



**NOTICE OF SPECIAL MEETING
OF THE BEAUMONT CHERRY VALLEY DISTRICT
BOARD OF DIRECTORS**

To the Directors of the Beaumont Cherry Valley Water District:

Notice is hereby given that a Special Meeting of the Board of Directors of said District will be held **Thursday, August 20, 2009 at 7:00 p.m.** at the Beaumont Cherry Valley Water District's Administrative Offices located at 560 Magnolia Avenue, Beaumont, California 92223.

The agenda for said meeting is attached.

Dated: August 18, 2009

Dr. Blair Ball

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



BEAUMONT CHERRY VALLEY WATER DISTRICT
AMENDED AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Thursday, August 20, 2009 at 7:00 PM
560 Magnolia Avenue, Beaumont, CA 92223

CALL TO ORDER, PRESIDENT BALL

PLEDGE OF ALLEGIANCE, VICE PRESIDENT PARKS

INVOCATION, DIRECTOR WOLL

ROLL CALL, BLANCA MARIN

PUBLIC INPUT

PUBLIC COMMENT: Anyone wishing to address the Board of Directors on any matter not on the agenda of this meeting may do so now. Anyone wishing to speak on an item on the agenda may do so at the time the Board considers that item. All persons wishing to speak must fill out a "Request to Speak" form and give it to the Secretary at the beginning of the meeting. The forms are available on the table at the back of the room. There is a three (3) minute limit on public comments. Sharing or passing time to another speaker is not permitted. Please do not repeat what was said by a previous speaker except to note agreement with that speaker. Thank you for your cooperation.

ACTION ITEMS

1. ADOPTION OF THE AGENDA

| | | | | |
|-------|---|---|---|---|
| MAGEE | M | S | A | N |
| PARKS | M | S | A | N |
| ROSS | M | S | A | N |
| WOLL | M | S | A | N |
| BALL | M | S | A | N |

2. EMERGENCY WATER SUPPLY REQUEST, SUNNY-CAL EGG & POULTRY COMPANY**

| | | | | |
|-------|---|---|---|---|
| MAGEE | M | S | A | N |
| PARKS | M | S | A | N |
| ROSS | M | S | A | N |
| WOLL | M | S | A | N |
| BALL | M | S | A | N |

3. APPROVE AND AWARD BID FOR THE 24" RECYCLED WATER TRANSMISSION MAIN IN BROOKSIDE AVENUE TO MCC EQUIPMENT RENTALS INC., PENDING REVIEW AND APPROVAL OF DBE COMPLIANCE AND SUBJECT TO RECEIPT OF APPROVAL OF AWARD FROM THE STATE WATER RESOURCES CONTROL BOARD

| | | | | |
|-------|---|---|---|---|
| MAGEE | M | S | A | N |
| PARKS | M | S | A | N |
| ROSS | M | S | A | N |
| WOLL | M | S | A | N |
| BALL | M | S | A | N |

4. AUTHORIZATION TO ADVERTISE FOR THE REMAINDER OF THE PHASES OF THE RECYCLED WATER PROJECTS

| | | | | |
|-------|---|---|---|---|
| MAGEE | M | S | A | N |
| PARKS | M | S | A | N |
| ROSS | M | S | A | N |
| WOLL | M | S | A | N |
| BALL | M | S | A | N |

5. REQUEST FROM PACIFIC REAL ESTATE LLC TO WAIVE, REDUCE OR PROVIDE INSTALLMENT PLAN FOR THE FACILITY FEES AT OAK VALLEY CHEVRON PROJECT**

| | | | | |
|-------|---|---|---|---|
| MAGEE | M | S | A | N |
| PARKS | M | S | A | N |
| ROSS | M | S | A | N |
| WOLL | M | S | A | N |
| BALL | M | S | A | N |

6. REPORTS FOR DISCUSSION AND POSSIBLE ACTION

(a) Ad hoc Committees

(b) General Manager

- Correspondence from Cherry Valley Water Company**
- Noble Creek Artificial Recharge Facility-Ground Water Monitoring Report**
- Consolidation of Water Districts-Correspondence from Oak Valley Partners/City of Yucaipa**
- Update on Recommendations from Auditors
- Purchase of New Backhoe/Loader**
- Request from the Beaumont Unified School District **

(c) Directors

- Dr. Blair Ball
- Stella Parks
- Ken Ross
- Ryan Woll
- Niki Magee

(d) Legal Counsel

7. ANNOUNCEMENTS

- Regular Board Meeting, September 9, 2009 at 7:00 p.m.

ACTION LIST

8. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL- (FOUR MATTERS)

- A. Closed Session will be held to confer with legal counsel on Two matters of potential litigation pursuant to subdivision (c) of Government Code section 54956.9-TWO MATTERS-Potential Litigation**

- B. A Closed Session will be held to confer with legal counsel on one matter of potential litigation pursuant to subdivision (b) of Government Code Section 54956.9 –ONE MATTER – Potential Litigation
- C. A closed session will be held to confer with legal counsel on one matter of pending litigation pursuant to subdivision (a) of Government Code Section 54956.9—Claimant/Plaintiff Daniel Slawson and Arlene Slawson—Case RIC 533149, Superior Court, County of Riverside

9. OPEN SESSION- REPORT ON CLOSED SESSION

10. ADJOURNMENT

| | | | | |
|-------|---|---|---|---|
| MAGEE | M | S | A | N |
| PARKS | M | S | A | N |
| ROSS | M | S | A | N |
| WOLL | M | S | A | N |
| BALL | M | S | A | N |

** Information included in the agenda packet

Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please call Blanca Marin Executive Assistant, at (951) 845-9581 Ext. 23 for assistance so the necessary arrangements can be made.

The agenda material for this meeting is available to the public at the District’s Administrative Office which is located at 560 Magnolia Avenue, Beaumont, CA 92223. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate inspection at the same location.

Sunny-Cal Egg & Poultry Company
37251 Cherry Valley Blvd.
Beaumont, CA 92223

July 8, 2009

Anthony Lara, General Manager
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

RECEIVED
JUL 10 2009

BY:.....

Dear Tony:

As we recently discussed by phone, Sunny-Cal's groundwater well has some significant operational issues that will take a substantial amount of time to fix. Because this well is used to pump the water supply for several residences on Fabian Lane, in addition to those used by my brother Michael Manheim and our caretaker who live on the Sunny Cal property, it is critical that there not be an interruption in deliveries. We understand that the Beaumont-Cherry Valley Water District can make available emergency water supplies to us from its separate well located on the Sunny-Cal property. We also understand that we will need to install a pump on the line providing that water to ensure that the pressure requirements are met. By this letter, we hereby request that Beaumont-Cherry Valley Water District provide such emergency water service.

We thank you and the District for being so accommodating to our needs. We very much appreciate it. Please do not hesitate to contact me with any questions or concerns you may have about this matter.

Sincerely,


Kathi Berman

Pacific Real Estate LLC.

12340 Highland Ave Rialto CA 92376
Ph: (909) 899-6363 Fax: (909) 899-6771

August 7, 2009

Board of Directors
Beaumont Cherry Valley Water District
560 Magnolia Ave Beaumont, CA 92223

Dear Board Members:

Pacific Real Estate LLC is in process of developing a service Station in 886 Oak Valley Park Way. Beaumont CA in the corner of Frw 10 and Oak Valley Parkway. Due to the current difficult financial condition, it has been very difficult for the company to raise the necessary capital to finance the project.

The company was just informed by the Beaumont –Cherry Water District the water connection fee for the project is close to 50,000. Unfortunately this amount was not budgeted in the original business plan. Usually under normal conditions, the lenders have a ten percent contingency plan to cover these kinds of un-planned and un-budgeted items. However due to the current financial situation, lenders not only taken away the ten percent contingency, but also have reduced the original budgeted project due to decline in property values. On the other hand the owners of Pacific Real Estate have used all their resources including their personal saving and credit card limits to fill the reduced budget. At this time there are no other resources the company can use to pay the Water connection fee. Therefore based on these facts, we hereby request from the board of directors to either waive or reduce the fee. And in the case a fee reduction is granted, we would like to request an installment plan to ease the fee payment.

Please consider our request with full passion because in addition to the country's critical financial situation, our company is going thru a tough financial hardship that is making it impossible for us to complete the project.

We are confident that the Oak Valley Chevron is a much anticipated business that many community members, individuals, and businesses are eager to see up and running. And once it is finished, it will create jobs for local families, add value to the local properties, and generate income for local government agencies.

We really appreciate the board to give us the opportunity to discuss this critical item, and look forward to meeting with the board members.

Sincerely,



Benny Mirshafie
President

Memorandum

To: Board of Directors

Date: August 12, 2009

From: Anthony Lara, Interim General Manager

Re: Cherry Valley Water Company

In 2006, the Stakeholders of the Cherry Valley Water Company (Company) approached Beaumont Cherry Valley Water District (the District) and requested that the District provide them with an emergency water service as the company's well had become inoperable due to Nitrate contamination. Since that time, there have been discussions related to annexing the properties into the District and financing the construction of a new water system in the Company's service area.

In March of this year, the Company again, approached the District and requested that an ad hoc committee be formed in order to restart negotiations related to the annexation and financing. Representatives from both agencies have had discussions related to the financing of the facilities to serve the properties and the issue of whether or not the District will require that each property owner pay facility fees when applying for service.

The District has made the recommendation that the Company contact The California Rural Water Association to get funding assistance to pay for the construction of the water system.

While the District continues to provide service during these negotiations, the service is being provided outside of the District's boundaries and without an Extra Territorial Service Agreement on file with Riverside County LAFCO. In order to complete this process, an application must be submitted by the District.

Recommendation

Direct Staff to proceed with the Extra Territorial Service Agreement with Riverside County LAFCO and request a deposit in the sum of \$10,000.00 from Cherry Valley Water Company to cover the application fee and any other costs.

Cherry Valley Water Company

A California Non-Profit Corporation

INCORPORATED APRIL 13, 1960
P.O. BOX 3166
BEAUMONT, CA 92223
(714) 845-5655

July 14, 2009

Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, California 92223

RECEIVED
JUL 14 2009

BY:

Board of Directors:

Re: Annexation of CVWC into BCVWD

A meeting was held on May 11, 2009 with Director Ross and Director Parks. The Directors were very positive about the annexation, however, there were two new issues raised: the fact that BCVWD did not have the funds to finance our new system, and the issue of a facilities fee.

The issue of a facilities fee has never been mentioned to us when discussing annexation in the past. When Mr. Charles Butcher addressed our shareholders in January 2006 he talked about total costs and said no facilities fee would be charged. When he sent an estimate of the cost of the proposed system in April of 2007, he never mentioned an additional fee. When Bonita Vista was annexed by BCVWD there was no facilities fee charged to those homeowners. We would like to confirm that BCVWD will not be charging CVWC a facilities fee.

We have applied for funding with the California Department of Public Health through the Drinking Water State Revolving Fund (DWSRF/Prop 50/Prop84) in July 2007. We have applied for funding with the American Recovery and Reinvestment Act (ARRA) in February 2009. We have applied for State Water Resources Control Board's Division of Financial Assistance (DFA), a FFAST loan in June 2009. In every case our priority level is too low to qualify for grants or loans. The agencies involved feel we have, essentially, fixed our problem of high nitrates by buying our water from BCVWD. We have had a meeting with our Assemblyman, Mr. Paul Cook, who suggested we apply for the help for which we had already applied.

The most helpful suggestion is that of Mr. Wayne Spencer, our representative from the California Rural Water Association, a consultant with the Department of Environmental Health (DEH), who said BCVWD could apply for a loan to finance annexing our water district. Because BCVWD is larger than our company and since it is a goal of the DEH to consolidate smaller water districts into larger ones, your priority will be higher than ours. We would like to enlist your help on our behalf and ask you to apply for the necessary funding as Mr. Spencer suggests.

We would also like to continue negotiations and complete the process for annexation at the earliest possible time. We ask the board to determine whether a facilities fee is a requirement though no such fee was charged other annexed companies and in light of Mr. Butcher's representations that no fee would be necessary.

Sincerely yours,

A handwritten signature in black ink that reads "Doyle Murray". The signature is written in a cursive style with a large initial "D" and "M".

Doyle Murray
Board President
Cherry Valley Water Company

Cc: General Manager

Noble Creek Artificial Recharge Facility
Second Quarter 2009
Ground Water Monitoring Report
(April 14 to July 15, 2009)



Prepared for: Beaumont Cherry Valley Water District

July 27, 2009

GEOSCIENCE Support Services, Inc.

Tel: (909) 451-6650

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Mailing: P.O. Box 220, Claremont, CA 91711

620 W. Arrow Highway, Suite 2000, La Verne, CA 91750

www.gssiwater.com

**NOBLE CREEK ARTIFICIAL RECHARGE FACILITY
SECOND QUARTER 2009
GROUND WATER MONITORING REPORT
(APRIL 14 TO JULY 15, 2009)**

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| 3 | Spreading Basin Inflow |
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| 6 | Ground Water Elevations – Phase I Deep Monitoring Wells |
| 7 | Ground Water Elevations – Phase II Monitoring Wells |

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|------------|---|
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| 2 | Summary of Monitoring Well Construction Details |

**NOBLE CREEK ARTIFICIAL RECHARGE FACILITY
SECOND QUARTER 2009
GROUND WATER MONITORING REPORT
(APRIL 14 TO JULY 15, 2009)**

1.0 INTRODUCTION

1.1 Purpose and Scope

This report summarizes geohydrologic data collected at Beaumont Cherry Valley Water District's (BCVWD) Noble Creek Artificial Recharge Facility (Recharge Facility) during the period between April 14 and July 15, 2009. The data collected include ground water levels, recharge basin inflow volumes, and daily well production volumes.

1.2 Location and Site Overview

The Recharge Facility is located on an 80-acre parcel of land north of Beaumont, California located on the east side of Beaumont Avenue between Brookside Avenue and Cherry Valley Boulevard (see Figure 1). Noble Creek flows from the northeast corner of the parcel to the southwest corner, dividing the parcel in two. To date, artificial recharge basins have been constructed on the northwest 40 acres only (Phase I; see Figure 2). The source of artificial recharge has been imported water via the State Water Project, as supplied by the San Geronio Pass Water Agency.

The Phase I artificial recharge basins are configured with three chains of basins: the 1st chain includes two basins (1a and 1b), the 2nd chain has two additional basins (2a and 2b), and the 3rd chain has four basins (3a, 3b, 3c, and 3d; see Figure 2). The bottom areas of the individual basins range in size from 0.04 acres to 1.79 acres (see Table 1). Water can be conveyed to

individual basin chains or all three basin chains simultaneously. The introduction of water to the Phase I spreading basins began on September 5, 2006, although inflow data was not recorded by BCVWD until September 14, 2006.

1.3 Previous Studies

This report is one of a series of monitoring reports for the BCVWD recharge facility beginning May 10, 2007. Reports with data and information pertinent to the recharge facility include:

- GEOSCIENCE, 2002. DRAFT Geohydrologic Investigation Noble Creek Artificial Recharge Study. Prepared for Beaumont Cherry Valley Water District. July 1, 2002.
- GEOSCIENCE, 2005. Ground Water Recharge Implementation Plan - Noble Creek Artificial Recharge Facility. Prepared for Beaumont Cherry Valley Water District. May 27, 2005.
- GEOSCIENCE, 2006. Updated Progress of Artificial Recharge Activities at the Noble Creek Artificial Recharge Facility. December 22, 2006.
- GEOSCIENCE, 2007. Results of Drilling, Construction and Testing Clustered Monitoring Wells MW-3, MW-4 and MW-5 – Noble Creek Artificial Recharge Facility. January 26, 2007.
- GEOSCIENCE, 2007 - 2009. Ground Water Monitoring Reports for the Noble Creek Recharge Facility. First Quarter 2007 to First Quarter 2009.

2.0 MONITORING FEATURES AND ACTIVITIES

Artificial recharge operations at the Recharge Facility are monitored via multiple monitoring features including totalizing flow meters, staff gages, pressure transducers, three monitoring well clusters installed adjacent to the Phase I basins, and three monitoring wells installed in the area of the test phase basin located in the southern 40 acres of the parcel (i.e., Phase II area). Production volumes from nearby BCVWD Well No. 23 are also monitored to evaluate the effect of pumping on ground water levels beneath the basins.

2.1 Spreading Basin Inflow Meters

The inflow of water to the primary spreading basin (1a, 2a, and 3a) within each chain of basins is monitored via inline totalizing flow meters connected to the water supply conveyance pipelines. The instantaneous flow rate and total volume of water supplied to each of the primary basins are currently being monitored on a daily basis by BCVWD personnel.

2.2 Staff Gages

Graduated staff gages were installed within the bottom of Basins 2b, 3a, 3b, 3c, and 3d in order to monitor the depth of surface water within each basin. If possible, surface water levels at the staff gages are recorded by GEOSCIENCE personnel on an approximate monthly basis. During the course of field monitoring events, it has been observed that several staff gages are in need of replacement, repair, or readjustment to changing basin bottom elevations. It is recommended that these gages be maintained regularly such that basin surface water depth can be accurately measured.

2.3 Pumping Well Data

The volume of water extracted by BCVWD Well No. 23 is monitored using an inline flow meter and totalizer and recorded by BCVWD personnel on a daily basis. Ground water levels in the

well and the pumping status at the time of measurement are also recorded by BCVWD personnel on a daily basis.

2.4 Monitoring Wells

In order to monitor ground water level and ground water quality changes during artificial recharge activities, monitoring well clusters have been constructed at three locations within the Phase I facility (see Figure 2). Each cluster consists of two monitoring wells: one well completed within the shallow aquifer system (MW-3S, 4S, and 5S), and one well completed within the intermediate (regional) aquifer system (MW-3D, 4D, and 5D).

Three monitoring wells were installed in the Phase II area during the initial geohydrologic investigation of 2002. Two of these monitoring wells were completed within the intermediate aquifer systems (MW-1 and MW-2), and one of the wells was completed within the shallow aquifer system (BH-1).

Each of the monitoring wells situated within the Phase I facility were outfitted with pressure transducers in order to measure and record ground water levels on a semi-continuous basis (15 minute intervals). On December 13, 2008, the pressure transducers were reprogrammed to record ground water levels at one-hour intervals in an effort to reduce the amount of data collected. Currently, the data from each pressure transducer is downloaded to a laptop computer on an approximate monthly basis by GEOSCIENCE personnel.

During the period between January 12 and March 4, 2009, the pressure transducer installed within the deep completion of MW-4 failed. GEOSCIENCE personnel reinstalled the transducer on April 13, 2009.

Ground water levels within each of the monitoring wells are also measured by GEOSCIENCE personnel using an electric water level sounder on an approximately monthly basis. These

measurements provide data for those monitoring wells not outfitted with pressure transducers and act as an independent cross-check for those wells with pressure transducers.

A summary of construction details for all monitoring wells at the Recharge Facility is provided in Table 2.

3.0 FINDINGS

3.1 Basin Inflow

Inflow of surface water to the spreading basins began on September 5, 2006 (see Figure 3). On June 4, 2007, inflow to the basins ceased when water deliveries from the State Water Project were temporarily stopped. Inflow resumed on October 29, 2007. A total of approximately 13,978 acre-ft of imported State Project Water has been conveyed to Phase I Basins 1a, 2a, and 3a as of July 15, 2009. Of that amount, 2,281 acre-ft was conveyed during the second quarter of 2009. According to daily inflow records¹, the majority of imported water has been conveyed to Basins 1a (48 percent) and 2a (34 percent), while Basin 3a has received 18 percent of the total inflow. Inflow to the secondary basins (1b, 2b, 3b, 3c, and 3d) occurs only when the maximum capacity of the primary basins is exceeded causing water to flow through basin interconnects.

3.2 Pumping Trends

During the time period between April 14 and June 20, 2009, approximately 384 acre-ft of water was pumped from BCVWD Well No. 23 in a relatively consistent manner (see Figure 4). On June 21, 2009, Well No. 23 was taken out of service for maintenance.

3.3 Ground Water Elevation Trends

3.3.1 Phase I Monitoring Wells

Ground water levels measured in the shallow completion monitoring wells (MW-3S, 4S, and 5S) are plotted on Figure 5. Water levels measured in the deep completion monitoring wells (MW-3D, 4D, and 5D) are plotted on Figure 6. The data show that ground water levels in

¹ Discharge meters at the Noble Creek Artificial Recharge Facility were taken off-line for repairs from September 23 to October 16, 2006. Therefore, daily inflow rates for Basins 1a, 2a, and 3a during this period were estimated using instantaneous flow rates (measured in gallons per minute) at the San Geronio Pass Station, where all project water is diverted to the recharge facility.

MW-3S, 4S, and 5S have risen throughout the monitoring period by 2.3 ft, 1.5 ft, and 2.0 ft, respectively, and that water levels in MW-3D and 5D have each risen by 1.9 ft. Water levels in MW-4D have shown no significant trend during second quarter monitoring. Generally, the data show an overall increasing ground water level trend in both the shallow and deep monitoring wells since artificial recharge activities began.

Figure 4 shows the relationship between ground water levels in MW-3D and 4D and weekly production volumes from nearby BCVWD Well No. 23. The data indicate a general correlation between overall ground water level trends in MW-3D and 4D and production from Well No. 23. Specifically, ground water levels show an increasing trend during the fall and winter months, likely reflective of decreased ground water production from Well No. 23 and other wells in the Beaumont Storage Unit. Conversely, ground water levels show a decreasing trend during the spring and summer months, a period of increased ground water production. The short-term ground water level fluctuations observed in MW-3D and 4D are attributed to interference from cyclic pumping of nearby BCVWD Well No. 23.

3.3.2 Other Monitoring Wells

Ground water elevations for the monitoring wells in the Phase II area (BH-1, MW-1, and MW-2) are shown on Figure 7. Ground water levels in the shallow completion well (BH-1) have increased approximately two feet during the second quarter of 2009, likely resulting from recharge to the shallow aquifer system from the Recharge Facility. Ground water levels in the deep completion monitoring wells (MW-1 and MW-2) have been fluctuating since monitoring began in September 2006 and have decreased by 1.3 and 1.2 ft, respectively, during the second quarter of 2009.

4.0 RECOMMENDATIONS

Ground water monitoring should continue in order to evaluate impact to ground water levels beneath the basins during artificial recharge operations. Pressure transducers continue to record ground water levels, and it is recommended that hand measurements of ground water levels continue on a monthly basis as a cross-check to the transducer data. Additionally, field monitoring allows for the condition and functionality of the pressure transducers to be checked on a regular basis.

It has been observed that several staff gages are in need of replacement, repair, or readjustment to changing basin bottom elevations. Additionally, staff gages were never installed in Basins 1a, 1b, and 2a due to the basins being wetted at the time of installation. It is recommended that gages be installed in basins that do not have them, and that existing gages be regularly maintained such that basin surface water depth can be accurately measured. The following table presents the status of staff gages in each of the basins:



| Basin | Current Condition | Recommended Action |
|-------|-------------------|--------------------|
| 1a | Not Installed | Install |
| 1b | Not Installed | Install |
| 2a | Not Installed | Install |
| 2b | Undamaged | None |
| 3a | Tilted | Repair / Replace |
| 3b | Above Basin Grade | Replace |
| 3c | Missing | Replace |
| 3d | Missing | Replace |

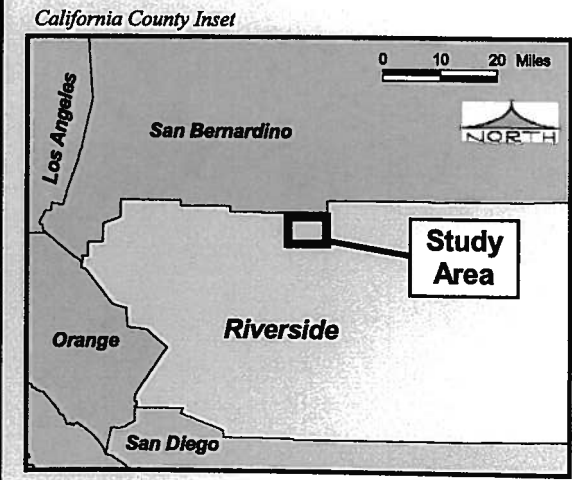
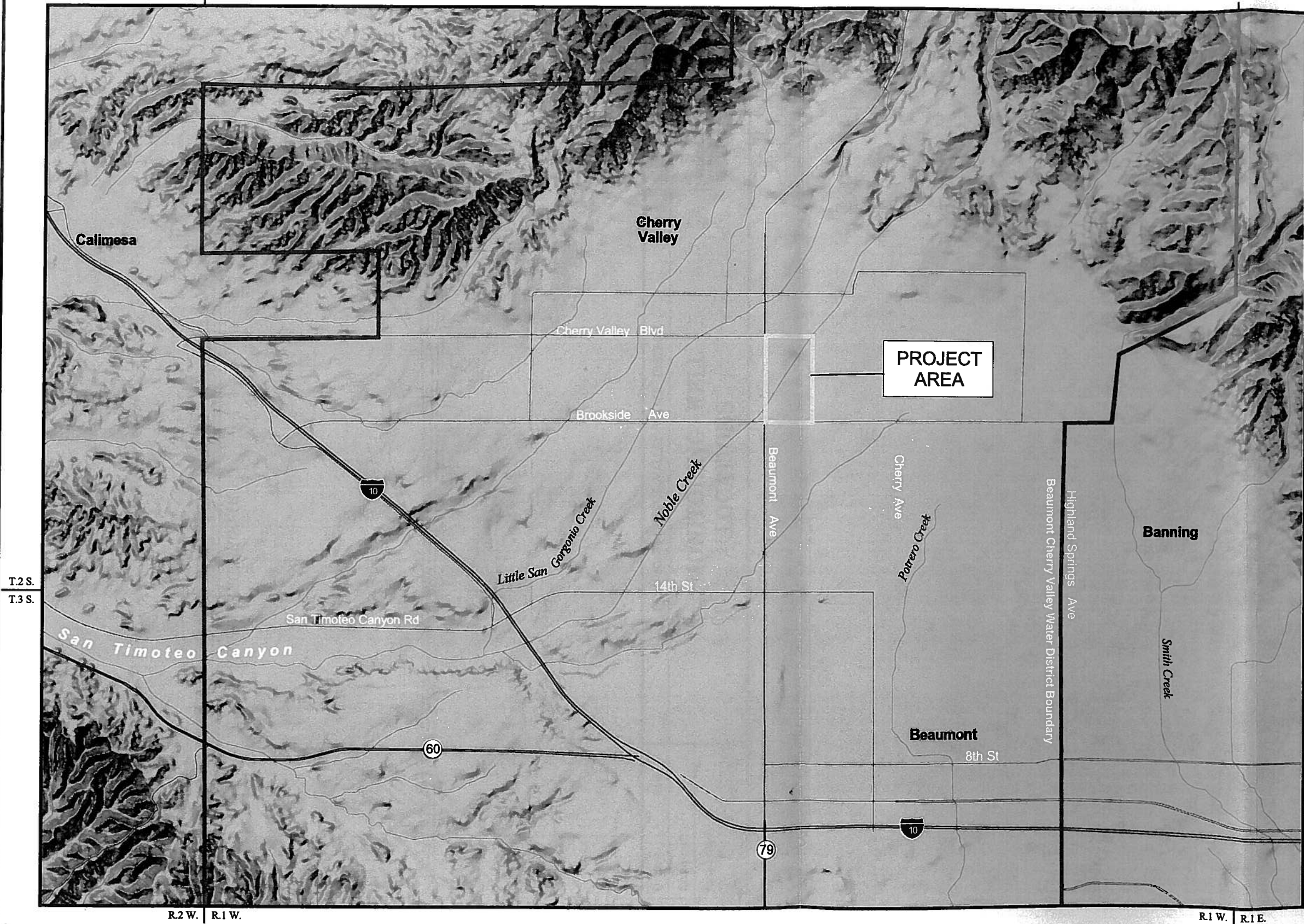
5.0 REFERENCES

- Bouwer, H., 2002. Artificial Recharge of Groundwater: Hydrogeology and Engineering. Hydrogeology Journal 10:121-142.
- GEOSCIENCE, 2002. DRAFT -- Geohydrologic Investigation Noble Creek Artificial Recharge Study. Prepared for Beaumont Cherry Valley Water District. July 1, 2002.
- GEOSCIENCE, 2005. Ground Water Recharge Implementation Plan - Noble Creek Artificial Recharge Facility. Prepared for Beaumont Cherry Valley Water District. May 27, 2005.
- GEOSCIENCE, 2006. Updated Progress of Artificial Recharge Activities at the Noble Creek Artificial Recharge Facility. Prepared for the Beaumont Cherry Valley Water District. December 22, 2006.
- GEOSCIENCE, 2007. Results of Drilling, Construction and Testing Clustered Monitoring Wells MW-3, MW-4 and MW-5 – Noble Creek Artificial Recharge Facility. January 26, 2007.
- GEOSCIENCE, 2007. Quarterly Ground Water Monitoring Report, First Quarter 2007 – Noble Creek Recharge Facility. May 10, 2007.
- GEOSCIENCE, 2007. Quarterly Ground Water Monitoring Report, Second Quarter 2007 – Noble Creek Recharge Facility. July 17, 2007.
- GEOSCIENCE, 2008. Noble Creek Artificial Recharge Facility Ground Water Monitoring Report (October 29, 2007 to May 30, 2008). June 16, 2008.
- GEOSCIENCE, 2008. Noble Creek Artificial Recharge Facility Ground Water Monitoring Report (May 31, 2008 to September 12, 2008). October 17, 2008.
- GEOSCIENCE, 2009. Noble Creek Artificial Recharge Facility Ground Water Monitoring Report (September 13, 2008 to January 12, 2009). March 10, 2009.
- GEOSCIENCE, 2009. Noble Creek Artificial Recharge Facility First Quarter 2009 Ground Water Monitoring Report (January 13 to April 13, 2009). June 4, 2009.

GENERAL LOCATION
 NOBLE CREEK
 ARTIFICIAL RECHARGE
 SITE

EXPLANATION

-  Project Area Boundary
-  Beaumont Cherry Valley Water District Boundary

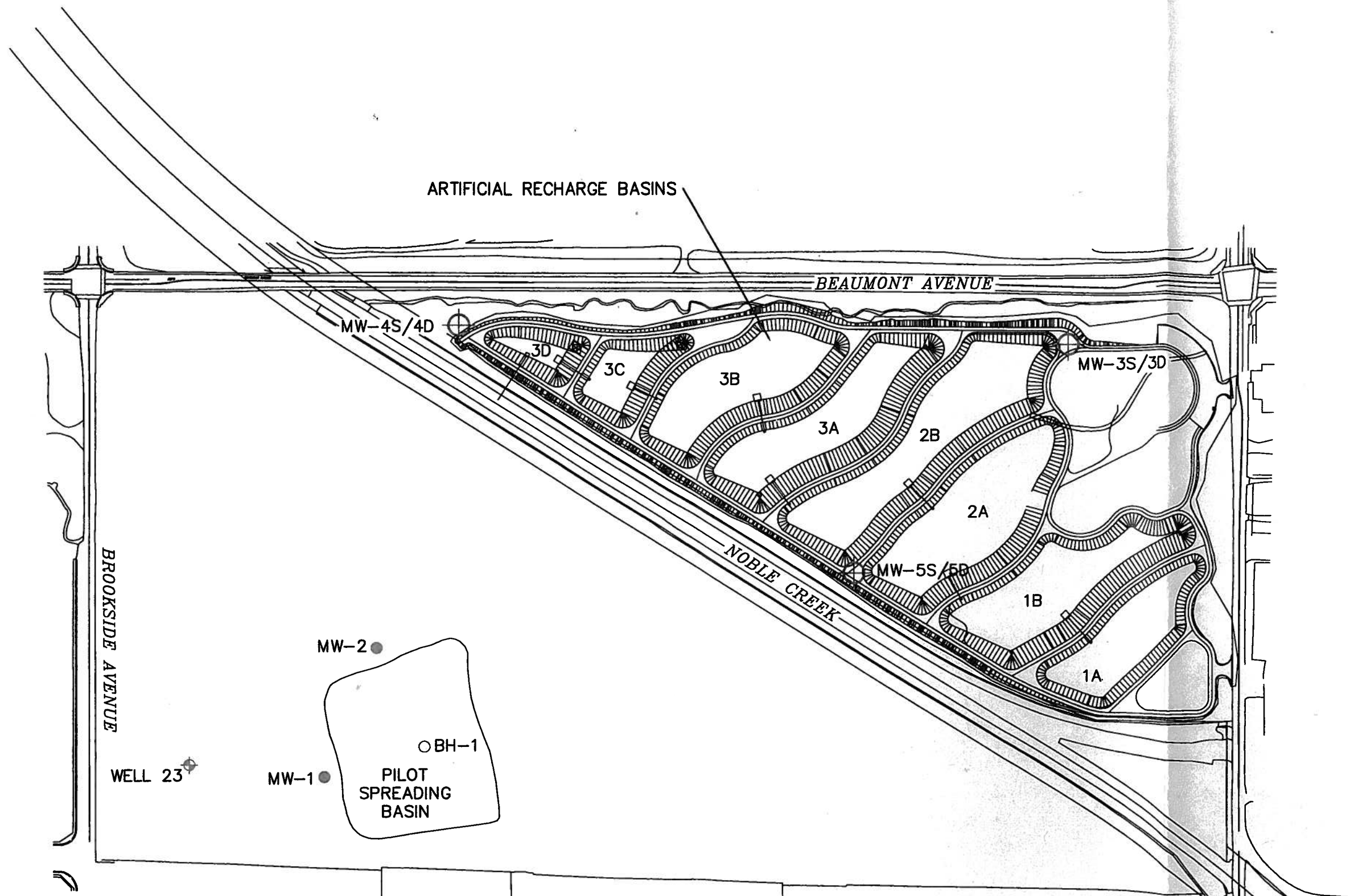


27-Jul-09
 Prepared by: DWB
 Map Projection: UTM 1927, Zone 11

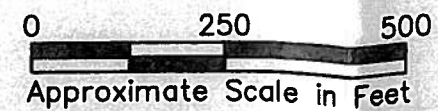


GEOSCIENCE
 GEOSCIENCE Support Services, Inc.
 P.O. Box 220, Claremont, CA 91711
 Tel: (909) 451-6650 Fax: (909) 451-6638
 www.gswater.com

Figure 1



- ◆ EXISTING PRODUCTION WELL
- EXISTING DEEP MONITORING WELL
- EXISTING SHALLOW MONITORING WELL
- ⊕ CLUSTER MONITORING WELL LOCATION



GEOSCIENCE

GEOSCIENCE Support Services, Incorporated
 P.O. Box 220, Claremont, CA 91711
 Tel: (909)451-6650 Fax: (909)451-6638
 www.gssiwater.com

BEAUMONT CHERRY VALLEY WATER DISTRICT

MONITORING WELL LOCATIONS

Drawn: PLP
 Checked:
 Approved:
 Date: 27-JUL-09

Figure 2
 JN 15061-05

Spreading Basin Inflow

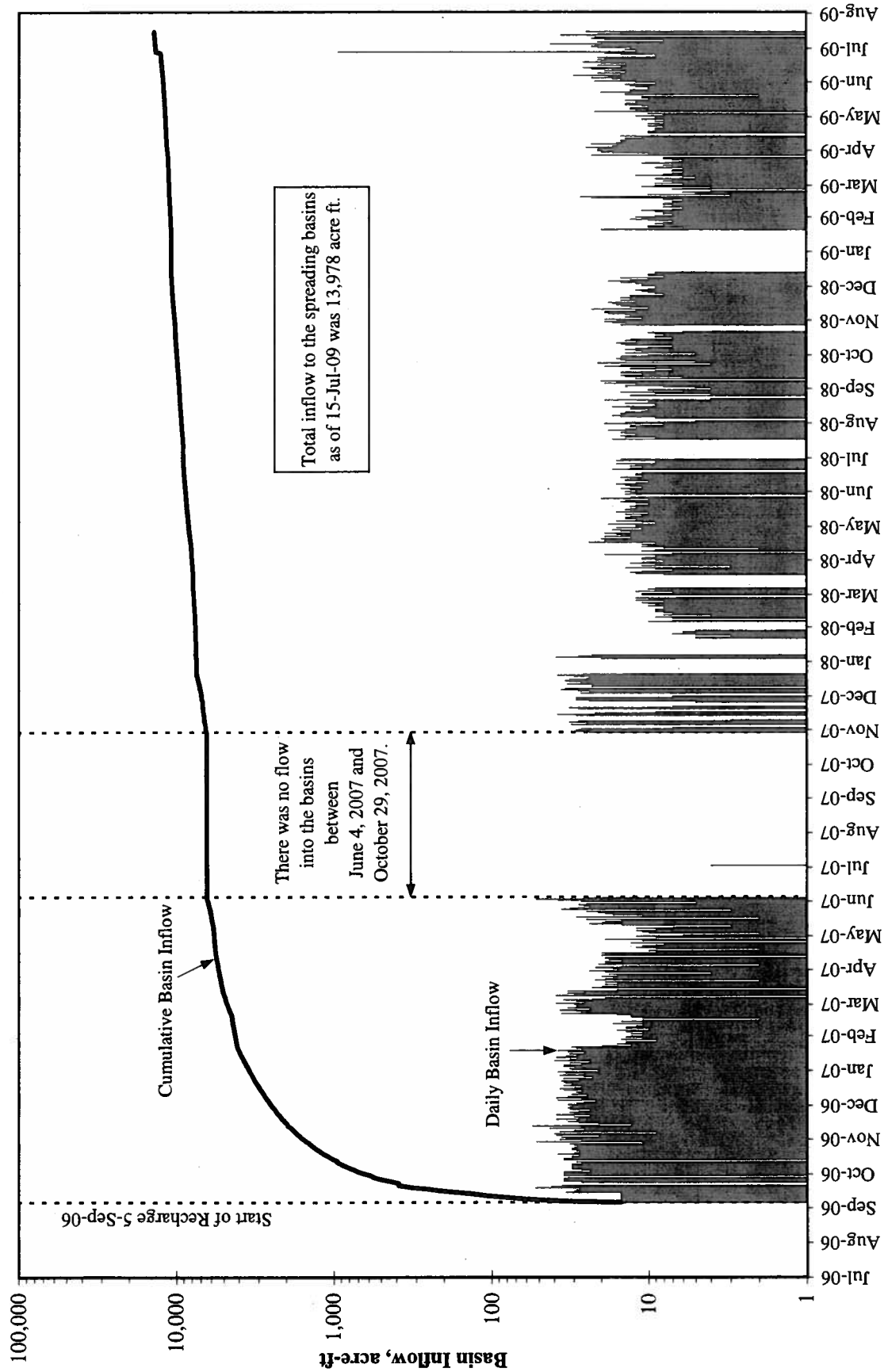


Figure 3

Deep Aquifer Ground Water Levels and BCVWD Well No. 23 Production Volume

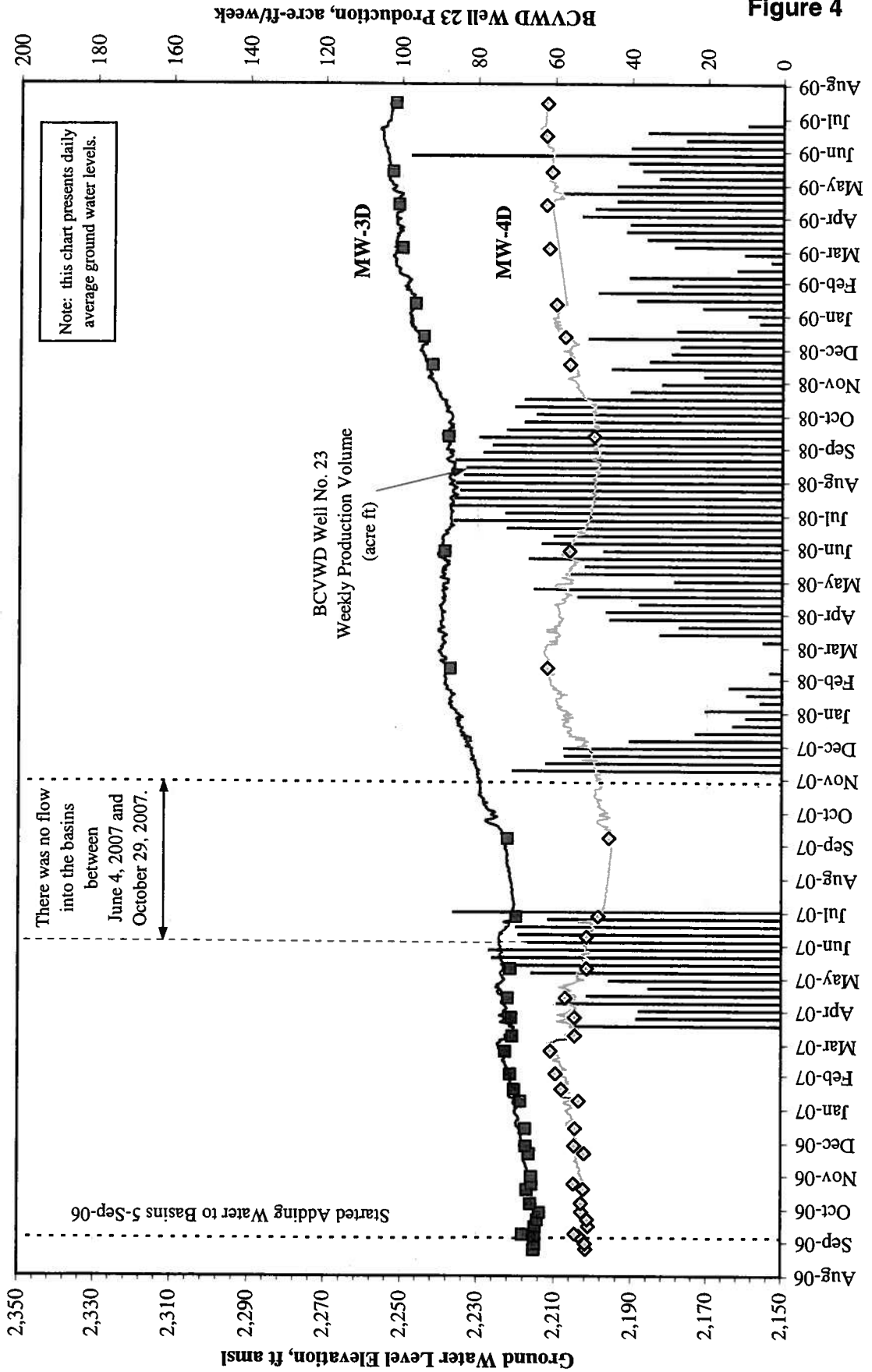


Figure 4

BCVWD Well 23 Production, acre-ft/week

**Ground Water Elevations
 Phase I Shallow Monitoring Wells**

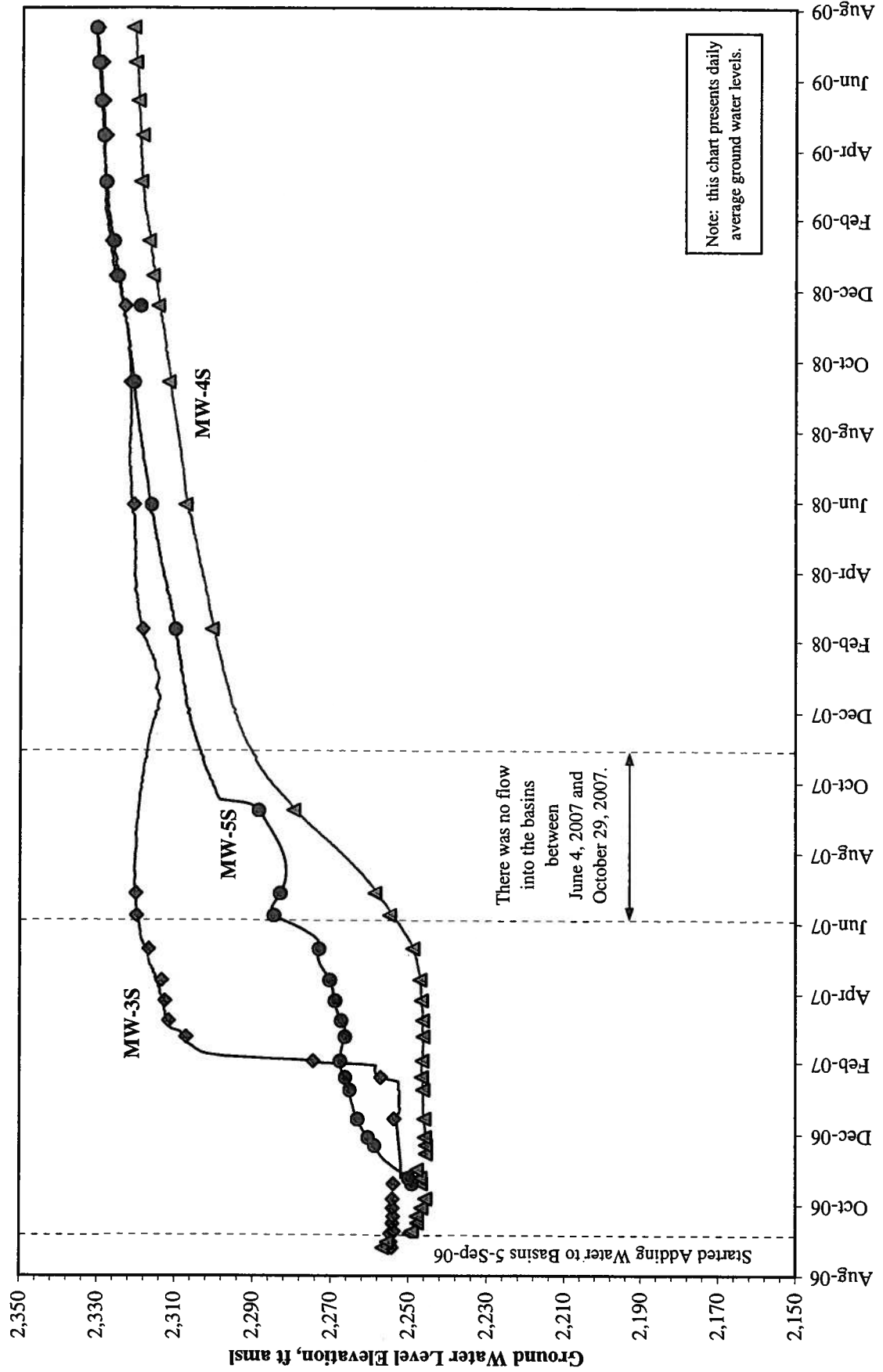


Figure 5

Ground Water Elevations Phase I Deep Monitoring Wells

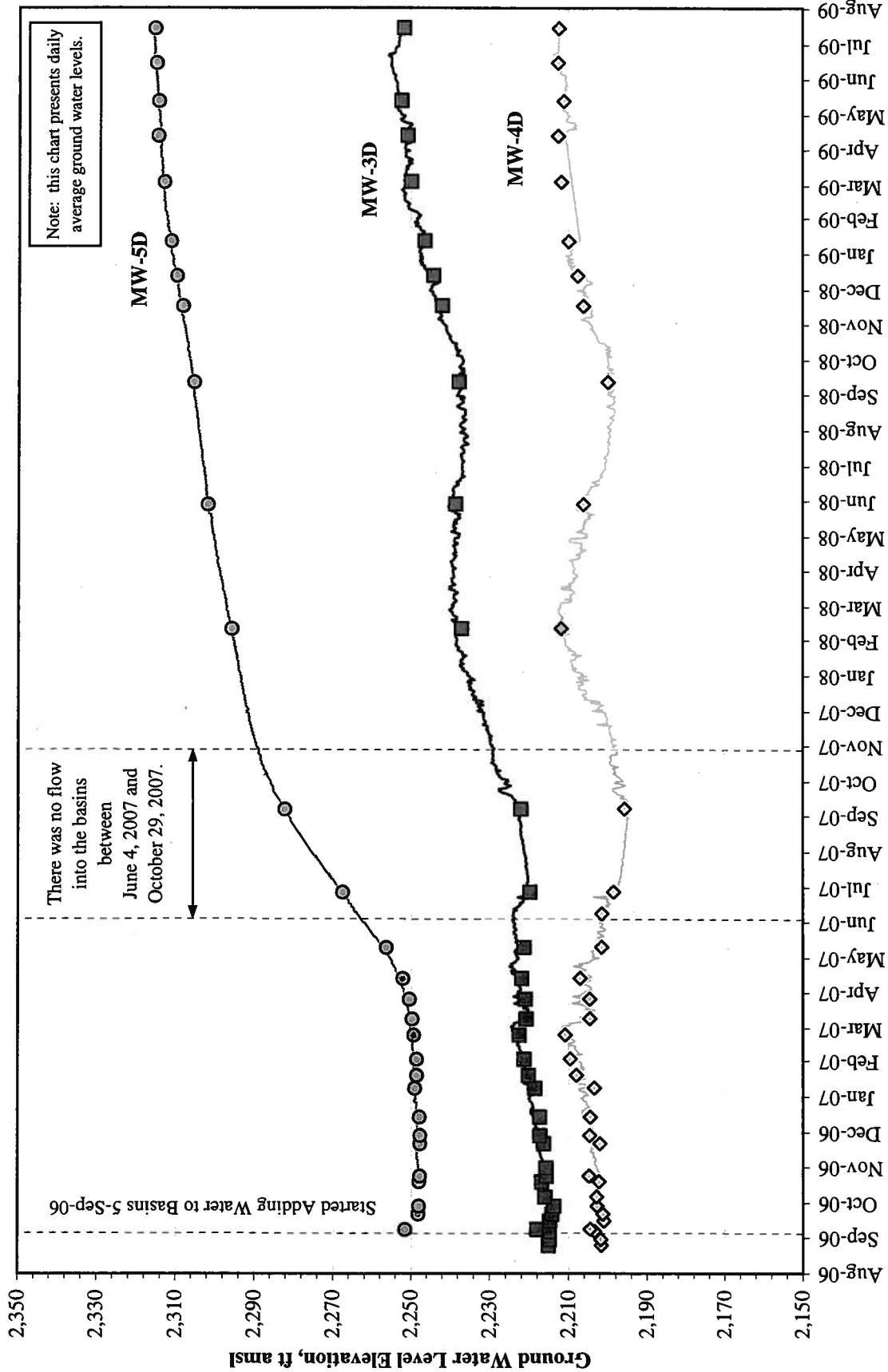


Figure 6

**Ground Water Elevations
 Phase II Monitoring Wells**

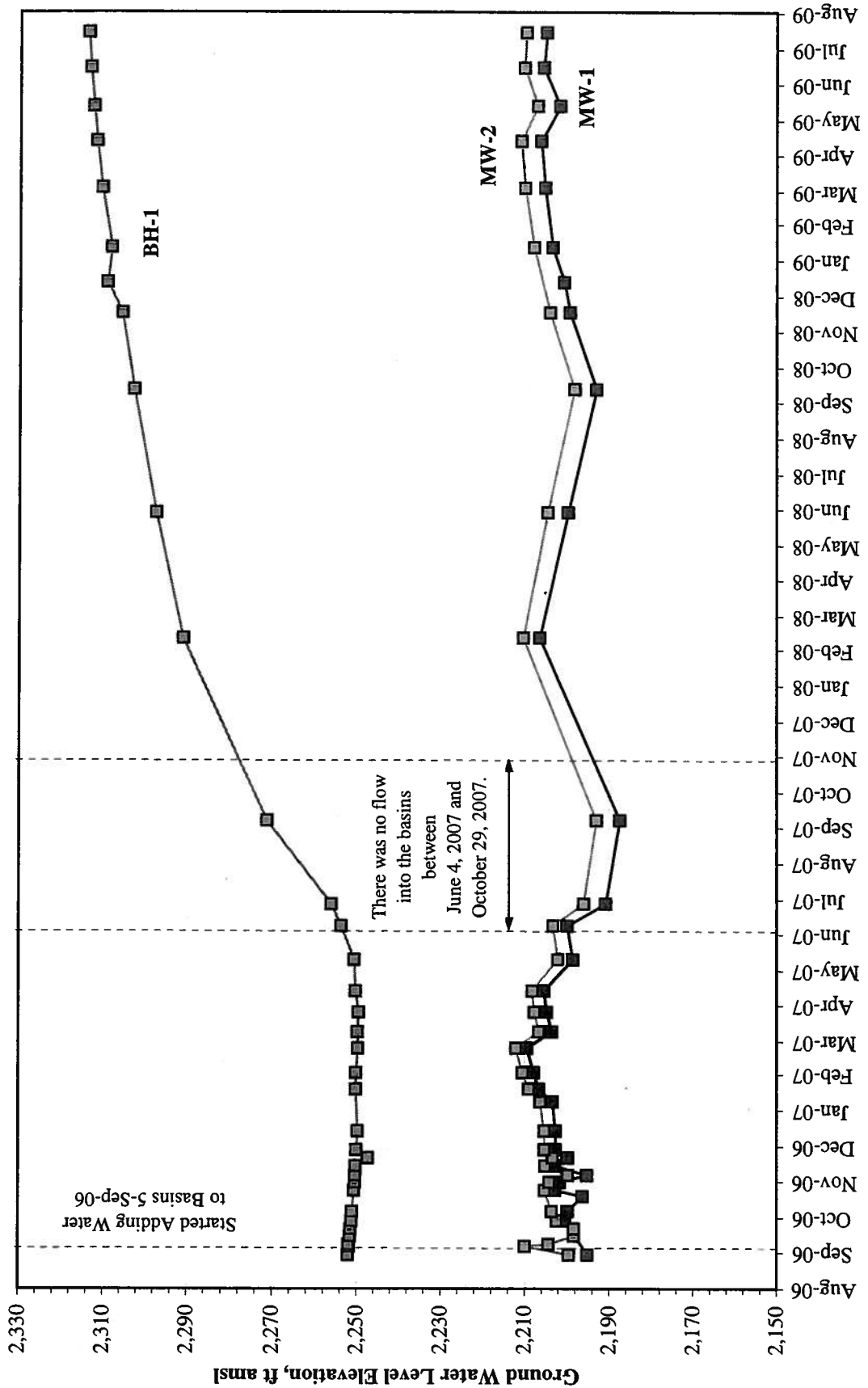


Figure 7

TABLES

Summary of Phase I Artificial Recharge Basins – Northwestern 40 Acres

| Recharge Basin No. | Bottom Area [Acres] | Wetted Area [Acres] ¹ |
|--------------------|------------------------|-------------------------------------|
| 1A | 0.95 | 1.19 |
| 1B | 1.19 | 1.50 |
| 2A | 1.72 | 2.02 |
| 2B | 1.79 | 2.18 |
| 3A | 1.17 | 1.48 |
| 3B | 1.14 | 1.39 |
| 3C | 0.26 | 0.36 |
| 3D | 0.04 | 0.09 |
| Total | 8.26 | 10.21 |

¹ Assume 3:1 side slopes and 3.5 ft water depth.

Summary of Monitoring Well Construction Details

| Monitoring Well Designation | Reference Point Elevation [ft amsl] | Borehole Depth [ft bgs] | Casing Depth [ft bgs] | Casing Inner Diameter [inches] | Blank Casing Material | Perforation Interval [ft bgs] | Perforation Type and Casing Material |
|-----------------------------|-------------------------------------|-------------------------|-----------------------|--------------------------------|-----------------------|-------------------------------|--|
| MW-3 Deep | 2,774.5 | 734 | 715 | 4 | Sch. 40 Mild Steel | 600-705 | 0.086" Vertical Mill Slots Sch. 40 Mild Steel |
| MW-3 Shallow | 2,775.2 | 553 | 530 | 3.8 | Sch. 80 PVC | 480-520 | 0.050" Wirewrap Stainless Steel |
| MW-4 Deep | 2,739.3 | 733 | 715 | 4 | Sch. 40 Mild Steel | 600-705 | 0.086" Vertical Mill Slots Sch. 40 Mild Steel |
| MW-4 Shallow | 2,740.2 | 553 | 530 | 3.8 | Sch. 80 PVC | 480-520 | 0.050" Wirewrap Stainless Steel |
| MW-5 Deep | 2,778.6 | 730 | 715 | 4 | Sch. 40 Mild Steel | 600-705 | 0.086" Vertical Mill Slots Sch. 40 Mild Steel |
| MW-5 Shallow | 2,779.4 | 576 | 560 | 3.8 | Sch. 80 PVC | 480-550 | 0.050" Wirewrap Stainless Steel |
| MW-1 | 2,747.4 | 1,020 | 1,014 | 4 | Sch. 40 Mild Steel | 603-1,014 | 0.060" Vertical Mill Slots Sch. 40 Mild Steel |
| MW-2 | 2,752.9 | 1,010 | 1,008 | 4 | Sch. 40 Mild Steel | 594-1,008 | 0.060" Vertical Mill Slots Sch. 40 Mild Steel |
| BH-1 | 2,756.3 | 519 | 519 | 1.9 | Sch. 80 PVC | 479-519 | 0.060" Horizontal Mill Slots Sch. 80 PVC |

Notes:

ft amsl = feet above mean sea level
 ft bgs = feet below ground surface



June 8, 2009

Ryan Woll – Division 1
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

RECEIVED
JUN 15 2009

RE: District Reorganization

BY:.....

Dear Director Woll:

As you consider the future of the District and how to manage your operations after the resignation of Chuck Butcher, I would like to offer an approach for you to consider. In an effort to more efficiently manage the water resources in the Beaumont Basin and to benefit from economies of scale in management, it is time to consider consolidation of the Beaumont Cherry Valley Water District with the Yucaipa Valley Water District. There are significant benefits associated with this approach that include some of the following:

- Reduced operations costs
- Expanded access to financing
- Efficient management of the water resource
- More water treatment options
- More water storage options
- Access to more state water
- Increased construction cost savings opportunities

A thorough analysis of this approach would demonstrate the real cost and resource benefits, but it is obvious that the approach merits consideration. In these times of water shortages, declining economic activity and uncertainty in the financial markets, it is incumbent upon all of us to look for ways to be more efficient and better stewards of the resources we have.

In any such consolidation, there are obviously significant complicated issues to be considered. At a minimum you would need to keep the directors of both districts in place to insure proper representation for the ratepayers of each district and there are various consulting and operating agreements in place that would have to be maintained. These complications aside, this consolidation makes sense and should be considered seriously. There is a significant amount of public support for an approach like this and I am confident that your ratepayers will see this as an innovative and pragmatic approach by a forward looking board of directors.

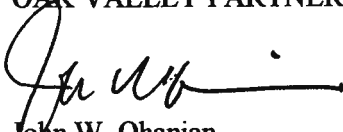
OAK VALLEY PARTNERS, L.P.

P.O. Box 645, Calimesa 92320 • 10410 Roberts Road, Calimesa, California 92320
Phone (909) 795-8941 • Fax (909) 795-7248

I would be happy to meet with you to discuss this concept in greater detail. As a property owner in both districts, I see this as an important opportunity to think outside the box and do what is best for the overall water basin. Financial and resource crises afford creative people an opportunity to do something special, and that is where we find ourselves today. I am sending letters to the directors of the Yucaipa Valley Water District as well as the city councils of Beaumont, Calimesa and Yucaipa. I have discussed this approach with members of the state legislature, representatives of the governor and county officials and all feel the time is right to consider this approach. I look forward to talking with you and thank you for your consideration.

Very truly yours,

OAK VALLEY PARTNERS, L.P.

A handwritten signature in black ink, appearing to read "John W. Ohanian", with a long horizontal flourish extending to the right.

John W. Ohanian
Project Director

CITY OF



July 14, 2009

OAK VALLEY PARTNERS, L.P.
Attn: John W. Ohanian
P.O. Box 645
Calimesa, CA 92320

RECEIVED
JUL 24 2009

BY:.....

Dear Mr. Ohanian:

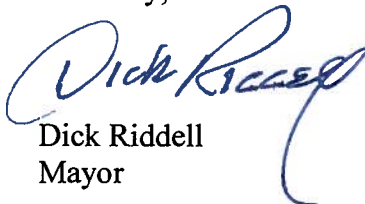
This letter is in response to your letter dated June 8, 2009 regarding your efforts to consolidate the Yucaipa Valley Water District (YVWD) and the Beaumont Cherry Valley Water District (BCVWD) into one water service agency. The City of Yucaipa has been working closely with the YVWD on multi-purpose projects that address flood control, groundwater recharge and water quality issues. The fact that the City of Yucaipa and YVWD are smaller agencies allows us to work in a more efficient and responsive manner on these joint projects and also allows us to work closely together on other infrastructure improvement projects within the City.

As you mention in your letter, the financial uncertainties and water shortage issues the region is facing requires that we maintain an efficient, productive and responsive process and the current relationship between the City of Yucaipa and YVWD has proven to be very effective. The City of Yucaipa is concerned that the consolidation of the two water agencies could make it more difficult for us to work with the consolidated water agency due to the added infrastructure and interests that the consolidated water agency may have. Also, since resources are limited, the City of Yucaipa wants to make sure that these resources are available for our citizens and not obligated or tied-into a watershed that is already over-drafted. We feel that this stance is not "territorial protectionism" but simply good water management principles.

It is in the best interest of the City of Yucaipa that the City Council firmly objects to the proposed merger of YVWD and BCVWD.

Thank you.

Sincerely,



Dick Riddell
Mayor

cc: Jay Bogh, Board President, YVWD
Blair Ball, Board President, BCVWD
Joe Zoba, YVWD
Anthony Lara, BCVWD

City of Yucaipa
34272 Yucaipa Boulevard, Yucaipa, CA 92399-9950
909/797-2489 ♦ FAX 909/790-9203 ♦ e-mail: city@yucaipa.org

Memorandum

To: Board of Directors

Date: August 12, 2009

From: Anthony Lara, Interim General Manager

Re: Purchase of Backhoe Loader

Background

The District currently owns and operates two backhoe loaders, A 1991 John Deere 310-C and a 1999 Caterpillar 416- C. The John Deere broke down and is in need of a new Torque Converter and Flywheel. The District has received quotes from two vendors and the cost of the repair will be between \$6,000.00 and \$9,000.00. Because of the age of the tractor, the amount of operating hours and the increasing maintenance costs it would be in the district's best interest to replace it.

The District currently plans to purchase a utility vehicle which was approved for \$50,000.00 in the current budget. The other vehicle that was purchased earlier this year was also approved for \$50,000.00 but purchased for considerably less (\$36,000.00).

Recommendation

Purchase the John Deere Backhoe/Loader at a cost of \$64,461.00. Defer the purchase of the utility vehicle until next year.



RDO Equipment Co.
20 Iowa Avenue
Riverside, CA 92507

Service Manager: RV.Service@rdoequipment.com
General Manager: RV.GenMgr@rdoequipment.com
www.rdoequipment.com

Phone: 951-778-3700 • Fax: 951-778-3746

Ship to:
BEAUMONT CHERRY VALLEY
PO BOX 2037
BEAUMONT CA 922230937

Invoice to:
BEAUMONT CHERRY VALLEY
PO BOX 2037
BEAUMONT CA 922230937

| | | | |
|--------------------|--------------|----------------|--|
| Branch | | | |
| RV - RIVERSIDE, CA | | | |
| Date | Time | Page | |
| 08/03/2009 | 12:50:39 (O) | 1 | |
| Account No. | Phone No. | Estimate No. | |
| 9581004 | 9518459581 | 004477 | |
| Ship Via | | Purchase Order | |
| | | | |
| | | Salesperson | |
| | | SMC | |

ESTIMATE EXPIRY DATE: 09/02/2009

SERVICE ESTIMATE

***** Segment 01 *****

Stock #: K0093401 BACKHOE LOADER MS #: T0310CA767092
Make: JD Model: 310C F
Is to have the following work done by 08/14/2009 (Estimated)

TORQUE CONVERTER PILOT BUSHING- REPLACE

| Part# | Description | Qty | Price | Amount |
|----------------------|-------------|-----|-----------|---------|
| AT196801 | TORQUE CON | 1 | 1596.00 | 1596.00 |
| AR69445Q | HYGARD QT | 30 | 3.75 | 112.50 |
| | | | Parts: | 1708.50 |
| | | | Labor: | 1550.00 |
| Authorization: _____ | | | Subtotal: | 3258.50 |

***** Segment 02 *****

FLYWHEEL RING GEAR- REPLACE

| Part# | Description | Qty | Price | Amount |
|----------------------|-------------|-----|-----------|---------|
| RE51451 | FLYWHEEL | 1 | 655.00 | 655.00 |
| | | | Parts: | 655.00 |
| | | | Labor: | 1314.40 |
| Authorization: _____ | | | Subtotal: | 1969.40 |
| | | | Parts: | 2363.50 |
| | | | Labor: | 2864.40 |
| | | | Tax: | 57.31 |
| | | | TOTAL: | 5285.21 |

Stocked parts can be returned within 30 days with copy of invoice. Special order parts \$20.00 and up may be returned within 30 days with copy of invoice. 20% restock charge will apply to all special order parts. All sales are final on special order non-returnable parts. All parts must be new, uninstalled and in original packaging. No returns on electrical components. No refunds on freight charges.

SIGNATURE _____

TERMS AND CONDITIONS: All invoices are due Net-20 days from the invoice date or in accordance with the terms of your account agreement. Please refer to your finance agreement for details

Quote

LUTHERS TRUCK AND EQUIPMENT INC
36233 Cherry Valley Blvd.
Cherry Valley , CA 92223
951-769-3738

2000 Ford Econoline E350 Super Duty

BMT CV WATER DIST, BACKHOE

Mileage:
Office: 767-6124

| Type | Description | Qty/Hrs | Part No | Unit Price | Extended Price |
|-------|---|---------|---------|------------|----------------|
| Labor | ONLY GOES INTO REVERSE: R/R TORQUE CONVERTOR AND REVERSOR/CARRIER BOX CHANGE FLUID AND HOSES / ALSO RECOMMEND CHANGING STARTER RING GEAR DUE TO TEETH MISSING AND BROKEN | 16.00 | | 95.00 | 1,520.00 |
| Part | REVERSOR GEAR/CARRIER BOX | 1.00 | | 4,414.80 | 4,414.80 |
| Part | TORQUE CONVERTOR | 1.00 | | 1,218.00 | 1,218.00 |
| Part | HYDRAULIC HOSES | 2.00 | | 68.10 | 136.20 |
| Part | HYDRAULIC FLUID- GALLONS | 6.00 | | 12.00 | 72.00 |
| Part | FLY-WHEEL RING GEAR | 1.00 | | 87.75 | 87.75 |
| Part | KLEENER | 10.00 | | 5.00 | 50.00 |
| Part | FILTER | 1.00 | | 30.00 | 30.00 |

| | Worksheet | Supplies | Hazmat | Tax | Total |
|--------------------|-----------|----------|--------|--------|-----------------|
| Part \$ | 6,008.75 | 0.00 | | 525.77 | 6,534.52 |
| Labor \$ | 1,520.00 | | 0.00 | 0.00 | 1,520.00 |
| Quote Total | | | | | 8,054.52 |

© 2009 Mitchell Repair Information Co., LLC.

Investment Proposal for:
 BEAUMONT CHERRY VALLEY
 PO BOX 2037
 BEAUMONT, CA 922230937
 Phone: (951) 845-9581



JIM KOKER
 20 Iowa Avenue
 PO Box 1069
 Riverside, CA 92502
 Phone: (951) 778-3700
 Mobile: (951) 217-5540
 Fax: (951) 778-3746

Thank you for allowing me the opportunity to quote you this equipment. We appreciate your business. JIM

Equipment: NEW 2009 JOHN DEERE 310J

List Price \$60,322.01

Key Features

| | | | |
|-------|------------------------------|------|----------------------------|
| 7310T | 310J BACKHOE LOADER | 0800 | 310J NO PACKAGE |
| 1085 | PE4045TT088 310J TIERIII TUR | 2025 | CANOPY INSTALLATION |
| 2625 | SUSPENSION VINYL SEAT | 3035 | STANDARD FRONT AXLE |
| 4260 | 19.5LX24R 11LX16F | 5070 | EXT DIP 5 FNC SH STAB |
| 5225 | TWO LEVER CONTROLS | 5400 | LESS BACKHOE COUPLER |
| 5626 | 18" H.D. BACKHOE BUCKET | 7025 | LDR W/RTD AND 2 FUNC HYD |
| 7635 | 1.12CU YD LDR BKT W/CUT EDGE | 8475 | 1000LB FRT COUNTERWEIGHT |
| 8625 | ONE BATTERY-150 MIN CAP | 9040 | FAN PACKAGE HIGH AMBIENT |
| 9055 | TILT STRING WHL INSTALLATION | 9060 | FRONT VIEW MIRROR |
| 9225 | 3" SEAT BELT | 9515 | DIAGNOTIC OIL SAMPLE PORTS |

Serial Number

TBD (0 Approximated Hours)

Equipment Price \$59,825.00

Attachments

NEW 2009 JOHN DEERE 310J24 No Serial # \$0.00

Warranty Information

John Deere / Mfg. Base / 12 Months / 1500 Hours / \$0.00 Deductible

\$0.00

Estimated Conversion Price: \$59,825.00

PROPOSAL SUMMARY

| | |
|------------------------------|-------------|
| Equipment Total | \$59,825.00 |
| Sub Total | \$59,825.00 |
| Estimated sales tax to apply | |

Total Investment

Hi Knute

\$59,825.00

TAX 4636.43
 64,461.43

Here are the numbers we discussed earlier today. We can add a Anti-Theft system for a additional \$400 & Ride Control @ \$1,200 if those options are if interest to you. I did not add any tax. So you would need to ad applicable taxes if any are due.

California Air Resources Disclosure - When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emission of air pollutants. CA Air Resources Board Regulation 2449(d)(3) As of June 15th, 2008 idling rental equipment must be limited to 5 minutes.

JIM KOKER
 Territory Sales Rep
 RDO EQUIPMENT CO.
 jkoker@rdoequipment.com

SCOTT EQUIPMENT

14635 VALLEY BLVD.
FONTANA, CA 92335



KOBELCO
Your Competitive Edge.

QUOTATION

DATE 7-31-09

SALESMAN Mike Martin

MOBILE# 951-453-7077

OFFICE# 909-822-2200

FAX# 909-822-4850

ATTN: Knute Dalstrom
COMPANY: Beaumont Cherry Valley Warter District
560 Magnolia Ave
Beaumont Ca. 92223
OFFICE: 951-757-6870
FAX:
MOBILE:

F.O.B. FONTANA, CA

| QUANTITY | DESCRIPTION | UNIT PRICE | AMOUNT |
|----------|---|------------|--------------------|
| 1 | NEW HOLLAND B95B TURBO BACKHOE LOADER UNIT INCLUDES: ROPS, 4 W/D, EXT. HOE, 14" & 24" BUCKETS, LOADER HYD * 97 HP 4 CYLINDER TURBOCHARGED TIER 3 ENGINE - BEST IN CLASS * 294 ft.lbs. TORQUE - BEST IN CLASS * 500 HR. OIL CHANGE INTERVALS - INDUSTRY LEADING * 7,782 lbs. LOADER LIFT CAPACITY - BEST IN CLASS * 13,942 lbs. BUCKET BREAKOUT FORCE - BEST IN CLASS * STRAIGHT LOADER ARMS & SLOPPED HOOD = EXCELLENT VISIBILITY * 4/4 POWER SHUTTLE TRANSMISSION WITH 4-WHEEL DRIVE * 15.5" OF GROUND CLEARANCE * STRONG, NARROW BACKHOE BOOM, EXCELLENT TRENCH VISIBILITY * MAX. DIGGING DEPTH 15' RETRACTED, 18'4" EXTENDED * 14' 8" BACKHOE LOADING HEIGHT - BEST IN CLASS * SEALED BUSHINGS 50 HOUR LUBE INTERVALS - INDUSTRY LEADING * 12,808 lbs. BACKHOE BUCKET DIGGING FORCE - BEST IN CLASS * 8,558 lbs. DIPPER DIGGING FORCE - BEST IN CLASS * BEST IN CLASS BOOM & DIPPER LIFT CAPACITY * 10' 7" WIDE STABILIZERS WITH REVERSABLE STREET-DIRT PADS * SEVERE DUTY 2,200 lb. ONE PIECE UNITIZED, INTEGRAL MAIN FRAME ONE YEAR FULL FACTORY WARRANTY IN OUR SHOP ***FULL LINE OF PARTS, SERVICE & ON SITE SERVICE TRUCKS ABOVE PRICES GOOD FOR 10 DAYS | 62,000.00 | \$62,000.00 |
| | FREIGHT | | \$0.00 |
| | SUBTOTAL | | \$62,000.00 |
| | 7.75% CA TAX | | \$4,805.00 |
| | | | \$0.00 |
| | TOTAL | | \$66,805.00 |

Purchase Order # _____ Company _____

Date _____ By _____ Title _____



Quote 103396-01

July 31, 2009

BEAUMONT-CHERRY VALLEY WATER DISTRICT
PO BOX 2037
BEAUMONT CA
California
92223-0937

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

CATERPILLAR Model: 416E Backhoes

STOCK NUMBER: JM08760 SERIAL NUMBER: OSHA06911 YEAR: 2009

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Damian Rice
Machine Sales Representative

CATERPILLAR Model: 416E Backhoes**STANDARD EQUIPMENT**

BACKHOE - 14'4" Center pivot excavator style - backhoe with 2-lever control - Boom transport lock - Swing transport lock - Grouser type stabilizer shoes - 12 volt electrical start

ELECTRICAL - 12 volt electrical start - 100 ampere alternator - Horn - Backup alarm - Hazard flashers/turn signals - Halogen head lights (2) - Halogen rear flood lights (2) - Stop and tail lights - Audible system fault alarm - Key start/stop system - 880 CCA maintenance free battery - Battery disconnect switch - External Power Receptacle (12v) - Bucket level indicator

LOADER - Bucket level indicator - Lift cylinder brace - Return-to-dig - (automatic bucket positioner) - Self-leveling loader with single lever - control - Transmission neutralizer switch - Single Tilt Loader

OPERATOR ENVIRONMENT - Lighted gauge group - Interior rearview mirror - Rear fenders - ROPS canopy - 2-inch retractable seat belt - Hand and foot throttle - Lunch box holder - Air suspension seat

POWERTRAIN - Direct Injection Engine, Tier 2 - Emissions Compliant. Includes High - High Ambient Cooling Package and - Open Circuit Breather. - Water separator - Thermal starting aid system - A dry type axial seal air cleaner with - integral precleaner, automatic dust - ejection system, and filter condition - indicator - Hydraulically applied multi-plate wet - disk brake with dual pedals and - interlock - Differential lock - Drive-line parking brake - Torque converter - Transmission--four speed synchro mesh - with power shuttle and neutral safety - switch - Spin-on fuel, engine oil, and - transmission oil filters - Outboard Planetary Rear Axles

OTHER STANDARD EQUIPMENT - Hydrostatic power steering - Tool box - Transport tie-down points - Ground line fill fuel tank - Lockable Hood - Valve Stem Protection

HYDRAULICS - Load sensing, variable flow system - with 35 gpm axial piston pump - 5 micron spin-on hydraulic filter - O-ring face seal hydraulic fittings - Caterpillar XT-3 hose - Hydraulic oil cooler - Flow-Sharing Hydraulic Valves - Extended Life Coolant -30C (-20F)

ANTIFREEZE - Extended Life Coolant -30C (-20F)

MACHINE SPECIFICATIONS

| Description | Reference No |
|--------------------------------|--------------|
| 416E BACKHOE LOADER ST 2WS | 213-9271 |
| 416E BACKHOE LOADER ST 2WS | 213-9271 |
| E-STICK | 209-9929 |
| HYDRAULICS, BH, 5 FUNCTION | 209-9935 |
| CONTROLS, BACKHOE (ISO) | 209-3370 |
| HYDRAULICS, LOADER,MULTI PURP. | 209-9944 |
| ROPS, CANOPY | 204-4160 |
| SEAT BELT, 3" SUSPENSION | 206-1748 |
| POWERTRAIN,89 HP,2WD,STD SHIFT | 323-3628 |
| ENGINE, 89 HP TIER 2 EPA FLEX | 320-8414 |
| COOLER, HIGH AMBIENT | 211-1018 |
| COUNTERWEIGHT, 1075 LBS | 252-9984 |
| STABILIZER PADS, FLIP-OVER | 9R-6007 |
| MANUALS, ENGLISH | 0P-0572 |
| TIRES, 2WD BIAS, FIRESTONE | 282-3853 |
| LOCK, VANDALISM | 216-0909 |
| PARTS BOOK, PAPER | 0P-0423 |
| BREATHER, OPEN CIRCUIT | 250-7963 |
| BUCKET, HOE, (NONE) | 175-7877 |
| DOMESTIC TRUCK | 0P-0210 |
| BUCKET, LOADER (NONE) | 119-1530 |
| PACK BHL W/O FRT BKT | 0G-3318 |
| BUCKET, 1.25 CYD GP | 251-1789 |
| BUCKET 18", 6.4 CFT HC SOIL | 254-8940 |
| BUCKET 24", 8.5 CFT HC SOIL | 254-8941 |

Sell Price \$65,938.12

After Tax Balance \$71,707.70

WARRANTY

Standard Warranty: 12 Months /1500 Hrs of Operations

F.O.B/TERMS

Riverside - Construction

Accepted by _____ on _____

Signature

TERMS AND CONDITIONS

1. Agreement of sale: any terms and provisions of buyer's orders which are inconsistent with the terms and provisions hereof are rejected, will not be binding on the seller nor considered applicable to the sale or shipment referred to herein, unless buyer shall notify seller in writing within fifteen (15) days after receipt of this proposal by buyer. Acceptance of the terms and conditions hereof by buyer shall be indicated, and in the absence of such notification, the sale and shipment by the seller of the products covered hereby shall be conclusively deemed to be subject to the terms and conditions hereof. No waiver, alteration, or modification of the provisions hereof shall be binding on the seller unless agreed to in writing by a duly authorized official of seller at its headquarters office(s). Waiver by either party of any default by the other shall not be deemed a waiver by such party of any default of the other which may thereafter occur.

2.Prices: prices and payment terms shown on the face of this proposal apply. Inadvertent error in either prices or terms is subject to correction.

3.Taxes: the seller's prices do not include any sales, use, and excise property or similar taxes which seller may be required to pay in connection with filling any of buyer's orders. The amount of any applicable present or future such tax shall be paid by the buyer as an additional charge or in lieu thereof, the buyer shall provide the seller with a tax exemption certificate acceptable to the taxing authorities.

4.Warranty: Caterpillar warrants new earthmoving, construction and materials handling machinery (other than lift trucks) and attachments therefore sold by it to be free from defects in material and workmanship subject to the following provisions. During the first six months after date of delivery of the product to the initial user, a new or repaired part, whichever Caterpillar elects, along with the labor for installation of such new or repaired part, will be provided in place of any parts which are found upon its inspection to be defective in material or workmanship. Such parts and labor will be provided without charge to the user during normal working hours at a place of business of a Caterpillar dealer or other establishment authorized by Caterpillar, but this warranty does not include any costs for transporting the product to such place of business or establishment. Replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. No warranty is made with respect to items supplied by Caterpillar on special order nor with respect to tires made by others when such tires are warranted by their respective makers. This warranty does not apply to Caterpillar brand bias ply and beadless tires, ground engaging tools or Caterpillar brand batteries - to all of which different warranties apply. This warranty is expressly in lieu of any other warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose. Remedies under this warranty are expressly limited to the provision and installation of parts, as specified above, and any claims for other loss or damages of any type (including without limitation loss from failure of the product to operate for any period of time, other economic or moral loss, or direct, immediate, special, indirect or consequential damage) are expressly excluded as used in this warranty. The term "Caterpillar" means Caterpillar Inc. or one of its subsidiaries, whichever last sold the product involved.

5.Liability and claims: seller's liability on any claim of any kind, including claims for negligence, or for any loss or damage, arising out of, or connected with, or resulting from any order accepted by seller, or from the manufacture, sale, delivery, resale, repair or use of any products covered by, or furnished under, such an order, shall in no case exceed the price allocable to the product or part thereof which gives rise to the claim. In no event shall seller be liable for special or consequential damages; any claims against seller for shortages by it in making shipments shall be made in writing to seller within fifteen (15) days after receipt of shipment. Seller's responsibility for shipments ceases upon delivery to a carrier. And any claims for shortages, delays or damages occurring thereafter shall be made direct to the carrier, the fulfillment of any order accepted by seller is subject to strikes, labor disputes, lockouts, accidents, fires, delays in manufacture or in transportation or delivery of materials, floods, severe weather or other acts of god, embargoes, or governmental actions. Or any other causes beyond the reasonable control of seller, whether similar to, or different from the causes above enumerated, and any such cause shall absolve seller from any liability to buyer.

6.Changes: seller may, at any time, without notice, make changes (whether in design, materials, the addition of improvements, or otherwise) in any product, and may discontinue the manufacture of any product, all in its sole discretion, without incurring any obligations of any kind as a result thereof, whether for failure to fill an order accepted by seller or otherwise.

7.Compliance with laws: seller will comply with all applicable federal laws, and represents that any goods to be delivered under an order placed pursuant hereto will be produced in compliance with the requirements of the fair labor standards act of 1938, as amended.

8.Shipments: shipment dates are approximate. Shipments of products under an order accepted by seller shall be subject to the approval by seller of buyer's financial condition at the time of shipment. Whether or not credit terms are specified elsewhere, seller may, at its option, condition shipments under any order accepted by seller upon receipt of satisfactory security or of cash before shipment. If, at buyer's request, shipment of products on an order accepted by seller is delayed more than thirty (30) days after the shipment date specified on the face hereof, or the date products are ready for shipment, whichever is later, seller may require immediate payment in full and/or assess additional charges for storage and other

expenses incident to such delay.

9.Cancellation: in the absence of other written agreement between buyer and seller governing cancellation, any order accepted by seller may be cancelled by buyer only upon written notice to seller and payment of seller's cancellation charges. At buyer's request a statement of such charges will be furnished by seller prior to cancellation and charges will be not less than 20% of proposed selling price or accrued cost, whichever is greater.

10. Indemnification: buyer shall protect, hold harmless and indemnify seller from and against any and all demands, costs, liens, suits, judgments and penalties, and liabilities of every kind arising directly or indirectly, out of or wholly or partially caused by buyer in connection with or caused by buyers use or operation of this product, except for such seller liability as otherwise stated herein.

11. Property will be used in, _____, county, State of California. Lessee will not remove the property from this county without written permission from lessor.

12. Insurance: Lessee shall, at its expense, at all times from the time of delivery of equipment to lessee, maintain insurance against all risks of loss or damage from any cause for not less than the full replacement value thereof and shall carry public liability and property damage insurance covering the equipment. Such insurance shall be in the amounts and with insurance companies satisfactory to lessor, protecting lessor as an additional insured, and providing for ten (10) days written notice to lessor before any policy may be modified or cancelled. Lessee shall deliver to lessor evidence of insurance.

13. Lessee agrees not to part possession or sublet this equipment without the written consent of the lessor and to pay all attorney's fees, collection charges, or other expense occasioned by lessee's failure to comply with the provisions hereof. In the event of default of payment, lessor may retake possession of this equipment.

14. Lessee shall use the equipment in a careful manner in conformity with all governmental laws, ordinances, regulations, and requirements and shall take reasonable and proper care thereof, and at his own expense and cost, make all necessary repairs and replacements except warranty items referenced herein, if any. In the event of default by the lessee in the payment of rent or otherwise, the lease shall terminate immediately at the option of the lessor. Unless the equipment is returned or the lessor notified in writing to the contrary by the lessee before expiration of the rental period set forth above, the rental period shall be extended from month to month beyond the original period specified, at the option of the lessor. In the event of such extension of the rental period, lessee agrees to pay lessor rental payments at the rate specified above for any additional time the equipment is rented.

15. Title to the equipment shall at all times remain in the lessor, and lessee agrees to keep each item of equipment at all times free and clear from all claims, levies, liens, and legal processes. Equipment is and shall remain personal property.

16. Lessor shall at any time during reasonable business hours have the right to enter on lessee's premises where the equipment may be located or elsewhere to inspect the equipment or observe its use. At lessor's request, lessee shall give immediate notice of the exact location of the equipment. Lessee shall give lessor immediate notice of any attachment or other judicial process affecting any item of equipment.

17. It is expressly agreed and understood that the lessor shall not in any case or under any circumstances be held liable to any person including lessee for any loss or damage, or claim or judgment, or loss or damage of any kind or character whatsoever to persons or property, or otherwise arising from or in any manner connected with the use, operation, handling, or transportation of said property; and any and all claims for loss or damage are hereby specifically waived by lessee. Lessee agrees to indemnify and hold harmless the lessor from any and all such claims for loss, damage or liability.

18. Time is of the essence and lessee shall be in default under this agreement upon the occurrence of any of the following: (a) the misstatement or false statement in connection with, noncompliance with, or nonperformance of any of lessee's obligations under this agreement. (b) the failure to pay any rent or other amounts provided herein when the same is due and payable. (c) the failure of lessee to perform any other provisions of this lease which it is required to perform.

19. The company warrants that it is the sole owner of the equipment and that there are no liens or encumbrances or adverse claims whatsoever thereon, other than the lien of taxes not yet delinquent it is understood by the parties hereto that the company is not the manufacturer of the equipment, nor the agent of said manufacturer.

Initials: _____

Memorandum
August 20, 2009

To: Board of Directors

From: Anthony Lara, Interim General Manager

Re: Beaumont Unified School District

The Beaumont unified School District currently has three accounts that have had unusually high consumption and therefore extremely high bills. Staff has conducted an investigation and determined that the accounts were being read incorrectly and under billed.

Two of the three meters in question are fire service meters which would typically have no consumption unless there is high flow causing the usage to register on the large meter, such as a fire. The other is an irrigation service that has regular consumption but was not being properly billed due to the readings. The current amount owed for the three accounts are as follows:

| | |
|-----------------------|-------------|
| Brookside Elementary | \$17,761.57 |
| Beaumont High School | \$12,244.41 |
| Anna Hause Elementary | \$20,182.69 |

I have met with School District Staff and explained the results of our investigation. Staff and the School District agree that even though the meters were read in error, at some point the water was used. I have offered the school district a payment plan on these three accounts. The School District Staff has requested that the Board consider reducing the bills.

Recommendation

Direct staff to work with the School District on a payment arrangement for the entire balance of each of the accounts.