,000	234,171
01-50-510-490021	Interest Income - General	713,200	600,000	166,900	126,000	(474,000)
		<u>761,400</u>	<u>648,429</u>	<u>167,800</u>	<u>408,000</u>	<u>(240,429)</u>
<b>Grant Revenue</b>						
01-50-510-419051	Grant Revenue	36,000	642,091	306,500	640,000	(2,091)
	<b>Total Non-Operating Revenues</b>	4,546,500	8,377,914	8,313,900	7,448,000	(929,914)
	<b>Total Revenues</b>	<u>\$ 20,479,200</u>	<u>\$ 24,466,537</u>	<u>\$ 25,493,200</u>	<u>\$ 26,175,000</u>	<u>\$ 1,708,463</u>

**Expenses: 2021 Adopted (Amended) Budget versus 2021 Projected Actuals versus 2022 Proposed Budget**

		<b>2021</b>				
		<b>2020</b>	<b>ADOPTED</b>	<b>2021</b>	<b>2022</b>	
		<b>ACTUAL</b>	<b>(AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>BOARD OF DIRECTORS</b>						
01-10-110-500101	Board of Directors Fees	\$ 37,400	\$ 45,200	\$ 63,900	\$ 79,000	\$ 33,800
01-10-110-500115	Social Security	2,319	2,805	4,000	5,000	2,195
01-10-110-500120	Medicare	542	658	900	2,000	1,342
01-10-110-500125	Health Insurance	-	130,241	20,000	76,000	(54,241)
01-10-110-500140	Life Insurance	62	120	100	1,000	880
01-10-110-500143	EAP Program	70	360	100	1,000	640
01-10-110-500145	Workers' Compensation	201	521	300	1,000	479
01-10-110-500175	Training/Education/Mtgs/Travel	2,615	10,000	3,800	14,000	4,000
01-10-110-550012	Election Expenses	6	130,000	58,000	10,000	(120,000)
01-10-110-550042	Supplies-Other	189	1,000	-	4,000	3,000
01-10-110-550051	Advertising/Legal Notices	220	1,400	900	4,000	2,600
		<u>43,624</u>	<u>322,305</u>	<u>152,000</u>	<u>197,000</u>	<u>(125,305)</u>
<b>ENGINEERING</b>						
01-20-210-500105	Labor	365,871	561,698	373,200	567,000	5,302
01-20-210-500115	Social Security	20,694	39,169	23,700	40,000	831
01-20-210-500120	Medicare	5,557	9,164	5,600	10,000	836
01-20-210-500125	Health Insurance	27,283	107,328	46,400	101,000	(6,328)
01-20-210-500140	Life Insurance	558	2,736	400	2,000	(736)
01-20-210-500143	EAP Program	71	344	100	1,000	656
01-20-210-500145	Workers' Compensation	2,447	5,778	2,400	5,000	(778)
01-20-210-500150	Unemployment Insurance	3,543	19,100	1,200	20,000	900
01-20-210-500155	Retirement/CalPERS	45,540	90,255	50,500	90,000	(255)
01-20-210-500165	Uniforms & Employee Benefits	-	350	-	1,000	650
01-20-210-500175	Training/Education/Mtgs/Travel	180	6,000	1,300	6,000	-
01-20-210-500180	Accrued Sick Leave Expense	6,743	28,816	4,200	29,000	184
01-20-210-500185	Accrued Vacation Leave Expense	4,976	21,282	11,900	23,000	1,718
01-20-210-500187	Accrual Leave Payments	10,312	14,510	2,900	16,000	1,490
01-20-210-500190	Temporary Labor	-	-	-	-	-
01-20-210-500195	CIP Related Labor	(90,887)	(225,000)	(45,600)	(225,000)	-
01-20-210-550030	Membership Dues	416	900	400	2,000	1,100
01-20-210-550051	Advertising/Legal Notices	960	2,000	1,500	10,000	8,000
		<u>404,266</u>	<u>684,430</u>	<u>480,100</u>	<u>698,000</u>	<u>13,570</u>
<b>PROFESSIONAL SERVICES</b>						
01-20-210-540012	Development Reimbursable Engineering	-	-	-	-	-
01-20-210-540014	Development Reimbursable GIS	-	300,000	77,300	75,000	(225,000)
01-20-210-540018	Grant & Loan Procurement	-	-	-	-	-
01-20-210-540048	Permits, Fees & Licensing	-	2,060	-	3,000	940
01-20-210-580031	Outside Engineering	3,780	60,000	-	60,000	-
01-20-210-580032	CIP Related Outside Engineering	-	(41,280)	-	(42,000)	(720)
01-30-310-580001	Accounting and Audit	30,143	36,050	35,100	37,000	950
01-30-310-580011	General Legal	66,717	150,000	94,700	112,000	(38,000)
01-30-310-580036	Other Professional Services	52,989	147,200	115,500	317,000	169,800
01-50-510-550096	Beaumont Basin Watermaster	42,354	50,000	57,600	50,000	-
01-50-510-550097	SAWPA Basin Monitoring Program	14,776	19,000	18,000	19,000	-
		<u>210,759</u>	<u>723,030</u>	<u>398,200</u>	<u>631,000</u>	<u>(92,030)</u>

**Expenses: 2021 Adopted (Amended) Budget versus 2021 Projected Actuals versus 2022 Proposed Budget**

		<b>2021</b>				
		<b>2020</b>	<b>ADOPTED</b>	<b>2021</b>	<b>2022</b>	
		<b>ACTUAL</b>	<b>(AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>FINANCE AND ADMINISTRATIVE SERVICES</b>						
01-30-310-500105	Labor	891,530	1,178,947	822,500	1,225,000	46,053
01-30-310-500110	Overtime	1,045	1,214	5,400	9,000	7,786
01-30-310-500111	Double Time	181	193	300	1,000	807
01-30-310-500115	Social Security	47,945	88,696	53,500	92,000	3,304
01-30-310-500120	Medicare	14,496	20,759	13,500	22,000	1,241
01-30-310-500125	Health Insurance	188,265	268,320	190,700	348,000	79,680
01-30-310-500130	CalPERS Health Administration Costs	1,778	2,500	1,800	2,000	(500)
01-30-310-500140	Life Insurance	1,943	6,348	1,200	4,000	(2,348)
01-30-310-500143	EAP Program	238	885	200	2,000	1,115
01-30-310-500145	Workers' Compensation	5,248	11,734	4,900	10,000	(1,734)
01-30-310-500150	Unemployment Insurance	10,725	40,094	-	42,000	1,906
01-30-310-500155	Retirement/CalPERS	183,901	211,738	184,300	244,000	32,262
01-30-310-500161	Estimated Current Year OPEB Expense	202,149	151,500	-	213,000	61,500
01-30-310-500165	Uniforms & Employee Benefits	24	1,000	-	1,000	-
01-30-310-500175	Training/Education/Mtgs/Travel	7,311	25,000	4,500	31,000	6,000
01-30-310-500180	Accrued Sick Leave Expense	20,536	57,478	17,100	63,000	5,522
01-30-310-500185	Accrued Vacation Leave Expense	28,755	86,947	47,000	89,000	2,053
01-30-310-500187	Accrual Leave Payments	74,782	93,571	48,300	93,000	(571)
01-30-310-500190	Temporary Labor	62,404	49,154	71,800	45,000	(4,154)
01-30-310-500195	CIP Related Labor	(6,253)	(16,032)	-	(16,000)	32
01-30-310-550001	Bank/Financial Service Fees	6,435	20,600	6,400	17,000	(3,600)
01-30-310-550006	Cashiering Shortages/Overages	(1)	50	-	100	50
01-30-310-550008	Transaction/Return Fees	872	2,500	900	3,000	500
01-30-310-550010	Transaction/Credit Card Fees	69,346	78,000	80,600	80,000	2,000
01-30-310-550014	Credit Check Fees	5,042	10,300	6,100	7,000	(3,300)
01-30-310-550018	Employee Medical/First Aid	-	300	-	-	(300)
01-30-310-550030	Membership Dues	30,740	43,260	45,800	40,000	(3,260)
01-30-310-550036	Notary & Lien Fees	363	2,060	700	3,000	940
01-30-310-550042	Office Supplies	7,507	10,000	9,700	10,000	-
01-30-310-550046	Office Equipment	174	5,000	2,200	5,000	-
01-30-310-550048	Postage	3,446	12,000	3,400	40,000	28,000
01-30-310-550050	Utility Billing Service	65,759	72,000	67,400	81,000	9,000
01-30-310-550051	Advertising/Legal Notices	556	4,000	-	1,000	(3,000)
01-30-310-550054	Property, Auto & General Liability Insurance	92,035	85,000	104,100	120,000	35,000
01-30-310-550066	Subscriptions	538	2,000	-	-	(2,000)
01-30-310-550072	Miscellaneous Operating Expenses	0	1,000	-	1,000	-
01-30-310-550078	Bad Debt Expense	-	25,000	-	25,000	-
01-30-310-560000	GASB 68 Pension Expense	268,909	167,500	-	283,000	115,500
		<u>2,288,724</u>	<u>2,820,616</u>	<u>1,794,300</u>	<u>3,236,100</u>	<u>415,484</u>
<b>DEPRECIATION</b>						
01-30-310-550084	Depreciation	2,865,579	2,850,000	2,887,000	3,000,000	150,000
		<u>2,865,579</u>	<u>2,850,000</u>	<u>2,887,000</u>	<u>3,000,000</u>	<u>150,000</u>
<b>HUMAN RESOURCES AND RISK MANAGEMENT</b>						
01-30-320-500105	Labor	53,479	67,242	53,300	71,000	3,758
01-30-320-500110	Overtime	1,037	563	2,700	3,000	2,437

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		<b>2021</b>				
		<b>2020</b>	<b>ADOPTED</b>	<b>2021</b>	<b>2022</b>	
		<b>ACTUAL</b>	<b>(AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>HUMAN RESOURCES AND RISK MANAGEMENT (continued)</b>						
01-30-320-500111	Double Time	48	-	400	-	-
01-30-320-500115	Social Security	3,182	4,630	3,700	6,000	1,370
01-30-320-500120	Medicare	818	1,084	900	2,000	916
01-30-320-500125	Health Insurance	14,878	26,832	15,300	26,000	(832)
01-30-320-500140	Life Insurance	118	444	100	1,000	556
01-30-320-500143	EAP Program	22	72	-	1,000	928
01-30-320-500145	Workers' Compensation	303	661	300	1,000	339
01-30-320-500150	Unemployment Insurance	-	2,287	-	3,000	713
01-30-320-500155	Retirement/CalPERS	5,054	11,828	5,800	8,000	(3,828)
01-30-320-500165	Uniforms & Employee Benefits	-	111	-	200	89
01-30-320-500175	Training/Education/Mtgs/Travel	693	9,400	100	13,000	3,600
01-30-320-500176	District Professional Development	-	29,000	100	24,000	(5,000)
01-30-320-500177	General Safety Training & Supplies	9,275	28,250	7,800	31,000	2,750
01-30-320-500180	Accrued Sick Leave Expense	1,968	3,106	800	4,000	894
01-30-320-500185	Accrued Vacation Leave Expense	2,924	3,202	1,900	4,000	798
01-30-320-500187	Accrual Leave Payments	-	449	-	2,000	1,551
01-30-320-500190	Temporary Labor	-	-	-	-	-
01-30-320-550024	Employment Testing	170	4,530	1,900	5,000	470
01-30-320-550025	Employee Retention	898	5,000	600	5,000	-
01-30-320-550026	Recruitment Expense	-	8,059	3,300	13,000	4,941
01-30-320-550028	District Certification	-	2,550	2,300	4,000	1,450
01-30-320-550030	Membership Dues	199	1,470	1,700	3,000	1,530
01-30-320-550042	Office Supplies	906	2,500	1,500	3,000	500
01-30-320-550051	Advertising/Legal Notices	2,882	2,785	1,500	4,000	1,215
01-30-320-580036	Other Professional Services	25,489	92,000	54,500	45,000	(47,000)
		<u>124,342</u>	<u>308,055</u>	<u>160,500</u>	<u>282,200</u>	<u>(25,855)</u>
<b>INFORMATION TECHNOLOGY</b>						
01-35-315-500105	Labor	128,504	143,514	131,000	152,000	8,486
01-35-315-500115	Social Security	8,634	11,298	9,500	12,000	702
01-35-315-500120	Medicare	2,341	2,643	2,200	3,000	357
01-35-315-500125	Health Insurance	25,371	26,832	26,000	26,000	(832)
01-35-315-500140	Life Insurance	276	936	200	1,000	64
01-35-315-500143	EAP Program	22	72	-	1,000	928
01-35-315-500145	Workers' Compensation	696	1,476	700	2,000	524
01-35-315-500150	Unemployment Insurance	-	4,880	-	6,000	1,120
01-35-315-500165	Uniforms & Employee Benefits	-	-	-	-	-
01-35-315-500155	Retirement/CalPERS	14,034	15,804	15,500	18,000	2,196
01-35-315-500175	Training/Education/Mtgs/Travel	3,810	4,120	4,300	5,000	880
01-35-315-500180	Accrued Sick Leave Expense	454	8,270	-	9,000	730
01-35-315-500185	Accrued Vacation Leave Expense	(14,937)	15,035	-	16,000	965
01-35-315-500187	Accrual Leave Payments	32,827	14,660	22,600	15,000	340
01-35-315-500190	Temporary Labor	-	-	-	-	-
01-35-315-500195	CIP Related Labor	-	(32,875)	-	(33,000)	(125)
01-35-315-501511	Telephone/Internet Service	29,025	36,668	39,100	45,000	8,332
01-35-315-501521	Building Alarms and Security	-	-	-	10,000	10,000
01-35-315-540014	GIS Maintenance and Updates	-	-	-	10,000	10,000
01-35-315-550030	Membership Dues	-	2,060	2,300	3,000	940
01-35-315-550044	Printing/Toner & Maintenance	-	19,000	17,100	28,000	9,000



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		<b>2021</b>				
		<b>2020</b>	<b>ADOPTED</b>	<b>2021</b>	<b>2022</b>	
		<b>ACTUAL</b>	<b>(AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>INFORMATION TECHNOLOGY (continued)</b>						
01-35-315-550051	Advertising/Legal Notices	1,250	-	-	-	-
01-35-315-580016	Computer Hardware	16,202	25,000	3,900	30,000	5,000
01-35-315-580021	IT/Software Support	-	5,150	4,700	8,000	2,850
01-35-315-580026	License/Maintenance/Support	127,780	210,000	159,800	220,000	10,000
01-35-315-580028	Cybersecurity Software/Hardware	-	-	-	50,000	50,000
		<u>376,287</u>	<u>514,543</u>	<u>438,900</u>	<u>637,000</u>	<u>122,457</u>
<b>SOURCE OF SUPPLY</b>						
01-40-410-500105	Labor	236,537	483,039	236,600	451,000	(32,039)
01-40-410-500110	Overtime	9,903	20,292	5,700	15,000	(5,292)
01-40-410-500111	Double Time	1,463	2,751	3,400	3,000	249
01-40-410-500113	Standby/On-Call	7,875	12,250	9,300	13,000	750
01-40-410-500115	Social Security	18,141	36,063	17,600	34,000	(2,063)
01-40-410-500120	Medicare	4,291	8,439	4,100	8,000	(439)
01-40-410-500125	Health Insurance	90,454	187,824	94,500	151,000	(36,824)
01-40-410-500140	Life Insurance	568	3,252	400	2,000	(1,252)
01-40-410-500143	EAP Program	87	504	100	1,000	496
01-40-410-500145	Workers' Compensation	8,110	24,270	7,600	19,000	(5,270)
01-40-410-500150	Unemployment Insurance	5,041	57,436	12,800	64,000	6,564
01-40-410-500155	Retirement/CalPERS	63,819	111,455	67,100	105,000	(6,455)
01-40-410-500165	Uniforms & Employee Benefits	1,456	3,652	1,500	4,000	348
01-40-410-500175	Training/Education/Mtgs/Travel	2,075	6,000	3,600	6,000	-
01-40-410-500180	Accrued Sick Leave Expense	15,536	22,256	11,400	21,000	(1,256)
01-40-410-500185	Accrued Vacation Leave Expense	14,631	31,088	15,000	31,000	(88)
01-40-410-500187	Accrual Leave Payments	3,015	8,586	-	11,000	2,414
01-40-410-500195	CIP Related Labor	-	(30,000)	-	(20,000)	10,000
01-40-410-500501	State Project Water Purchases	4,390,995	3,870,300	1,795,500	4,349,000	478,700
01-40-410-500511	Ground Water Purchases	-	-	-	-	-
01-40-410-501101	Electricity - Wells	2,105,011	2,327,800	2,316,200	2,467,000	139,200
01-40-410-501201	Gas - Wells	181	225	200	1,000	775
01-40-410-510011	Treatment & Chemicals	65,770	110,000	219,800	150,000	40,000
01-40-410-510021	Lab Testing	57,882	75,000	55,300	90,000	15,000
01-40-410-510031	Small Tools, Parts & Maintenance	6,988	8,000	7,900	8,000	-
01-40-410-520021	Maintenance & Repair- Telemetry Equipment	3,212	4,280	-	5,000	720
01-40-410-520061	Maintenance & Repair-Pumping Equipment	185,630	142,613	51,700	303,000	160,387
01-40-410-540084	Regulations Mandates & Tariffs	78,040	90,000	120,100	97,000	7,000
01-40-410-550024	Employment Testing	150	-	-	1,000	1,000
01-40-410-550066	Subscriptions	1,070	3,000	-	3,000	-
		<u>7,377,929</u>	<u>7,620,375</u>	<u>5,057,400</u>	<u>8,393,000</u>	<u>772,625</u>
<b>TRANSMISSION AND DISTRIBUTION</b>						
01-40-440-500105	Labor	582,607	890,681	531,000	1,061,000	170,319
01-40-440-500110	Overtime	50,521	42,887	50,700	57,000	14,113
01-40-440-500111	Double Time	22,275	11,117	28,000	30,000	18,883
01-40-440-500113	Standby/On-Call	15,775	29,250	16,000	28,000	(1,250)
01-40-440-500115	Social Security	47,828	68,068	42,000	85,000	16,932
01-40-440-500120	Medicare	11,286	15,931	9,800	20,000	4,069
01-40-440-500125	Health Insurance	204,604	303,216	171,300	351,000	47,784
01-40-440-500140	Life Insurance	1,529	5,496	900	4,000	(1,496)
01-40-440-500143	EAP Program	254	956	200	2,000	1,044

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		<b>2021</b>				
		<b>2020</b>	<b>ADOPTED</b>	<b>2021</b>	<b>2022</b>	
		<b>ACTUAL</b>	<b>(AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>TRANSMISSION AND DISTRIBUTION (continued)</b>						
01-40-440-500145	Workers' Compensation	15,761	34,644	13,100	36,000	1,356
01-40-440-500155	Retirement/CalPERS	149,210	188,285	135,300	224,000	35,715
01-40-440-500165	Uniforms & Employee Benefits	6,200	7,000	6,100	14,000	7,000
01-40-440-500175	Training/Education/Mtgs/Travel	207	3,090	400	5,000	1,910
01-40-440-500177	General Safety Supplies	-	7,000	1,700	11,000	4,000
01-40-440-500180	Accrued Sick Leave Expense	39,722	45,345	17,600	54,000	8,655
01-40-440-500185	Accrued Vacation Leave Expense	34,804	53,352	35,500	64,000	10,648
01-40-440-500187	Accrual Leave Payments	33,100	20,399	1,800	63,000	42,601
01-40-440-500190	Temporary Labor	-	-	-	166,000	166,000
01-40-440-500195	CIP Related Labor	(8,580)	(110,920)	(800)	(111,000)	(80)
01-40-440-510031	Maintenance and Repair- Pipeline & Hydrants	17,787	13,250	12,300	14,000	750
01-40-440-520071	Maintenance and Repair- Hydraulically Controlled Valves	100,058	30,000	65,900	73,000	43,000
01-40-440-520081	Maint & Rpr-Pressure Regulators	14,612	8,750	7,400	25,000	16,250
01-40-440-540001	Backflow Maintenance	1,810	4,200	4,100	5,000	800
01-40-440-540024	Inventory Adjustments	25,560	7,452	40,700	26,000	18,548
01-40-440-540036	Line Locates	2,070	3,605	2,600	4,000	395
01-40-440-540042	Meters Maintenance & Services	207,560	80,000	101,900	90,000	10,000
01-40-440-540078	Reservoirs Maintenance	20,927	54,500	-	33,000	(21,500)
01-40-440-550024	Employment Testing	-	-	-	1,000	1,000
01-40-440-550051	Advertising/Legal Notices	1,670	4,000	1,700	4,000	-
		<u>1,599,156</u>	<u>1,821,554</u>	<u>1,297,200</u>	<u>2,439,000</u>	<u>617,446</u>
<b>INSPECTIONS</b>						
01-40-450-500105	Labor	21,051	32,976	50,400	34,000	1,024
01-40-450-500110	Overtime	3,754	1,780	16,800	5,000	3,220
01-40-450-500111	Double Time	-	223	-	2,000	1,777
01-40-450-500113	Standby/On-Call	-	-	-	-	-
01-40-450-500115	Social Security	1,544	2,184	4,200	3,000	816
01-40-450-500120	Medicare	361	512	1,000	1,000	488
01-40-450-500125	Health Insurance	7,307	13,704	17,500	13,000	(704)
01-40-450-500140	Life Insurance	32	252	100	1,000	748
01-40-450-500143	EAP Program	6	36	-	1,000	964
01-40-450-500145	Workers' Compensation	541	1,617	1,600	2,000	383
01-40-450-500155	Retirement/CalPERS	5,261	8,891	10,800	10,000	1,109
		<u>39,857</u>	<u>62,175</u>	<u>102,400</u>	<u>72,000</u>	<u>9,825</u>
<b>CUSTOMER SERVICE AND METER READING</b>						
01-40-460-500105	Labor	148,009	174,027	151,800	184,000	9,973
01-40-460-500110	Overtime	10,252	14,424	7,600	16,000	1,576
01-40-460-500111	Double Time	4,464	3,933	2,300	4,000	67
01-40-460-500113	Standby/On-Call	-	3,250	-	5,000	1,750
01-40-460-500115	Social Security	11,296	14,421	11,800	16,000	1,579
01-40-460-500120	Medicare	2,681	3,375	2,800	4,000	625
01-40-460-500125	Health Insurance	60,650	80,496	64,400	76,000	(4,496)
01-40-460-500140	Life Insurance	342	1,188	200	1,000	(188)
01-40-460-500143	EAP Program	64	216	100	1,000	784
01-40-460-500145	Workers' Compensation	5,065	8,687	5,000	8,000	(687)
01-40-460-500155	Retirement/CalPERS	41,413	48,690	45,700	55,000	6,310
01-40-460-500165	Uniforms & Employee Benefits	1,527	1,800	700	3,000	1,200

**Expenses: 2021 Adopted (Amended) Budget versus 2021 Projected Actuals versus 2022 Proposed Budget**

		<b>2021</b>				
		<b>2020</b>	<b>ADOPTED</b>	<b>2021</b>	<b>2022</b>	
		<b>ACTUAL</b>	<b>(AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>CUSTOMER SERVICE AND METER READING (continued)</b>						
01-40-460-500175	Training/Education/Mtgs/Travel	130	412	300	1,000	588
01-40-460-500180	Accrued Sick Leave Expense	11,750	8,040	12,900	9,000	960
01-40-460-500185	Accrued Vacation Leave Expense	15,447	14,918	16,000	16,000	1,082
01-40-460-500187	Accrual Leave Payments	1,421	13,584	-	11,000	(2,584)
01-40-460-500195	CIP Related Labor	(25,617)	(30,839)	(17,100)	(31,000)	(161)
01-40-460-550024	Employment Testing	45	-	-	1,000	1,000
		<u>288,937</u>	<u>360,622</u>	<u>304,500</u>	<u>380,000</u>	<u>19,378</u>
<b>MAINTENANCE AND GENERAL PLANT</b>						
01-40-470-500105	Labor	16,501	63,243	3,100	90,000	26,757
01-40-470-500110	Overtime	-	3,081	-	4,000	919
01-40-470-500111	Double Time	-	955	-	2,000	1,045
01-40-470-500113	Standby/On-Call	-	-	-	-	-
01-40-470-500115	Social Security	1,024	4,186	200	7,000	2,814
01-40-470-500120	Medicare	239	982	-	2,000	1,018
01-40-470-500125	Health Insurance	4,150	31,956	2,100	38,000	6,044
01-40-470-500140	Life Insurance	44	432	-	1,000	568
01-40-470-500143	EAP Program	8	85	-	1,000	915
01-40-470-500145	Workers' Compensation	476	3,101	100	4,000	899
01-40-470-500155	Retirement/CalPERS	4,489	11,576	2,400	16,000	4,424
01-40-470-500165	Uniforms & Employee Benefits	-	-	-	1,000	1,000
01-40-470-500175	Training/Education/Mtgs/Travel	-	-	-	2,000	2,000
01-40-470-500180	Accrued Sick Leave Expenses	-	-	-	3,000	3,000
01-40-470-500185	Accrued Vacation Expenses	-	-	-	3,000	3,000
01-40-470-500187	Accrual Leave Payments	-	-	-	-	-
01-40-470-501111	Electricity - 560 Magnolia Ave	20,498	35,000	33,300	37,000	2,000
01-40-470-501121	Electricity - 12303 Oak Glen Rd	3,546	4,000	4,400	5,000	1,000
01-40-470-501131	Electricity - 13695 Oak Glen Rd	1,798	2,000	2,400	3,000	1,000
01-40-470-501141	Electricity - 13697 Oak Glen Rd	2,366	3,000	2,900	3,000	-
01-40-470-501151	Electricity - 9781 Avenida Miravilla	2,094	2,000	2,000	2,000	-
01-40-470-501161	Electricity - 815 E. 12th St	5,973	6,000	7,400	8,000	2,000
01-40-470-501171	Electricity - 851 E. 6th St	2,993	4,200	3,300	5,000	800
01-40-470-501321	Propane - 12303 Oak Glen Rd	-	118	-	1,000	882
01-40-470-501331	Propane - 13695 Oak Glen Rd	982	2,000	1,300	3,000	1,000
01-40-470-501341	Propane - 13697 Oak Glen Rd	1,811	2,000	2,100	3,000	1,000
01-40-470-501351	Propane-9781 Avenida Miravilla	1,062	1,600	1,500	2,000	400
01-40-470-501411	Sanitation - 560 Magnolia Ave	3,207	2,987	3,800	4,000	1,013
01-40-470-501461	Sanitation - 815 E. 12th St	4,922	4,172	5,400	6,000	1,828
01-40-470-501471	Sanitation - 11083 Cherry Ave	3,027	3,296	3,400	4,000	704
01-40-470-501600	Property Maintenance & Repairs	-	-	-	-	-
01-40-470-501611	Maintenance & Repair- 560 Magnolia Ave	23,677	26,856	23,400	27,000	144
01-40-470-501621	Maintenance & Repair- 12303 Oak Glen Rd	117	4,600	2,000	12,000	7,400
01-40-470-501631	Maintenance & Repair- 13695 Oak Glen Rd	947	9,000	200	12,000	3,000
01-40-470-501641	Maintenance & Repair- 13697 Oak Glen Rd	1,895	4,000	1,100	9,000	5,000
01-40-470-501651	Maintenance & Repair- 9781 Avenida Miravilla	470	4,000	100	9,000	5,000
01-40-470-501661	Maintenance & Repair- 815 E. 12th St	6,217	7,115	6,100	14,000	6,885
01-40-470-501671	Maintenance & Repair- 851 E. 6th St	3,529	3,000	2,600	3,000	-
01-40-470-501691	Maintenance & Repair- Buildings (General)	24,458	60,000	16,700	60,000	-
01-40-470-510001	Auto/Fuel	77,553	84,000	76,000	100,000	16,000

**Expenses: 2021 Adopted (Amended) Budget versus 2021 Projected Actuals versus 2022 Proposed Budget**

		<b>2021</b>				
		<b>2020</b>	<b>ADOPTED</b>	<b>2021</b>	<b>2022</b>	
		<b>ACTUAL</b>	<b>(AMENDED)</b>	<b>PROJECTED</b>	<b>PROPOSED</b>	<b>CHANGE</b>
<b>MAINTENANCE AND GENERAL PLANT (continued)</b>						
01-40-470-510002	CIP Related Fuel	-	-	-	-	-
01-40-470-520011	Maintenance & Repair-Safety Equipment	15,507	17,510	5,200	18,000	490
01-40-470-520031	Maintenance & Repair-General Equipment	70,140	47,380	47,200	50,000	2,620
01-40-470-520041	Maintenance & Repair-Fleet	49,987	125,500	74,600	126,000	500
01-40-470-520051	Maintenance & Repair-Paving	-	140,000	202,000	83,000	(57,000)
01-40-470-520061	Maintenance & Repair-Paving (City of Beaumont)	-	-	-	379,000	379,000
01-40-470-520091	Maintenance & Repair-Communication Equipment	47,972	6,500	-	7,000	500
01-40-470-540030	Landscape Maintenance	124,351	82,000	62,300	82,000	-
01-40-470-540072	Recharge Facility, Canyon & Pond Maintenance	-	200,000	43,200	200,000	-
01-40-470-540084	Encroachment Permits	-	-	-	36,000	36,000
01-40-470-550024	Employment Testing	-	-	-	500	500
01-50-510-502001	Rents/Leases	24,665	24,900	25,300	27,000	2,100
01-50-510-510031	Small Tools, Parts & Maintenance	-	515	500	1,000	485
01-50-510-540066	Property Damage & Theft	6,559	26,827	12,000	27,000	173
01-50-510-550040	General Supplies	10,977	15,279	7,200	17,000	1,721
01-50-510-550060	Public Education/Community Outreach	129,617	99,330	99,300	100,000	670
01-50-510-550072	Miscellaneous Operating Expenses	-	1,030	-	1,000	(30)
01-50-510-550074	Disaster Preparedness Ongoing Expenses	63,406	15,000	5,200	15,000	-
		<u>763,256</u>	<u>1,196,312</u>	<u>793,300</u>	<u>1,675,500</u>	<u>479,188</u>
<b>TOTAL OPERATING EXPENSE</b>		<b>\$ 16,382,716</b>	<b>\$ 19,284,017</b>	<b>\$ 13,865,800</b>	<b>\$ 21,640,800</b>	<b>\$ 2,356,783</b>

# Account Descriptions



## OPERATING REVENUE

### WATER SALES

- 01-50-510-410100** **Sales** — Commodity charges for commercial, residential and landscape irrigation water usage.
- 01-50-510-410111** **Drought Surcharges** — Commodity charge in anticipation of implementing drought rates, as outlined by the Board adopted 2019 rate study.
- 01-50-510-410151** **Agricultural Irrigation Sales** — Commodity charges for irrigation water usage.
- 01-50-510-410171** **Construction Sales** — Commodity charges for water used for new construction and other purposes through portable fire hydrant meters.
- 01-50-510-413011** **Fixed Meter Charges** — Fixed service charges for installed meters based on meter size.

### DEVELOPMENT AND INSTALLATION CHARGES

- 01-50-510-413021** **Meter Fees** — Charges for new service installations.
- 01-50-510-419011** **Development Income** — Revenue earned and charged to deposits that were collected to cover engineering, legal and administrative costs associated with new development.

### WATER IMPORTATION SURCHARGE

- 01-50-510-415001** **SGPWA Importation Charges** — Pass-through charge to cover the cost of purchasing imported water from various sources including the San Geronio Pass Water Agency.

### WATER PUMPING ENERGY SURCHARGE

- 01-50-510-415011** **SCE Power Charges** — Pass-through charge to cover the cost of electricity used for pumping water from wells and through the system.

### OTHER CHARGES FOR SERVICE

- 01-50-510-413001** **Backflow Administration Charges** — Administrative charge for required annual backflow program administration.
- 01-50-510-417001** **Second Notice Penalties** — Late fee assessed on delinquent accounts.
- 01-50-510-417011** **Third Notice Charges** — Late fee assessed on delinquent accounts for mailed disconnection notices.
- 01-50-510-417021** **Account Reinstatement Fees** — Fee associated with the reinstatement of service when an account is inactivated due to non-payment including, but not limited to, the disconnection of service for non-payment.
- 01-50-510-417031** **Lien Processing Fees** — Fee associated with both filing and releasing liens on delinquent accounts.
- 01-50-510-417041** **Credit Check Processing Fees** — Pass-through charge to cover the cost of performing a credit check.
- 01-50-510-417051** **Returned Check Fees** — Pass-through charges for payments returned by the bank to the District as unpaid.
- 01-50-510-417061** **Customer Damages/Upgrade Charges** — Reimbursements for work performed when customers/developers cause damage to District property or customer requested changes such as meter relocation charges.
- 01-50-510-417071** **After-Hours Call Out Charges** — Reimbursement charge for after-hours services provided.
- 01-50-510-417081** **Bench Test Fees** — Fee for pulling a meter and bench testing it.
- 01-50-510-417091** **Credit Card Processing Fees** — Pass-through charge to cover the bank fee charged to the District for credit card processing.

- 01-50-510-419001**    **Rebates/Reimbursements** — Rebates and reimbursements issued to the District from various sources, including from credit card usage, insurance carrier for safety improvements, etc.
- 01-50-510-419021**    **Recharge Income**— Income received for the recharge of imported water from San Gorgonio Pass Water Agency (SGPWA) for the City of Banning.
- 01-50-510-419031**    **Well Maintenance Reimbursement**— Reimbursements issued to the District for well maintenance from various sources, including the City of Banning.
- 01-50-510-419041**    **Gain (Loss) – Asset Disposal** — Account used to record an accounting gain or loss associated with capital assets disposed of.
- 01-50-510-419061**    **Miscellaneous Income** — Receipts for miscellaneous, non-recurring revenues.

## NON-OPERATING REVENUE

### PROPERTY MAINTENANCE FEES

- 01-50-510-471001**    **Maintenance Fees— 12303 Oak Glen Rd** — Maintenance Fees collected for the maintenance and repair of District residential property.
- 01-50-510-471011**    **Maintenance Fees— 13695 Oak Glen Rd** — Maintenance Fees collected for the maintenance and repair of District residential property.
- 01-50-510-471021**    **Maintenance Fees— 13697 Oak Glen Rd** — Maintenance Fees collected for the maintenance and repair of District residential property.
- 01-50-510-471031**    **Maintenance Fees— 9781 Avenida Miravilla** — Maintenance Fees collected for the maintenance and repair of District residential property.
- 01-50-510-471101**    **Utilities — 12303 Oak Glen Rd** — Utility payments for District residential property.
- 01-50-510-471111**    **Utilities — 13695 Oak Glen Rd** — Utility payments for District residential property.
- 01-50-510-471121**    **Utilities — 13697 Oak Glen Rd** — Utility payments for District residential property.
- 01-50-510-471131**    **Utilities — 9781 Avenida Miravilla** — Utility payments for District residential property.

### FACILITIES CHARGES

- 01-50-510-481001**    **Facility Fees — Wells** — Fees paid per Equivalent Dwelling Unit (EDU) by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District’s water system, specifically for new wells.
- 01-50-510-481006**    **Facility Fees — Water Rights (SWP)** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District’s water system, specifically for State Water Project water rights.
- 01-50-510-481012**    **Facility Fees — Water Treatment Plant** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District’s water system, specifically for new water treatment plants.
- 01-50-510-481018**    **Facility Fees — Local Water Resources** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District’s water system, specifically for local water resources.
- 01-50-510-481024**    **Facility Fees — Recycled Water Facilities** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the

impacts of their developments on the District's water system, specifically for new recycled water facilities.

- 01-50-510-481030 Facility Fees — Transmission (16")** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District's water system, specifically for new 16" transmission lines.
- 01-50-510-481036 Facility Fees — Storage** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District's water system, specifically for new storage facilities.
- 01-50-510-481042 Facility Fees — Booster** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District's water system, specifically for new booster stations.
- 01-50-510-481048 Facility Fees — Pressure Reducing Stations** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District's water system, specifically for new pressure reducing stations.
- 01-50-510-481054 Facility Fees — Miscellaneous Projects** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District's water system, for miscellaneous projects not covered by other types of facilities fees.
- 01-50-510-481060 Facility Fees — Financing Costs** — Fees paid per EDU by individual homeowners and industrial, residential, and commercial developers to fund the cost of the impacts of their developments on the District's water system, specifically for costs of financing new facilities.
- 01-50-510-485001 Front Footage Fees** — Charged to cover the cost of existing pipelines aligned along the frontage of properties requesting service.

#### **INTEREST EARNED**

- 01-50-510-490001 Interest Income — Bonita Vista** — Interest income earned on the Bonita Vista note receivable.
- 01-50-510-490011 Interest Income — Fairway Canyon** — Interest income earned on the Fairway Canyon note receivable.
- 01-50-510-490021 Interest Income — General** — Interest income earned on general District investments.
- 01-50-510-419012 Development Income — GIS** — Deposits paid by developers for expenses related to GIS activities relating to developer projects.

#### **GRANT REVENUE**

- 01-50-510-419051 Grant Revenue** — Grant funding received.



## OPERATING EXPENSES

### BOARD OF DIRECTORS EXPENSES

*The three-digit departmental number 110 seen in this section of the General Ledger refers to the expenses incurred in relation to Board activities.*

- 01-10-110-500101** **Board of Directors Fees** — Per diem for each Director for attendance at meetings and Board approved training, seminars, and conferences with per diem payment based on days of service.
- 01-10-110-500115** **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-10-110-500120** **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-10-110-500125** **Health Insurance** — Cost of providing health benefits to Directors.
- 01-10-110-500140** **Life Insurance** — Life insurance premiums paid on behalf of Directors.
- 01-10-110-500143** **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-10-110-500145** **Workers’ Compensation** — Standard costs paid for employees in this department to the District’s insurance carrier.
- 01-10-110-500175** **Training/Education/Mtgs/Travel** — Provides for costs associated with attendance to District approved training, educational forums, webinars, meetings, seminars and conferences, mileage reimbursement for Directors, etc.
- 01-10-110-550012** **Election Expenses** — Costs associated with directorial elections.
- 01-10-110-550042** **Supplies — Other** — Cost of supplies used by Directors such as name placards, professional photos, meeting-related costs, and business cards.
- 01-10-110-550051** **Advertising/Legal Notices** — Cost associated with advertising notices for Public Hearings, Election Notices, Ordinances, etc.

### ENGINEERING EXPENSES

*The three-digit departmental number 210 seen in this section of the General Ledger refers to the expenses incurred for the labor of the Engineering staff.*

- 01-20-210-500105** **Labor** — Wage expenses for this department.
- 01-20-210-500115** **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-20-210-500120** **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-20-210-500125** **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-20-210-500140** **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-20-210-500143** **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-20-210-500145** **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.

- 01-20-210-500150**    **Unemployment Insurance** — Cost of providing unemployment benefits for employees in this department.
- 01-20-210-500155**    **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.
- 01-20-210-500165**    **Uniforms and Employee Benefits** — Cost of uniforms and personal protective equipment.
- 01-20-210-500175**    **Training/Education/Mtgs/Travel** — Provides for costs associated with personnel development, which include attendance and/or participation of District approved training, educational forums, webinars, meetings, seminars and conferences, and mileage reimbursement for employees in this department.
- 01-20-210-500180**    **Accrued Sick Leave Expense** — Cost of sick time earned by employees in this department.
- 01-20-210-500185**    **Accrued Vacation Leave Expense** — Cost of vacation time earned by employees in this department.
- 01-20-210-500187**    **Accrued Leave Payments** — Cash payouts of excess vacation and sick time permitted under District policy. May include Floating Holiday, Birthday Holiday, Admin Time, and Comp Time.
- 01-20-210-500190**    **Temporary Labor** — Wage expenses for the use of temporary employees employed by a third-party agency.
- 01-20-210-500195**    **CIP Related Labor** — Wage expenses for Capital Improvement Projects in this department.
- 01-20-210-550030**    **Membership Dues** — Membership dues and certifications for CPESC, QSP/D, ASCE, etc.
- 01-20-210-550051**    **Advertising/Legal Notices** — Cost associated with advertising notices, inviting bids, etc.

**PROFESSIONAL SERVICES EXPENSES**

*The section of the General Ledger refers to the expenses incurred for Professional Expenses. The three-digit department number 210 seen in this section of the General Ledger refers to the expenses incurred related to Engineering. The three-digit department number 310 seen in this section refers to the expenses related to Finance and Administrative Services. The three-digit department number 510 seen in this section refers to general District related professional services not associated with a specific department.*

- 01-20-210-540012**    **Development Reimbursable Engineering** — This section includes all engineering required to be reimbursed by development for plan checks and plan processing.
- 01-20-210-540014**    **Development Reimbursable GIS** — Reimbursement of developer-collected deposits associated with GIS activities relating to developer projects.
- 01-20-210-540018**    **Grant and Loan Procurement** — This section includes all procurement costs for grants and loans.
- 01-20-210-540048**    **Permits, Fees and Licensing** — This includes all engineering costs associated with miscellaneous District projects.
- 01-20-210-580031**    **Outside Engineering** — This section includes any contract engineering work performed by outside vendors.
- 01-20-210-580032**    **CIP Related Outside Engineering** — This section includes any contract engineering work performed by outside vendors on Capital Improvement Projects.

- 01-30-310-580001**     **Accounting and Audit** — Includes costs associated with accounting services performed by consultants, such as audits of District financials and actuarial services required for financial reporting.
- 01-30-310-580011**     **General Legal** — Costs associated with both day to day and unforeseen legal matters. This section includes costs for general legal counselling as well as all fees associated with legal matters including legal fees, court fees, and other expenses of a lawyer. This may include litigation expenses not associated with Capital Improvements (property acquisitions etc.).
- 01-30-310-580036**     **Other Professional Services** — Costs associated with outside legal, engineering, accounting, financial, auditing, and other consulting services.
- 01-50-510-550096**     **Beaumont Basin Watermaster** — This section accounts for the District’s prorated cost of participation in the Beaumont Basin Watermaster Committee.
- 01-50-510-550097**     **SAWPA Basin Monitoring Program** — This section accounts for the District’s cost of participation in the Santa Ana Watershed Project Authority Basin Monitoring Program.

**FINANCE AND ADMINISTRATIVE SERVICES EXPENSES**

*The three-digit departmental number 310 seen in this section of the General Ledger refers to the expenses incurred for Finance and Administrative Services as well as General District expenses. This section of the General Ledger includes expenses incurred for Professional Expenses related to Finance and Administrative Services that are not included in the Professional Services Expenses above.*

- 01-30-310-500105**     **Labor** — Wage expenses for this department.
- 01-30-310-500110**     **Overtime** — Overtime expenses for this department.
- 01-30-310-500111**     **Double Time** — Double-time expenses for this department.
- 01-30-310-500115**     **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-30-310-500120**     **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-30-310-500125**     **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-30-310-500130**     **CalPERS Health Administration Costs** — Administrative fees charged for CalPERS health insurance.
- 01-30-310-500140**     **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-30-310-500143**     **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-30-310-500145**     **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.
- 01-30-310-500150**     **Unemployment Insurance** — Cost of providing unemployment benefits for employees in this department.
- 01-30-310-500155**     **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.
- 01-30-310-500161**     **Estimated Current Year OPEB Expense** — Actuarially-determined annual expense associated with the measurement of the District’s net Other Postemployment Benefits (OPEB).
- 01-30-310-500165**     **Uniforms and Employee Benefits** — Cost of uniforms and personal protective equipment.

- 01-30-310-500175 Training/Education/Mtgs/Travel** — Provides for costs associated with personnel development, which include attendance and/or participation of District approved training, educational forums, webinars, meetings, seminars and conferences, mileage reimbursement for employees in this department.
- 01-30-310-500180 Accrued Sick Leave Expense** — Cost of sick time earned by employees in this department.
- 01-30-310-500185 Accrued Vacation Leave Expense** — Cost of vacation time earned by employees in this department.
- 01-30-310-500187 Accrued Leave Payments** — Cash payouts of excess vacation and sick time permitted under District policy. May include Floating Holiday, Birthday Holiday, Admin Time, and Comp Time.
- 01-30-310-500190 Temporary Labor** — Wage expenses for the use of temporary employees employed by a third-party agency.
- 01-30-310-500195 CIP Related Labor** — Wage and benefit expenses for Capital Improvement Projects in this department.
- 01-30-310-550001 Bank/Financial Service Fees** — Service fees associated with District bank deposit accounts.
- 01-30-310-550006 Cashiering Shortages/Overages** — Accounts for cash shortages and overages at the cashiering windows.
- 01-30-310-550008 Transaction/Return Fees** — Bank fees charged to the District for payments returned by the bank as unpaid.
- 01-30-310-550010 Transaction/Credit Card Fees** — Bank fees charged to the District for credit card processing.
- 01-30-310-550014 Credit Check Fees** — Costs of performing credit checks for water service applicants.
- 01-30-310-550030 Membership Dues** — Membership dues for associations including the Beaumont Chamber of Commerce, Cherry Valley Chamber of Commerce, California Special District Association, ACWA, AWWA, etc.
- 01-30-310-550036 Notary and Lien Fees** — Fees associated with filing and releasing liens on delinquent accounts.
- 01-30-310-550042 Office Supplies** — Cost of miscellaneous consumable office supplies such as paper, pens, etc.
- 01-30-310-550046 Office Equipment** — Costs for office equipment that individually do not meet the criteria for capitalization as a fixed asset, including costs that are part of service and/or lease agreements for the office equipment.
- 01-30-310-550048 Postage** — Costs such as postage for regular and delinquent utility bills as well as daily correspondence.
- 01-30-310-550050 Utility Billing Service** — Cost associated with the production, mailing, etc. of Utility Bills.
- 01-30-310-550051 Advertising/Legal Notices** — Cost associated with advertising notices, inviting bids, unclaimed funds, etc.
- 01-30-310-550054 Property, Auto and General Liability Insurance** — Insurance premiums covering District properties and facilities.
- 01-30-310-550072 Miscellaneous Operating Expenses** — Expenses which do not fall directly under another general ledger account under financial and administrative services.

- 01-30-310-550078** **Bad Debt Expense** — Cost of providing water service to accounts which are deemed to be uncollectible.
- 01-30-310-560000** **GASB 68 Pension Expense** — Actuarially-determined annual expense associated with the measurement of the District’s net Pension Liability (NPL).

**DEPRECIATION**

- 01-30-310-550084** **Depreciation** — Annual depreciation expenses on capital assets.

**HUMAN RESOURCES AND RISK MANAGEMENT**

*The three-digit departmental number 320 seen in this section of the General Ledger includes the administrative salaries, employee benefits, operating supplies, and other expenses associated with the human resource related functions of the District.*

- 01-30-320-500105** **Labor** — Wage expenses for this department.
- 01-30-320-500110** **Overtime** — Overtime expenses for this department.
- 01-30-320-500111** **Double Time** — Double-time expenses for this department.
- 01-30-320-500115** **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-30-320-500120** **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-30-320-500125** **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-30-320-500140** **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-30-320-500143** **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-30-320-500145** **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.
- 01-30-320-500150** **Unemployment Insurance** — Cost of providing unemployment benefits for employees in this department.
- 01-30-320-500155** **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.
- 01-30-320-500165** **Uniforms and Employee Benefits** — Cost of uniforms and personal protective equipment.
- 01-30-320-500175** **Training/Education/Mtgs/Travel** — Provides for costs associated with personnel development, which include attendance and/or participation of District approved training, educational forums, webinars, meetings, seminars and conferences, mileage reimbursement for employees in this department.
- 01-30-320-500176** **District Professional Development** — Provides for costs associated with advanced and/or District-wide personnel development, which includes attendance and/or participation of District approved training, educational forums, webinars, meetings, seminars and conferences, mileage reimbursement for authorized employees.
- 01-30-320-500177** **General Safety Training and Supplies** — Provides for general safety-related training and supply costs such as OSHA-required training, quarterly facilities inspections for safety

compliance, disaster preparedness equipment and training, employee CPR/First Aid, and general safety materials or equipment.

- 01-30-320-500180** **Accrued Sick Leave Expense** — Cost of sick time earned by employees in this department.
- 01-30-320-500185** **Accrued Vacation Leave Expense** — Cost of vacation time earned by employees in this department.
- 01-30-320-500187** **Accrued Leave Payments** — Cash payouts of excess vacation and sick time permitted under District policy. May include Floating Holiday, Birthday Holiday, Admin Time, and Comp Time.
- 01-30-320-500190** **Temporary Labor** — Wage expenses for the use of temporary employees employed by a third-party agency.
- 01-30-320-550024** **Employment Testing** — Costs associated with pre-employment and random drug testing.
- 01-30-320-550025** **Employee Retention** — Cost associated with acknowledgments, certificates, and employee retention activities.
- 01-30-320-550026** **Recruitment Expense** — Costs associated with the recruitment of new staff.
- 01-30-320-550028** **District Certification** — Costs associated with application fees, survey fees, and other fees in order to submit for awards which illustrate District excellence in transparency, workplace culture, ethics, etc.
- 01-30-320-550030** **Membership Dues** — Membership dues for associations including CalChamber, CALPERLA, SHRM, etc.
- 01-30-320-550042** **Office Supplies** — Cost of miscellaneous consumable office supplies such as paper, pens, etc. specifically for department related projects.
- 01-30-320-550051** **Advertising/Legal Notices** — Cost associated with advertising notices, job posts, inviting bids, etc.
- 01-30-320-580036** **Other Professional Services** — Costs associated with outside training, auditing services, District events such as wellness fairs, and consulting services.

## INFORMATION TECHNOLOGY EXPENSES

*The three-digit departmental number 315 seen in this section of the General Ledger includes the administrative salaries, employee benefits, operating supplies, and other expenses associated with the information technology function of the District.*

- 01-35-315-500105** **Labor** — Wage expenses for this department.
- 01-35-315-500115** **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-35-315-500120** **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-35-315-500125** **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-35-315-500140** **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-35-315-500143** **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-35-315-500145** **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.

- 01-35-315-500150** **Unemployment Insurance** — Cost of providing unemployment benefits for employees in this department.
- 01-35-315-500155** **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.
- 01-35-315-500165** **Uniforms & Employee Benefits** — Cost of uniforms and personal protective equipment.
- 01-35-315-500175** **Training/Education/Mtgs/Travel** — Provides for costs associated with personnel development, which include attendance and/or participation of District approved training, educational forums, webinars, meetings, seminars and conferences, mileage reimbursement for employees in this department.
- 01-35-315-500180** **Accrued Sick Leave Expense** — Cost of sick time earned by employees in this department.
- 01-35-315-500185** **Accrued Vacation Leave Expense** — Cost of vacation time earned by employees in this department.
- 01-35-315-500187** **Accrued Leave Payments** — Cash payouts of excess vacation and sick time permitted under District policy. May include Floating Holiday, Birthday Holiday, Admin Time, and Comp Time.
- 01-35-315-500190** **Temporary Labor** — Wage expenses for the use of temporary employees employed by a third-party agency.
- 01-35-315-500195** **CIP Related Labor** — Wage expenses for a Capital Improvement Project in this department.
- 01-35-315-501511** **Telephone/Internet Service** — Phone and communication services for office and field operation including internet and fax services.
- 01-35-315-501521** **Building Alarms and Security** – Costs associated with the alarms and security services for all District facilities.
- 01-35-315-540014** **GIS Maintenance and Updates** – Costs associated with GIS activities and updates relating to District projects that are not recovered from Developer deposits.
- 01-35-315-550030** **Membership Dues** — Membership dues for information technology related associations such as Multi-State Information Sharing & Analysis Center (MS-ISAC) and Municipal Information Systems Association of California (MISAC), etc.
- 01-35-315-550044** **Printing/Toner and Maintenance** — Costs associated with toner supplies, imaging, or enterprise printers.
- 01-35-315-550051** **Advertising/Legal Notices** — Cost associated with advertising notices, inviting bids, etc.
- 01-35-315-580016** **Computer Hardware** — Costs for general information technology hardware related items such as cables, wire management, keyboards, mouse, computer repair components.
- 01-35-315-580021** **IT/Software Support** — Costs for general information technology software related items.
- 01-35-315-580026** **License/Maintenance/Support** — Costs for information technology related license renewals, maintenance agreements and renewals and Annual Support Agreements.
- 01-35-315-580028** **Cybersecurity Software/Hardware** – Cost for hardware and software to support secure operations in relation to Information Technology.

## **SOURCE OF SUPPLY**

*The three-digit department number 410 seen in this section of the General Ledger refers to the expenses incurred for the operation and maintenance of wells, tanks, purchase and extraction of water.*

- 01-40-410-500105** **Labor** — Wage expenses for this department.
- 01-40-410-500110** **Overtime** — Overtime expenses for this department.
- 01-40-410-500111** **Double Time** — Double-time expenses for this department.
- 01-40-410-500113** **Standby/On-Call** — Expenses for off-duty work for this department as defined by the employees Memorandum of Understanding (MOU).
- 01-40-410-500115** **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-40-410-500120** **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-40-410-500125** **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-40-410-500140** **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-40-410-500143** **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-40-410-500145** **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.
- 01-40-410-500150** **Unemployment Insurance** — Cost of providing unemployment benefits for employees in all divisions of the Operations department.
- 01-40-410-500155** **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.
- 01-40-410-500165** **Uniforms and Employee Benefits** — Cost of uniforms, personal protective equipment and boot allowance.
- 01-40-410-500175** **Training/Education/Mtgs/Travel** — Provides for costs associated with personnel development, which include attendance and/or participation of District approved training, educational forums, webinars, meetings, seminars and conferences, mileage reimbursement for employees in this department.
- 01-40-410-500180** **Accrued Sick Leave Expense** — Cost of sick time earned by employees in this department.
- 01-40-410-500185** **Accrued Vacation Leave Expense** — Cost of vacation time earned by employees in this department.
- 01-40-410-500187** **Accrued Leave Payments** — Cash payouts of excess vacation and sick time permitted under District policy. May include Floating Holiday, Birthday Holiday, Admin Time, and Comp Time.
- 01-40-410-500195** **CIP Related Labor** — Wage expenses for Capital Improvement Projects in this department.
- 01-40-410-500501** **State Project Water Purchases** — Costs associated with the purchase of imported water from the San Geronio Pass Water Agency (SGPWA).
- 01-40-410-500511** **Ground Water Purchases** — Costs associated with the purchase of groundwater rights from South Mesa Mutual, City of Banning, Yucaipa Valley Water District (YVWD), etc.
- 01-40-410-501101** **Electricity - Wells** — Charges for power purchased from Southern California Edison to operate District facilities including wells, boosters, tanks, pumping stations, etc..
- 01-40-410-501201** **Gas - Wells** — Natural gas purchased for the operation of an emergency booster pump.
- 01-40-410-510011** **Treatment and Chemicals** — Costs associated with the purchase of water treatment chemicals such as chlorine.



- 01-40-410-510021**    **Lab Testing** — Costs associated with water sample analysis conducted by outside laboratories.
- 01-40-410-510031**    **Small Tools, Parts and Maintenance** – Costs for minor repairs and small parts purchases.
- 01-40-410-520021**    **Maintenance and Repair – Telemetry Equipment** — Costs associated with the maintenance and repair of the District’s telemetry system.
- 01-40-410-520061**    **Maintenance and Repair – Pumping Equipment** — Costs associated with the maintenance and repair of pumping equipment, wells, boosters and chlorination equipment.
- 01-40-410-540084**    **Regulations Mandates and Tariffs** — Expenses including National Pollutant Discharge Elimination System (NPDES) permit fees and water system fees to the California Department of Public Health as well as all permits and annual reports mandated by other Regulatory Agencies.
- 01-40-410-550024**    **Employment Testing** — Costs associated with random drug test and DOT program requirements.
- 01-40-410-550066**    **Subscriptions** — Costs of subscriptions for regulatory and technical updates.

**TRANSMISSION AND DISTRIBUTION**

*The three-digit departmental number 440 seen in this section of the General Ledger refers to the expenses incurred for the operation and maintenance of the infrastructure used to bring water from wells to storage tanks and from storage tanks to the consumers.*

- 01-40-440-500105**    **Labor** — Wage expenses for this department.
- 01-40-440-500110**    **Overtime** — Overtime expenses for this department.
- 01-40-440-500111**    **Double Time** — Double-time expenses for this department.
- 01-40-440-500113**    **Standby/On-Call** — Expenses for off-duty work for this department as defined by the employees Memorandum of Understanding (MOU).
- 01-40-440-500115**    **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-40-440-500120**    **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-40-440-500125**    **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-40-440-500140**    **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-40-440-500143**    **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-40-440-500145**    **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.
- 01-40-440-500155**    **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.
- 01-40-440-500165**    **Uniforms and Employee Benefits** — Cost of uniforms, personal protective equipment and boot allowance.
- 01-40-440-500175**    **Training/Education/Mtgs/Travel** — Provides for costs associated with personnel development, which include attendance and/or participation of District approved training, educational forums, webinars, meetings, seminars and conferences, mileage reimbursement for employees in this department.

- 01-40-440-500177** **General Safety Supplies** — Costs associated with general safety materials or equipment not otherwise specified.
- 01-40-440-500180** **Accrued Sick Leave Expense** — Cost of sick time earned by employees in this department.
- 01-40-440-500185** **Accrued Vacation Leave Expense** — Cost of vacation time earned by employees in this department.
- 01-40-440-500187** **Accrued Leave Payments** — Cash payouts of excess vacation and sick time permitted under District policy. May include Floating Holiday, Birthday Holiday, Admin Time, and Comp Time.
- 01-40-440-500190** **Temporary Labor** – Wage expenses for the use of temporary employees employed by a third party agency for all operations division.
- 01-40-440-500195** **CIP Related Labor** — Wage expenses for Capital Improvement Projects in this department.
- 01-40-440-510031** **Small Tools, Parts and Maintenance** — Costs for minor repairs and small parts purchases.
- 01-40-440-520071** **Maintenance and Repair – Pipeline and Hydrants** — Costs associated with the maintenance and repair of pipelines and fire hydrants.
- 01-40-440-520081** **Maintenance and Repair – Hydraulically Controlled Valves** — Costs associated with the maintenance and repair of Cla-Valves, including control valves, bypass valves, pressure regulating valves (PRV), pressure sustaining valves, and any other hydraulically controlled system valves.
- 01-40-440-540001** **Backflow Maintenance** — Costs associated with maintenance and repair of District owned backflow devices and test equipment. Costs associated with backflow testing.
- 01-40-440-540024** **Inventory Adjustments** — Costs associated with change in market value on inventory using an average-cost valuation method or costs associated with removing obsolete or damaged items from inventory.
- 01-40-440-540036** **Line Locates** — Cost associated with the locating and marking of underground facilities.
- 01-40-440-540042** **Meters Maintenance and Services** — Costs associated with repair and maintenance of existing meters and services, service lines, in accordance with the District’s meter change out program.
- 01-40-440-540078** **Reservoirs Maintenance** — Costs associated with the repair and maintenance of District water storage facilities.
- 01-40-440-550024** **Employment Testing** — Costs associated with random drug test and DOT program requirements.
- 01-40-440-550051** **Advertising/Legal Notices** — Cost associated with advertising notices, inviting bids, etc.

**INSPECTIONS**

*The three-digit departmental number 450 seen in this section of the General Ledger refers to the expenses incurred for the labor of the inspectors. These costs are typically recovered through inspection fees and development charges.*

- 01-40-450-500105** **Labor** — Wage expenses for this department.
- 01-40-450-500110** **Overtime** — Overtime expenses for this department.

- 01-40-450-500111** **Double Time** — Double-time expenses for this department.
- 01-40-450-500113** **Standby/On-Call** — Expenses for off-duty work for this department as defined by the employees Memorandum of Understanding (MOU).
- 01-40-450-500115** **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-40-450-500120** **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-40-450-500125** **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-40-450-500140** **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-40-450-500143** **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-40-450-500145** **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.
- 01-40-450-500155** **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.

**CUSTOMER SERVICE AND METER READING**

*The three digit departmental number 460 seen in this section of the General Ledger refers to the expenses incurred for the labor of the meter readers and the field customer service representative.*

- 01-40-460-500105** **Labor** — Wage expenses for this department.
- 01-40-460-500110** **Overtime** — Overtime expenses for this department.
- 01-40-460-500111** **Double Time** — Double-time expenses for this department.
- 01-40-460-500113** **Standby/On-Call** — Expenses for off-duty work for this department as defined by the employees Memorandum of Understanding (MOU).
- 01-40-460-500115** **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-40-460-500120** **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-40-460-500125** **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-40-460-500140** **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-40-460-500143** **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-40-460-500145** **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.
- 01-40-460-500155** **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.
- 01-40-460-500165** **Uniforms and Employee Benefits** — Cost of uniforms, personal protective equipment and boot allowance.
- 01-40-460-500175** **Training/Education/Mtgs/Travel** — Provides for costs associated with personnel development, which include attendance and/or participation of District approved training, educational forums, webinars, meetings, seminars and conferences, mileage reimbursement for employees in this department.
- 01-40-460-500180** **Accrued Sick Leave Expense** — Cost of sick time earned by employees in this department.

- 01-40-460-500185**    **Accrued Vacation Leave Expense** — Cost of vacation time earned by employees in this department.
- 01-40-460-500187**    **Accrued Leave Payments** — Cash payouts of excess vacation and sick time permitted under District policy. May include Floating Holiday, Birthday Holiday, Admin Time, and Comp Time.
- 01-40-460-500195**    **CIP Related Labor** — Wage expenses for a Capital Improvement Project in this department.
- 01-40-460-550024**    **Employment Testing** — Costs associated with random drug test and DOT program requirements.

**MAINTENANCE and GENERAL PLANT EXPENSES**

*The three-digit departmental number 470 seen in this section of the General Ledger refers to the expenses incurred for the labor of employees performing landscape and general plant maintenance. This department includes expenses related to District owned properties. The three digit department number 510 seen in this section of the General Ledger refers to the general expenses incurred by the District that are not associated with a specific department.*

- 01-40-470-500105**    **Labor** — Wage expenses for this department.
- 01-40-470-500110**    **Overtime** — Overtime expenses for this department.
- 01-40-470-500111**    **Double Time** — Double-time expenses for this department.
- 01-40-470-500113**    **Standby/On-Call** — Expenses for off-duty work for this department as defined by the employees Memorandum of Understanding (MOU).
- 01-40-470-500115**    **Social Security** — Expenses for the District’s portion of Social Security (FICA) for this department.
- 01-40-470-500120**    **Medicare** — Expenses for the District’s portion of Medicare for this department.
- 01-40-470-500125**    **Health Insurance** — Cost of providing health benefits to employees in this department.
- 01-40-470-500140**    **Life Insurance** — Life insurance premiums paid on behalf of employees in this department.
- 01-40-470-500143**    **EAP Program** — Cost of providing Employee Assistance Program to employees in this department.
- 01-40-470-500145**    **Workers’ Compensation** — Standard costs paid to the District’s insurance carrier for employees in this department.
- 01-40-470-500155**    **Retirement/CalPERS** — Retirement contributions paid on behalf of employees in this department.
- 01-40-470-501111**    **Electricity – 560 Magnolia Ave** — Electricity for the District Main Office.
- 01-40-470-501121**    **Electricity – 12303 Oak Glen Rd** — Electricity for District residence, billed to the occupant.
- 01-40-470-501131**    **Electricity – 13695 Oak Glen Rd** — Electricity for District residence, billed to the occupant.
- 01-40-470-501141**    **Electricity – 13697 Oak Glen Rd** — Electricity for District residence, billed to the occupant.

- 01-40-470-501151**    **Electricity – 9781 Avenida Miravilla**— Electricity for District residence, billed to the occupant.
- 01-40-470-501161**    **Electricity – 815 E. 12<sup>th</sup> St** — Electricity for the field office.
- 01-40-470-501171**    **Electricity – 851 E. 6<sup>th</sup> St** — Electricity for the engineering annex.
- 01-40-470-501321**    **Propane – 12303 Oak Glen Rd** — Propane purchased for District residence, billed to the occupant.
- 01-40-470-501331**    **Propane – 13695 Oak Glen Rd** — Propane purchased for District residence, billed to the occupant.
- 01-40-470-501341**    **Propane – 13697 Oak Glen Rd** — Propane purchased for District residence, billed to the occupant.
- 01-40-470-501351**    **Propane – 9781 Avenida Miravilla** — Propane purchased for District residence, billed to the occupant.
- 01-40-470-501411**    **Sanitation – 560 Magnolia Ave** — Sewer and Refuse for the District Main Office.
- 01-40-470-501461**    **Sanitation – 815 E. 12<sup>th</sup> St** — Sewer/Refuse and trash bin for field office.
- 01-40-470-501471**    **Sanitation – 11083 Cherry Ave** — Trash bin located at Cherry Yard.
- 01-40-470-501600**    **Property Maintenance and Repairs** — Maintenance work performed on the various District owned buildings (wells, pressure regulation stations, booster pumps, etc.).
- 01-40-470-501611**    **Maintenance and Repair – 560 Magnolia Ave** — Costs associated with the maintenance and repairs performed at the District Main Office, including routine maintenance to A/C unit, cleaning services, and any other professional services associated with the maintenance or repair of this facility.
- 01-40-470-501621**    **Maintenance and Repair – 12303 Oak Glen Rd** — Maintenance and repairs performed at District residence.
- 01-40-470-501631**    **Maintenance and Repair – 13695 Oak Glen Rd** — Maintenance and repairs performed at the District residence.
- 01-40-470-501641**    **Maintenance and Repair – 13697 Oak Glen Rd** — Maintenance and repairs performed at the District residence.
- 01-40-470-501651**    **Maintenance and Repair – 9781 Avenida Miravilla** — Maintenance and repairs performed at the District residence.
- 01-40-470-501661**    **Maintenance and Repair – 815 E. 12<sup>th</sup> St** — Costs associated with the maintenance and repair performed at the District Field Office, including routine maintenance to A/C unit, ice machine, cleaning services, and any other professional services associated with the maintenance or repair of this facility.
- 01-40-470-501671**    **Maintenance and Repair – 851 E. 6<sup>th</sup> St** — Costs associated with the maintenance and repair performed at the District Engineering Annex, including routine cleaning services, water service, and any other professional services associated with the maintenance or repair of this facility.
- 01-40-470-501691**    **Maintenance and Repair – Buildings (General)** — Costs associated with maintenance and repair of general District facilities not otherwise specified.
- 01-40-470-510001**    **Auto/Fuel** — Fuel purchased for District fleet vehicles.
- 01-40-470-510002**    **CIP Related Fuel**— Fuel purchased for Capital Improvement Projects.

- 01-40-470-520011** **Maintenance and Repair – Safety Equipment** — Costs for safety items such as cones, barricades, signs, etc. District keeps on-hand inventory; purchases would be only to replenish worn out items.
- 01-40-470-520031** **Maintenance and Repair – General Equipment** — Costs associated with general maintenance performed on District equipment.
- 01-40-470-520041** **Maintenance and Repair – Fleet** — Costs associated with routine maintenance, parts, oil changes, repairs, vehicle cleaning service etc., for all fleet vehicles.
- 01-40-470-520051** **Maintenance and Repair – Paving** — Costs associated with road repairs and paving outside of the City of Beaumont conducted by outside contractors.
- 01-40-470-520053** **Encroachment Permits** – Costs associated with encroachment permit deposits and fees.
- 01-40-470-520061** **Maintenance and Repair – Paving (City of Beaumont)** – Costs associated with road repairs and paving within the City of Beaumont conducted by outside contractors
- 01-40-470-520091** **Maintenance and Repair – Communication Equipment** — Cost associated with the maintenance and repair of District radio equipment.
- 01-40-470-540030** **Landscape Maintenance** — Landscape maintenance performed at the various District facilities.
- 01-40-470-540072** **Recharge Facility, Canyon and Pond Maintenance** — Costs associated with the maintenance and weed abatement necessary for the basins at the Noble Creek Recharge Facility Phase I & II and basins located in Edgar Canyon.
- 01-50-510-502001** **Rents/Leases** — Cost associated with third party rental agreements with the District including the Engineering Annex.
- 01-50-510-510031** **Small Tools, Parts and Maintenance** — Costs for minor repairs and small parts purchases not specifically associated with any one project or division.
- 01-50-510-540066** **Property Damages and Theft** — Costs associated with small claims on the District for property damage.
- 01-50-510-550040** **General Supplies** — Cost of general supplies used for District operations not specifically associated with any one project.
- 01-50-510-550060** **Public Education/Community Outreach** — Costs associated with public education and community outreach, such as the mandated Annual Consumer Confidence Report (Water Quality Report), public relations, etc.
- 01-50-510-550072** **Miscellaneous Operating Expenses** — Expenses which do not fall directly under another general ledger account for the District.
- 01-50-510-550074** **Disaster Preparedness Ongoing Expenses** — Expenses specifically incurred during an ongoing disaster as well as costs associated with the District’s disaster preparedness program that are not included in any other GL account.

## 2022 Salary Schedule

<b>Beaumont-Cherry Valley Water District Salary Schedule</b>							
<b>Effective: January 1, 2022</b>	<b>Hourly Rates (per step)</b>					<b>Annual Range</b>	
<b>Classification</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<i>(based on 2080 hours)</i>	
Accountant III	37.17	39.03	40.98	43.03	45.18	77,313.60	93,974.40
Accounting Technician	28.16	29.57	31.05	32.60	34.23	58,572.80	71,198.40
Administrative Assistant	23.42	24.59	25.82	27.11	28.47	48,713.60	59,217.60
Civil Engineering Assistant	35.90	37.70	39.58	41.56	43.64	74,672.00	90,771.20
Customer Service Representative I	18.58	19.51	20.49	21.51	22.59	38,646.40	46,987.20
Customer Service Representative II	21.86	22.95	24.10	25.30	26.57	45,468.80	55,265.60
Customer Service Representative III	27.73	29.12	30.58	32.11	33.72	57,678.40	70,137.60
Development Services Representative	26.54	27.87	29.26	30.72	32.26	55,203.20	67,100.80
Director of Engineering	73.94	77.64	81.52	85.60	89.88	153,795.20	186,950.40
Director of Finance and Administrative Services	66.13	69.44	72.91	76.56	80.39	137,550.40	167,211.20
Director of Information Technology	59.21	62.17	65.28	68.54	71.97	123,156.80	149,697.60
Director of Operations	64.61	67.84	71.23	74.79	78.53	134,388.80	163,342.40
Engineering Intern	15.81	16.60	17.43	18.30	19.21	32,884.80	39,956.80
Field Superintendent	44.41	46.63	48.96	51.41	53.98	92,372.80	112,278.40
General Manager	negotiated contract				115.57		240,385.60
Human Resource Coordinator	27.73	29.12	30.58	32.11	33.72	57,678.40	70,137.60
Maintenance Utility Worker	22.66	23.79	24.98	26.23	27.54	47,132.80	57,283.20
Production Maintenance I	22.30	23.42	24.59	25.82	27.11	46,384.00	56,388.80
Production Maintenance II	27.33	28.70	30.13	31.64	33.22	56,846.40	69,097.60
Production Supervisor	36.09	37.89	39.78	41.77	43.86	75,067.20	91,228.80
Recycled Water Supervisor	35.72	37.51	39.39	41.36	43.43	74,297.60	90,334.40
Senior Accountant	39.02	40.97	43.02	45.17	47.43	81,161.60	98,654.40
Senior Engineer	61.62	64.70	67.93	71.33	74.90	128,169.60	155,792.00
Sr. Finance and Administrative Analyst	43.49	45.66	47.94	50.34	52.86	90,459.20	109,948.80
Transmission & Distribution Supervisor	35.72	37.51	39.39	41.36	43.43	74,297.60	90,334.40
Water Utility Person I	19.53	20.51	21.54	22.62	23.75	40,622.40	49,400.00
Water Utility Person II	22.98	24.13	25.34	26.61	27.94	47,798.40	58,115.20
Water Utility Person III	25.83	27.12	28.48	29.90	31.39	53,726.40	65,291.20
Board of Directors	\$260 per day for meeting attendance in accordance with District rules						

# Capital Improvement Budget

## What are Capital Improvements?

Capital improvements include the purchase, construction, replacement, addition, or major repair of District facilities, infrastructure, and equipment. The selection and evaluation of capital projects involves analysis of District requirements, speculation on growth, the ability to make estimates, and the consideration of historical perspectives. A “capital project” has a monetary value of at least \$5,000, has a useful life of a minimum of two years, and results in the creation or revitalization of a fixed asset. A capital project is usually relatively large compared to other “capital outlay” items that may be included in the annual operating budget. Vehicles and heavy equipment are considered capital projects by the District for the purpose of financial planning.

## Ten Year Capital Improvement Plan

In March 2017, the Board of Directors adopted the 2017-2026 Ten Year Capital Improvement Plan (CIP) which was subsequently updated in March 2018. The CIP is a ten-year fiscal planning tool used to identify the future capital needs of the Beaumont-Cherry Valley Water District (BCVWD/District), as well as identify the timing and method of financing those capital needs. The District, like other water agencies across California, must deal with population growth, aging infrastructure, climate change and environmental mandates, and an influx of new technologies. The reality is that infrastructure cannot simply be replaced. Upgrades are essential and necessary to meet customer needs at affordable rates. Water meters, for example, must become intuitive, two-way communication devices and wells need to be built with next-generation computers to maximize pumping efficiencies and provide for added security.

Many of these enhancements and upgrades are costly, but necessary. The CIP is designed to show how the District will build, maintain, and manage the assets needed to produce, treat, and distribute water while keeping costs as low as possible. This planning tool provides the framework for District investments over a ten-year horizon, while providing the flexibility to adapt to changing infrastructure needs and opportunities as they arise.

Generally, projects included in the CIP are non-recurring projects that exceed \$5,000 in cost and have a useful life of a minimum of two years which qualifies them as capital assets per the District’s capitalization policy. In fact, the larger capital projects in the CIP have costs exceeding \$1,000,000 and useful lives of ten to fifty years. The District’s CIP includes projects in five distinct improvement groups: Potable Water Infrastructure projects, Non-Potable Water Infrastructure projects, Pipeline Replacement projects, and Capital Acquisitions such as IT replacements and upgrades and vehicle replacements. Projects in the CIP that have significant cost may require the use of reserves, low-interest loans, or bond debt to finance their costs.

The schedule presented as Appendix C in this Capital Improvement Budget (CIB) includes the next five years of the CIP as adopted by the Board in March 2018, and is separated into the following project types: Potable Infrastructure Projects, Potable Pipeline Replacements, IT Network Infrastructure Projects, IT SCADA Infrastructure Projects, IT/Field Operations/Administration Projects, Vehicles & Equipment, and Non-Potable Infrastructure Projects, with revisions made periodically due to the dynamic nature of the CIP. Additionally, because of inflationary adjustments to these projects, a project that is initially budgeted for in one year but is not



completed in that year may have a higher total cost than in the previous CIB. Similarly, as the CIP is reviewed and certain projects are moved back or forward in time, the total project costs may change due to inflationary adjustments. Appendix C shows the Estimated Carry Over 2021 Budget amount, with the years 2022 through 2026. The emphasis is on the 2022 budget year as this is the spending plan for the upcoming year. Of the ten-year period covered in the CIP, the upcoming fiscal year is the most detailed and accurate since it is based on the most current plans and ongoing projects.

Significant multi-year projects with total costs in 2016, adjusted for inflation, dollars greater than \$250,000 and scheduled to commence or continue (carryover) in 2022 are described in detail below.



*Potable Infrastructure Projects*

- EOC-001      BCVWD EOC Staffing and Space Requirements (\$20,007,500)**  
Short term cost of \$1,760,000 is for the purchase of land in the next 3 - 5 years and completion of facilities planning (soft costs) for a future District office facility based on preliminary projections of staffing needs over time. The short-term cost proposed is \$1M as an estimated purchase cost for land and associated soft costs of \$760K.
- DPX-001      Disaster Preparedness Equipment (\$992,500)**  
District staff, in coordination with the ongoing improvements to the District’s safety plan, has identified areas of vulnerability in assessing responses to emergency situations and has identified as necessary the purchase of certain equipment such as backup generators and an emergency communications system.
- WR-SITES-Reser      Investment in Sites Reservoir Project (\$30,206,900)**  
The revised project is estimated to cost approximately \$3 billion, (2019 \$), down from an initial project estimate of over \$5 billion. Although it is too early in the planning process to determine the final cost to participating members, the District’s Board has authorized a participation level of 4,000 “shares” or AF of supply in conjunction with the SGPWA’s 10,000 AFY of supply participation during the planning phase of this project.
- TM-2750-0001      Cherry Reservoir 1 & 2 Exterior Recoat and Retrofit (\$500,000)**  
Removal of exterior paint coating and repainting of the exterior of both Cherry I and Cherry II, 1 MG potable water storage tank.
- W-2750-0001      Replacement for Well 2 (\$6,344,100)**  
Drill and outfit new Beaumont Basin deep well to replace Well 2 on Well 2 site at corner of 12th and Michigan St., 2000 gpm, 700 ft TDH, 500 HP.
- W-2750-0002      2750 Zone Well in Noble Creek Regional Park (\$7,423,700)**  
Drill and outfit new Beaumont Basin deep well in southwest corner of Noble Creek Regional Park., 2000 gpm, 700 ft TDH, 500 HP.
- W-2750-0005      Replace 2750 Zone Well 1 (\$4,436,900)**  
Drill and outfit new Beaumont Basin deep well to replace Well 1 on Well 1 site at 12<sup>th</sup> and Palm, 2000 gpm, 700 ft TDH, 500 HP.
- BP-2850-0001      2850 Zone to 3040 Zone Booster Pump Station (\$4,192,300)**  
Construct new 2850 to 3040 Booster Pumping Station at the Vineland Tanks. Design for 4 pumps ultimate, install 3 initially @ 2100 gpm, 220 ft TDH, 200 HP each.
- TM-2850-0001      Vineland 1 Exterior Recoat and Retrofit (\$250,000)**  
Removal of exterior paint coating and repainting of the exterior of Vineland I, a 1 MG potable water storage tank.

- W-2850-0001 New Beaumont Basin Well on Pardee Sundance Site (\$7,423,700)**  
Drill and outfit new Beaumont Basin deep well on Pardee Sundance Site, 2000 gpm, 700 ft TDH, 500 HP, Note that this well could pump to 3040 Zone also.
- T-3040-0001 2 MG 3040 Zone Tank (\$4,169,200) and Pressure Zone Pipeline (\$1,348,000)**  
Construct additional 2 MG steel tank adjacent to existing 1 MG Noble (3040) Zone Tank on District Property and construct new transmission main to connect into the 3040 Zone.
- TM-3040-0001 Highland Springs Reservoir Recoat and Retrofit (\$350,000)**  
Removal of interior and exterior paint coating and repainting of the interior and exterior of Highland Springs Reservoir, a 1 MG potable water storage tank.
- TM-3040-0001 Lower Edgar Reservoir Recoat and Retrofit (\$350,000)**  
Removal of interior and exterior paint coating and repainting of the interior and exterior of Lower Edgar Reservoir, a 1 MG potable water storage tank.
- WR Grand Avenue Storm Drain (\$5,625,300)**  
Construct interceptor storm drain in Grand Ave from Bellflower Ave. to Phase 2 of the Noble Creek Facility Phase II to intercept relatively clean urban runoff. Watershed area = 505 acres, for 10year approx. 380 cfs.

*Potable Pipeline Replacements*

- P-2750-0056 Michigan Avenue, 5th Street to 6th Street (\$336,400)**  
Remove and replace 530 ft. long 8 in. Michigan Avenue pipeline from 5<sup>th</sup> Street to 6<sup>th</sup> Street.
- P-2750-0092 11th Street, Beaumont Avenue to Elm Avenue (\$1,377,500)**  
Remove and replace 1,950 ft. long 8 in. 11<sup>th</sup> Street pipeline from Beaumont Avenue to Elm Avenue.
- P-3040-0023, 0024, 0025, 0026**  
**P-3330-0003**  
**P-3620-0009 2020-2021 Replacement Pipelines (\$1,521,200)**  
P-3040-0023, 0024:  
Replacement of approximately 270 LF of 6” steel pipeline with 8” DIP, along Lambert Road and Bing Place (each, total of 540 LF), west of Cherry Avenue.  
P-3040-0025:  
Replacement of approximately 1,250 LF of 6” steel pipeline with 8” DIP, along Star Lane, Sky Lane, and View Drive, south of Orchard Street.  
P-3040-0026:  
Replacement of approximately 900 LF of 4” steel with an 8” DIP pipeline, along the unpaved alignment of Utica Way from Vineland Street north to View Drive.  
P-3330-0003:

Replacement of approximately 1,380 LF of 6" steel pipeline with 8" DIP in Avenida Sonrisa, from Avenida San Timoteo westerly to the end of the existing 6" steel line.

P-3620-0009:

Replacement of approximately 300 LF of 6" steel pipeline with 8" DIP, along Avenida Miravilla from Quail Road south to the termination of the existing 6" steel water line.

**P-3620-0001 "B" Line Upper Edgar to upper end of 20" DIP and from lower end 20" DIP to Balance Line in Edgar Canyon (\$1,744,500)**

Install 3,000 ft. long 20 in. "B" Line Upper Edgar to upper end of 20" DIP and from lower end 20" DIP to Balance Line in Edgar Canyon.

**P-3620-0012 Ave Altejo Bella, Ave Miravilla to end of cul-de-sac (\$328,200)**

Replacement of approximately 970 LF of 8" steel with an 8" DIP pipeline, in Avenida Altejo Bella from Avenida Miravilla to the end of the cul-de-sac.

**P-3620-0015 Appletree Ln, "B" Line to Oak Glen Rd**

Replacement of approximately 2,170 LF of 8" steel with an 8" DIP pipeline, in Appletree Lane, from "B" Line to Oak Glen Road.

Significant equipment and vehicle purchase greater than \$50,000 and scheduled to commence or continue (carryover) in 2022 are described in detail below.

*IT Network Infrastructure*

**IT-NETW-0011 Server Room Uninterrupted Power Source (\$50,900)**

This will provide necessary uninterrupted power in the server room to critical systems at the District in the event of a power failure before building generator is online and operational.

**IT-NETW-0013 Servers and Related Equipment (4 per year, 3-year life, \$15K per server) (\$60,000)**

This is an ongoing CIP project that is designed to replace older server and appliance equipment that power critical systems at the District.

*IT SCADA Infrastructure*

**IT-SCAD-0002 Wonderware SCADA Phase 2 Project (\$358,000)**

Replace the existing SCADA system with a more modern platform that enabled District staff to utilize mobile devices and replaces outdated system components.

**IT-SCAD-0003 Wonderware SCADA Phase 3 Project (\$204,900)**

Replace the backhaul connectivity and devices throughout the District to improve communication and monitor system devices.

**IT-SCAD-0004 AMR/AMI Deployment Project (\$5,704,300)**

This partially grant-funded project will replace all the District's 19,000+ water meters with current automatic read technology, saving staff time, reducing errors and eliminating wear

and tear on District vehicles, while offering a new and informational data set for detecting leaks within the transmission and distribution system.

*IT/Field Operations/Administration Projects*

**IT-ADMN-0001 Laser-Fishe Digitized File Room Project (\$66,400)**

This project will add a digital document solution to the District, allowing staff to more efficiently manage and locate files that would otherwise be physical.

*Vehicles and Equipment*

**VE-TRUK-0012 2008 Ford F450 (Dec 2008) Unit #5 (\$75,000)**

Purchase a replacement for unit #5, a 2008 Ford F450. The purchase of a 2021 Ford F450 with 14' Combo Bed was approved by the Board in January 2021 and has been ordered but is not anticipated to be received until 2022.

**VE-TRUK-0013 2008 Ford F-550 1 Ton Truck w/ ¾ Ton Dump Bed (Apr 2009) Unit #12 (\$71,000)**

Purchase a replacement for unit #12, a 2008 Ford F550 1 Ton Truck w/ ¾ Ton Dump Bed.

**VE-TRUK-0014 2011 Ford F350 (Jan 2011) Unit #17 (Appropriately Sized F-450) (\$60,000)**

Purchase a replacement for unit #17, a 2011 Ford F350, with an appropriately sized 2022 Ford F450.

**VE-TRUK-0015 GIS / Muck Truck (Freightliner Diesel) (May 2004) Unit #8 (\$207,300)**

Purchase a replacement for unit #8, a Freightliner Diesel.

**VE-TRUK-0018 2012 Ford F350 Super Duty Unit #4 (Appropriately Sized F-450) (\$60,000)**

Purchase a replacement for unit #4, a 2012 Ford F350, with an appropriately sized 2022 Ford F450.

Significant multi-year projects with total costs in 2016 dollars, adjusted for inflation, greater than \$250,000 and scheduled to commence or continue (carryover) in 2022 are described in detail below.

*Non-Potable Infrastructure Projects*

**NEO-0000-0001 Recycled Water Conversion and Implementation (\$691,800)**

Conduct site mapping and inspection, shutdown testing, master engineers report, end user permitting, and other costs as necessary in preparation of receiving and distributing Recycled Water.

**NBP-2600-0003 2800 Zone Non-potable Booster at COB Treatment Plant (\$9,807,900)**

Construct a booster pump station at a location to be determined near the City of Beaumont Wastewater Treatment Plant.

- NP-2600-0001 24" San Timoteo Canyon Rd, Palmer to Tukwet Canyon (\$5,373,900)**  
Install 24" recycled water main in San Timoteo Canyon Road from Palmer Avenue to Tukwet Canyon Parkway.
- NP-2600-0002 12" Tukwet Canyon, Champions to SunCal Tract (\$615,900)**  
Install 12" recycled water main in Tukwet Canyon Parkway from Champions Drive to the SunCal development.
- NP-2600-0003 18" Tukwet Canyon, SunCal Tract to San Timoteo (\$1,376,600)**  
Install 18" recycled water main in Tukwet Canyon Parkway from the SunCal development to San Timoteo Canyon Road.
- NP-2600-0004 18" San Timoteo Canyon, Tukwet Canyon to end of Existing NP (\$1,789,600)**  
Install 18" recycled water main in San Timoteo Canyon Road from Tukwet Canyon Parkway to the end of the existing non-potable system.
- NPR-2800-0001 2800 to 2600 Non-potable Water Pressure Regulator (\$241,300)**  
Install non-potable water pressure regulator for the 2800 Zone down to the 2600 Zone.

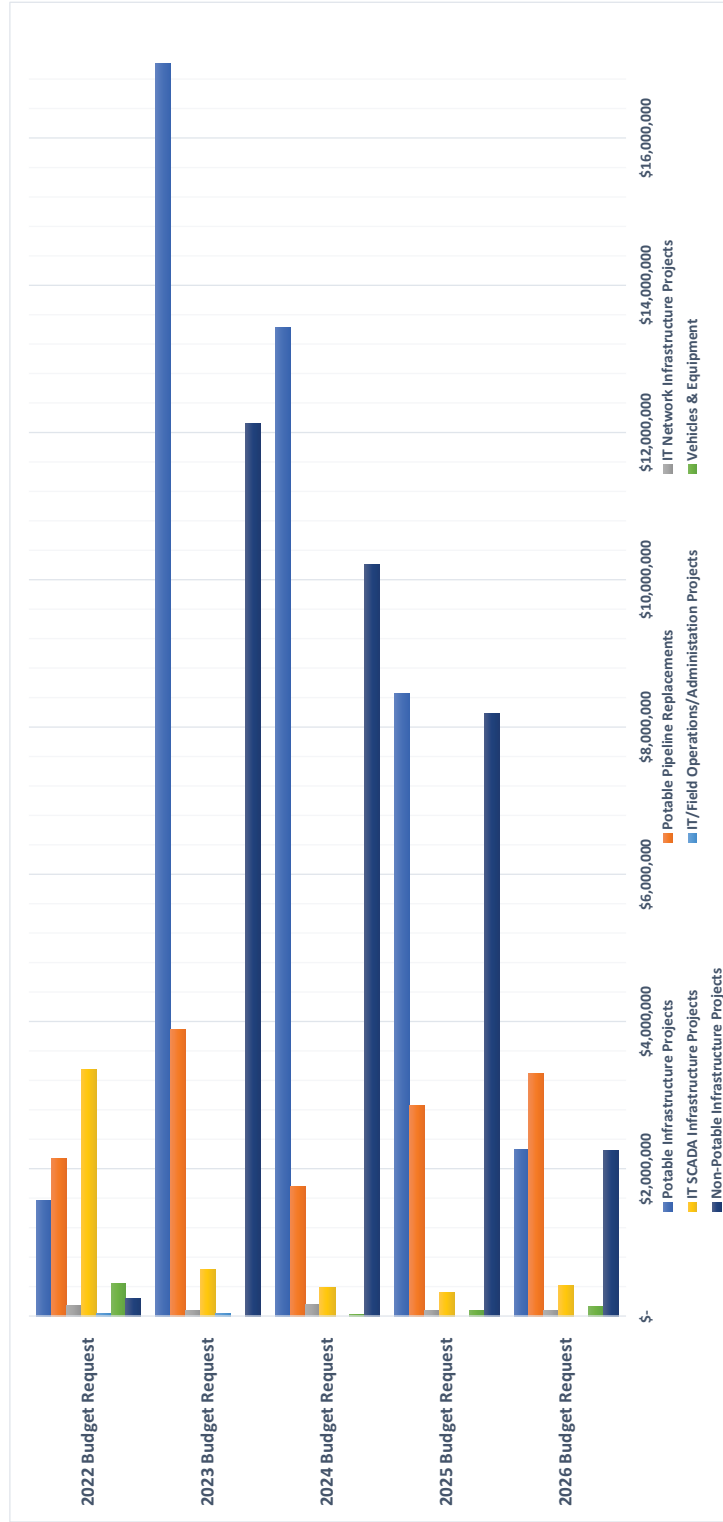
## Appendices – Capital Improvements





**Beaumont-Cherry Valley Water District  
2022-2026 Capital Improvement Budget  
Appendix A  
2022 - 2026 Capital Improvement Budget Summary by Type**

Capital Improvement Program	Footnotes	Estimated Carry Over 2021 Budget	2022 Budget Request	2023 Budget Request	2024 Budget Request	2025 Budget Request	2026 Budget Request	5-Year Budget Total
Potable Infrastructure Projects		\$ 15,253,000	\$ 1,569,200	\$ 18,636,900	\$ 13,430,700	\$ 8,460,400	\$ 2,288,700	\$ 59,618,900
Potable Pipeline Replacements		1,851,700	2,140,200	3,892,400	1,758,000	2,861,500	3,293,000	15,796,800
IT Network Infrastructure Projects		44,100	144,800	78,000	163,000	78,000	78,000	585,900
IT SCADA Infrastructure Projects		1,288,000	3,345,700	628,400	386,000	323,200	408,700	6,380,000
IT/Field Operations/Administration Projects		139,100	33,200	33,200	-	-	-	205,500
Vehicles & Equipment		145,000	438,100	-	19,800	71,400	131,600	805,900
Non-Potable Infrastructure Projects		4,286,400	239,800	12,117,700	10,210,100	8,182,600	2,241,800	37,278,400
<b>Total</b>		<b>\$ 23,007,300</b>	<b>\$ 7,911,000</b>	<b>\$ 35,386,600</b>	<b>\$ 25,967,600</b>	<b>\$ 19,977,100</b>	<b>\$ 8,421,800</b>	<b>\$ 120,671,400</b>



**Footnotes**  
General 5-Year Budget Total Includes Estimated 2021 Carryover



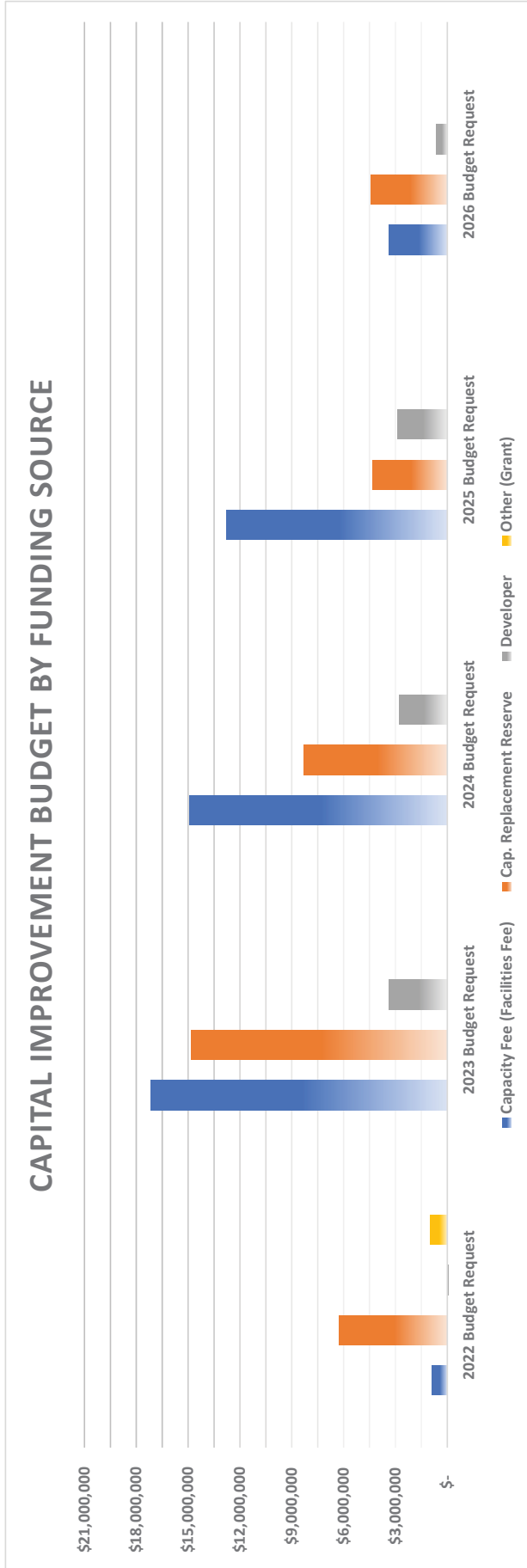


**Beaumont-Cherry Valley Water District  
2022-2026 Capital Improvement Budget**

**Appendix B**

**2022 - 2026 Capital Improvement Budget by Funding Source**

Funding Source	Footnotes	Estimated Carry Over 2021 Budget	2022 Budget Request	2023 Budget Request	2024 Budget Request	2025 Budget Request	2026 Budget Request	5-Year Budget Total
Capacity Fee (Facilities Fee)		\$ 12,282,400	\$ 873,000	\$ 17,173,600	\$ 14,905,000	\$ 12,790,100	\$ 3,369,300	\$ 61,393,400
Cap. Replacement Reserve		8,733,200	6,236,900	14,835,500	8,288,800	4,312,400	4,415,600	46,822,400
Developer	(1)	1,802,800	(173,200)	3,377,500	2,773,800	2,874,600	636,900	11,292,400
Other (Grant)		188,900	974,300	-	-	-	-	1,163,200
<b>Total</b>		<b>\$ 23,007,300</b>	<b>\$ 7,911,000</b>	<b>\$ 35,386,600</b>	<b>\$ 25,967,600</b>	<b>\$ 19,977,100</b>	<b>\$ 8,421,800</b>	<b>\$ 120,671,400</b>



**Footnotes**

**General** 5-Year Budget Total includes Estimated 2021 Carryover

(1) Pipeline Project 8" Sundance TR, Marylane, Tioga Tr West, budgeted for 2021, will not be constructed



**Beaumont-Cherry Valley Water District**  
**2022-2026 Capital Improvement Budget**  
**Appendix C**  
**2022 - 2026 Capital Improvement Budget Detail**

Engineering Project #	Footnotes	Capital Improvement Program	Estimated Carry Over 2021 Budget	2022 Budget Request	2023 Budget Request	2024 Budget Request	2025 Budget Request	2026 Budget Request	5-Year Budget Total
<b>Potable Infrastructure Projects</b>									
EOC-001		BCVWD EOC Staffing and Space Requirements	1,000,000	-	\$ 760,000	\$ -	\$ -	\$ -	1,760,000
DPX-001		Disaster Preparedness Equipment	466,100	-	233,100	233,100	-	-	932,300
WR-SITES-Reser		Investment in Sites Reservoir Project	93,700	400,000	519,600	866,100	1,039,300	1,385,700	4,304,400
		2020 Capacity Charge Study	47,800	-	-	-	-	-	47,800
	(1)	Well Eyewash Station Additions	41,200	-	-	-	-	-	41,200
	(2)	Climate Control for High Horsepower Electrical Buildings	57,500	-	-	-	-	-	57,500
	(2)	Arc Flash Study & Improvement Project	67,500	-	-	-	-	-	67,500
M-0000-0001	(1)	800HP Spare Motor	44,900	-	-	-	-	-	44,900
M-0000-0002		Chlorination Retrofit At Misc. Wells (6 Well Sites)	71,500	-	-	-	-	-	71,500
BP-2750-0001		2750 Zone to 2850 Zone Booster Pump Station	-	-	1,195,800	2,917,000	-	-	4,112,800
M-2750-0001		2850/2750 Pressure Reducing Station & Piping (Cherry Reservoir)	-	-	61,100	-	-	-	61,100
TM-2750-0001	(3)	Cherry Reservoir 1 & 2 Exterior Recoat and Retrofit	-	500,000	-	-	-	-	500,000
W-2750-0001	(4)	Replacement for Well 2	1,796,400	-	2,304,400	2,511,100	-	-	6,611,900
W-2750-0002	(4)	2750 Zone Well in Noble Creek Regional Park	2,115,000	-	541,800	5,119,000	-	-	7,775,800
W-2750-0005	(4)	Replace 2750 Zone Well 1	1,668,200	-	2,771,200	-	-	-	4,439,400
BP-2850-0001		2850 Zone to 3040 Zone Booster Pump Station	-	419,200	3,906,400	-	-	-	4,325,600
TM-2850-0001	(3)	Vineland 1 Exterior Recoat and Retrofit	-	250,000	-	-	-	-	250,000
W-2850-0001	(4)	New Beaumont Basin Well on Pardee Sundance Site	-	-	2,291,900	559,100	5,541,000	-	8,392,000
W-2850-0006		Re-equip Well 23	-	-	-	-	522,300	589,800	1,112,100
BP-3040-0001		3040 to 3330 Booster Pump Station at Noble Tank	-	-	244,100	1,137,200	1,217,300	-	2,598,600
M-3040-0002		Noble Booster Pump and Motor (Spare Pump & Motor)	25,300	-	-	-	-	-	25,300
T-3040-0001 Tank	(4)	2 MG 3040 Zone Tank	3,168,700	-	711,400	-	-	-	3,880,100
T-3040-0001 PZ Pipeline	(4)	Pressure Zone Pipeline	1,047,800	-	235,100	-	-	-	1,282,900
TM-3040-0001	(2)	Highland Springs Reservoir Recoat & Retrofit	402,200	-	-	-	-	-	402,200
PR-3330-0001		3330 to 3150 Lower Mesa, Noble Regulator	-	-	-	88,100	-	-	88,100
TM-3330-0001		Lower Edgar Reservoir Recoat & Retrofit	402,200	-	-	-	-	-	402,200
PR-3620-0001	(2)	3620 to 3330 Fisher Pressure Regulator	50,300	-	-	-	140,500	-	190,800
BP-HS-0001	(4)	Add 3rd Booster Pump and Fire Pump at HS Hydro pneumatic	-	-	-	-	-	293,200	293,200
WR		Grand Avenue Storm Drain	2,686,700	-	2,861,000	-	-	-	5,547,700
<b>Total Potable Infrastructure Projects</b>			<b>15,253,000</b>	<b>1,569,200</b>	<b>18,636,900</b>	<b>13,430,700</b>	<b>8,460,400</b>	<b>2,268,700</b>	<b>59,618,900</b>



**Beaumont-Cherry Valley Water District  
2022-2026 Capital Improvement Budget  
Appendix C  
2022 - 2026 Capital Improvement Budget Detail**

Engineering Project #	Footnotes	Capital Improvement Program	Estimated Carry Over 2021 Budget	2022 Budget Request	2023 Budget Request	2024 Budget Request	2025 Budget Request	2026 Budget Request	5-Year Budget Total
<b>Potable Pipeline Replacements</b>									
P-2750-0025		Maple Ave., 1st St to 3rd St	-	\$ -	64,500	268,200	-	-	332,700
P-2750-0035		Allegheny St., 6th to 8th	-	-	-	-	50,300	209,400	259,700
P-2750-0036		Michigan St., 6th to 8th	-	-	96,600	401,900	-	-	498,500
P-2750-0045		7th St., California Ave. to Beaumont Ave.	-	-	-	-	107,300	446,400	553,700
P-2750-0049		10th St., Palm Ave. to Michigan Ave.	-	-	-	-	53,400	222,300	275,700
P-2750-0050		Orange Ave., 8th St to 10th st	-	-	-	-	129,800	540,000	669,800
P-2750-0056	(3)	11th Street, Beaumont Avenue to Elm Avenue	-	275,500	1,145,800	-	-	-	1,421,300
P-2750-0057		Magnolia Ave., 7th to 8th	-	-	-	-	39,200	163,200	202,400
P-2750-0058		Wellwood Ave., B St north to end	-	-	-	-	10,700	44,700	55,400
P-2750-0064	(5)	Antonell Court, Pennsylvania Ave. to Cherry Ave.	-	-	-	-	-	-	-
P-2750-0066		Egan Ave.-Wellwood Ave. Alley, 5th to 8th St	-	-	85,800	356,700	-	-	442,500
P-2750-0067		Elm Ave.- Wellwood Ave. Alley, 7th St. to 5th St.	-	-	36,000	149,900	-	-	185,900
P-2750-0068		Elm Ave., 6th to 7th	-	-	22,700	94,300	-	-	117,000
P-2750-0069	(2)	Egan Ave-California Ave. Alley, 5th to 7th	151,000	67,200	311,400	-	-	-	151,000
P-2750-0092	(3)	Michigan Avenue, 5th Street to 6th Street	-	-	-	-	-	-	-
P-2750-0087		Beaumont 5th to 6th (Abandon pipeline)	-	-	-	-	44,500	-	44,500
P-3040-0007		Lincoln St. Cherry Ave to Jonathan Ave	-	-	-	-	95,100	395,500	490,600
P-3040-0010		Jonathan Ave., Brookside Ave. to Dutton St.	-	-	-	-	305,700	1,271,500	1,577,200
P-3040-0023,24,25,26									
P-3330-0003									
P-3620-0009	(6)	2020-2021 Replacement Pipelines	-	304,200	1,265,300	-	-	-	1,569,500
P-3040-0023	(6)	Bing Pl	20,700	(20,700)	-	-	-	-	-
P-3040-0024	(6)	Lambert Pl	20,700	(20,700)	-	-	-	-	-
P-3040-0025	(6)	Star Ln, Sky Ln, and View Dr	-	-	-	-	-	-	-
P-3040-0026	(6)	Utica Way, Vineland St to View Dr.	36,700	(36,700)	-	-	-	-	-
P-3040-0027		Grand Ave., Jonathan Ave. to Bellflower; Cherry Valley Blvd. Bellflower to HS Village 12 in	197,900	-	864,300	-	-	-	1,062,200
P-3330-0003	(6)	Avenida Sonrisa	102,200	(102,200)	-	-	-	-	-
P-3620-0001		"B" Line Upper Edgar to upper end of 20" DIP and from lower end 20" DIP to Balance line and Balance Line in Edgar Canyon	400,900	1,704,000	-	-	-	-	2,104,900
P-3620-0002		"A" Line Upper Edgar to split at Apple Tree Lane Tract	-	-	-	487,000	2,025,500	-	2,512,500
P-3620-0009	(6)	Ave. Miravilla, End of 12-in to Whispering Pines	30,400	(30,400)	-	-	-	-	-
P-3620-0012	(4)	Ave Altejo Bella, Ave Miravilla to end of cul-de-sac	221,700	-	-	-	-	-	221,700
P-3620-0015	(4)	Appletree Ln, B line to Oak Glen Rd	669,500	-	-	-	-	-	669,500
<b>Total Potable Pipeline Replacements</b>			<b>1,851,700</b>	<b>2,140,200</b>	<b>3,892,400</b>	<b>1,758,000</b>	<b>2,861,500</b>	<b>3,293,000</b>	<b>15,796,800</b>



**Beaumont-Cherry Valley Water District  
2022-2026 Capital Improvement Budget  
Appendix C  
2022 - 2026 Capital Improvement Budget Detail**

Engineering Project #	Footnotes	Capital Improvement Program	Estimated Carry Over 2021 Budget	2022 Budget Request	2023 Budget Request	2024 Budget Request	2025 Budget Request	2026 Budget Request	5-Year Budget Total
<b>IT Network Infrastructure Projects</b>									
IT-NETW-0006		Workstation Replacement project	(15,900)	33,900	18,000	18,000	18,000	18,000	90,000
IT-NETW-0011	(7)	Server Room Uninterrupted Power Source	-	50,900	-	-	-	-	50,900
IT-NETW-0013		Servers and Related Equipment (4 per year, 3 year life, \$15K per server)	60,000	60,000	60,000	60,000	60,000	60,000	360,000
IT-NETW-0014		Network Infrastructure and Equipment (Network Switches, Firewall Appliances, SAN Storage, Tape/Backup Storage, Power Capacity)	-	-	-	85,000	-	-	85,000
		<b>Total IT Network Infrastructure Projects</b>	<b>44,100</b>	<b>144,800</b>	<b>78,000</b>	<b>163,000</b>	<b>78,000</b>	<b>78,000</b>	<b>585,900</b>
<b>IT SCADA Infrastructure Projects</b>									
IT-SCAD-0002		Wonderware SCADA Phase 2 Project	268,500	-	89,500	-	-	-	358,000
IT-SCAD-0003		Wonderware SCADA Phase 3 Project	153,700	-	51,200	-	-	-	204,900
IT-SCAD-0004		AMIR / AMI Deployment Project	648,700	3,345,700	-	-	-	-	3,994,400
IT-SCAD-0005		New Development Meters	187,100	-	457,700	356,000	293,200	378,700	1,672,700
IT-SCAD-0007		Back-End SCADA Software and Equipment	30,000	-	30,000	30,000	30,000	30,000	150,000
		<b>Total IT SCADA Infrastructure Projects</b>	<b>1,288,000</b>	<b>3,345,700</b>	<b>628,400</b>	<b>386,000</b>	<b>323,200</b>	<b>408,700</b>	<b>6,380,000</b>
<b>IT/Field Operations/Administration Projects</b>									
IT-ADMIN-0001		Laser-Fishe Digitized Fileroom Project	-	33,200	33,200	-	-	-	66,400
IT-ADMIN-0002	(1)	Board Room Audio / Video System	115,400	-	-	-	-	-	115,400
IT-ADMIN-0003		Front Office Space Reconfiguration & Furniture Replacement	23,700	-	-	-	-	-	23,700
		<b>Total IT Field Operations/Administration Projects</b>	<b>139,100</b>	<b>33,200</b>	<b>33,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,500</b>
<b>Vehicles &amp; Equipment</b>									
VE-TRUK-0002		2018 Ford F150 Reg Cab (Oct, 2017) Unit #34	-	-	-	-	-	26,000	26,000
VE-TRUK-0003		2018 Ford F-150 Reg Cab (Sept, 2018) Unit #35	-	-	-	-	-	-	33,200
VE-TRUK-0004		2018 Ford F250 Reg Cab 4 X 4 (Aug, 2017) Unit #33	-	-	-	-	33,200	-	33,200
VE-TRUK-0005		2018 Ford F250 Reg Cab 4 X 4 (Aug, 2017) Unit #32	-	-	-	-	38,200	-	38,200
VE-TRUK-0006		2018 Ford F-150 Reg Cab (Sept, 2018) Unit #36	-	-	-	-	-	26,000	26,000
VE-TRUK-0007		2018 Ford F-150 Reg Cab (Sept, 2018) Unit #37	-	-	-	-	-	26,000	26,000
VE-TRUK-0010		2018 Ford F-250 Super Cab XL 4x4 (Oct, 2018) Unit #38	-	-	-	-	-	43,600	43,600
VE-TRUK-0012		2008 Ford F450 (Dec, 2008) Unit #5	75,000	-	-	-	-	-	75,000



**Beaumont-Cherry Valley Water District  
2022-2026 Capital Improvement Budget  
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2022 - 2026 Capital Improvement Budget Detail**

Engineering Project #	Footnotes	Capital Improvement Program	Estimated Carry Over 2021 Budget	2022 Budget Request	2023 Budget Request	2024 Budget Request	2025 Budget Request	2026 Budget Request	5-Year Budget Total
VE-TRUK-0013		2008 Ford F-550 1 Ton Truck w/ 3/4 Ton Dump Bed (Apr, 2009) Unit #12	-	71,000	-	-	-	-	71,000
VE-TRUK-0014		2011 Ford F350 (Jan, 2011) Unit #17 (Appropriately Sized F-450)	-	60,000	-	-	-	-	60,000
VE-TRUK-0015		GIS / Muck Truck (Freightliner Diesel) (May, 2004) Unit #8	-	207,300	-	-	-	-	207,300
VE-TRUK-0016		Chevrolet Colorado 4X4	35,000	-	-	-	-	-	35,000
VE-TRUK-0017		Chevrolet Colorado 4X4 (Recycled Water)	35,000	-	-	-	-	-	35,000
VE-TRUK-0018	(8)	2012 Ford F-350 Super Duty Unit #4 (Appropriately Sized F-450)	-	60,000	-	-	-	-	60,000
VE-HEAV-0002	(9)	2007 John Deere Backhoe 3105G (Aug, 2009)	-	20,000	-	-	-	-	20,000
VE-HEAV-0003	(8)	Large Trailer for Heavy Equipment Transport	-	19,800	-	-	-	-	19,800
VE-EQIP-0001		Air Compressor (May, 1998)	-	-	-	-	-	-	-
VE-EQIP-0002		Ingersoll Rand Air Compressor (Dec, 2008)	-	-	-	19,800	-	-	19,800
VE-EQIP-0003		Water Buffalo (Feb, 2018)	-	-	-	-	-	10,000	10,000
		<b>Total Vehicles &amp; Equipment</b>	<b>145,000</b>	<b>438,100</b>	-	<b>19,800</b>	<b>71,400</b>	<b>131,600</b>	<b>805,900</b>
		<b>Non-Potable Infrastructure Projects</b>							
NEO-0000-0001		Recycled Water Conversion and Implementation	520,100	171,700	-	-	-	-	691,800
NPR-2600-0001	(8)	2600 to 2400 Non-potable Water Pressure Regulator	-	-	-	-	-	173,400	173,400
NBP-2600-0003		2800 Zone Non-potable Booster at COB Treatment Plant	881,200	-	7,329,600	1,597,100	-	-	9,807,900
NP-2600-0001	(2)	24" San Timoteo Rd, Palmer to Tukwet Canyon	1,177,400	-	1,275,800	1,316,400	1,604,300	-	5,373,900
NP-2600-0002		12" Tukwet Canyon, Champions to SuncaI Tract	-	-	-	-	615,900	-	615,900
NP-2600-0003	(2)	18" Tukwet Canyon, SuncaI Tract to San Timoteo	301,600	-	326,800	337,200	411,000	-	1,376,600
NP-2600-0004	(2)	18" San Timoteo Canyon, Tukwet Canyon to end of Existing NP	392,100	-	424,900	438,400	534,200	-	1,789,600
NP-2600-0017		12" Sun Cal Tract, Oak Valley Pkwy North to Tukwet Canyon Rd.	-	-	1,191,900	-	-	-	1,191,900
NPR-2600-0002		2600 to 2520 Non-potable Water Pressure Regulator	-	-	-	-	-	173,400	173,400
NPR-2600-0002		2600 Zone Non-potable Regulation and Metering Station	-	-	210,500	-	-	251,900	462,400
NT-2600-0001		3 MG 2600 Zone Non-potable Water Tank	-	-	1,083,500	4,506,300	-	-	5,589,800
NWR-2600-0002	(2)	San Timoteo Creek Non-potable Extraction Wells	840,800	-	-	-	969,900	-	1,810,700
NP-2600-0001		24" in Sunny-Cal, Cherry Valley Blvd to Brookside Ave.	-	-	-	-	-	368,800	368,800
NP-2800-0012		30" COB WWTP SITE, from 2600 to 2800 Zone Booster Pump (NPB 2600-0003) to 4th	-	-	274,700	1,142,500	-	-	1,417,200
NP-2800-0014		12" Highland Springs Ave, 2nd St to 1st St	-	-	-	119,500	-	-	119,500



**Beaumont-Cherry Valley Water District**  
**2022-2026 Capital Improvement Budget**  
**Appendix C**  
**2022 - 2026 Capital Improvement Budget Detail**

Engineering Project #	Footnotes	Capital Improvement Program	Estimated Carry Over 2021 Budget	2022 Budget Request	2023 Budget Request	2024 Budget Request	2025 Budget Request	2026 Budget Request	5-Year Budget Total
NP-2800-0016	(5)	12" Sundance TR, Cougar Way South to Park circle	-	-	-	-	-	-	-
NP-2800-0017	(5)	12" Sundance TR, Park circle to Highland Springs Ave.	-	-	-	-	-	-	-
NP-2800-0018	(5)	8" Sundance TR, Cougar Way South to Park square	-	-	-	-	-	-	-
NP-2800-0019	(9)	8" Sundance TR, Mary lane, Tioga Tr - West	173,200	(173,200)	-	-	-	-	-
NPR-2800-0001		2800 to 2500 Non-potable Water Pressure Regulator	-	241,300	-	-	-	273,500	514,800
NPT-2800-001		Raw Water Filter System at 2800 PZ Tank	-	-	-	318,300	-	-	318,300
NT-2800-0001		2MG Non-potable 2800 Zone Tank	-	-	-	434,400	4,047,300	-	4,481,700
<b>Total Non-Potable Infrastructure Projects</b>			<b>4,286,400</b>	<b>239,800</b>	<b>12,117,700</b>	<b>10,210,100</b>	<b>8,182,600</b>	<b>2,241,800</b>	<b>37,278,400</b>
<b>Total Capital Improvement Program</b>			<b>\$ 23,007,300</b>	<b>\$ 7,911,000</b>	<b>\$ 35,386,600</b>	<b>\$ 25,967,600</b>	<b>\$ 19,977,100</b>	<b>\$ 8,421,800</b>	<b>\$ 120,671,400</b>

**Footnotes**

- (1) Project completed in 2022 with unspent budget remaining
- (2) Project was initially budgeted for 2021 but will not be initiated until 2023 or later
- (3) New project for 2022
- (4) Project is ongoing
- (5) Project complete
- (6) Project is ongoing, all have been reconciled as one project
- (7) Unspent funds from Workstation Replacement project for 2020 were not carried over to 2021, causing the negative carryover for 2021
- (8) Non-Potable Infrastructure Project Recycled Water Conversion and Implementation was originally estimated to cost \$534,000, with a revised estimated cost of \$691,800
- (9) Pipeline Project 8" Sundance TR, Mary lane, Tioga Tr - West, budgeted for 2021, will not be constructed

# Attachment C

## Beaumont-Cherry Valley Water District Fiscal Year 2021 Operating Budget Carryover Schedule

Account No.	Account Description	Carryover Amount	Carryover Description
01-30-310-580036	Other Professional Services	7,500	Miscellaneous fee (administrative cost recoveries) study contract with Raftelis Financial Consultants, Inc. approved by Board on 8/12/2020.
01-30-320-500176	District Professional Development	17,000	Leadership Academy/Management Training contract with HR Dynamics
01-30-320-580036	Other Professional Services	18,500	Compensation Study contract with Koff Associates approved by Board on 7/14/2021
01-40-410-520061	Maintenance & Repair-Pumping Equipment	48,900	Parts and labor for Well 25 motor repair
01-40-410-520061	Maintenance & Repair-Pumping Equipment	5,500	Parts and labor for Well 23 motor repair
01-40-440-540078	Reservoirs Maintenance	54,500	Reservoir cleaning for 2021
<b>Operating Budget Carryover Total</b>		<b>151,900</b>	

### Background

Staff requests that \$151,900 in unspent funds budgeted for fiscal year 2021 be carried over to the 2022 fiscal year. This is a preliminary list of encumbered or known individual operating expenses in the amount of \$5,000 or more that are anticipated to be spent under a contract or purchase order. Funding for equipment and vehicle purchases and capital projects that are not yet complete is carried forward as a matter of routine. Any request for the carryover of operating funds is reviewed in detail by the Finance and Administrative Services Department and must be justified by the requesting Department.



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 21, 2021**

Item 4

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** **Resolution 2021-\_\_ : Acknowledging the Review, Receipt and Acceptance of the District's Investment Policy**

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**Staff Recommendation**

Adopt Resolution 2021-\_\_ Acknowledging the Review, Receipt, and Acceptance of the District's Investment Policy, Effective Calendar Year 2022.

**Background**

To best safeguard cash on hand, the District must develop and implement an Investment Policy (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 was approved in 2017 by Resolution 2017-09 and approved as part of the District's annual review in subsequent years. The most recent adoption was on January 13, 2021, with Resolution 2021-01.

In February 2021, the District's Finance & Audit Committee requested analysis of external investment management services from a fee-based provider for expressed interest in external investment management services. Staff contacted Chandler Asset Management (Chandler), a provider of external investment management services,

Chandler Asset Management, Inc. (Investment Adviser) provided an analysis of the District's existing portfolio to the District's General Manager, Dan Jagers, and Acting Director of Finance and Administrative Services, William Clayton, May 26, 2021. Chandler subsequently attended and made presentations at August 5, 2021, and November 4, 2021, Finance and Audit Committee, and September 8, 2021, Regular Board Meeting. The Board is currently considering the adoption of a contract for external investment management services with Chandler. Chandler recommends.

**Summary**

Chandler recommended the following changes which conform to California Government Code:

- *Section 8.0 Authorized Investments – Increase Diversification using:*
  - *Pass-Through Securities (asset-backed and mortgage-backed securities)*
  - *Supranational debt*





- *Section 9.0 Prohibited Investments*
  - *Consider the inclusion of language from the passing of Senate Bill 998 permitting the investment in Securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity, sunseting in 2026*
- *Section 17.0 Investment Reporting*
  - *Modify the reporting of “transactions made over the last quarter” to “transactions made over the last month.”*

Additional de minimis revisions are being made to the 2022 Policy for grammatical purposes and complying with all applicable sections of the Government Code, as identified in the California Debt and Investment Advisory Commission’s (CDIAC) *Local Agency Investment Guidelines*, most recently updated in 2021. The *Local Agency Investment Guidelines* are designed to assist local officials in enforcing existing laws on the investment of public funds. Each year, CDIAC staff convenes a working group of public- and private-sector professionals to support revising and updating these Guidelines.

The changes to the Policy do not affect how the District will be investing, and instead, they reflect changes to how the District can invest. As stated in the Policy, if a discrepancy is found between this Policy and the Government Code, the more restrictive parameters will take precedence.

The primary objectives, in priority order, of investment activities shall be:

- **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:** This should become a consideration only after the basic safety and liquidity requirements are met.

### **Fiscal Impact**

None. The Investment Policy is presented for review and approval. There is no fiscal impact from the approval of the recommended actions.

### **Attachments**

- A. Resolution 2021-\_\_ : Acknowledging the Review, Receipt, and Acceptance of the District’s Investment Policy, Effective Calendar Year 2022
- B. Exhibit A – Policy 5045, Investment of District Funds, Proposed
- C. Investment Policy side-by-side Redline comparison
- D. Local Agency Investment Guide Excerpt

Report prepared by William Clayton, Senior Finance and Administrative Analyst

RESOLUTION 2021-\_\_

**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 2021-01 on January 13, 2021; 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 \_\_\_\_\_, 2021 by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST:

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

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

POLICY TITLE: INVESTMENT OF DISTRICT FUNDS  
POLICY NUMBER: 5045

ATTACHMENT **B**

5045.1 **Policy.** This investment policy ("Policy") is set forth by the Beaumont-Cherry Valley Water District ("District") for the following purposes:

1. 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
2. To establish a basis for evaluating investment results.

5045.2 **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 in 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.

5045.3 **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."

5045.4 **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:

1. **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.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. **Yield:** The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, if it does not diminish the objectives of Safety and Liquidity.

Adopted by Resolution 21-XX, Date

**5045.5 Delegation of Authority.**

1. 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.
2. 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 their designee, and their procedures in the absence of the General Manager or their designee, or Director of Finance and Administrative Services.
3. 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.
4. 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.
5. 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.
  - a. 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.
  - b. The performance and service levels of such advisors and managers shall be reviewed annually.

**5045.6 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.

**5045.7 Authorized Financial Dealers and Institutions.**

1. The Director of Finance and Administrative Services will maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes.
2. 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).
3. 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 their designee, and must submit the following:
  - a. Certification of having read and understood this investment policy resolution and agreeing to comply with the District's investment policy;
  - b. Proof of Federal Investment Regulatory Authority certification;

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- c. Proof of State of California registration;
  - d. Audited financial statements for the institution's three (3) most recent fiscal years;
  - e. References of other public-sector clients to which similar services are provided to.
4. 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.
  5. The investment advisor's approved list must be made available to the District upon request.

#### 5045.8 Authorized and Suitable Investments.

1. The District's investments are governed by the California Government Code.
2. Within the investments permitted by the Government Code, the District may seek to further restrict eligible investments.
3. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameters will take precedence.
4. A table of allowable investment instruments per California Government Code can be found in section 5045.19 of the Policy.
  - a. **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.
  - b. **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.
  - c. **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 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.
  - d. **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.

- e. **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.
- f. **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 50 percent of the portfolio may be invested in this category.
- g. **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.
- h. **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.
  - 1. 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.
- c. **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.
  - 1. 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.
  - 2. 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.
- d. **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.
- e. **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:
  - 1. must meet the requirements of California Government Code Section 53601(p),
  - 2. the pool must seek to maintain a stable Net Asset Value ("NAV"), and
  - 3. the pool must be rated at least "AAm", or its equivalent, by a NRSRO.

4. 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.
- f. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission.
    1. 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).
    2. A maximum of 20 percent of the portfolio may be invested in this category.
  - g. **Pass-Through Securities.** Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations limited to mortgage-backed pass-through securities issued by a US government agency or consumer receivable pass-through certificates or bonds with a final maturity not exceeding five years from the date of trade settlement. The securities are rated in a rating category of "AA" or its equivalent or higher by a NRSRO. The aggregate investment in mortgage-backed and asset-backed securities described in this section shall not exceed 20% of the portfolio with no more than 5% held in any one issuer that is not a US government agency.
  - h. **Supranational Obligations.** Medium United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or higher by a NRSRO and shall not exceed 30% of the portfolio with no more than 10% invested in any one issuer.
  - i. **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.
    1. The District shall have a properly executed master repurchase agreement with each counterparty for which it enters into an agreement for repurchase agreements.
    2. Collateral of at least 102 percent of market value of principal and accrued interest is required.
    3. 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.
    4. Market value must be calculated each time there is a substitution of collateral.
    5. Collateral is limited to obligations of the United States government and its agencies.
    6. Collateral must be delivered to the District's custodian bank or handled under a properly executed master repurchase agreement.
    7. The District, or its trustee, shall have a perfected first security interest in all collateral.

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8. A maximum of 10 percent of the portfolio may be invested in this category.

#### 5045.9 Prohibited Investments.

1. Section 53601.6 of the Government Code lists the investments that are prohibited.
2. Prohibited investments shall include, but are not limited to:
  - a. equity securities
  - b. inverse floaters
  - c. range notes
  - d. interest-only strips that are derived from a pool of mortgages
  - e. any investment that could result in zero interest earned if held to maturity.
  - f. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
3. The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in section 5045.8 of this Policy is prohibited without the prior approval of the Board.

5045.10 **Review of Investment Portfolio.** The securities held by the District must comply with Section 5045.8 Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section 5045.8 Authorized and Suitable Investments subsequent to the date of purchase, the Director of Finance and Administrative Services or their 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.

5045.11 **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?

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5045.12 **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.

1. The District chooses to limit collateral to the following: U.S. Treasuries and Federal Agency Obligations.
2. 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.

5045.13 **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.

5045.14 **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. Except for 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 5045.8. 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.

5045.15 **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.

5045.16 **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.

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5045.17 **Investment Reporting.**

1. **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 month. 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.
  - a. Listing of individual securities held at the end of the reporting period;
  - b. Cost and market value of all securities, including realized and unrealized market value gains or losses in accordance with GASB requirements;
  - c. Average weighted yield to maturity of portfolio;
  - d. Listing of investment by maturity date;
  - e. Percentage of the total portfolio, which each type of investment represents;
  - f. Statement of compliance with Investment Policy, including an explanation of any compliance exceptions (CGC Section 53646); and
  - g. Certification of sufficient liquidity to meet budgeted expenditures over the ensuing six months (CGC Section 53646).
2. **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.
3. **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.
4. 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.
  - a. 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.
    3. The Director of Finance and Administrative Services shall maintain a complete and timely record of all investment transactions.

5045.18 **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.

5045.19 Allowable Instruments per California Government Code.

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2021) <sup>A</sup> APPLICABLE TO ALL LOCAL AGENCIES <sup>B</sup>			
Investment Type	Maximum Maturity <sup>C</sup>	Maximum Specified % of Portfolio <sup>D</sup>	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% <sup>E</sup>	None
Commercial Paper – Non-Pooled Funds <sup>F</sup> (under \$100,000,000 of investments)	270 days	25% of the District's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>
Commercial Paper – Non-Pooled Funds (min. \$100,000,000 of investments)	270 days	40% of the District's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>
Commercial Paper – Pooled Funds <sup>I</sup>	270 days	40% of the District's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>
Negotiable Certificates of Deposit	5 years	30% <sup>J</sup>	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	50% <sup>K</sup>	None
Placement Service Certificates of Deposit	5 years	50% <sup>K</sup>	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>L</sup>	20% of the base value of the portfolio	None <sup>M</sup>
Medium-Term Notes <sup>N</sup>	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds and Money Market Mutual Funds	N/A	20% <sup>O</sup>	Multiple <sup>P,Q</sup>
Collateralized Bank Deposits <sup>R</sup>	5 years	None	None
Mortgage Pass-Through and Asset-Backed Securities	5 years	20%	"AA" rating category or its equivalent or better <sup>R</sup>
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple <sup>S</sup>
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund <sup>T</sup>	N/A	None	None
Supranational Obligations <sup>U</sup>	5 years	30%	"AA" rating category or its equivalent or better
Public Bank Obligations	5 years	None	None

(Source: *Local Agency Investment Guidelines: Update for 2021* published by the California Debt and Investment Advisory Commission (CDIAC).)

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**Notes to Authorized and Suitable Investments Table**

- A. Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq. 53635, 53635.8, and 57603.
- 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 (Board) may grant express authority to make investments either specifically or as a part of an investment program approved by the Board 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. Includes agencies 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-wide credit enhancements, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- I. Includes agencies defined as a county, 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 forth in Section 53601(h)(2)(C).
- 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. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio
- 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. Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- 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), a maximum remaining maturity of five years or less.

#### 5045.20 Glossary of Terms.

1. **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).
2. **Asked:** The price at which securities are offered.
3. **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.
4. **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.
5. **Bid:** The price offered by a buyer of securities.
6. **Broker:** A broker brings buyers and sellers together for a commission.
7. **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.
8. **Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.
9. **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.

10. **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.
11. **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.
12. **Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for their own account.
13. **Debenture:** A bond secured only by the general credit of the issuer.
14. **Delivery versus Payment (DVP):** The delivery of securities with an exchange of money for the securities.
15. **Derivatives:**
  - a. 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
  - b. financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities).
16. **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.
17. **Diversification:** Dividing investment funds among a variety of securities offering independent returns with the goal of spreading risk throughout the portfolio holdings.
18. **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.
19. **Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits.
20. **Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.
21. **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.
22. **Local Government Investment Pool (LGIP):** A state or local government pool offered to public entities for the investment of public funds.
23. **Market Value:** The price at which a security is trading and could presumably be purchased or sold.

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24. **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.
25. **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
26. **Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.
27. **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.
28. **Offer:** The price asked by a seller of securities.
29. **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.
30. **Portfolio:** Collection of securities held by an investor.
31. **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.
32. **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.
33. **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.
34. **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.
35. **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 them for this.

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36. **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.
37. **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.
38. **Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.
39. **Securities & Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.
40. **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.
41. **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.
42. **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.
43. **Yield:** The rate of annual income return on an investment, expressed as a percentage.



# Proposed Policy

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# ATTACHMENT C

BEAUMONT-CHERRY VALLEY WATER DISTRICT OPERATIONS

Beaumont-Cherry Valley Water District  
Policy and Procedure Manual



POLICY TITLE: INVESTMENT OF DISTRICT FUNDS  
POLICY NUMBER: 5045

PPM NUMBER III-9	TITLE INVESTMENT POLICY	ISSUE DATE April 28, 2011	REVISION DATE January 13, 2021
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5045.1 Policy. This investment policy ("Policy") is set forth by the Beaumont-Cherry Valley Water District ("District") for the following purposes:

- 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
- To establish a basis for evaluating investment results.

5045.2 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 in 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.

5045.3 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."

5045.4 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-1049-45f~~ it does not diminish the objectives of Safety and Liquidity.

Adopted by Resolution ~~402~~I-XX, Date

## 1.0 POLICY

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

- 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
- 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, 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."

# Proposed Policy

BEAUMONT-CHERRY VALLEY WATER DISTRICT

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5045.5 Delegation of Authority.

1. 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.
2. 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 their designee, and their procedures in the absence of the General Manager or their designee, or Director of Finance and Administrative Services.
3. 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.
4. 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.
5. 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.
  - a. 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.
  - b. The performance and service levels of such advisors and managers shall be reviewed annually.

5045.6 **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.

5045.7 **Authorized Financial Dealers and Institutions.**

1. The Director of Finance and Administrative Services will maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes.
2. 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).
3. 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 their designee, and must submit the following:
  - a. Certification of having read and understood this investment policy resolution and agreeing to comply with the District's investment policy;
  - b. Proof of Federal Investment Regulatory Authority certification;

Adopted by Resolution ~~492~~I-XX, Date

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#### 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 their designee, and their procedures in the absence of the General Manager or their 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.

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## BEAUMONT-CHERRY VALLEY WATER DISTRICT

## OPERATIONS

- c. Proof of State of California registration;
  - d. Audited financial statements for the institution's three (3) most recent fiscal years;
  - e. References of other public-sector clients to which similar services are provided to.
4. 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.
5. The investment advisor's approved list must be made available to the District upon request.

### 5045.8 Authorized and Suitable Investments.

1. The District's investments are governed by the California Government Code.
2. Within the investments permitted by the Government Code, the District may seek to further restrict eligible investments.
3. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameters will take precedence.

4. A table of allowable investment instruments per California Government Code can be found in section 5045.19 of the Policy.

- a. **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.
- b. **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.
- c. **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 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.
- d. **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.

Adopted by Resolution ~~4921~~-XX, Date

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## Beaumont-Cherry Valley Water District Policy and Procedure Manual



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### 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)3-1 (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 their 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 50 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.

e. **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.

f. **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~~ 50 percent of the portfolio may be invested in this category.

g. **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.

h. **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.

1. 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.

i. **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.

1. 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.
2. 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.

d. **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.

e. **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:
1. must meet the requirements of California Government Code Section 53601(p).
  2. the pool must seek to maintain a stable Net Asset Value ("NAV"), and
  3. the pool must be rated at least "AAm", or its equivalent, by a NRSRO.

Adopted by Resolution ~~492~~I-XX, Date

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4. 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.

f. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission.

1. 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).

2. A maximum of 20 percent of the portfolio may be invested in this category. g. **Pass-Through Securities.** Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations limited to mortgage-backed pass-through securities issued by a US government agency or consumer receivable pass-through certificates or bonds with a final maturity not exceeding five years from the date of trade settlement. The securities are rated in a rating category of "AA" or its equivalent or higher by a NRSRO. The aggregate investment in mortgage-backed and asset-backed securities described in this section shall not exceed 20% of the portfolio with no more than 5% held in any one issuer that is not a US government agency.

h. **Supranational Obligations.** Medium United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or higher by a NRSRO and shall not exceed 30% of the portfolio with no more than 10% invested in any one issuer.

9j. **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.

1. The District shall have a properly executed master repurchase agreement with each counterparty for which it enters into an agreement for repurchase agreements.
2. Collateral of at least 102 percent of market value of principal and accrued interest is required.
3. 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.
4. Market value must be calculated each time there is a substitution of collateral.
5. Collateral is limited to obligations of the United States government and its agencies.
6. Collateral must be delivered to the District's custodian bank or handled under a properly executed master repurchase agreement.
7. The District, or its trustee, shall have a perfected first security interest in all collateral.

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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 53607(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 designee shall at least annually review the portfolio to identify those securities that do not comply. The Director

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8. A maximum of 10 percent of the portfolio may be invested in this category.

## 5045.9 Prohibited Investments.

1. Section 53601.6 of the Government Code lists the investments that are prohibited.

2. 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
- any investment that could result in zero interest earned if held to maturity.
- Under a provision sunsetting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.

3. The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in section 5045.7-8 of this Policy is prohibited without the prior approval of the Board.

5045.10 **Review of Investment Portfolio.** The securities held by the District must ~~be in compliance with~~ comply with Section 5045.8 Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section 5045.8 Authorized and Suitable Investments subsequent to the date of purchase, the Director of Finance and Administrative Services or their 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.

5045.11 **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?

Adopted by Resolution ~~492~~I-XX, Date

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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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5045.12 **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.

1. The District chooses to limit collateral to the following: U.S. Treasuries and Federal Agency Obligations.
2. 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.

5045.13 **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.

5045.14 **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 ~~issue~~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~~Except for 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 5045.8. 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.

5045.15 **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.

5045.16 **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.

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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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5045.17 Investment Reporting.

1. **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~~ **month**. 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.
  - a. Listing of individual securities held at the end of the reporting period;
  - b. Cost and market value of all securities, including realized and unrealized market value gains or losses in accordance with GASB requirements;
  - c. Average weighted yield to maturity of portfolio;
  - d. Listing of investment by maturity date;
  - e. Percentage of the total portfolio, which each type of investment represents;
  - f. Statement of compliance with Investment Policy, including an explanation of any compliance exceptions (CGC Section 53646); and
  - g. Certification of sufficient liquidity to meet budgeted expenditures over the ensuing six months (CGC Section 53646).

2. **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.

3. **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.

4. 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.

- a. 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.
  3. The Director of Finance and Administrative Services shall maintain a complete and timely record of all investment transactions.

5045.18 **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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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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5045.19 Allowable Instruments per California Government Code.

Investment Type	Maximum Maturity <sup>c</sup>	Maximum Specified % of Portfolio <sup>b</sup>	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% <sup>f</sup>	None
Commercial Paper – Non-Pooled Funds <sup>f</sup> (Under \$100,000,000 of Investments)	270 days	25% of the District's money <sup>c</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>
Commercial Paper – Non-Pooled Funds (min. \$100,000,000 of Investments)	270 days	40% of the District's money <sup>c</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>
Commercial Paper – Pooled Funds <sup>f</sup>	270 days	40% of the District's money <sup>c</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>
Commercial Paper – Non-Pooled Funds <sup>f</sup>	270 days	25% of the District's money <sup>c</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>
Negotiable Certificates of Deposit	5 years	30% <sup>j</sup>	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	50% <sup>k</sup>	None
Placement Service Certificates of Deposit	5 years	50% <sup>k</sup>	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>l</sup>	20% of the base value of the portfolio	None <sup>m</sup>
Medium-Term Notes <sup>n</sup>	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds and Money Market Funds	N/A	20% <sup>o</sup>	Multiple <sup>q</sup>
Collateralized Bank Deposits <sup>r</sup>	5 years	None	None
Mortgage Pass-Through and Asset-Backed Securities	5 years	20%	"AA" rating category or its equivalent or better <sup>k</sup>
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple <sup>s</sup>
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund <sup>t</sup>	N/A	None	None
Supranational Obligations <sup>u</sup>	5 years	30%	"AA" rating category or its equivalent or better
Public Bank Obligations	5 years	None	None

(Source: Local Agency Investment Guidelines: Update for 2020 published by the California Debt and Investment Advisory Commission (CDIAC).)

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## 19.0 ALLOWABLE INVESTMENT INSTRUMENTS PER CALIFORNIA GOVERNMENT CODE

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2020) <sup>19</sup> - APPLICABLE TO ALL LOCAL AGENCIES <sup>18</sup>			
Investment Type	Maximum Maturity <sup>c</sup>	Maximum Specified % of Portfolio <sup>b</sup>	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% <sup>f</sup>	None
Commercial Paper – Pooled Funds <sup>f</sup>	270 days	40% of the District's money <sup>c</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>
Commercial Paper – Non-Pooled Funds <sup>f</sup>	270 days	25% of the District's money <sup>c</sup>	Highest letter and number rating by an NRSRO <sup>h</sup>
Negotiable Certificates of Deposit	5 years	30% <sup>j</sup>	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	50% <sup>k</sup>	None
Placement Service Certificates of Deposit	5 years	50% <sup>k</sup>	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>l</sup>	20% of the base value of the portfolio	None <sup>m</sup>
Medium-Term Notes <sup>n</sup>	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds and Money Market Funds	N/A	20% <sup>o</sup>	Multiple <sup>q</sup>
Collateralized Bank Deposits <sup>r</sup>	5 years	None	None
Mortgage Pass-Through and Asset-Backed Securities	5 years	20%	"AA" rating category or its equivalent or better
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple <sup>s</sup>
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund <sup>t</sup>	N/A	None	None
Supranational Obligations <sup>u</sup>	5 years	30%	"AA" rating category or its equivalent or better
Public Bank Obligations	5 years	None	None <sup>k</sup>

(Source: Local Agency Investment Guidelines: Update for 2020 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, 27133, 53601.6, 53601.8, 53630 et. seq. 53635, 53635.8, and 57603.
- 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 (Board) may grant express authority to make investments either specifically or as a part of an investment program approved by the Board 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 security exceeding the five-year maturity limit.
- E. 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.
- F. No more than 30 percent of the District's money may be in bankers' acceptances of any one commercial bank.
- G. Includes agencies defined as a "city, a district, or other local agency that does] not pool money in deposits or investment with other local agencies, other than local agencies that have the same Board."
- H. 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.
- I. 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-wide credit enhancements, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- J. Includes agencies defined as a county, 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 forth in Section 53601(h)(2)(C).
- K. No more than 30 percent of the District's money may be in negotiable certificates of deposit that are authorized under Section 53601(f).
- L. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(f)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
- M. Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codical 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.
- N. "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities 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. "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."
- R. No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.
- S. 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.

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## Notes to Authorized and Suitable Investments Table

- A. Sources: Sections 16340, 16429.1, 27133, 53601.6, 53601.8, 53630 et. seq. 53635, 53635.8, and 57603.
- 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 (Board) may grant express authority to make investments either specifically or as a part of an investment program approved by the Board 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. Includes agencies defined as a "city, a district, or other local agency that does] 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-wide credit enhancements, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- I. Includes agencies defined as a county, 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 forth in Section 53601(h)(2)(C).
- J. No more than 30 percent of the District's money may be in negotiable certificates of deposit that are authorized under Section 53601(f).
- K. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(f)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
- L. Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codical 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 agreement 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. Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- 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), with a maximum remaining maturity of five years or less.

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- O. 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. Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- 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), a maximum remaining maturity of five years or less.

### 5045.20 Glossary of Terms.

1. **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).
2. **Asked:** The price at which securities are offered.
3. **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.
4. **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.
5. **Bid:** The price offered by a buyer of securities.
6. **Broker:** A broker brings buyers and sellers together for a commission.
7. **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.
8. **Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.
9. **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.

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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 their 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.

# Proposed Policy

## BEAUMONT-CHERRY VALLEY WATER DISTRICT

## OPERATIONS

10. **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.

11. **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.
12. **Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for their own account.
13. **Debenture:** A bond secured only by the general credit of the issuer.
14. **Delivery versus Payment (DVP):** The delivery of securities with an exchange of money for the securities.
15. **Derivatives:**
- a. 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
  - b. financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities).
16. **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.
17. **Diversification:** Dividing investment funds among a variety of securities offering independent returns with the goal of spreading risk throughout the portfolio holdings.
18. **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.
19. **Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits.
20. **Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.
21. **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.
22. **Local Government Investment Pool (LGIP):** A state or local government pool offered to public entities for the investment of public funds.
23. **Market Value:** The price at which a security is trading and could presumably be purchased or sold.

Adopted by Resolution ~~49~~1-XX, Date

# Current Policy



## Beaumont-Cherry Valley Water District Policy and Procedure Manual

PPM NUMBER	TITLE	ISSUE DATE	REVISION DATE
III-9	INVESTMENT POLICY	April 28, 2011	January 13, 2021

**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.

# Proposed Policy

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- 24. **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.
- 25. **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- 26. **Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.
- 27. **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.
- 28. **Offer:** The price asked by a seller of securities.
- 29. **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.
- 30. **Portfolio:** Collection of securities held by an investor.
- 31. **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.
- 32. **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.
- 33. **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.
- 34. **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.
- 35. **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 ~~them~~ ~~him~~ for this.

Adopted by Resolution ~~4921~~ ~~XX~~, Date

PPM NUMBER III-9	TITLE INVESTMENT POLICY	ISSUE DATE April 28, 2011	REVISION DATE January 13, 2021
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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.

# Proposed Policy

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- 36. **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.
- 37. **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.
- 38. **Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.
- 39. **Securities & Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.
- 40. **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.
- 41. **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.
- 42. **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.
- 43. **Yield:** The rate of annual income return on an investment, expressed as a percentage.

PPM NUMBER III-9	TITLE INVESTMENT POLICY	ISSUE DATE April 28, 2011	REVISION DATE January 13, 2021
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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.

**FIGURE 1**

**ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2021)<sup>A</sup> APPLICABLE TO ALL LOCAL AGENCIES<sup>B</sup>**

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM MATURITY <sup>C</sup>	MAXIMUM SPECIFIED % OF PORTFOLIO <sup>D</sup>	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% <sup>E</sup>	None	53601(g)
Commercial Paper—Non-Pooled Funds <sup>F</sup> (under \$100,000,000 of investments)	270 days or less	25% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53601(h)(2)(c)
Commercial Paper— Pooled Funds <sup>I</sup>	270 days or less	40% of the agency's money <sup>G</sup>	Highest letter and number rating by an NRSRO <sup>H</sup>	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% <sup>J</sup>	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% <sup>K</sup>	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% <sup>K</sup>	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days <sup>L</sup>	20% of the base value of the portfolio	None <sup>M</sup>	53601(j)
Medium-Term Notes <sup>N</sup>	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple <sup>P,Q</sup>	53601(l) and 53601.6(b)
Collateralized Bank Deposits <sup>R</sup>	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple <sup>S</sup>	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund <sup>T</sup>	N/A	None	None	16340
Supranational Obligations <sup>U</sup>	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

## TABLE OF NOTES FOR FIGURE 1

- A Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.
- 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 legislative body 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 remaining 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 agency's money may be in bankers' acceptances of any one commercial bank.
- F Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.
- G Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper and medium-term notes 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, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.
- I Includes agencies defined as a county, 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 governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).
- J No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).
- K Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
- 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 local agency 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 Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.
- 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), with a maximum remaining maturity of five years or less.





**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 22, 2021**

Item 5

**STAFF REPORT**

**TO:** Board of Directors

**FROM:** Dan Jagers, General Manager

**SUBJECT:** **Receive and File Professional Services Agreement with Chandler Asset Management for Investment Advisory Services**

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**Staff Recommendation**

Receive and File Professional Services Agreement with Chandler Asset Management (Chandler) for Investment Advisory Services.

**Background**

At the November 22, 2021 Regular Meeting of the Board of Directors, the Board unanimously voted to authorize the General Manager to execute an Investment Management Agreement with Chandler.

At that meeting, a draft contract was presented as an interim modified solution between District legal counsel and Chandler's legal team to represent the standards of the asset management company and the District's professional services. Staff noted that a final document, in the format of the District's standard Professional Services Agreement, would be fully vetted by both legal entities, executed by the General Manager, and brought before the Board as an item to be received and filed. That final document (minus the Board Secretary Signature) is included in this Staff Report as Attachment A.

**Fiscal Impact**

Chandler has estimated that the current monthly yield for a \$40 million District portfolio under their management would provide a conservative estimate of approximately \$16,000 per month. The cost of investment management services described above is approximately \$3,100 per month for \$40 million but will fluctuate based on portfolio value. Staff anticipates that enhanced investment earnings will exceed investment management fees and estimated custodial fees of \$600 per month. Staff would further propose that fees for investment management and custodial services will be debited from interest earnings at the District's third-party custodian.

For comparison purposes, the proposed net yield of approximately \$12,300 would exceed the current monthly yield of approximately \$5,000 to \$6,000 in CalTRUST, as well as the \$6,500 to \$8,600 current monthly yield in LAIF.

**Attachments:**

- A. Fully executed Professional Services Agreement with Chandler Asset Management for Investment Advisory Services

Staff Report prepared by William Clayton, Senior Finance and Administrative Analyst

**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of January 01, 2022 by and between the Beaumont-Cherry Valley Water District, a California Irrigation District ("District"), and Chandler Asset Management, Inc., a Investment Adviser ("Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

**A. RECITALS**

(i) District requires provision of the following professional services: an Investment Adviser, all as more fully set forth and described in this Agreement.

(ii) Consultant is duly licensed and/or otherwise fully authorized by law, and has the necessary experience and qualifications, to provide such services. District enters this Agreement in substantial reliance on such experience and qualifications.

(iii) The Parties enter this Agreement in order to set forth terms and conditions governing Consultant's performance of the services described herein.

**B. AGREEMENT**

**NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. Scope of Services.

Consultant shall furnish all labor, materials, equipment, and supplies necessary or incidental to performing the services generally described in the Scope of Services attached hereto as Exhibit "A", any applicable request for proposals issued by the District, and as otherwise required by this Agreement, all to District's satisfaction (collectively, "Services".)

2. Compensation.

a. Subject to Section 2.b, below, the District shall pay for the Services satisfactorily performed, in accordance with the Schedule of Rates/Payments set forth in Exhibit "B", attached hereto.

b. In no event shall the total amount paid for services rendered by Consultant during the term of this Agreement exceed the monthly amount calculated on the average market value of Client's portfolio, including accrued interest, in accordance with the Fee schedule included as Exhibit B. This amount covers and is inclusive of all labor, materials, and any and all other costs incurred by Consultant in performing the Services, unless otherwise agreed upon in writing. Consultant shall be deemed to have made all necessary inquiries and site inspections prior to agreeing to perform the Services. Unless the Parties have agreed on a one-time flat fee, periodic payments for undisputed work shall be made within thirty (30) days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

The Parties may agree on additional work to be provided as part of the Services. The District General Manager is authorized to approve additional work not exceeding zero Dollars (\$0.00) by written memo signed by the parties. Otherwise, an amendment to this Agreement shall be prepared by the District and executed by both Parties authorizing such additional work and compensation therefor, prior to such work being performed.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed shall be maintained by Consultant and made available for review by the District at all reasonable times during the term of this Agreement and for four (4) years from the date of final payment by District.

5. Term; Time of Performance.

The term of this Agreement shall commence on the date first set forth above and shall expire at the end of business on **December 31, 2022**, unless extended or earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other milestones, schedules and deadlines agreed upon in writing. **Consultant shall commence work within three (3) business days of receiving District's verbal or written notice to proceed.** Consultant represents that it has the professional and technical personnel required to satisfactorily perform the Services as required by this Agreement. All indemnification provisions of this Agreement shall survive and remain in effect following the termination of this Agreement. The Parties may agree in writing to extend the term of this Agreement if necessary to complete the Services, or when deemed to be in the District's best interest.

6. Delays in Performance.

a. Force Majeure. Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by force majeure events. Force majeure events mean and refer to circumstances beyond the reasonable control of the non-performing Party including, but not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics resulting in "stay at home" or similar binding governmental orders; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint. Consultant's lack of financial capability, in the absence of any of the foregoing events, shall not constitute a force majeure event.

b. Should a force majeure event occur, the non-performing Party shall promptly, upon becoming aware of its inability to perform, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, statutes, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. District may, but is not required, to assist Consultant in obtaining and maintaining all permits required of Consultant by federal, state and/or local regulatory agencies.

c. If applicable, and unless otherwise provided in the Scope of Services, Consultant is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of Consultant's services or operations performed under this Agreement.

8. Standard of Care.

Consultant's Services shall be performed in accordance with the generally accepted professional standards of practice and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently performing similar services under similar conditions. Consultant shall, at all times herein, possess any and all State of California and/or federal professional licenses and certifications, as applicable, required to lawfully perform the Services.

9. Assignment and Subcontracting.

Consultant shall not assign or transfer this Agreement or any rights or obligations under, or any interest in this Agreement, or subcontract any required performance hereunder, without the prior written consent of the District, which may be withheld for any reason. The Services required to be performed by the Consultant are personal to the Consultant. Any attempt to so assign, transfer, or subcontract without such consent shall be void and without legal effect and shall constitute grounds for termination. Authorized subcontracts, if any, shall contain a provision making the subcontractor subject to all requirements of this Agreement.

10. Independent Contractor.

Consultant is retained as an independent contractor and is not an employee of District. No employee or agent of Consultant is or shall become an employee of District. The work to be performed shall be in accordance with the Scope of Services described in this Agreement, subject to such directions and amendments from District as herein provided.

a. All work and other Services provided pursuant to this Agreement shall be performed by Consultant or by Consultant's employees or other personnel under Consultant's supervision, and Consultant and all of Consultant's personnel shall possess the qualifications, permits, and licenses required by State and local law to perform the Services, including, without limitation, a City of Beaumont business license. Consultant will determine the means, methods, and details by which Consultant's personnel will perform the Services. Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Services and compliance with the customary professional standards.

b. All of Consultant's employees and other personnel performing any of the Services under this Agreement on behalf of Consultant shall also not be employees of District and shall at all times be under Consultant's exclusive direction and control. Consultant and Consultant's personnel shall not supervise any of District's employees; and District's employees shall not supervise Consultant's personnel. Consultant's personnel shall not wear or display any District uniform, badge, identification number, or other information identifying such individual as an employee of District; and Consultant's personnel shall not use any District e-mail address or District telephone number in the performance of any of the Services under this Agreement. Consultant shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as Consultant's personnel require to perform any of the Services required by this Agreement. Consultant shall perform all Services off of District premises at locations of Consultant's choice, except as otherwise may from time to time be necessary in order for Consultant's personnel to receive projects from District, review plans on file at District, pick up or deliver any work product related to Consultant's performance of any Services under this Agreement, or as may be necessary to inspect or visit District locations and/or private property to perform such Services. District may make a computer available to Consultant from time to time for Consultant's personnel to obtain information about or to check on the status of projects pertaining to the Services under this Agreement.

c. Consultant shall be responsible for and shall pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with their performance of any Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, State, or federal policy, rule, regulation, statute or ordinance to the contrary, Consultant and its officers, employees, agents, and subcontractors providing any of the Services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by District, including but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") or any other retirement program, as an employee of District, and entitlement to any contribution to be paid by District for employer contributions or employee contributions for PERS benefits or any other retirement benefits.

#### 11. PERS Compliance.

The Parties acknowledge that District is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to District to perform any work or other Services under this Agreement, Consultant shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code § 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Consultant shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause District to be in violation of the applicable retirement laws and regulations.

12. Insurance. Unless otherwise permitted in writing by District's Risk Manager, Consultant shall not commence work for the District until it has secured all insurance required under this section and provided evidence thereof that is acceptable to the District. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) (by deletion of this exclusion)
- (7) Contractual Liability with respect to this Agreement
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall be endorsed to name the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials, as additional insureds using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) Subject to the District's written approval, the general liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the Additional Insureds.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall be endorsed to name the District, its officials, officers, employees, agents and District designated volunteers as additional insureds.

(iv) Subject to the District's written approval, the automobile liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the Additional Insureds.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that Consultant is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she/it will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subcontractors to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions) (unless waived in writing by the District's risk manager)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and with the limits required herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy coverage form specifically designed to protect against acts, errors or omissions of the Consultant in the performance of professional services. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Liability Insurance No additional liability is requested unless noted below.

f. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence (any auto) for bodily injury and property damage
Workers' Compensation	In the amount required by California law.
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

g. Evidence Required

Prior to execution of the Agreement, Consultant shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

h. Policy Provisions Required

(i) Consultant shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant



shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, Consultant shall deliver renewal certificate(s) including the required Additional Insured endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Liability Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the District or any additional insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. If a "claims-made" professional liability policy is provided, it shall include an extended reporting period of not less than three (3) years.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

i. Each policy of insurance required herein shall be from a company or companies having a current A.M. Best's rating of no less than A:VII and admitted and authorized to transact the business of insurance in the State of California.

j. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District

will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may terminate this Agreement for cause.

(iii) District may require Consultant to provide for inspection by District, complete copies of all insurance policies in effect for the duration of the Agreement.

(iv) No District elected or appointed official, officer, employee, agent or volunteer shall be personally responsible for any liability arising under or by virtue of this Agreement.

(v) The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to Consultant; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to District. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Consultant under this Agreement.

k. Subcontractor Insurance Requirements

Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials as additional insureds, using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors.

13. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by District), indemnify and hold the District, its elected and appointed officials, officers, attorneys, agents, employees, servants, designated volunteers, successors, assigns and those District agents serving as independent contractors in the role of District officials (collectively "Indemnitees" in this Section 13) free and harmless with respect to any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages, stop notices and/or injury of any kind, in law or equity, to property or persons, including bodily injury, wrongful death, personal injury and property damage, to the extent arising out of, pertaining to, or incidental to any acts, errors, omissions, default, and/or willful misconduct of Consultant, its owners, officials, officers, employees, servants, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, and/or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, or by the District or any of the other Indemnitees.

b. The provisions of this Section 13 shall survive the termination of this Agreement.

14. Termination.

a. District has the right to terminate any portion or all of the Services under this Agreement with or without cause, by giving ten (10) calendar days' prior, written notice to Consultant. In such event, District shall be immediately given title to and possession of all Work Product and original field notes, drawings and specifications, written reports and all other documents produced or developed pursuant to this Agreement. Provided Consultant is not then in breach, District shall pay Consultant for that portion of the Services satisfactorily completed prior to termination. If said termination occurs prior to completion of any specific task for which a payment request has not been received, the charge for Services performed shall be the reasonable value of such Services, based on an amount agreed to by District and Consultant. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services or services within the Scope Services performed prior to the effective date of this Agreement, and shall not be entitled to damages or compensation resulting from termination of this Agreement.

b. Consultant may terminate this Agreement for cause by serving written notice of termination to the District, provided Consultant has first served the District with a written notice of default and demand to cure, and District has failed to cure such default within thirty (30) days of receipt of such notice.

15. Ownership of Work Product.

a. Except as otherwise provided in Section 14, "Termination", above, and unless otherwise agreed upon in writing, all draft and final reports, documents, and other written material, and any and all images, ideas, concepts, designs including website designs, source code, object code, electronic data and files, and/or other media whatsoever created or developed by Consultant for the District in the performance of this Agreement (collectively, "Work Product") shall be considered to be "works made for hire" for the benefit of District. All Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of District without restriction or limitation upon their use, duplication or dissemination by District upon final payment being made provided that any such use shall be at District's sole risk. Consultant shall not obtain or attempt to obtain copyright protection as to any of the Work Product.

b. Consultant hereby assigns to District all rights of ownership to the Work Product, including any and all related intellectual property and proprietary rights that are not otherwise vested in the District pursuant to subsection (a), above.

c. Consultant warrants and represents that it has secured all necessary licenses, consents or approvals necessary to the production of the Work Product, and that upon final payment or Consultant's default, District shall have full legal title to the Work Product, and full legal authority and the right to use and reproduce the Work Product for any purpose. Consultant shall defend, indemnify and hold District, and the other Indemnitees (as defined in Section 13(a), above) harmless from any and all loss, claim or liability in any way related to a

claim that District's use of any of the Work Product violates federal, state or local laws, or any contractual provisions, or any rights or laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products, ideas or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by District is held to constitute an infringement and the use of any of the same is enjoined, Consultant, at its expense, shall: (a) secure for District the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for District; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

16. Party Representatives.

Consultant hereby designates \_\_\_\_\_, or his or her designee, as Consultant's Representative for this Agreement, unless and until written notice of a new representative acceptable to District is provided to District. District hereby designates Dan Jagers, General Manager, or his or her designee, as District's Representative for this Agreement. The foregoing Representatives shall be authorized to approve non-monetary revisions to this Agreement, provide consent where required herein, and to make other administrative decisions that will be binding on their respective Party, except as otherwise specifically required herein.

17. Notices.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:

Beaumont-Cherry Valley Water District  
P.O. Box 2037560 Magnolia Avenue  
Beaumont, CA 92223  
Fax: (951) 845 0159  
Attention: Dan Jagers, General Manager

CONSULTANT:

Chandler Asset Management Inc.  
Attn: Nicole Dragoo  
6225 Lusk Boulevard  
San Diego, CA 92121  
[ndragoo@chandlerasset.com](mailto:ndragoo@chandlerasset.com)

and shall be effective upon receipt thereof.

18. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District and the Consultant.

19. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

20. Entire Agreement.

This Agreement, with its exhibits, all of which are incorporated by reference herein, and all documents incorporated by reference, represents the entire understanding of District and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and any exhibit hereto or document incorporated by reference herein, the provisions of this Agreement, then the District's RFP, if any, shall govern.

21. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

22. Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and authorized assigns of each Party to this Agreement.

23. Non-Waiver.

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specified in writing, and any such waiver shall be limited to that set of circumstances and not to any future circumstances unless another written waiver is executed.

24. Time of Essence.

Time is of the essence in each and every provision of this Agreement.

25. District's Right to Employ Other Consultants.

District reserves its right to employ other consultants to provide the Services or similar services to the District.

26. Interest of Consultant.

Consultant covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement. Consultant certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of the District.

27. Governing Law and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California without regard for change of venue laws. 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. Consultant must comply with the claim procedures set forth in Government Code section 900, et seq. prior to filing any lawsuit against the District.

28. Attorneys' Fees. The prevailing Party in any legal action brought for breach or to compel performance, shall be entitled to recover their reasonable attorneys fees and costs.

29. Interest of Subcontractors.

Consultant further covenants that, in the performance of this Agreement, no subcontractor or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement shall be employed. Consultant has provided District with a list of all subcontractors and the key personnel for such subcontractors that are retained or to be retained by Consultant in connection with the performance of the Services, to assist the District in affirming compliance with this Section.

30. Prohibited Interests.

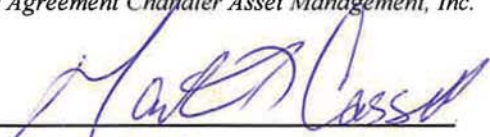
Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. If required, Consultant further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date first written above.

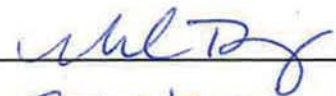
BEAUMONT-CHERRY VALLEY  
WATER DISTRICT

CHANDLER ASSET MANAGEMENT, INC.

By:   
Dan Jagers  
General Manager

By:   
Its: President

Printed Name: Martin D. Cassell

By:   
Its: Secretary

Printed Name: Nicole Drago

(Two signatures required for corporations pursuant to California Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

ATTEST:

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

EXHIBIT A  
Scope of Services



Exhibit A Scope of  
services Chandler.pdf

Exhibit A



INVESTMENT MANAGEMENT AGREEMENT  
 (Institutional Client, Non-ERISA)

\_\_\_\_\_ (Client) hereby retains Chandler Asset Management, Inc. (Chandler) as Investment Adviser on the terms and conditions set forth herein.

1. Term. The term of this Agreement shall commence upon the execution of this Agreement and shall continue until this Agreement is terminated effective upon receipt of notice of termination in writing delivered by the terminating party.
2. Fees. Client shall compensate Chandler monthly an amount calculated on the average market value of Client's portfolio, including accrued interest, in accordance with the following schedule:

Assets Under Management	Annual Investment Management Fee
First \$25 million	0.10 of 1% (10 basis points)
Next \$25 million	0.08 of 1% (8 basis points)
Assets in excess of \$50 million	0.06 of 1% (6 basis points)

The fees expressed above do not include any custody fees that may be charged by Client's bank or other third party custodian.

Fees shall be prorated to the effective date of termination on the basis of actual days elapsed, and any unearned portion of prepaid fees shall be refunded. Client is not required to pay any start-up or closing fees; there are no penalty fees.

Fees shall be deducted monthly in arrears from Client's custody account.

3. Client Representative. In its capacity as investment manager, Chandler shall receive all instructions, directions and other communications on Client's behalf respecting Client's account from \_\_\_\_\_ (Representative). Chandler is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.
4. Investment Policy. In investing and reinvesting Client's assets, Chandler shall comply with Client's Investment Policy, which is attached hereto as Exhibit A.
5. Authority of Chandler. Chandler is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.
6. Notices. All reports and other communications required hereunder to be in writing shall be delivered in person, or sent by first-class mail postage prepaid, by overnight courier, by confirmed facsimile with original to follow or by confirmed electronic mail with proof of receipt to the addresses set

forth below. Either party to this Agreement may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder.

**Chandler Asset Management**

Attn: Nicole Dragoo  
6225 Lusk Boulevard  
San Diego, CA 92121  
[ndragoo@chandlerasset.com](mailto:ndragoo@chandlerasset.com)

**CLIENT**

Attn:  
Address:  
City, ST ZIP  
Email

7. Electronic Delivery. From time to time, Chandler may be required to deliver certain documents to Client such as account information, notices and required disclosures. Client hereby consents to Chandler's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and Client agrees that such notification will constitute "delivery". Client further agrees to provide Chandler with Client's email address(s) and to keep this information current at all times by promptly notifying Chandler of any change in email address(s).

Client email address(s): \_\_\_\_\_

8. Proxy Voting. Chandler will vote proxies on behalf of Client unless otherwise instructed. Chandler has adopted and implemented written policies and procedures and will provide Client with a description of the proxy voting procedures upon request. Chandler will provide information regarding how Clients' proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to [info@chandlerasset.com](mailto:info@chandlerasset.com).
9. Custody of Securities and Funds. Chandler shall not have custody or possession of the funds or securities that Client has placed under its management. Client shall appoint a custodian to take and have possession of its assets. Client recognizes the importance of comparing statements received from the appointed custodian to statements received from Chandler. Client recognizes that the fees expressed above do not include fees Client will incur for custodial services.
10. Valuation. Chandler will value securities held in portfolios managed by Chandler no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Chandler to reflect fair market value.
11. Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Chandler acts in good faith, Client agrees that Chandler will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.

## 12. Indemnity and Insurance.

Indemnity. Subject to the provisions of Section 11, above, Chandler shall defend, indemnify and hold Client, including its elected officials, officers, and employees free and harmless from any and all claims and liabilities for death or personal injury arising from the acts or omissions of Chandler or any of its officers, employees or subcontractors, and for financial loss of any nature arising out of the negligence or professional negligence of, or the violation of any State or federal statute or regulation by, Chandler or any of its officers, employees or subcontractors, in the performance of this Agreement.

Insurance. Throughout the term of this Agreement, Chandler shall maintain commercial general liability, automobile liability, professional liability and workers compensation insurance (if required by law), in such form and with such limits as required by Client, and which are set forth in Exhibit B attached hereto and incorporated by reference herein.

13. Payment of Commissions. Chandler may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Chandler to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Chandler may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Chandler makes no warranty or representation regarding commissions paid on transactions hereunder.
14. Other Clients. It is further understood that Chandler may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for Client's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Chandler will have no obligation to purchase or sell for Client's account any securities which it may purchase or sell for other clients.
15. Duty of Care. As an investment advisor, Chandler shall act as a fiduciary to Client, and shall at all times perform its services under this Agreement with due care, in Client's best interests and in accordance with all applicable law.
16. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Chandler to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.
17. No Assignment & Amendments. Neither party may assign, directly or indirectly, all or part of its rights or obligations under this Agreement without the prior written consent of the other party, which

consent shall not be unreasonably withheld or delayed. This Agreement may be amended at any time by mutual agreement in writing.

18. Governing Law. It is understood that this Agreement shall be governed by and construed under and in accordance with the laws of the State of California.
19. Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
20. Receipt of Brochure and Privacy Policy. Client hereby acknowledges receipt of the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). Client further acknowledges receipt of Chandler's Privacy Policy, as required by Regulation S-P.
21. Arbitration. It is agreed that any controversy between Chandler and the Client arising out of Chandler business or this Agreement, shall be submitted to arbitration conducted under the provisions of the commercial arbitration rules of the American Arbitration Association. Arbitration must be commenced by service upon the other party of a written demand for arbitration or a written notice of intention to arbitrate, therein electing the arbitration tribunal. In the event the Client does not make such election within five (5) days of such demand or notice, then the Client authorizes Chandler to do so on the Client's behalf. Judgment upon any award rendered by the arbitrators shall be final and may be entered in any court having jurisdiction thereof. This clause does not constitute a waiver of any right including the right to choose the forum, whether arbitration or adjudication, in which to seek resolution of disputes.

Client

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

Name & Title: \_\_\_\_\_

Chandler Asset Management, Inc.,  
a California Corporation

By: \_\_\_\_\_  
Nicole Dragoo  
President  
Date

EXHIBIT B

Schedule of Rates/Payments

Consultant will invoice District on a monthly cycle, or otherwise as expressly provided in this Agreement. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task, as applicable. Consultant will inform District regarding any out-of-scope work being performed by Consultant. Any other terms and conditions relating to the amount of compensation to be paid to Consultant are as follows:

Fees. Client shall compensate Chandler monthly an amount calculated on the average market value of Client's portfolio, including accrued interest, in accordance with the following schedule:

Assets Under Management Annual Investment Management Fee

First \$25 million 0.10 of 1% (10 basis points)

Next \$25 million 0.08 of 1% (8 basis points)

Assets in excess of \$50 million 0.06 of 1% (6 basis points)

The fees expressed above do not include any custody fees that may be charged by Client's bank or other third party custodian.

Fees shall be prorated to the effective date of termination on the basis of actual days elapsed, and any unearned portion of prepaid fees shall be refunded. Client is not required to pay any start-up or closing fees; there are no penalty fees.

Fees shall be deducted monthly in arrears from Client's custody account.



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 21, 2021**

Item 6

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 \$99,165**

---

**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 (2022 calendar year) in an amount not-to-exceed \$99,165.

**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 including the potential to extend the contract for two or three additional years. Table A shows the history of contract renewals.

TABLE A – History of CV Strategies contract approvals

Term	Not-to-Exceed	Amount Expended	Date of Board approval
Initial term January 14, 2019 – December 2019	\$100,000	\$78,163.75	12/12/2018 Regular Meeting
First Extension January 2020 – December 2020	\$100,000	\$99,789.84	1/7/2020 Special Meeting
Second Extension January 2021 – December 2021	\$99,330	\$67,972.73 YTD Jan-Oct	12/3/2020 Regular Meeting
Proposed Third Extension January 2022 – December 2022	\$ (99,165)		

Over the past three years, BCVWD staff has worked with CV Strategies in improving the District's social media and website presence. CV Strategies also assisted in the Proposition 218 rate action process in 2019. Accomplishments include improvements to the District's website with emphasis on transparency, social media presence, monitoring and response, crisis communication, and consistent messaging.



At the September 26, 2019 meeting of the Board of Directors, President Covington appointed members to an Ad Hoc Communications Committee to provide recommendations for the District's public relations activities.

### **Summary**

With the continued need for crisis communications support related to the potential debris flow events, and redistricting efforts communications, and the desire to produce some promotional and informative videos, the role of CV Strategies is still important to the District. The Ad Hoc Communications Committee recommends continuation of the contract through the 2022 calendar year to assure continued and comprehensive public outreach activities, focus on the upcoming redistricting efforts and conservation messaging, assistance with crisis communications and other matters, and ongoing social media efforts.

District staff identifies that CV Strategies' future 2023 services as well as 2022 performance activities will again be reviewed with the Board in late 2022 for consideration of further contract extensions.

### **Fiscal Impact**

Not-to-Exceed \$99,165 during contract term January 2022 to December 2022.

### **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 – Professional Services Agreement and Menu of Services for 2022
- Attachment D - Year-End Recap of 2021

ATTACHMENT A - CV STRATEGIES CONTRACT

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

This Agreement made and entered into this 14<sup>th</sup> 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<br>- \$1,000,000 each employee<br>- \$1,000,000 policy limit |
| 2. Comprehensive General & Contractual Liability   |  |
| Bodily Injury                                      | } - \$1,000,000 per occurrence<br>- \$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 <b>WILLIAM YOUNGBLOOD INSURANCE</b> 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	
	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:		
	INSURER F:		

INSURED **CV STRATEGIES, INC.**  
73-700 Dinah Shore Unit 402  
PALM DESERT, CA 92211  
  
(760) 776-1766

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"/> ANYAUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED 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	CANCELLATION
Beaumont-Cherry Valley Water District PO Box 2037 560 Magnolia Avenue Beaumont, CA 92223	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 

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**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 Districts 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**

<b>October 25, 2018</b>	Initial distribution of RFP package
<b>November 1, 2018</b>	Deadline for submission of questions
<b>November 8, 2018</b>	Estimated District response to questions
<b>November 21, 2018</b>	Proposal closing date and time of 4:00 P.M. PT
<b>November 28, 2018</b>	Conduct finalist interviews
<b>December 12, 2018</b>	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](mailto: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.

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- 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

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- 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.
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- Develop a communication strategy, electronic material, and mailing notices in compliance of Proposition 218 based on draft rate adjustments provided by the District.
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- 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.

## ATTACHMENT C - PROFESSIONAL SERVICES AGREEMENT

*Beaumont-Cherry Valley Water District—Professional Services Agreement CV Strategies*

### **BEAUMONT-CHERRY VALLEY WATER DISTRICT PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of January 01, 2022 by and between the Beaumont-Cherry Valley Water District, a California Irrigation District (“District”), and CV Strategies, a Public Relations and Community Outreach Consulting Services (“Consultant”). District and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

#### **A. RECITALS**

(i) District requires provision of the following professional services: Public Relations and Community Outreach Consulting Services, all as more fully set forth and described in this Agreement.

(ii) Consultant is duly licensed and/or otherwise fully authorized by law, and has the necessary experience and qualifications, to provide such services. District enters this Agreement in substantial reliance on such experience and qualifications.

(iii) The Parties enter this Agreement in order to set forth terms and conditions governing Consultant’s performance of the services described herein.

#### **B. AGREEMENT**

##### **NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

##### 1. Scope of Services.

Consultant shall furnish all labor, materials, equipment, and supplies necessary or incidental to performing the services generally described in the Scope of Services attached hereto as Exhibit “A”, any applicable request for proposals issued by the District, and as otherwise required by this Agreement, all to District’s satisfaction (collectively, “Services”).

##### 2. Compensation.

a. Subject to Section 2.b, below, the District shall pay for the Services satisfactorily performed, in accordance with the Schedule of Rates/Payments set forth in Exhibit “B”, attached hereto.

b. In no event shall the total amount paid for services rendered by Consultant during the term of this Agreement exceed the sum of \$99,165. This amount covers and is inclusive of all labor, materials, and any and all other costs incurred by Consultant in performing the Services, unless otherwise agreed upon in writing. Consultant shall be deemed to have made all necessary inquiries and site inspections prior to agreeing to perform the Services. Unless the Parties have agreed on a one-time flat fee, periodic payments for undisputed work shall be made within thirty (30) days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

##### 3. Additional Work.

The Parties may agree on additional work to be provided as part of the Services. The District General Manager is authorized to approve additional work not exceeding 10% of the contract price by written memo signed by the parties. Otherwise, an amendment to this Agreement shall be prepared by the District and executed by both Parties authorizing such additional work and compensation therefor, prior to such work being performed.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed shall be maintained by Consultant and made available for review by the District at all reasonable times during the term of this Agreement and for four (4) years from the date of final payment by District.

5. Term; Time of Performance.

The term of this Agreement shall commence on January 01, 2022 and shall expire at the end of business on **December 31, 2022**, unless extended or earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other milestones, schedules and deadlines agreed upon in writing. Consultant shall commence work within three (3) business days of receiving District's verbal or written notice to proceed. Consultant represents that it has the professional and technical personnel required to satisfactorily perform the Services as required by this Agreement. All indemnification provisions of this Agreement shall survive and remain in effect following the termination of this Agreement. The Parties may agree in writing to extend the term of this Agreement if necessary to complete the Services, or when deemed to be in the District's best interest.

6. Delays in Performance.

a. Force Majeure. Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by force majeure events. Force majeure events mean and refer to circumstances beyond the reasonable control of the non-performing Party including, but not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics resulting in "stay at home" or similar binding governmental orders; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint. Consultant's lack of financial capability, in the absence of any of the foregoing events, shall not constitute a force majeure event.

b. Should a force majeure event occur, the non-performing Party shall promptly, upon becoming aware of its inability to perform, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.



a. Consultant shall comply with all applicable laws, ordinances, statutes, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. District may, but is not required, to assist Consultant in obtaining and maintaining all permits required of Consultant by federal, state and/or local regulatory agencies.

c. If applicable, and unless otherwise provided in the Scope of Services, Consultant is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of Consultant's services or operations performed under this Agreement.

8. Standard of Care.

Consultant's Services shall be performed in accordance with the generally accepted professional standards of practice and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently performing similar services under similar conditions. Consultant shall, at all times herein, possess any and all State of California and/or federal professional licenses and certifications, as applicable, required to lawfully perform the Services.

9. Assignment and Subcontracting.

Consultant shall not assign or transfer this Agreement or any rights or obligations under, or any interest in this Agreement, or subcontract any required performance hereunder, without the prior written consent of the District, which may be withheld for any reason. The Services required to be performed by the Consultant are personal to the Consultant. Any attempt to so assign, transfer, or subcontract without such consent shall be void and without legal effect and shall constitute grounds for termination. Authorized subcontracts, if any, shall contain a provision making the subcontractor subject to all requirements of this Agreement.

10. Independent Contractor.

Consultant is retained as an independent contractor and is not an employee of District. No employee or agent of Consultant is or shall become an employee of District. The work to be performed shall be in accordance with the Scope of Services described in this Agreement, subject to such directions and amendments from District as herein provided.

a. All work and other Services provided pursuant to this Agreement shall be performed by Consultant or by Consultant's employees or other personnel under Consultant's supervision, and Consultant and all of Consultant's personnel shall possess the qualifications, permits, and licenses required by State and local law to perform the Services, including, without limitation, a City of Beaumont business license. Consultant will determine the means, methods, and details by which Consultant's personnel will perform the Services. Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Services and compliance with the customary professional standards.

b. All of Consultant's employees and other personnel performing any of the Services under this Agreement on behalf of Consultant shall also not be employees of District and shall at all times be under Consultant's exclusive direction and control. Consultant and Consultant's personnel shall not supervise any of District's employees; and District's employees shall not supervise Consultant's personnel. Consultant's personnel shall not wear or display any District uniform, badge, identification number, or other information identifying such individual as an employee of District; and Consultant's personnel shall not use any District e-mail address or District telephone number in the performance of any of the Services under this Agreement. Consultant shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as Consultant's personnel require to perform any of the Services required by this Agreement. Consultant shall perform all Services off of District premises at locations of Consultant's choice, except as otherwise may from time to time be necessary in order for Consultant's personnel to receive projects from District, review plans on file at District, pick up or deliver any work product related to Consultant's performance of any Services under this Agreement, or as may be necessary to inspect or visit District locations and/or private property to perform such Services. District may make a computer available to Consultant from time to time for Consultant's personnel to obtain information about or to check on the status of projects pertaining to the Services under this Agreement.

c. Consultant shall be responsible for and shall pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with their performance of any Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, State, or federal policy, rule, regulation, statute or ordinance to the contrary, Consultant and its officers, employees, agents, and subcontractors providing any of the Services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by District, including but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") or any other retirement program, as an employee of District, and entitlement to any contribution to be paid by District for employer contributions or employee contributions for PERS benefits or any other retirement benefits.

11. PERS Compliance.

The Parties acknowledge that District is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to District to perform any work or other Services under this Agreement, Consultant shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code § 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Consultant shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause District to be in violation of the applicable retirement laws and regulations.

12. Insurance. Unless otherwise permitted in writing by District's Risk Manager, Consultant shall not commence work for the District until it has secured all insurance required under this section and provided evidence thereof that is acceptable to the District. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) (by deletion of this exclusion)
- (7) Contractual Liability with respect to this Agreement
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall be endorsed to name the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials, as additional insureds using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) Subject to the District's written approval, the general liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the Additional Insureds.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall be endorsed to name the District, its officials, officers, employees, agents and District designated volunteers as additional insureds.

(iv) Subject to the District's written approval, the automobile liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the Additional Insureds.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that Consultant is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she/it will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subcontractors to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions) (unless waived in writing by the District's risk manager)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and with the limits required herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy coverage form specifically designed to protect against acts, errors or omissions of the Consultant in the performance of professional services. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Cyber Security Insurance

(i) At all times during the performance of the work under this Agreement, Consultant shall maintain \$2,000,000 per occurrence of Cyber Security Liability Insurance.

f. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence (any auto) for bodily injury and property damage
Workers' Compensation	In the amount required by California law.
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)
Cyber Security Liability	\$2,000,000 per occurrence

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

g. Evidence Required

Prior to execution of the Agreement, Consultant shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

h. Policy Provisions Required

(i) Consultant shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, Consultant shall deliver renewal certificate(s) including the required Additional Insured endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Liability Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the District or any additional insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. If a "claims-made" professional liability policy is provided, it shall include an extended reporting period of not less than three (3) years.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

i. Each policy of insurance required herein shall be from a company or companies having a current A.M. Best's rating of no less than A:VII and admitted and authorized to transact the business of insurance in the State of California.

j. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise

assumed by Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may terminate this Agreement for cause.

(iii) District may require Consultant to provide for inspection by District, complete copies of all insurance policies in effect for the duration of the Agreement.

(iv) No District elected or appointed official, officer, employee, agent or volunteer shall be personally responsible for any liability arising under or by virtue of this Agreement.

(v) The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to Consultant; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to District. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Consultant under this Agreement.

k. Subcontractor Insurance Requirements

Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials as additional insureds, using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors.

13. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by District), indemnify and hold the District, its elected and appointed officials, officers, attorneys, agents, employees, servants, designated volunteers, successors, assigns and those District agents serving as independent contractors in the role of District officials (collectively "Indemnitees" in this Section 13) free and harmless with respect to any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages, stop notices and/or injury of any kind, in law or equity, to property or persons, including bodily injury, wrongful death, personal injury and property damage, to the extent arising out of, pertaining to, or incidental to any acts, errors, omissions, default, and/or willful misconduct of Consultant, its owners, officials, officers, employees, servants, subcontractors, consultants or agents in connection with the

performance of the Consultant's Services, and/or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, or by the District or any of the other Indemnitees.

b. The provisions of this Section 13 shall survive the termination of this Agreement.

14. Termination.

a. District has the right to terminate any portion or all of the Services under this Agreement with or without cause, by giving ten (10) calendar days' prior, written notice to Consultant. In such event, District shall be immediately given title to and possession of all Work Product and original field notes, drawings and specifications, written reports and all other documents produced or developed pursuant to this Agreement. Provided Consultant is not then in breach, District shall pay Consultant for that portion of the Services satisfactorily completed prior to termination. If said termination occurs prior to completion of any specific task for which a payment request has not been received, the charge for Services performed shall be the reasonable value of such Services, based on an amount agreed to by District and Consultant. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services or services within the Scope Services performed prior to the effective date of this Agreement, and shall not be entitled to damages or compensation resulting from termination of this Agreement.

b. Consultant may terminate this Agreement for cause by serving written notice of termination to the District, provided Consultant has first served the District with a written notice of default and demand to cure, and District has failed to cure such default within thirty (30) days of receipt of such notice.

15. Ownership of Work Product.

a. Except as otherwise provided in Section 14, "Termination", above, and unless otherwise agreed upon in writing, all draft and final reports, documents, and other written material, and any and all images, ideas, concepts, designs including website designs, source code, object code, electronic data and files, and/or other media whatsoever created or developed by Consultant for the District in the performance of this Agreement (collectively, "Work Product") shall be considered to be "works made for hire" for the benefit of District. All Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of District without restriction or limitation upon their use, duplication or dissemination by District upon final payment being made provided that any such use shall be at District's sole risk. Consultant shall not obtain or attempt to obtain copyright protection as to any of the Work Product.

b. Consultant hereby assigns to District all rights of ownership to the Work Product, including any and all related intellectual property and proprietary rights that are not



otherwise vested in the District pursuant to subsection (a), above.

c. Consultant warrants and represents that it has secured all necessary licenses, consents or approvals necessary to the production of the Work Product, and that upon final payment or Consultant's default, District shall have full legal title to the Work Product, and full legal authority and the right to use and reproduce the Work Product for any purpose. Consultant shall defend, indemnify and hold District, and the other Indemnitees (as defined in Section 13(a), above) harmless from any and all loss, claim or liability in any way related to a claim that District's use of any of the Work Product violates federal, state or local laws, or any contractual provisions, or any rights or laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products, ideas or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by District is held to constitute an infringement and the use of any of the same is enjoined, Consultant, at its expense, shall: (a) secure for District the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for District; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

16. Party Representatives.

Consultant hereby designates \_\_\_\_\_, or his or her designee, as Consultant's Representative for this Agreement, unless and until written notice of a new representative acceptable to District is provided to District. District hereby designates Dan Jagers, or his or her designee, as District's Representative for this Agreement. The foregoing Representatives shall be authorized to approve non-monetary revisions to this Agreement, provide consent where required herein, and to make other administrative decisions that will be binding on their respective Party, except as otherwise specifically required herein.

17. Notices.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:

Beaumont-Cherry Valley Water District  
P.O. Box 2037560 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

and shall be effective upon receipt thereof.

18. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District and the Consultant.

19. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

20. Entire Agreement.

This Agreement, with its exhibits, all of which are incorporated by reference herein, and all documents incorporated by reference, represents the entire understanding of District and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and any exhibit hereto or document incorporated by reference herein, the provisions of this Agreement, then the District's RFP, if any, shall govern.

21. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

22. Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and authorized assigns of each Party to this Agreement.

23. Non-Waiver.

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specified in writing, and any such waiver shall be limited to that set of circumstances and not to any future circumstances unless another written waiver is executed.

24. Time of Essence.

Time is of the essence in each and every provision of this Agreement.

25. District's Right to Employ Other Consultants.

District reserves its right to employ other consultants to provide the Services or similar services to the District.

26. Interest of Consultant.

Consultant covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement. Consultant certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of the District.

27. Governing Law and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California without regard for change of venue laws. 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. Consultant must comply with the claim procedures set forth in Government Code section 900, et seq. prior to filing any lawsuit against the District.

28. Attorneys' Fees. The prevailing Party in any legal action brought for breach or to compel performance, shall be entitled to recover their reasonable attorneys fees and costs.

29. Interest of Subcontractors.

Consultant further covenants that, in the performance of this Agreement, no subcontractor or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement shall be employed. Consultant has provided District with a list of all subcontractors and the key personnel for such subcontractors that are retained or to be retained by Consultant in connection with the performance of the Services, to assist the District in affirming compliance with this Section.

30. Prohibited Interests.

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. If required, Consultant further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability.

For the term of this Agreement, no director, official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date first written above.

BEAUMONT-CHERRY VALLEY  
WATER DISTRICT

CV STRATEGIES

By: \_\_\_\_\_  
Dan Jagers  
General Manager

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

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

Printed Name: \_\_\_\_\_

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

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

Printed Name: \_\_\_\_\_

(Two signatures required for corporations pursuant to California Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

ATTEST:

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

*Beaumont-Cherry Valley Water District—Professional Services Agreement (CV Strategies)*

EXHIBIT A

Scope of Services



Exhibit A RFP scope  
of services.pdf

Exhibit B

Schedule of Rates/Payments

Consultant will invoice District on a monthly cycle, or otherwise as expressly provided in this Agreement. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task, as applicable. Consultant will inform District regarding any out-of-scope work being performed by Consultant. Any other terms and conditions relating to the amount of compensation to be paid to Consultant are as follows:



Beaumont-Cherry Valley Water District

Outreach Cost Menu - 2022

INITIATIVES - PRIORITIES & ONGOING SUPPORT	HOURS	COST
<b>ONGOING MEDIA STRATEGY</b>	96	\$15,840
<ul style="list-style-type: none"> <li>• Craft regular press releases, translate as needed (up to 12)</li> <li>• Distribute releases securing coverage locally and within the industry</li> <li>• Repurpose content for newsletter, social media, etc.</li> <li>• Monitor media response</li> </ul>		
<b>SPRING &amp; FALL NEWSLETTERS (Includes CCR)</b>	100	\$16,500
<ul style="list-style-type: none"> <li>• Develop editorial calendar</li> <li>• Write content, translate as needed</li> <li>• Design newsletter</li> </ul>		
<b>WEB SUPPORT</b>	55	\$9,075
<ul style="list-style-type: none"> <li>• Ongoing web support and updates</li> </ul>		
<b>SOCIAL MEDIA MANAGEMENT</b>	120	\$19,800
<ul style="list-style-type: none"> <li>• Provide social media support as needed</li> <li>• Develop monthly social media calendar (through Dec.)</li> </ul>		
<b>BOARD MEETING SUPPORT</b>	24	\$3,960
<ul style="list-style-type: none"> <li>• Attend monthly Board meetings</li> <li>• Provide support as needed</li> </ul>		

*Beaumont-Cherry Valley Water District—Professional Services Agreement CV Strategies*

<b>BOARD COMMUNICATIONS COMMITTEE</b>	<b>60</b>	<b>\$9,900</b>
<ul style="list-style-type: none"> <li>Attend &amp; facilitate meetings</li> <li>Craft Monthly progress report</li> <li>Provide support as needed</li> </ul>		
<b>REDISTRICTING OUTREACH</b>	<b>60</b>	<b>\$9,900</b>
<ul style="list-style-type: none"> <li>Develop redistricting outreach plan</li> <li>Create website content</li> <li>Facilitate Community Meetings</li> <li>Design graphic elements and content for presentation</li> </ul>		
<b>CRISIS COMMUNICATIONS PLAN</b>	<b>40</b>	<b>\$6,600</b>
<ul style="list-style-type: none"> <li>Develop comprehensive crisis communications plan</li> </ul>		
<b>INITIATIVES - 2ND PRIORITY</b>	<b>HOURS</b>	<b>COST</b>
<b>STUDENT ENGAGEMENT</b>	<b>46</b>	<b>\$7,590</b>
<ul style="list-style-type: none"> <li>Develop drawing/poster contest or children's activity book</li> <li>Support outreach around chosen engagement method</li> </ul>		
<b>Proposed Annual Budget (Does Not Include Printing or Postage)</b>	<b>601</b>	<b>\$99,165</b>

<b>ADDITIONAL SERVICES</b>	<b>COST</b>
<b>TRANSLATION SERVICES</b>	<b>\$125 per hour</b>
<ul style="list-style-type: none"> <li>Translation of materials as requested, billed at hourly rate</li> </ul>	

ATTACHMENT D - YEAR END RECAP OF 2021



Beaumont-Cherry Valley Water District

Outreach Cost Menu - 2021

INITIATIVES - PRIORITIES & ONGOING SUPPORT	HOURS	COST	STATUS
<b>RECYCLED WATER</b>	20	\$3,300	<b>ON HOLD</b>
<ul style="list-style-type: none"> <li>Update fact sheet</li> <li>Update press release</li> <li>Distribute press release</li> <li>Repurpose content for newsletter, social media, etc.</li> <li>Monitor media response</li> </ul>			
<b>SPRING &amp; FALL NEWSLETTERS (Includes CCR)</b>	80	\$13,200	<b>PROGRESS</b>
<ul style="list-style-type: none"> <li>Develop editorial calendar</li> <li>Write content</li> <li>Design newsletter</li> </ul>			January Complete CCR/Spring Complete
<b>WEB SUPPORT</b>	60	\$9,900	<b>ONGOING</b>
<ul style="list-style-type: none"> <li>Ongoing web support and updates</li> </ul>			
<b>SOCIAL MEDIA MANAGEMENT</b>	120	\$19,800	<b>ONGOING</b>
<ul style="list-style-type: none"> <li>Provide social media support as needed</li> <li>Develop monthly social media calendar (through Dec.)</li> </ul>			
<b>ONGOING MEDIA STRATEGY</b>	48	\$7,920	<b>ONGOING</b>
<ul style="list-style-type: none"> <li>Provide ongoing support as needed</li> </ul>			
<b>BOARD MEETING SUPPORT</b>	24	\$3,960	<b>ONGOING</b>
<ul style="list-style-type: none"> <li>Attend monthly Board meetings</li> <li>Provide support as needed</li> </ul>			
<b>BOARD COMMUNICATIONS COMMITTEE</b>	60	\$9,900	<b>ONGOING</b>
<ul style="list-style-type: none"> <li>Attend &amp; facilitate meetings</li> <li>Provide support as needed</li> </ul>			
<b>CRISIS COMMUNICATIONS PLAN</b>	40	\$6,600	<b>ON HOLD</b>
<ul style="list-style-type: none"> <li>Develop comprehensive crisis communications plan</li> </ul>			
INITIATIVES - 2ND PRIORITY	HOURS	COST	
<b>VIDEO DEVELOPMENT</b>	60	\$9,900	<b>ON HOLD</b>
<ul style="list-style-type: none"> <li>Facilitate, film and log footage for videos</li> <li>Produce 3-5 short videos based on the video plan</li> </ul>			
<b>CAPACITY FEES OUTREACH</b>	35	\$5,775	<b>ON HOLD</b>
<ul style="list-style-type: none"> <li>Develop fact sheet and FAQs</li> <li>Coordinate web content</li> <li>Facilitate stakeholder meetings</li> </ul>			





Beaumont-Cherry Valley Water District

Outreach Cost Menu - 2021

INITIATIVES - 3RD PRIORITY	HOURS	COST	
<b>WATER SUPPLY AND CONSERVATION OUTREACH</b>	15	\$2,475	<b>ON HOLD</b>
<ul style="list-style-type: none"> <li>· Develop fact sheet and FAQs</li> <li>· Coordinate web content</li> <li>· Create infographic</li> </ul>			
<b>STORMWATER OUTREACH</b>	20	\$3,300	<b>PENDING</b>
<ul style="list-style-type: none"> <li>· Develop fact sheet and FAQs</li> <li>· Coordinate web content</li> <li>· Create infographic</li> </ul>			
			Fall newsletter article Remainder pending
<b>MISSION, VISION AND KEY MESSAGES</b>	20	\$3,300	<b>ON HOLD</b>
<ul style="list-style-type: none"> <li>· Facilitate Board workshop</li> <li>· Develop mission, vision and key messages</li> </ul>			
<b>Proposed Annual Budget (Does Not Include Printing or Postage)</b>	<b>602</b>	<b>\$99,330</b>	



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 21, 2021**

Item 7

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** **Authorization of Funding for Roof Repair at District Properties not to exceed \$89,000**

**Staff Recommendation**

Authorize the General Manager to execute a contract with AceTek Roofing Company for the roof repairs at two (2) District residences and two (2) detached garages located at 13695 and 12303 Oak Glen Road in an amount not to exceed \$89,000.

**Background**

At its October 28, 2021 regular meeting, the Board of Directors adopted Policy 5095 District Residences and Facility Emergency Policy which identifies the Housing Agreement and maintenance fee collected to fund necessary repairs and maintenance activities at District owned residences.

**Summary**

Per direction from the Personnel Committee, staff solicited quotes from roofing repair contractors that are able to make the necessary repairs and are also able to comply with the California Department of Industrial Relations requirements related to prevailing wage. Staff received two quotes for the replacement of 25-year asphalt shingle roofing at 13695 and 12303 Oak Glen Road (including both detached garages). Both quotes included the costs for additional material that may be required if identified after inspection and following the removal of the existing roof. Said quote, and as needed costs, are identified in Table 1 hereafter.

**Table 1**

Contractor	Base Bid	As Needed Material	Qty of Item Anticipated (# of Units)	As Needed Material Costs (Unit Cost)	Estimated Total Material Cost
Gardner Roofing	\$121,850.00	Plywood Decking	182 sheets	\$145.50	\$26,481.00
		Fascia Board	300 ft	\$18.75	\$5,625.00
		1" x 8" T&G	360 ft	\$12.75	\$4,590.00
Base Bid and Materials Cost Subtotal					\$158,546.00
AceTek	<b>\$58,200.00</b>	Plywood Decking	182 sheets	\$95.00	\$17,290.00
		Fascia Board	300 ft	\$12.00*	\$3,600.00
		1" x 6" T&G	360 ft	\$5.00	\$1,800.00
Base Bid and Materials Cost Subtotal					<b>\$80,890.00</b>

\*Estimated

Total Base Bid plus Materials	\$80,890.00
10% Contingency	\$8,089.00
<b>Total Amount Not to Exceed (Rounded)</b>	<b>\$89,000.00</b>



With the anticipated Base Bid and estimated as needed materials costs and contingencies, staff anticipates a not to exceed expenditure of \$89,000 and requests Board authorization to expend up to that amount. The total expenditure for the project will exceed the spending authority of the general manager. Staff recommends the Board of Directors authorization of \$85,000 in order to enable this work to begin immediately.

### **Fiscal Impact**

Not to exceed \$89,000. Funds are available in the maintenance fund accrued from previously collected monthly maintenance fees paid by employee-occupants of the District-owned residences.

Report prepared by James Bean, Director of Operations



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 21, 2021**

Item 8

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: **Adoption of 2022 Board of Directors Meeting Schedule**

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**Staff Recommendation**

Adopt the 2022 Meeting Schedule for the Board of Directors and standing committees.

**Summary**

The 2022 Meeting Schedule is presented for Board adoption each December based on the District's Policies and Procedures Manual, Part II Section 5A:

- A. **Regular Meetings.** Regular meetings of the Board of Directors shall be held on the second Wednesday and fourth Thursday of each calendar month at 6:00 p.m. in the meeting room at 560 Magnolia Avenue, Beaumont, California, 92223-2258. The date, time and place of regular Board meetings may be reconsidered annually at the annual organizational meeting of the Board.

The Board may alter the schedule around holiday conflicts to suit the District's needs.

In addition to this regular meeting schedule, special meetings may be called as needed by the Board president or a majority of the Board.

Legal counsel has advised that typically "The only instance in which a regular meeting can move is if one lands on a holiday in which case the meeting would be automatically continued to the next District regular working date." Again, District policy provides for the Board to set the regular Board Meeting Schedule annually, and this Staff Report provides for said activity.

Since California law normally restricts some actions to Regular Meetings, the Board may be constrained from conducting some types of important business during those months where meetings are rescheduled if maximum transparency is to be obtained.

**Discussion**

Staff has prepared two options of the Proposed 2022 Meeting Schedule to avoid conflict with holidays and adhere to the adopted policy. Staff recommends no changes to the Proposed 2022 Meetings Schedule except as noted for discussion below. Should a need arise to conduct additional pressing business, the President may call a special meeting.

Staff suggests the Board consider the following adjustments:

- December 14, 2022 Regular Meeting (Budget Workshop). Finance staff recommends scheduling this meeting for the first Wednesday of the month (December 7) rather than the regular second Wednesday in order to afford time for staff to make revisions to the



budget as directed by the Board and prepare it for adoption at the December 22, 2022 meeting.

- November 2022 Engineering Workshop. Staff recommends scheduling the meeting the third Thursday (November 17) to avoid the Thanksgiving holiday.
- Personnel Committee.
  - Option A - Meeting monthly. In 2021, the Committee began meeting monthly (rather than bi-monthly) due to increased workload. The Board can choose to continue this schedule or return to the prior bi-monthly schedule (odd months).
  - Option B – Meeting bi-monthly.
  - Third Tuesday. Staff proposes that the Personnel Committee meetings be scheduled the third Tuesday of the month, in order to avoid conflict with the San Geronio Pass Water Agency (SGPWA) Finance & Budget – Engineering Workshop.

### **Attachments**

1. Potential 2022 Meeting Schedule – OPTION A
2. Potential 2022 Meeting Schedule – OPTION B
3. Year 2022 Calendar for reference

Staff Report prepared by Lynda Kerney, Administrative Assistant



## BEAUMONT-CHERRY VALLEY WATER DISTRICT BOARD OF DIRECTORS AND COMMITTEES 2022 REGULAR MEETING SCHEDULE

Adopted 00-00-2021 (OPTION A)

<b>Regular Meetings</b>
<b>Second Wednesday of every month</b> Meeting time is 6:00 p.m. unless otherwise noted on posted agendas.
January 12
February 9
March 9
April 13
May 11
June 8
July 13
August 10
September 14
October 12
November 9
<b>December 14 (Budget Workshop)</b>

<b>Engineering Workshop</b>
<b>Fourth Thursday of every month</b> Meeting time is 6:00 p.m. unless otherwise noted on posted agendas.
January 27
February 24
March 24
April 28
May 26
June 23
July 28
August 25
September 22
October 27
<b>November 17 (3<sup>rd</sup> Thurs due to Holiday)</b>
December 22

<b>Finance and Audit Committee</b>
<b>First Thursday of the month</b> Meeting time is 3:00 p.m. unless otherwise noted on posted agendas.
January 6
February 3
March 3
April 7
May 5
June 2
July 7
August 4
September 1
October 6
November 3
December 1

<b>Personnel Committee</b>
<b>Third Tuesday of the month</b> Meeting time is 5:30 p.m. unless otherwise noted on posted agendas.
January 18
February 15
March 15
April 19
May 17
June 21
July 19
August 16
September 20
October 18
November 15
December 20

<b>District Holidays 2022</b>	
Jan. 3	New Year's Day (observed)
Jan. 17	Martin Luther King Day
Feb. 21	President's Day
May 30	Memorial Day
July 4	Independence Day
Sept. 5	Labor Day
Nov. 10	Veterans Day (observed)
Nov. 24	Thanksgiving Day
Dec. 26	Christmas (observed)

Agendas are posted 72 hours in advance of a regular meeting and 24 hours in advance of a special meeting, and are available at [www.bcvwd.org](http://www.bcvwd.org). Members of the public may address the Board of Directors on any item within the jurisdiction of the Board; however no action may be taken on any item not appearing on the agenda, unless the action is otherwise authorized by Govt Code 54954.2(b). Meetings are held at the BCVWD office at 560 Magnolia Avenue, Beaumont, CA 92223 unless otherwise noted on the agenda. For information, please contact the Director of Finance and Administrative Services at (951) 845-9581.



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
BOARD OF DIRECTORS AND COMMITTEES  
2022 REGULAR MEETING SCHEDULE**

**ATTACHMENT 2**

Adopted 00-00-2021 (OPTION B)

<b>Regular Meetings</b> <b>Second Wednesday of every month</b> Meeting time is 6:00 p.m. unless otherwise noted on posted agendas.
January 12
February 9
March 9
April 13
May 11
June 8
July 13
August 10
September 14
October 12
November 9
<b>December 14 (Budget Workshop)</b>

<b>Engineering Workshop</b> <b>Fourth Thursday of every month</b> Meeting time is 6:00 p.m. unless otherwise noted on posted agendas.
January 27
February 24
March 24
April 28
May 26
June 23
July 28
August 25
September 22
October 27
<b>November 17 (3<sup>rd</sup> Thurs due to Holiday)</b>
December 22

<b>Finance and Audit Committee</b> <b>First Thursday of the month</b> Meeting time is 3:00 p.m. unless otherwise noted on posted agendas.
January 6
February 3
March 3
April 7
May 5
June 2
July 7
August 4
September 1
October 6
November 3
December 1

<b>Personnel Committee</b> <b>Third Tuesday of the odd months</b> Meeting time is 5:30 p.m. unless otherwise noted on posted agendas.
January 18
March 15
May 17
July 19
September 20
November 15

<b>District Holidays 2022</b>	
Jan. 3	New Year's Day (observed)
Jan. 17	Martin Luther King Day
Feb. 21	President's Day
May 30	Memorial Day
July 4	Independence Day
Sept. 5	Labor Day
Nov. 10	Veterans Day (observed)
Nov. 24	Thanksgiving Day
Dec. 26	Christmas (observed)

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# 2022

## January

Su	Mo	Tu	We	Th	Fr	Sa
						<b>1</b>
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	<b>17</b>	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

1 New Year's Day  
17 Martin Luther King Jr. Day

## February

Su	Mo	Tu	We	Th	Fr	Sa
		1	<b>2</b>	3	4	5
6	7	8	9	10	11	<b>12</b>
13	<b>14</b>	15	16	17	18	19
20	<b>21</b>	<b>22</b>	23	24	25	26
27	28					

2 Groundhog Day  
12 Lincoln's Birthday  
14 St. Valentine's Day  
21 President's Day  
22 Washington's Birthday

## March

Su	Mo	Tu	We	Th	Fr	Sa
		1	<b>2</b>	3	4	5
6	7	8	9	10	11	12
<b>13</b>	14	15	16	<b>17</b>	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

2 Ash Wednesday  
13 Daylight Saving Time Begins  
17 St. Patrick's Day

## April

Su	Mo	Tu	We	Th	Fr	Sa
					<b>1</b>	2
3	4	5	6	7	8	9
<b>10</b>	11	12	13	14	<b>15</b>	16
<b>17</b>	18	19	20	21	22	23
24	25	26	27	28	29	30

1 April Fool's Day  
10 Palm Sunday  
15 Good Friday  
17 Easter

## May

Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
<b>8</b>	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	<b>30</b>	31				

8 Mother's Day  
30 Memorial Day

## June

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	<b>14</b>	15	16	17	18
<b>19</b>	20	<b>21</b>	22	23	24	25
26	27	28	29	30		

14 Flag Day  
19 Father's Day  
21 Summer Solstice

## July

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	<b>4</b>	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

4 Independence Day

## August

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## September

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	<b>5</b>	6	7	8	9	10
<b>11</b>	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

5 Labor Day  
11 Grandparent's Day

## October

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	<b>31</b>					

31 Halloween

## November

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
<b>6</b>	7	<b>8</b>	9	10	<b>11</b>	12
13	14	15	16	17	18	19
20	21	22	23	<b>24</b>	25	26
27	28	29	30			

6 Daylight Saving Time Ends  
8 Election Day  
11 Veteran's Day  
24 Thanksgiving

## December

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	<b>21</b>	22	23	24
<b>25</b>	26	27	28	29	30	<b>31</b>

21 Winter Solstice  
25 Christmas  
31 New Year's Eve





**Beaumont-Cherry Valley Water District  
Personnel Committee Meeting  
December 21, 2021**

Item 9

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** Annual List of Preapproved Events and Director Appointments

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**Staff Recommendation**

Review and adopt the Annual List of Preapproved Events and Director Appointments with any changes as desired.

**Background**

The District Policies and Procedures Manual Part II Policy 4065 Remuneration / Director Per Diem Fees was revised on July 14, 2021 by Resolution 2021-12. Included in this adoption was review of the Preapproved Events and Director Appointments List at the annual Board reorganization meeting in December.

The Annual List of Preapproved Events and Director Appointments was adopted by the Board at its meeting of September 8, 2021 and sets forth the activities that are preapproved by the Board for payment of per diem fees and reimbursement of expenses. Section 4065.4 (1b) regarding eligibility for per diem reads:

... Activities as enumerated in the Preapproved Events and Director Appointments List as approved by the Board of Directors at the annual reorganization meeting in December, or as otherwise approved mid-year by the Board of Directors.

The Board approved the annual director expense report for 2021 at the October 13, 2021 meeting without comment.

**Summary**

The Board is the authority that determines whether an activity requested for expense or compensation is within the stated policy and constitutes "substantial benefit" to the District. Staff uses the Annual List of Preapproved Events and Director Appointments as a guide when processing expense reports and requests for per diem compensation. Staff would tend to apply the policy narrowly, coming to the Board to make findings and determinations related to any item in question. Therefore, staff recommends the Board craft a clearly defined, concise, specific, and narrow list that will not leave categories open to potential question, confusion, or misinterpretation.

The adoption of an Annual List of Preapproved Events and Director Appointments will help ensure good stewardship of public resources and compliance with BCVWD Policy 4060:

4060.1 The Beaumont-Cherry Valley Water District takes its stewardship over the use of limited public resources seriously. Public resources should only be used when there is a **substantial benefit** to the District.



## **Discussion**

Staff presents the attached **Annual List of Preapproved Events and Director Appointments** for review and discussion.

The Board may consider revising the Annual List to include new events being considered for director attendance such as specific trainings and conferences, or may remove events from the previously adopted list should they appear incompatible with the “substantial benefit to the District” doctrine.

A director may attend any event at their discretion; the Annual List does not preclude any director from attending any event, it merely sets the Board’s “bookends” and governs what is compensable and/or reimbursable.

Attendance at an activity not preapproved does not preclude a director from later requesting per diem compensation or from requesting reimbursement of expenses for attendance that was not preapproved. Such requests must be made to the Board of Directors. Nothing prevents a director from requesting pre-approval of an activity via the Upcoming Events action item now appearing monthly on the Board agenda.

## **Fiscal Impact**

To be determined.

## **Attachments**

1. Preapproved Events and Director Appointments List (approved 09/08/2021)
2. Preapproved Events and Director Appointments List Worksheet for 2022
3. ILG Understanding the Basics of Public Service Ethics Laws – Compensation Issues
4. ILG Understanding the Basics of Public Service Ethics Laws – Reimbursement of Expenses

Staff Report prepared by Lynda Kerney, Administrative Assistant

# ATTACHMENT 1

## BCVWD PRE-APPROVED EVENTS AND DIRECTOR APPOINTMENTS Adopted 09/08/2021

Reference: BCVWD Policies and Procedures Manual Part II Sections 14, 15, 4060 and 4065  
For the purposes of satisfying the above policies, the following items are pre-approved for Director claims for per diem compensation, and reimbursement of expenses

<b>TABLE A</b>		
<b>Conferences, Workshops, Webinars, Training, Meetings and Tours</b>		
1	ACWA and ACWA/JPIA	<b>All directors are pre-approved to attend these functions</b>
2	ACWA Region 9 meetings and events	
3	ACWA Committee meetings	
4	Beaumont Basin Watermaster	
5	Beaumont Chamber of Commerce Breakfasts and Luncheons	
6	BIA of Southern California Water Conference	
7	Brown Act training	
8	California Special Districts Association	
9	New Board member orientation (see policy specifics)	
10	Riverside County Water Task Force	
11	SGPWA Regular and Special Board Meetings	
12	Special Districts Association of Riverside County	
13	Special Districts Leadership Academy	
14	State-mandated ethics training (one day of service)	
15	State-mandated sexual harassment training (one day of service)	
16	Tours of BCVWD facilities	
17	Urban Water Institute	
18	WEF annual Water Summit and Water 101 Workshop	
<i>The following meetings are pre-approved for attendance when there are items agendaized that are related to BCVWD interests and operations</i>		
19	Beaumont Unified School District meetings or events	
20	Cabazon Water District – any official district meeting	
21	City of Beaumont – any official city meeting	
22	City of Banning – any official city meeting	
23	City of Calimesa – any official city meeting	
24	Riverside County LAFCO meetings	
25	Yucaipa Valley Water District – any official district meeting	

<b>TABLE B</b>			
<b>President's Appointments and Director Assignments</b>			
<b>Meetings (compensable as designated)</b>		<b>Primary</b>	<b>Secondary</b>
1	San Geronio Pass Regional Water Alliance	Slawson	Williams
2	Collaborative Agencies Committee	Ramirez	Williams
3	Meetings with members of the legislative, executive, or judicial branch of the state or federal government when attendance is directed by the President		

4	Meetings or official events of legislative bodies of other governmental agencies as assigned by the President to represent the District
5	Meetings with the General Manager, District Counsel, or Board President on matters of District business
6	Other meetings or events for Board members appointed by the President to attend such meeting or event on behalf of the District

<b>TABLE C</b>			
<b>Voting Delegates</b>		<b>Primary</b>	<b>Alternate</b>
1	ACWA conferences	President	Vice President
2	ACWA Region 9	President	Vice President
3	ACWA / JPIA		

*For the purposes of satisfying the above policies, the following items require separate, individual Board pre-approval for Director claims for per diem compensation, and reimbursement of expenses.*

Decision-making guidance: BCVWD Policies and Procedures Manual Part II, Section 4060:  
*Public resources should only be used when there is a substantial benefit to the District*

<b>TABLE D</b>	
<b>Activities / Events requiring separate Board pre-approval</b>	
1	Beaumont Chamber of Commerce – other events (not listed in Table A or E)
2	Other civic or community functions (festivals, recreation activities, sports, lectures, etc.)
3	Water Education Foundation conferences, tours, seminars (not listed in Table A)
4	Dedication ceremonies, open houses, groundbreaking ceremonies, ribbon-cutting ceremonies, anniversary celebrations
5	Receptions, or retirement or anniversary celebrations for other agency officials
6	Legislative roundtables, public hearings, project update meetings
7	Other agency or association dinner or luncheon functions
8	Meetings or events of ACWA Regions 1-8, and 10
9	Tri-State Seminar annual conference
10	Any other events not specifically pre-authorized

The Board has determined that these events do not comport with BCVWD policy for reimbursement or compensation:

<b>TABLE E</b>	
<b>Activities / Events not eligible for per diem or expense claims (non-compensable)</b>	
1	Beaumont Chamber of Commerce –social events, mixers, etc.
2	Retirement receptions for BCVWD employees or Board members
3	BCVWD picnics or other social functions

TABLE F Acronyms			
1	ACWA	Association of California Water Agencies	<a href="https://www.acwa.com/">https://www.acwa.com/</a>
2	ACWA	ACWA Committees	<a href="https://www.acwa.com/about/board-committees/committee-information/">https://www.acwa.com/about/board-committees/committee-information/</a>
3	ACWA / JPIA	ACWA Joint Powers Insurance Authority	<a href="https://www.acwajpia.com/training-2/">https://www.acwajpia.com/training-2/</a>
4	BIA	Building Industry Association	<a href="https://riversidebia.org/">https://riversidebia.org/</a>
5	CSDA	California Special Districts Association	<a href="http://csda.net/home">http://csda.net/home</a>
6	LAFCO	Riverside County Local Agency Formation Commission	<a href="https://lafco.org/">https://lafco.org/</a>
7	SDARC	Special Districts Association of Riverside County	<a href="https://www.csda.net/about-csda/chapters-networks/chapter-riverside-county">https://www.csda.net/about-csda/chapters-networks/chapter-riverside-county</a>
8	SDLA	Special District Leadership Foundation	<a href="https://sdla.csda.net/home">https://sdla.csda.net/home</a>
9	SGPWA	San Geronio Pass Water Agency	<a href="https://www.sgpwa.com/">https://www.sgpwa.com/</a>
10	SGPRWA	San Geronio Pass Regional Water Alliance	<a href="http://www.passwateralliance.com/">http://www.passwateralliance.com/</a>
11	Tri-State	Tri-State Seminar, LLC	<a href="https://tristateseminar.com/">https://tristateseminar.com/</a>
12	WEF	Water Education Foundation	<a href="https://www.watereducation.org/tours-events">https://www.watereducation.org/tours-events</a>
13	UWI	Urban Water Institute	<a href="http://www.urbanwater.com">www.urbanwater.com</a>

# ATTACHMENT 2

## PREAPPROVED EVENTS AND DIRECTOR APPOINTMENTS Worksheet for 2022

Reference: BCVWD Policies and Procedures Manual Part II Sections 14, 15, 4060 and 4065  
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The Board has determined that these events do not comport with BCVWD policy for reimbursement or compensation:

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2	Retirement receptions for BCVWD employees or Board members
3	BCVWD picnics or other social functions



## ATTACHMENT 3

# Compensation Issues

## Basic Rules

Typically there is a legal limit on public official compensation levels, either in state or local statutes. Public officials, particularly elected ones, may only receive such compensation that the law allows.<sup>1</sup> Any extra compensation must be refunded.<sup>2</sup> Moreover, as protectors of the public purse, courts generally take a strict approach to public official compensation limits.<sup>3</sup>

### WITH MONEY COMES EDUCATION

If a local agency provides any type of compensation or payment of expenses to members of a legislative body, then all of the members must have two hours of ethics training within one year of entering public service. Subsequent trainings must occur every two years after that.<sup>4</sup>

For more information on these requirements, see [www.ca-ilg.org/AB1234compliance](http://www.ca-ilg.org/AB1234compliance).

## Counties

County boards of supervisors set their salaries; supervisors' salaries are subject to referendum.<sup>5</sup>



## Special Districts

California law sets the salaries for members of special district governing boards—typically in the law that creates the particular kind of special district.<sup>6</sup> Salaries usually are tied to the days a public official spends participating in meetings or other district-related work, with a maximum number of compensated days per month. The chart below contains examples.

Special Districts		
Type of District	Per Day Maximum	Maximums
Park and recreation districts	\$100	\$500 per month <sup>7</sup>
Sanitation districts	\$100 per day for board meetings or service provided at the request of the board	Not to exceed six days per month <sup>8</sup>
Harbor districts	No per day salary	\$600 per month <sup>9</sup>
Utility districts	\$100 per day	\$600 per month <sup>10</sup>
Irrigation Districts		
Irrigation districts of less than 500,000 acres	\$100 per day	Not to exceed six days of compensated service <sup>11</sup>
Irrigation districts of less than 500,000 acres that produce or deliver electricity	\$100 per day OR \$600 per month	An annual cap of \$15,000 <sup>12</sup>
Irrigation districts of 500,000 acres or more	No per day salary	Salary to be fixed by ordinance and subject to referendum but cannot exceed the salary of a member of the Imperial County Board of Supervisors <sup>13</sup>

Water Districts		
Type of District	Per Day Maximum	Maximums
Water district directors (as defined)	\$100 per day	Not to exceed 10 days of compensated service per month <sup>14</sup>
California water district officials (as defined)	\$100 per day	No maximum <sup>15</sup>
County water district directors (as defined)	\$100 per day	Not to exceed 6 days of compensated service per month <sup>16</sup>
Contra Costa County Water District directors (as defined)	\$100 per day	Not to exceed 10 days of compensated service per month <sup>17</sup>
Municipal water district directors (as defined)	\$100 per day	Not to exceed 6 days of compensated service per month <sup>18</sup>

What kinds of meetings and days of work may a district official be compensated for? Typically:

- » A meeting of any “legislative body” as defined by California’s open meeting laws;
- » A meeting of an advisory body; and
- » Conference attendance or educational activities, including ethics training.<sup>19</sup>

Agencies may compensate officials for attendance at other events as specified in a written policy adopted in a public meeting.<sup>20</sup> Note that these parameters don’t apply when the district does not pay compensation based on number of days doing district business, but instead pays a more salary-like form of compensation.<sup>21</sup>



### Cities

#### Charter Cities

For charter cities, elected official compensation is a matter of local concern which may be addressed in the city’s charter.<sup>22</sup>

#### General Law Cities

Broadly speaking in general law cities, city council members’ baseline compensation is set by ordinance; such compensation is tied to parameters established in California law in the 1980s.<sup>23</sup> The starting points are:<sup>24</sup>

General Law Cities	
City Size by Population	Baseline Per Month Salary
Up to and Including 35,000	\$300
Over 35,000 Up to and Including 50,000	\$400
Over 50,000 Up to and Including 75,000	\$500
Over 75,000 Up to and Including 150,000	\$600
Over 150,000 Up to and Including 250,000	\$800
Over 250,000 Population	\$1,000

General law cities may increase these amounts by up to five percent per year from the date of any prior adjustments.<sup>25</sup> When a city council votes to increase compensation, the increase takes effect in the future—not during the deciding council members’ current terms.<sup>26</sup>

Elected mayors may receive additional compensation.<sup>27</sup>

These amounts compensate city council members for their service on the council, including any commission, committee, board, authority, or similar body on which the city council member serves, unless California law authorizes additional compensation.<sup>28</sup> If California law provides for additional council member compensation for serving on a commission—but that statute does not specify an amount of compensation—the compensation is \$150 per month.<sup>29</sup>

#### DISCLOSURE REQUIREMENTS WHEN MAKING COMPENSATED APPOINTMENTS

From time to time, a decision-making body will be asked to appoint one or more of its members to certain positions. If that appointment involves additional compensation, the agency must make a special disclosure.<sup>30</sup>

The disclosure is on a form provided by the Fair Political Practices Commission and must be posted on the agency's website.<sup>31</sup>

#### Local Agency Chief Executives and Staff

Governing bodies must approve all contracts with local agency chief executives (as defined) in open session, which must be reflected in the minutes.<sup>32</sup> In addition, salaries, salary schedules and fringe benefits must be approved at a regular (as opposed to a special) meeting of the body.<sup>33</sup>

Copies of contracts are public documents must be made available on request<sup>34</sup> (although some agencies elect to post these documents on their websites in the spirit of transparency).

Beginning in 2012, California law prohibits local agencies<sup>35</sup> from approving contracts for chief executives or department heads (as defined<sup>36</sup>) that contain automatic renewal clauses that provide for automatic compensation adjustments that exceed the cost of living.<sup>37</sup>

Contracts must also comply with California law restrictions on the amount of severance an agency pays if it becomes necessary to terminate a contract with a local agency employee.<sup>38</sup> Copies of severance agreements are public documents.<sup>39</sup>

If an employee is subsequently convicted of abuse of position (as defined<sup>40</sup>), the employee must reimburse 1) any severance payments paid,<sup>41</sup> and 2) any paid leave provided pending charges.<sup>42</sup>



#### FOR MORE INFORMATION

On executive compensation issues, see [www.ca-ilg.org/post/executive-compensation-issues](http://www.ca-ilg.org/post/executive-compensation-issues).

For specific questions, please contact agency counsel.

## Reimbursement of Expenses

### BASIC RULES

California law contains certain requirements and restrictions on local agency practices relating to reimbursing local elected and appointed officials' expenses.

#### When May Expenses Be Reimbursed?

The core test on whether an expense is reimbursable is whether the expense was "actual and necessary" in the official's performance of official duties.<sup>69</sup> Local agencies must adopt expense reimbursement policies that specify which kinds of activities are reimbursable for decision-making body members.<sup>70</sup> Many also have policies that govern employee reimbursements. Such policies are an opportunity for a local agency to make findings on why reimbursable activities are necessary to the individual's performance of their duties.<sup>71</sup>

Of course, if one has already received a cash advance or other form of payment for an expense, one may not request reimbursement. Double-charging a public agency for expenses misappropriates public resources and is a crime.<sup>72</sup>

#### Process Requirements

For decision-making body member reimbursements, local agencies must:

- » Use expense report forms;<sup>73</sup>
- » Identify a "reasonable time" within which these forms must be submitted;<sup>74</sup> and
- » Require that all expenses be documented with receipts.<sup>75</sup>

Those requesting reimbursement must show their request falls within the agency's parameters for use of public resources.<sup>76</sup> Many local agencies have also adopted similar policies for employee reimbursements.

All expense reimbursement requests and supporting documentation are public records.<sup>77</sup>

#### Amounts

Local reimbursement policies may specify what constitutes reasonable rates for travel, meals, lodging and other expenses. For decision-making body reimbursements, if a local policy does not specify reimbursement rates, then the reimbursable rates default to Internal Revenue Service guidelines.<sup>78</sup>

If a public official wants to seek reimbursement for levels of expenses not otherwise authorized under the agency's reimbursement policy, then the official may seek prior approval for such reimbursement from the governing body (before incurring the expense).<sup>79</sup>

Officials who spend more than allowed under their agencies' reimbursement policies have the option of simply paying the extra costs themselves.<sup>80</sup>

California law requirements relating to expense reimbursement policies and restrictions on reimbursement rates only apply to reimbursements of members of a legislative body.<sup>81</sup> Although charter cities may not be subject to this requirement given their home rule authority, many charter cities have such policies as a matter of good practice.<sup>82</sup>

Again, many local agencies have adopted policies that govern reimbursements for staff as well as elected and appointed officials. Another option is to have the policies address expenses other than those are, strictly speaking, "reimbursed" (for example, those expenses that are paid by the agency in the first instance).

### FOR MORE INFORMATION

See the following resources:

- » "Buying Meals for Others on the Public's Dime," available at [www.ca-ilg.org/dime](http://www.ca-ilg.org/dime).
- » "Expense Reimbursement Frequently Asked Questions," available at [www.ca-ilg.org/ExpenseReimbursementFAQs](http://www.ca-ilg.org/ExpenseReimbursementFAQs).
- » Sample reimbursement policies available at [www.ca-ilg.org/SampleReimbursementPolicies](http://www.ca-ilg.org/SampleReimbursementPolicies).

For specific questions, please contact the Fair Political Practices Commission or agency counsel.

## PENALTIES

### California Law Penalties

Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies include:

- » Loss of reimbursement privileges;<sup>83</sup>
- » Restitution to the local agency;<sup>84</sup>
- » Civil penalties of up to \$1,000 per day and three times the value of the resource used;<sup>85</sup> and
- » Criminal prosecution and a lifetime bar from public office.<sup>86</sup>

At some point, personal use of public resources becomes embezzlement—a form of theft.<sup>87</sup>

Embezzlement may constitute “willful misconduct” which warrants the removal from office of a public officer, or it may be prosecuted as a felony violation. A public officer convicted of embezzlement is guilty of a felony punishable by imprisonment; in addition, that person is ineligible thereafter to hold public office within California.<sup>88</sup>

### Federal Law Penalties

Federal prosecutors have been known to treat the receipt of illegitimate expense reimbursements or advances as income to the official. Because the official has not typically reported these payments as such on the official’s tax returns, the official then becomes subject to an action for income tax evasion.

The Internal Revenue Code is notoriously complex and its penalty sections are no exception. The general penalty for willful income tax evasion is a fine of up to \$100,000 and up to five years in prison, or both. Those convicted are also responsible for paying the costs of prosecution.<sup>89</sup> Failure to report information to the tax authorities is punishable by fines of up to \$25,000 and/or a year in federal prison, plus the costs of prosecution.<sup>90</sup>

If the postal service was used in any way, such use can also become the basis for a charge of mail fraud.<sup>91</sup> Mail fraud is punishable by up to five years in federal prison per violation and/or a fine of the greater of 1) twice the gain to the violator or 2) \$250,000 per violation.<sup>92</sup>

If the program has any degree of federal funding, the federal criminal laws against corruption and embezzlement will also apply.<sup>93</sup>

### FOR MORE INFORMATION

On penalties for ethics law violations, see [www.ca-ilg.org/consequences](http://www.ca-ilg.org/consequences).



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 21, 2021**

Item 10

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** Consideration of California Drought Conditions, District Urban Water Management Plan Drought Restrictions and BCVWD Resolution 2014-05 Regarding Issuance of Will-Serve Letters and Other Drought Response

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**Staff Recommendation**

None. Direct staff as desired.

**News:**

**California considers \$500 fines for water wasters as drought worsens, conservation lags**

Los Angeles Times - 12/8/2021

<https://www.latimes.com/california/story/2021-12-08/500-fines-proposed-for-water-wasters-amid-deepening-drought>

**Some in California have to limit their daily water usage to 55 gallons. Here's what that means for everyday activities**

CBS Evening News 12/8/21

<https://www.cbsnews.com/news/marin-county-california-water-restrictions-drought/>

**As Drought Continues, State Agencies Propose Further Reducing Indoor Water Use**

California Water News Daily 12/7/2021

<http://californiawaternewsdaily.com/drought/as-drought-continues-state-agencies-propose-further-reducing-indoor-water-use/>

**Beyond the Perfect Drought: California's Real Water Crisis**

UCLA Institute of the Environment & Sustainability

<https://www.ioes.ucla.edu/news/beyond-perfect-drought-californias-real-water-crisis/>

**Is it 'Zero Day' for California Water?**

*Long before talk of climate change, California planned a system of canals and reservoirs to carry water to its dry areas. It's no longer enough (Commentary)*

US News 12/10/21

<https://www.usnews.com/news/best-states/articles/2021-12-10/california-faces-unprecedented-water-restrictions>

**Here's what it would take to fill California's reservoirs and end the drought this winter**

The North Bay Business Journal 12/13/2021

<https://www.northbaybusinessjournal.com/article/news/heres-what-it-would-take-to-fill-californias-reservoirs-and-end-the-droug/>



### **Big California storm dumps snow, drenched parched regions**

ABC News 12/13/2021

<https://abcnews.go.com/US/wireStory/rain-snow-fall-california-braces-brunt-storm-81716809>

### **Inland Empire Utilities Agency Activates Level 2 Water Shortage Warning**

California Water News Daily 12/12/2021

<http://californiawaternewsdaily.com/drought/inland-empire-utilities-agency-activates-level-2-water-shortage-warning/>

### **Who Is to Blame for California's Drought?**

UC Davis experts answer 6 common questions about the drought

UC Davis Magazine 09/15/2021

<https://magazine.ucdavis.edu/who-is-to-blame-for-californias-drought/>

### **Resources**

State Water Project

<https://water.ca.gov/Programs/State-Water-Project>

State Water Board Draft Emergency Regulations Prohibiting Wasteful Water Use

[https://www.waterboards.ca.gov/water\\_issues/programs/conservation\\_portal/emergency\\_regulation.html](https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/emergency_regulation.html)

### **Water Infrastructure News**

#### **Department of Water Resources investing heavy in water facility rehabilitation**

Valley Voice 12/3/2021

<https://www.ourvalleyvoice.com/2021/12/03/department-of-water-resources-investing-heavy-in-water-facility-rehabilitation/>

### **Attachments**

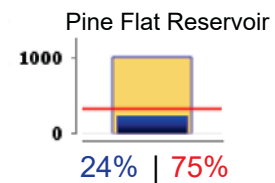
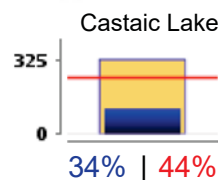
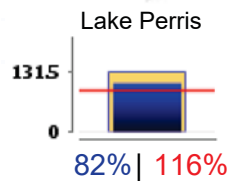
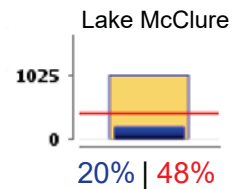
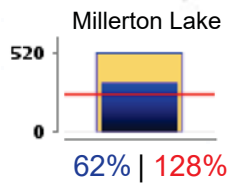
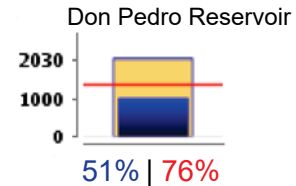
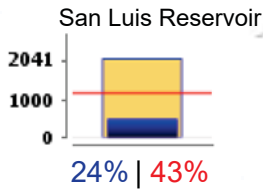
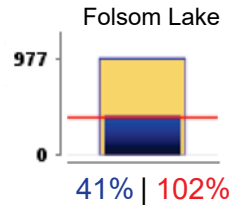
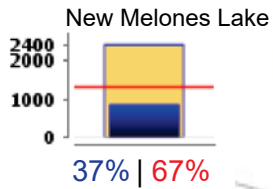
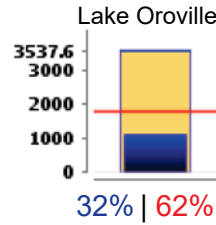
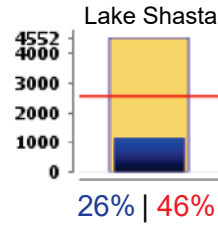
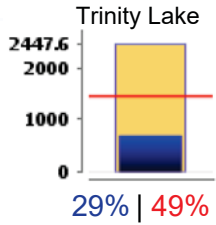
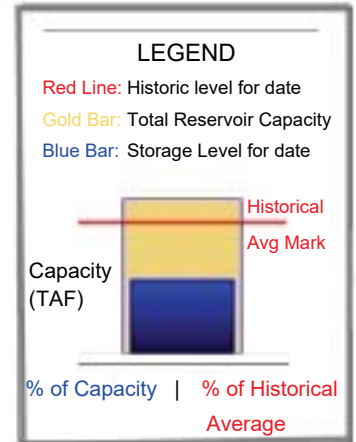
1. Current Reservoir Conditions – December 15, 2021
2. California Drought Monitor Map – December 14, 2021



# CURRENT RESERVOIR CONDITIONS

## SELECTED WATER SUPPLY RESERVOIRS

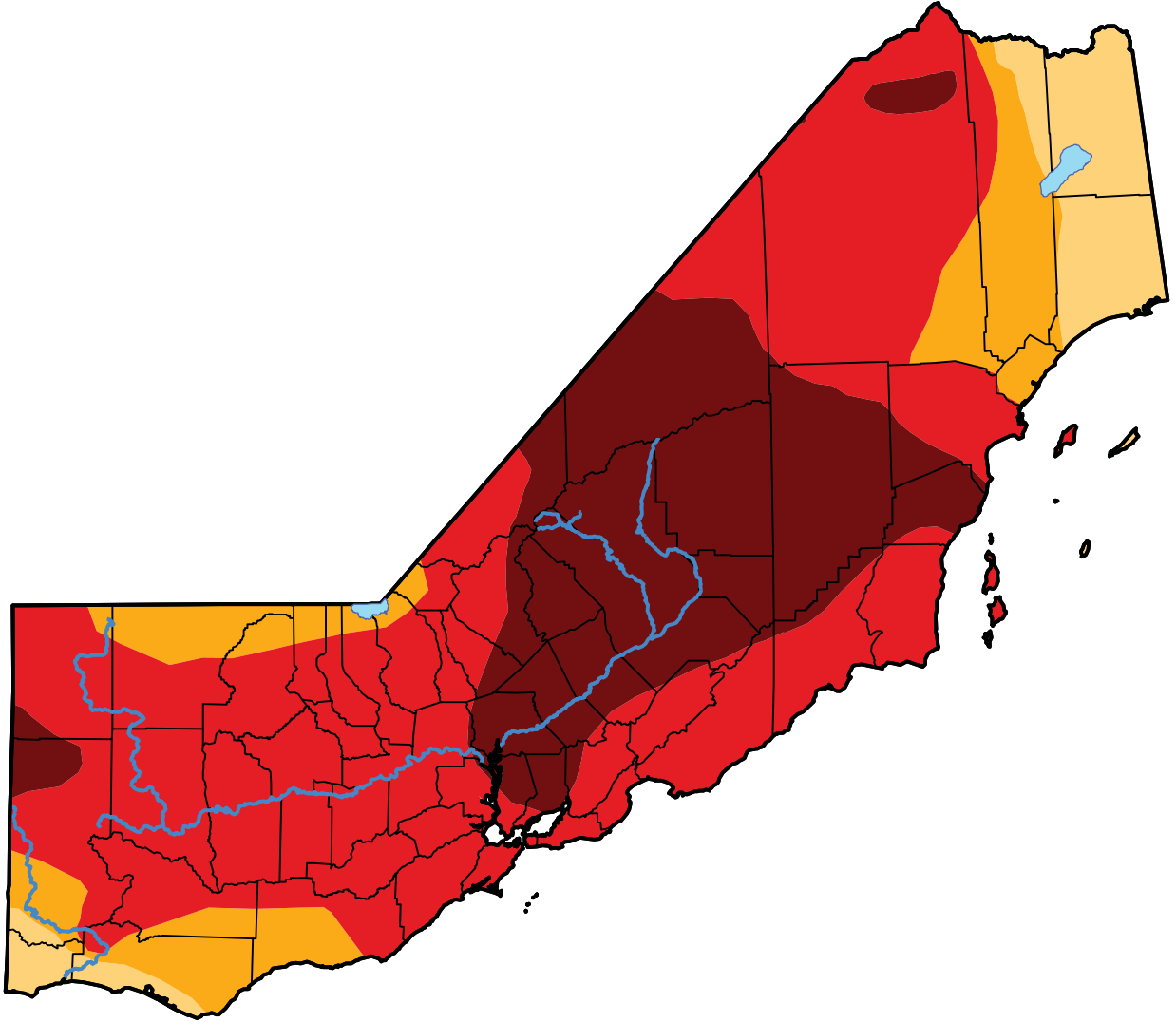
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# U.S. Drought Monitor California

**December 14, 2021**  
(Released Thursday, Dec. 16, 2021)  
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b>	0.00	100.00	100.00	92.43	80.28	28.27
<b>Last Week</b> 12-07-2021	0.00	100.00	100.00	92.43	80.28	28.27
<b>3 Months Ago</b> 09-14-2021	0.00	100.00	100.00	93.93	87.94	45.66
<b>Start of Calendar Year</b> 12-29-2020	0.00	100.00	95.17	74.34	33.75	1.19
<b>Start of Water Year</b> 09-28-2021	0.00	100.00	100.00	93.93	87.88	45.66
<b>One Year Ago</b> 12-15-2020	0.00	100.00	95.17	74.35	33.75	1.19

**Intensity:**

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

**Author:**  
David Simeral  
Western Regional Climate Center





**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
December 21, 2021**

Item 11

STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** **Consideration of Attendance at Upcoming Events and Authorization of Reimbursement and Per Diem**

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**Staff Recommendation**

Evaluate director attendance at upcoming events for possible pre-approval or approval after attendance for compensation and / or expense reimbursement pursuant to Policies 4060 and 4065 and vote to pre-approve any selected activities.

**SAMPLE MOTION:**

*I move that the Board pre-approve the attendance of all directors at these events for purposes of per diem and reimbursement of associated reasonable and necessary expenses per District policy: \_\_\_\_ (list events)*

**Background**

Event attendance is governed by BCVWD Policies and Procedures Manual Part II Policy 4060 Training, Education and Conferences, and Part II Policy 4065 Remuneration / Director Per Diem Fees. Per Government Code 53232.3(d), Directors will either prepare a written report for distribution to the Board or make a verbal report during the next regular meeting of the Board. Directors desiring to attend events not specifically enumerated and preauthorized by BCVWD policy should obtain pre-approval via vote of the Board in order to receive a per diem and/or expense reimbursement.

**Upcoming Events**

*For registration of attendance at any event, Board members should contact the Administrative Assistant.*

Activities and events that are, may already be, or can be voted as pre-approved for per diem and/or expense reimbursement for attendance:

## 1 - NEW EVENTS

DATE / TIME	EVENT	DIRECTOR INTEREST	
Thu 1/13/22 10 – 11:30 a	<b>American Water Works Association California-Nevada Section: Lessons Learned from 2015 Drought: How to Prepare for Next</b> (Webinar) \$20 Managing droughts will be the new norm. Water providers will need to be nimble in moving in and out of droughts and the associated severity. This is a great time to develop a comprehensive drought management plan for each stage of cutback. Learn from practitioners who have answered the tough questions and are preparing themselves for 2022. <a href="http://www.ca-nv-awwa.org">www.ca-nv-awwa.org</a>	COVINGTON	HOFFMAN
<b>APPROVAL</b>		RAMIREZ	SLAWSON
VOTE REQUIRED		WILLIAMS	

DATE / TIME	EVENT	DIRECTOR INTEREST	
Fri 1/14/2022 7:30 a.m.	<b>Beaumont Chamber of Commerce Breakfast</b> Sand Trap – 892 W. Oak Valley Parkway \$22 per person Reservation deadline: Jan. 6 Please advise the Administrative Assistant 8 days in advance if you would like to attend. The Breakfasts are the second Friday of each month. Speakers vary, but information is not generally available in a timely manner	COVINGTON	HOFFMAN
<b>APPROVAL</b>		RAMIREZ	SLAWSON
Preapproved (Table A, 5)		WILLIAMS	

DATE / TIME	EVENT	DIRECTOR INTEREST	
Wed 1/18/22 10-Noon	<b>CSDA Webinar: Brown Act Refresher and Updates: Conducting the Public's Business in the Open</b> \$0 = FREE This Brown Act presentation is geared toward board members / general managers / department heads to provide an overview of obligations to the public relative to the open conduct of the public's business.	COVINGTON	HOFFMAN
<b>APPROVAL</b>		RAMIREZ	SLAWSON
Preapproved (Table A, 8)		WILLIAMS	

DATE / TIME	EVENT	DIRECTOR INTEREST	
Mon 1/24/22 11 – Noon	<b>National Integrated Drought Information System (NOAA) California-Nevada Winter Status Update webinar</b> \$ = FREE The California-Nevada Winter Status Update is part of a series of regular drought and climate outlook webinars designed to provide stakeholders and other interested parties in the region with timely information on current drought status and impacts, as well as a preview of current and developing climatic events (i.e., El Niño and La Niña). A recording of this webinar will be posted on the <a href="#">NIDIS YouTube channel</a> after the webinar.	COVINGTON	HOFFMAN
<b>APPROVAL</b>		RAMIREZ	SLAWSON
REQUIRES VOTE		WILLIAMS	
<a href="https://www.drought.gov/events/california-nevada-drought-climate-outlook-webinar-6">https://www.drought.gov/events/california-nevada-drought-climate-outlook-webinar-6</a>			

DATE / TIME	EVENT	DIRECTOR INTEREST	
Feb. 2 and 3 9 to Noon	<b>CSDA Virtual Workshop: Board Member Best Practices</b> \$175 This fast-paced and informative session covers all of the essential best practices of serving as a board member of a special district: the roles of board members and staff, policies and procedures your district should consider to ensure effective governance, and general ethics principles related to special districts including an overview of the laws affecting special districts.	COVINGTON	HOFFMAN
<b>APPROVAL</b>		RAMIREZ	SLAWSON
Preapproved (Table A, 17)		WILLIAMS	

DATE / TIME	EVENT	DIRECTOR INTEREST	
April 3 to 6, 2022	<b>California Special Districts Association (CSDA)            2022 Special District Leadership Academy</b> Embassy Suites, San Diego Bay \$600 per person + hotel, meals, per diem Reservation deadline: March 3 (early bird price) Comprehensive Governance Leadership Conferences for Elected and Appointed Directors/Trustees  This conference content is based on CSDA's Special District Leadership Academy (SDLA) groundbreaking, curriculum-based continuing education program, which recognizes the necessity for the board and general manager to work closely toward a common goal. SDLA provides the knowledge base to perform essential governance responsibilities and is designed for both new and experienced special district board members. - Governance Foundations - Setting Directions/Community Leadership - Board's Role in Human Resources - Board's Role in Finance and Fiscal Accountability	COVINGTON	HOFFMAN
<b>APPROVAL</b>		RAMIREZ	SLAWSON
Preapproved (Table A, 13)		WILLIAMS	

2022 detail information not yet posted: <https://sdla.csda.net/home>

## 2 - ON CALENDAR

DATE / TIME	EVENT	DIRECTOR INTEREST	
Feb. 16-18 2022	<b>Urban Water Institute's Spring Water Conference</b> Hilton Palm Springs Registration \$TBD, Room Rate \$165 / nt Plus Travel, meals and per diem No information available yet. Save the Date only. <a href="https://www.urbanwater.com/program-agenda/">https://www.urbanwater.com/program-agenda/</a>	<b>COVINGTON</b> YES	HOFFMAN NO
<b>APPROVAL</b>		RAMIREZ	<b>SLAWSON</b> YES
Preapproved (Table A, 17)		<b>WILLIAMS</b> YES	

### **Fiscal Impact**

The fiscal impact will depend on the number of directors attending an event and the event costs.

Staff Report prepared by Lynda Kerney, Administrative Assistant