

## BEAUMONT CHERRY VALLEY WATER DISTRICT AGENDA

#### REGULAR MEETING OF THE BOARD OF DIRECTORS 560 Magnolia Avenue, Beaumont, CA 92223 Thursday, June 23, 2011

Regular Session 7:00 p.m.

CALL TO ORDER, PRESIDENT BALL

PLEDGE OF ALLEGIANCE, DIRECTOR GULDSETH

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

GULDSETH	M	S	Α	N
EARHART	M	S	Α	Ν
ROSS	M	S	Α	N
WOLL	M	S	Α	Ν
BALL	M	S	Α	N

- 2. CONSENT CALENDAR: Matters listed in the Consent Calendar are considered to be routine and will be approved by one motion as recommended. There will be no separate discussion unless Board or Staff Member request separate discussion prior to approval. Page 4
- a. May 2011 Bills for Consideration\*\*
- b. May 2011 Invoices Pending Approval\*\*
- c. April 2011 Month End Financial Statement \*\*
- d. Minutes of the Special Meeting of May 6, 2011\*\*
- e. Minutes of the Regular Meeting of May 11, 2011\*\*

GULDSETH	M	S	Α	N
BALL	M	S	Α	N
EARHART	M	S	Α	N
ROSS	M	S	Α	N
WOLL	М	S	Α	N

3. PRESENTATION BY PAUL J. KAYMARK, CPA, REPRESENTING CHARLES Z. FEDAK & COMPANY, REGARDING THE 2010 AUDIT

4. REV	IEW AN	ID APPR	ROVAL (	OF THE 2010 AUDIT** Page 29	
GULDSETH	М	S	Α	N	
BALL	М	S	Α	N	
EARHART	М	S	Α	N	
ROSS	М	S	Α	N	
WOLL	M	S	Α	N	
5. APF	PROVAL OPERTIE	OF INI	FIATIO	N OF ANNEXATION PROCESS FOR OUTSIDE THE DISTRICT'S SERVICE AREA** Pag	ge 62
GULDSETH	М	S	Α	N	
BALL	М	S	A	N	
EARHART	М	S	Α	N	
ROSS	М	S	Α	N	
WOLL	M	S	Α	N	
	IEW AN			<b>E OF THE DISTRICT'S UPDATED EMERGENCY</b> 66	
GULDSETH	М	S	Α	N	
BALL	M	S	A	N	
EARHART	М	S	A	N	
ROSS	М	S	Α	N	
WOLL	M	S	Α	N	
7. REF	ORTS F	OR DIS	CUSSIC	ON AND POSSIBLE ACTION	
(a) Ad hoc	Commit	ttees			
(b) Genera	ıl Manag	jer			
■ Ider	ntification	n Cards f	or Staff	and Board Members** Page 123 Report**Page 124	
(c) Directo		nei com	iderice i	Report 1 age 121	
(6) 211 6011	J. 3				
<ul><li>Dr. Blai</li></ul>					
<ul><li>James E</li></ul>					
■ John Gu					
■ Ken Ros					
<ul><li>Ryan W</li></ul>	oll				
(d) Legal	Counsel				
8. ANI	NOUNCE	MENTS			
B) Finance	e & Audi	t Meeti	ng, July	Monday, July 4, 2011 for Independence Day y 7, 2011 at 2:00 p.m. 13, 2011 at 7:00 p.m.	
9. ACT	TON LIS	ST			
•					
•					

#### 10. CLOSED SESSIONS- (THREE MATTERS)

- A. A Closed Session will be held to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 (Re: Joseph Scott vs. Beaumont Cherry Valley Water District, Superior Court of California, County of Riverside, Case No. RIC 10021518).
- B. A Closed Session will be held to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 (Beaumont Cherry Valley Water District vs. Richard L. Schaffner, Superior Court of California, County of Riverside, Case No. RIC 436913).
- C. A Closed Session will be held pursuant to Government Code Section 54957 to continue discussions concerning the appointment of the General Manager position.

#### 11. OPEN SESSION REPORT ON CLOSED SESSION

#### 12. ADJOURNMENT

GULDSETH	M	S	Α	N
EARHART	M	S	Α	N
ROSS	M	S	Α	N
WOLL	M	S	Α	N
BALL	M	S	Α	N

<sup>\*\*</sup> 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, 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.

#### BEAUMONT-CHERRY VALLEY WATER DISTRICT

#### Cheque Register-Summary-Bank

Bank

A&A FENCE To ZETLMAIER Supplier : Cheque Dt.: 01-May-2011 To 31-May-2011 : 7 - ACCOUNTS PAYABLE

AP5090 Page: 1

Date: May 31, 2011 **Time:** 1:40 pm

Seq: Cheque No. Status: All

Medium: M=Manual C=Computer E=EFT-PA

Cheque #	Cheque Date	Supplier	Supplier Name	Status	Batch	Medium	Amount
42003	05-May-2011	ALSCO	ALSCO	Issued	93	С	53.55
42004	05-May-2011	ARCO	ARCO GASPRO PLUS	Issued	93	С	6,462.37
42005	05-May-2011	B ACE HOME	BEAUMONT DO IT BEST HOME CENTER	Issued	93	С	327.95
42006	05-May-2011	BCVWD	BCVWD PETTY CASH	Issued	93	С	378.21
42007	05-May-2011	BLAWNMOWE	BEAUMONT LAWNMOWER	Issued	93	С	19.56
42008	05-May-2011	BSAFE&LOCK	BEAUMONT SAFE & LOCK	Issued	93	С	7.34
42009	05-May-2011	CLEANBYDES	CLEAN BY DESIGN INC.	Issued	93	С	1,110.00
42010	05-May-2011	COMTRONIX	COMTRONIX COMMUNICATIONS	Issued	93	С	250.00
42011	05-May-2011	CONTROLVAL	CONTROL VALVE SYSTEMS INC	Issued	93	С	1,132.24
42012	05-May-2011	CVAUTO	CHERRY VALLEY AUTOMOTIVE	Issued	93	С	63.59
42013	05-May-2011	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	93	С	38,018.97
42014	05-May-2011	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	93	С	32,173.42
42015	05-May-2011	ESBABCOCK	ES BABCOCK	Issued	93	С	1,960.00
42016	05-May-2011	FREEMANOFF	FREEMAN OFFICE PRODUCTS	Issued	93	С	17.35
42017	05-May-2011	HEMETOIL	HEMET OIL CO	Issued	93	С	905.89
42018	05-May-2011	HOMEDEPOT	HOME DEPOT CREDIT SERVICES	Issued	93	С	1,537.23
42019	05-May-2011	HUDECS	HUDEC'S COMPUTER CONSULTING	Issued	93	С	3,138.24
42020	05-May-2011	INLANDWATE	INLAND WATER WORKS	Issued	93	С	1,734.56
42021	05-May-2011	JOHNSONMAC	JOHNSON MACHINERY	Issued	93	С	131.58
42022	05-May-2011	MICHAELMOR	MORALES, MICHAEL	Issued	93	С	130.00
42023	05-May-2011	MIDORIGARD	MIDORI GARDENS	Issued	93	С	4,695.35
42024	05-May-2011	MSTBACKFLO	MST BACKFLOW	Issued	93	С	605.44
42025	05-May-2011	NAPAAUTOPA	NAPA AUTO PARTS	Issued	93	С	198.33
42026	05-May-2011	ONLINE INF	ONLINE INFORMATION SERVICES	Issued	93	С	197.65
42027	05-May-2011	PACIFICALA	PACIFIC ALARM	Issued	93	С	226.00
42028	05-May-2011	PATSPOTS	PAT'S POTS	Issued	93	С	310.00
42029	05-May-2011		PRESTIGE MOBILE DETAIL	Issued	93	С	304.00
42030	05-May-2011		PRIORITY MAILING SYSTEMS	Issued	93	С	1,241.73
42031	05-May-2011		SCELZI ENTERPRISES INC	Issued	93	С	1,306.03
42032	05-May-2011	SGPWA	SAN GORGONIO PASS WATER AGENCY	Issued	93	С	267,865.00
42033	05-May-2011	STAPLES	STAPLES ADVANTAGE	Issued	93	С	637.74
42034	05-May-2011	TALLEY	TALLEY	Issued	93	C	850.00
42035	05-May-2011	TERMINIX	TERMINIX	Issued	93	С	49.00
42036	05-May-2011		UNDERGROUND SERVICE ALERT	Issued	93	C	70.50
42037	05-May-2011		WASTE MANAGEMENT OF INLAND EMPIRE	Issued	93	С	357.65
42038	05-May-2011		WILLIAMS, CHRIS	Issued	93	C	130.00
42039	05-May-2011	XEROX	XEROX CORPORATION	Issued	93	C	1,136.64
42040	05-May-2011	Z&LPAVING	Z&L PAVING	Issued	93	C	5,040.00
42041	19-May-2011		AAA LOCK SPECIALIST	Issued	101	С	100.00
42042	19-May-2011		AC PROPANE	Issued	101	C	1,143.88
42043	19-May-2011		ACTION TRUE VALUE HARDWARE	Issued	101	С	396.24
42043	19-May-2011		ALL PURPOSE RENTALS	Issued	101	C	38.50
42045	19-May-2011	ALSCO	ALSCO	Issued	101	C	53.55
42045	19-May-2011		STAR AUTO PARTS	Issued	101	С	41.15
	-		BEAUMONT DO IT BEST HOME CENTER		101	С	352.03
42047	19-May-2011			Issued		С	
42048	19-May-2011	BRIANSLIVE	BRIAN'S LIVE BEE REMOVAL	Issued	101		100.00
42049	19-May-2011	BTIRE	BEAUMONT TIRE	Issued	101	С	453.54
42050	19-May-2011	CALTOOL	CA TOOL & WELDING	Issued	101	С	46.80
42051	19-May-2011		CHARLES Z. FEDAK & CO.	Issued	101	С	6,895.00
42052	19-May-2011	CHP	CA HIGHWAY PATROL	Issued	101	С	375.00
42053	19-May-2011	CITYOFB	CITY OF BEAUMONT	Issued	101	С	47.54
42054	19-May-2011		COMTRONIX COMMUNICATIONS	Issued	101	С	261.42
42055	19-May-2011	CR&RINCORP		Issued	101	С	228.27
42056	19-May-2011		CUTTING EDGE SUPPLY CO	Issued	101	С	196.08
42057	19-May-2011	CVAUTO	CHERRY VALLEY AUTOMOTIVE	Issued	101	С	203.26
42058	19-May-2011	DALEY&HEFT	DALEY & HEFT LLP	Issued	101	С	12,165.69
	Page 4 of 1	28 of the Regula	r Meeting Agenda				

### BEAUMONT-CHERRY VALLEY WATER DISTRICT Cheque Register-Summary-Bank

A&A FENCE To ZETLMAIER Supplier : Cheque Dt.: 01-May-2011 To 31-May-2011 : 7 - ACCOUNTS PAYABLE



AP5090 Page: 2 Date: May 31, 2011 **Time:** 1:40 pm

Seq: Cheque No. Status: All

Medium: M=Manual C=Computer E=EFT-PA

Cheque #	Cheque Date	Supplier	Supplier Name	Status	Batch	Medium	Amount
Bank: 7	ACCOUNTS F	PAYABLE					
42059	19-May-2011	EDISON	SOUTHERN CALIFORNIA EDISON	Issued	101	С	30.09
42060	19-May-2011	EMEDCO	EMEDCO	Issued	101	С	280.91
42061	19-May-2011	ESBABCOCK	ES BABCOCK	Issued	101	С	2,745.00
42062	19-May-2011	FREEMANOFF	FREEMAN OFFICE PRODUCTS	Issued	101	С	1,372.71
42063	19-May-2011	GASCO	THE GAS COMPANY	Issued	101	С	14.30
42064	19-May-2011	GEMINIGROU	GEMINI GROUP	Issued	101	С	4,521.40
42065	19-May-2011	HASLER	TOTALFUNDS BY HASLER	Issued	101	С	1,000.00
42066	19-May-2011	HEMETVALLE	HEMET VALLEY TOOL & SUPPLY	Issued	101	С	445.34
42067	19-May-2011	INLANDWATE	INLAND WATER WORKS	Issued	101	С	2,795.76
42068	19-May-2011	JOHNSONMAC	JOHNSON MACHINERY	Issued	101	С	1,308.34
42069	19-May-2011	MACROCOMM	MACRO COMMUNICATIONS	Issued	101	С	150.00
42070	19-May-2011	MIKEMCGEOR	MIKE MCGEORGE GOPHER CONTROL	Issued	101	С	250.00
42071	19-May-2011	NAPAAUTOPA	NAPA AUTO PARTS	Issued	101	С	252.52
42072	19-May-2011	NATIONAL M	NATIONAL METER & AUTOMATION	Issued	101	С	4,067.63
42073	19-May-2011	PARSONS	PARSONS WATER & INFRASTRUCTURE INC	. Issued	101	С	8,625.00
42074	19-May-2011	PRESSENTER	PRESS ENTERPRISE	Issued	101	С	1,839.31
42075	19-May-2011	PRESTIGEMO	PRESTIGE MOBILE DETAIL	Issued	101	С	288.00
42076	19-May-2011	RANCHOPASE	RANCHO PASEO MEDICAL	Issued	101	С	50.00
42077	19-May-2011	RECORDGAZE	THE RECORD GAZETTE	Issued	101	С	297.50
42078	19-May-2011	REDWINE	REDWINE AND SHERRILL	Issued	101	С	8,183.30
42079	19-May-2011	STAPLES	STAPLES ADVANTAGE	Issued	101	С	454.21
42080	19-May-2011	VERIZON	VERIZON	Issued	101	С	341.49
42081	19-May-2011	VERIZONCRE	VERIZON CREDIT INC.	Issued	101	С	139.29
42083	19-May-2011	WELLSFARGO	WELLS FARGO REMITTANCE CENTER	Issued	101	С	16.86
42084	19-May-2011	WILDERMUTH	WILDERMUTH ENVIRONMENTAL INC	Issued	101	С	4,332.66
42085	19-May-2011	VERIZONIPI	VERIZON BUSINESS	Issued	104	С	1,097.14
42086	19-May-2011	VERIZONWIR	VERIZON WIRELESS	Issued	104	С	406.00
Total Comp	uter Paid :	443,175.82	Total EFT PAP : 0	.00	To	tal Paid :	443,175.82
Total Manu	ıally Paid :	0.00	Total EFT File: 0	.00			

83 Total No. Of Cheque(s) ...

#### BEAUMONT-CHERRY VALLEY WATER DISTRICT Cheque Register-Summary-Bank

A&A FENCE To ZETLMAIER Supplier : Cheque Dt.: 01-May-2011 To 31-May-2011 : 10 - CUSTOMER REFUNDS



AP5090 Page: 1

Date: May 31, 2011 **Time:** 1:40 pm

Seq: Cheque No. Status: All

Medium: M=Manual C=Computer E=EFT-PA

Cheque #	Cheque Date	Supplier	Supplier Name	Status	Batch	Medium	Amount
1130	05-May-2011	PARDEE HOM	PARDEE HOMES	Issued	94	С	335.00
1131	05-May-2011	STMP001137	COOK, DENETTE	Issued	94	С	95.19
1132	05-May-2011	STMP001138	DOMINGUEZ, JOEL AND DOMINGUEZ, LETICI.	Issued	94	С	0.64
1133	05-May-2011	STMP001139	WYATT, KELLY	Issued	94	С	17.07
1134	05-May-2011	STMP001140	NEUBAUER, DAVEY	Issued	94	С	20.64
1135	05-May-2011	STMP001141	WALLACE, AMY	Issued	94	С	1.47
1136	05-May-2011	STMP001142	ROGER OTTE,	Issued	94	С	38.97
1137	05-May-2011	STMP001143	BEADOR CONSTRUCTION CO INC	Issued	94	С	1,159.28
1138	05-May-2011	STMP001144	G & D CONSTRUCTION	Issued	94	С	1,372.86
1139	05-May-2011	STMP001145	MERITAGE HOMES	Issued	94	С	651.90
1140	19-May-2011	KBHOMES	KB HOME INC	Issued	100	С	20,692.17
1141	19-May-2011	STMP001146	K HOVNANIAN HOMES	Issued	100	С	43.52
1142	19-May-2011	STMP001147	RICHMOND AMERICAN HOMES	Issued	100	С	41.64
1143	19-May-2011	STMP001148	RANCHO HORIZON LLC	Issued	100	С	42.90
1144	19-May-2011	STMP001149	PARR, ROBERT	Issued	100	С	25.21
1145	19-May-2011	STMP001150	SERVICING, HOMEQ	Issued	100	С	43.12
1146	19-May-2011	STMP001151	BROWN, KRISTA	Issued	100	С	59.73
1147	19-May-2011	STMP001152	SHAVERDI, DAVID	Issued	100	С	22.96
1148	19-May-2011	STMP001153	BAC FIELD SERVICES	Issued	100	С	17.04
1149	19-May-2011	STMP001154	K HOVNANIAN HOMES	Issued	100	С	57.58
1152	19-May-2011	STMP001157	BISHOP, BRIAN	Issued	100	С	30.36
1153	19-May-2011	STMP001158	NORRIS GROUP COMMUNITY REINVEST. LP	Issued	100	С	50.44
1154	19-May-2011	STMP001159	KWOK, KENNETH	Issued	100	С	55.88
1155	19-May-2011	STMP001160	PARDEE HOMES	Issued	100	С	62.70
1156	19-May-2011	STMP001161	PREFERRED GROUP PROPERTIES	Issued	100	С	43.38
1157	19-May-2011	STMP001162	WRIGHT, KIMBERLY	Issued	100	С	24.44
1158	19-May-2011	STMP001163	PREFERRED GROUP PROPERTIES	Issued	100	С	43.43
1159	19-May-2011	STMP001155	MOIST PROPERTY MANAGEMENT	Issued	102	С	52.33
1160	19-May-2011	STMP001156	HASKELL REAL ESTATE	Issued	102	С	50.84
Total Comp	uter Paid :	25,152.69	Total EFT PAP : 0.	00	То	tal Paid :	25,152.69
Total Manu	ally Paid :	0.00	Total EFT File : 0.	00			

29 Total No. Of Cheque(s) ...

#### Memorandum

**Date:** June 23, 2011

From: Anthony Lara, Interim General Manager

**To:** Board of Directors

**Subject:** Invoices Pending Payment

Attached please find copies of the professional services invoices which are pending payment. Total amount pending approval is \$ 35,203.08

Vendor Name	Invoice No.	Amount
Wildermuth Environmental Inc	2011173	\$3,887.43
Parsons	11050121	\$14,645.00
Daley & Heft LLP	38636	\$8,488.65
Redwine & Sherrill	511001	\$6,970.00
Charles Z. Fedak & Co	May-11	\$1,212.00
	Total	\$35,203.08

**Recommendation:** That the Board approves the Pending Invoices



Wildermuth Environmental 23692 Birtcher Drive Lake Forest, CA 92630 949.420.3030

> Beaumont Cherry Valley Water District Anthony L. Lara 560 Magnolia Ave. Beaumont, CA 92223-2258

Invoice number

2011173

Date

05/02/2011

Project: 035-010 BMZ Antidegradation Analysis -BCVWD Share

Professional Services for the Period: April 1, 2011 through April 30, 2011

The following work was completed during this billing period:

\* Prepared TDS/N projections for three additional model runs per the discussion at the March 30, 2011 BMZ work group meeting. Created figures and charts summarizing the model results.

\* Prepared a presentation and 15 handout packages for the April 14, 2011 meeting of the BMZ work group.

\* Attended the April 14, 2011 meeting of the BMZ work group at the YVRWFF facility in Yucaipa, CA. The meeting was attended by Hisam Baqai, Kishen Prathivadi, Joe Zoba, Jennifer Ares, Tony Lara, Perry Gerdes, Brian Villalobos, Dennis Williams, Jeff Davis, Sam Gershon, Mark Wildermuth, and Samantha Adams.

\* Prepared the text, tables, figures, and appendices for the draft letter report of TDS/N projections in the BMZ.

\* Compiled and submitted the draft Total Dissolved Solids and Nitrate-Nitrogen Projections for the Beaumont Management Zone letter report and submitted to the YVWD, BCVWD, and Cities of Banning and Beaumont for review and comment on Thursday April 21, 2011.

\* Created PDFs of 74 tables for Appendices B, C, D, E, F, G, and H of the draft Total Dissolved Solids and Nitrate-Nitrogen Projections for the Beaumont Management Zone letter report and submitted to the YVWD, BCVWD, and Cities of Banning and Beaumont for review and comment on Friday April 22, 2011.

\* Prepared for and attended the April 25, 2011 meeting of the BMZ work group at the YVRWFF facility in Yucaipa, CA. The meeting was attended by Joe Zoba, Jennifer Ares, Tony Lara, Duane Burk, Brian Villalobos, Dennis Williams, Jeff Davis, Sam Gershon, Mark Wildermuth, and Samantha Adams.

\* Reviewed draft report comments received from YVWD, BCVWD, and Cities of Banning and Beaumont.

\* Updated the draft report text, figures, tables, and appendices per the comments received. Created a table to document how major comments and questions were addressed.

\* Submitted the draft Total Dissolved Solids and Nitrate-Nitrogen Projections for the Beaumont Management Zone letter report to the Regional Board via email on Friday, April 29, 2011. The deliverable included the draft report and all appendices.

Coordinated with Regional Board staff to schedule a meeting to review the draft letter report.

#### **Professional Services**

			Hours	Rate	Billed Amount
Mark J. Wildermuth			2.75	215.00	591.25
Samantha S. Adams			21.00	150.00	3,150.00
Timothy Wildermuth			1.00	100.00	100.00
		Professional Services subtotal	24.75	_	3,841.25
Other Direct Costs					
					Billed
			Units	Rate	Amount
Miles			78.30	0.51	39.93
Tolls					6.25
		Other Direct Costs subtotal		_	46.18

Beaumont Cherry Valley Water District

Invoice number

Date

2011173 05/02/2011

Project: 035-010 BMZ Antidegradation Analysis - BCVWD Share

Invoice total

3,887.43

Please note the above billing rates include a 5% recession reduction



#### **MEMORANDUM**

May 6, 2011

TO:

Tony Lara, Interim General Manager

FROM:

Steve Gratwick

**SUBJECT:** 

Work During Billing Period: 3/26/11 through 4/29/11

Invoice No. 11050121



BX: .....

During this past billing period we performed th	ne following tasks:	
Task 01000 – General:		
Administration;  Task 89000 – Master Plan Update:		\$712.50
<ul> <li>Revise hydraulic model for 2650/2520/23</li> <li>Revise hydraulic model for 2750 Pressure</li> <li>Revise recycled water hydraulic models for Pressure Zones. Prepare and submit systems for District review. Prepare and submit refor District review;</li> </ul>	e Zone; for 2800, 2650, and 2520 em map and nodal map ecycled water demands	\$850.00
Task 10023 – Cherry Tank Site Remediation:  • Incorporate final review comments from Site Closure Report;	County and submit final	
	TOTAL	\$14,645.00

DENNIS W. DALEY †
ROBERT R. HEFT
NEAL S. MEYERS
RICHARD J. SCHNEIDER
ROBERT W. BROCKMAN, JR.
MITCHELL D. DEAN
DAVID P. BERMAN
SCOTT NOYA \*
ROBERT H. QUAYLE, IV
GOLNAR J. FOZI
LEE H. ROISTACHER

DALEY & HEFT LLP

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MELINDA M. DUDLEY ADMINISTRATOR

also admitted in Washington also admitted in Hawaii also admitted in Iowa also admitted in District of Columbia

MATTHEW E. BENNETT
SAMUEL C. GAZZO ‡‡
SHIVA ELIHU STEIN
CRAIG A. BEALER
SANDRA K. DAWES
KRISTINA L. GAGNÈ
T. STEVEN BURKE, JR.
CHRISTOPHER M. BUSCH ††
ANDREA M. VELASQUEZ
MATTHEW T. RACINE \*\*
DIANA LERMA
ATHENA B. TROY
RACHEL B. KUSHNER
REECE A. ROMÁN
SUZANA I. FILIPOVIC

May 24, 2011

IRS #95-3494652 Invoice No.: 38636

Beaumont Cherry Valley Water District C/O Gilbert J. Granito, General Counsel LAW OFFICES OF REDWINE AND SHERRILL 1950 Market Street Riverside, CA 92501

Re:

#### PROFESSIONAL SERVICES STATEMENT:

For the Period: April 2011 Attorney: Neal S. Meyers

Client's Costs Advanced:

TOTAL COSTS THIS PERIOD		\$406.65
TOTAL FEES THIS PERIOD	i, i	\$8,082.00
TOTAL THIS BILL		\$8,488,65

## REDWINE AND SHERRILL

STATEMENT FOR PROFESSIONAL SERVICES

1950 MARKET STREET
RIVERSIDE, CALIFORNIA 92501-1720
TELEPHONE 951-684-2520
ID # 95-1979827



May 27, 2011

Beaumont Cherry Valley Water District ATTN: Tony Lara
P. O. Box 2037
Beaumont, CA 92223

For Services Rendered During May 2011
Invoice# 511001

Legal Fees due for Month	\$ 6,837.50
Costs Advanced for Month	\$ 132.50
CURRENT AMOUNT DUE	\$ 6,970.00



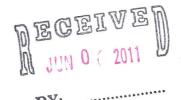
## Charles Z. Fedak & Company

Certified Public Accountants
An Accountancy Corporation

6081 Orange Avenue Cypress, California 90630 (714) 527-1818 (562) 598-6565 FAX (714) 527-9154 EMAIL czfco@czfcpa.com

May 27, 2011

Ms. Blanca Marin Beaumont-Cherry Valley Water District 560 Magnolia Avenue Beaumont, CA 92223



Professional services rendered during the month of May 2011:

Progress billing on audit of financial statements of the District for the year ended December 31, 2010.

\$ 1,100.00

Out-of-pocket expenses incurred in connection with the above work performed.

112.00

\$ 1,212.00

**Due and Payable Upon Receipt** 

	Current Month	Actual YTD	Adopted Budget	Budget Remaining	Percer of the Budge
Operating revenues:					
Water consumption sales	235,625	846,853	4,483,000	3,636,147	199
Water service charges	195,222	687,342	1,958,960	1,271,618	359
Water importation surcharges	58,839	224,188	1,645,592	1,421,404	149
Water pumping power surcharges	80,928	304,964	1,350,000	1,045,036	239
Development and installation charges	21,103	43,843	195,000	151,157	229
Other charges for services	18,394	84,139	259,000	174,861	329
Total operating revenues	610,111	2,191,329	9,891,552	7,700,223	229
Operating expenses:					
Source of supply	370,787	1,245,759	3,841,312	2,595,553	329
Transmission and distribution	107,963	314,491	964,093	649,602	339
In house Inspections	2,765	11,370	24,000	12,630	479
Customer accounts	15,094	63,308	217,630	154,322	299
Maintenance & general plant	21,628	116,441	377,068	260,627	319
In-House engineering	6,157	36,628	141,507	104,879	269
Professional services	20,349	67,402	233,000	165,598	299
Administrative	120,206	426,886	1,951,145	1,524,259	229
Total operating expenses	664,949	2,282,285	7,749,755	5,467,470	299
Operating income before depreciation	(54,838)	(90,956)	2,141,797	2,232,753	-49
Depreciation	183,333	733,333	2,200,000	1,466,667	339
Operating income Surplus/(Loss)	(238,171)	(824,289)	(58,203)	766,086	14169
Non-operating revenue					
Interest earnings	1,857	7,760	35,000	27,240	229
Rental income	1,352	6,817	22,000	15,183	319
Reimbursement Insurance		33,766	33,000	(766)	1029
Grant Income		-	75,000	75,000	09
Other Non Operating Revenue	4,252	11,671	31,000	19,329	389
Total other non-operating revenues	7,461	60,014	196,000	135,986	319
Ion-operating Expenses					
Principal debit	- The same	-	722,500	722,500	09
Interest on principal debit	-		137,270	137,270	09
Other non operating expenses	1,527	9,021	18,432	9,411	499
Total non-operating (expenses)	1,527	9,021	878,202	869,181	19
Net Surplus/(Loss) before capital contributions	(232,237)	(773,295)	(740,405)	32,890	104.49
		· · · · · · · · · · · · · · · · · · ·			
Capital contributions:		446 = 4=	-40		
Facilities charges Front footage fees		118,515	740,405	621,890	16%
Total capital contributions		118,515	740,405	621,890	16%
Change in net assets Surplus/(Loss)	(232,237)	(654,780)		•	

		Current Month	Actual - YTD	Adopted Budget	Budget Remaining	Percent of the Budget
	Operating revenues: Water consumption sales					
144040404						
144010401 144010402	DOMESTIC WATER SALES IRRIGATION WATER SALES	234,237	839,759 1,174	4,300,000 28,000	3,460,241 26,826	20% 4%
144010403 144010414	CONSTRUCTION WATER SALES	1,387	5,921	75,000	69,079	8%
1440 104 14	RECHARGE INCOME (CITY OF BANNING) Water service charges (meter charge)			80,000	80,000	0%
144010400	SERVICE CHARGES	195,222	687,342	1,958,960	1,271,618	35%
144010444	Water importation surcharge	58,839	224,188	1,645,592	1,421,404	14%
144010445	Water pumping power surcharge Development and installation charges	80,928	304,964	1,350,000	1,045,036	23%
144010404	INSTALLATION CHARGES	4,967	10,327	145,000	134,673	7%
144010413	DEVELOPMENT INCOME Other charges for services	16,136	33,516	50,000	16,484	67%
144010407-	DENAD CHOT DAMAGECUIDODA DECAMENTO			1115		
144010439 144010408	REIMB. CUST. DAMAGES/UPGRADES/WELLS	987	2,549	33,000	30,451	8%
144010408	BACKFLOW DEVICES	3,023	7,985	25,000	17,015	32%
144010410	RETURNED CHECK FEES TURN ONS	220	700	2,000	1,300	35%
144010442	THIRD NOTICE CHARGE	1,105	12,250	35,000	22,750	35%
144010443	PENALTIES	5,250 7,810	28,835 31,820	78,000 86,000	49,165 54,180	37% 37%
		18,394	84,139	259,000	174,861	32%
	Total operating revenues	610,111	2,191,329	9,891,552	7,700,223	22%
	Operating expenses: Source of supply					
155200620	STATE PROJECT WATER PURCHASED	268,921	813,105	1,723,253	910,148	47%
155200271	LABOR	16,280	71,552	234,344	162,792	31%
155200281	HEALTH INSURANCE	5,302	19,116	64,737	45,621	30%
155200282	RETIREMENT/CALPERS	6,479	21,020	62,948	41,928	33%
155200283	LIFE INSURANCE	120	436	1,656	1,220	26%
155200284	UNIFORMS, EMPLOYEE BENEFITS		120	1,000	880	12%
155200285	EDUCATION EXPENSES	-	265	3,500	3,235	8%
155200291	SOCIAL SECURITY-FICA	1,075	4,509	14,523	10,014	31%
155200292	MEDICARE WORKERIS COMPENSATION INCLIDANCE	251	1,054	3,396	2,342	31%
155200293 155200511	WORKER'S COMPENSATION INSURANCE	677	2,716	8,156	5,440	33%
155200511	TREATMENT & CHEMICALS  LAB TESTING	0.500	7,798	68,000	60,202	11%
155200512	MAINTENANCE EQUIPMENT (PUMPING) 81088	2,560	11,079	55,000	43,921	20%
155200514	UTILITIES - GAS	2,137 14	12,060 59	138,000 200	125,940	9%
155200515	UTILITIES - ELECTRIC	68,004			141	30%
155200517	TELEMETRY MAINTENANCE	00,004	279,813	1,430,000 6,000	1,150,187 6,000	20% 0%
				5,500	0,000	070

155200568   RANDOM DRUG TEST   - 200   200   090   0			Current Month	Actual - YTD	Adopted Budget	Budget Remaining	Percent of the Budget
STATE MANDATE CLEAN UP	155200518	SEMINAR & TRAVEL EXPENSES	•		400		0%
Total Source of supply 370,787 1,245,789 3,841,312 2,596,553 32%  Transmission and distribution  ISSNORDER  IS				-	200	200	0%
Transmission and distribution	155200625	STATE MANDATE CLEAN UP	(1,035)	-	20,000	20,000	0%
155000721   LABOR		Total Source of supply	370,787	1,245,759	3,841,312	2,595,553	32%
		Transmission and distribution					
15800028   HEALTH INSURANCE   12,884   40,784   153,767   112,983   27%   15800028   ILFE INSURANCE   276   866   3,071   2,205   28%   15800028   ILFE INSURANCE   260   390   3,000   2,610   13%   15800028   EDUCATION EXPENSES   26,015   18,780   30%   3000   2,610   30%   3000   2,610   30%   3000   2,610   30%   3000   2,610   30%   3000   30%   3	155300271	LABOR	36,557	131,090	434,117	303.027	30%
155000222   RETIREMENTICALPERS   8,755   33,810   101,739   67,929   3394   15500224   115F INSURANCE   276   886   3,071   2,205   2284   15500224   UNIFORMS, EMPLOYEE BENEFITS   260   390   3,000   2,610   1394   15500224   UNIFORMS, EMPLOYEE BENEFITS   260   390   3,000   2,610   1394   15500222   155002224   15	155300281	HEALTH INSURANCE			•	· ·	27%
158300293	155300282	RETIREMENT/CALPERS				•	
158500269	155300283	LIFE INSURANCE					
15500265   SOCIAL SECURITY-FICA   2.265   8,125   26,915   18,790   30%   15500229   MEDICARE   530   1,900   6,295   4,395   30%   15500229   MEDICARE   530   1,900   6,295   4,395   30%   15500239   WORKER'S COMPENSATION INSURANCE   1,874   6,638   19,939   13,301   33%   15500239   WORKER'S COMPENSATION INSURANCE   1,874   6,638   19,939   13,301   33%   15500239   MAINT PIPELINE/FIRE HYDRANT   5,404   13,161   38,000   24,839   35%   15500239   MAINT PIPELINE/FIRE HYDRANT   5,404   13,161   38,000   24,839   35%   15500239   MAINT PIPELINE/FIRE HYDRANT   5,404   13,161   38,000   24,839   35%   15500239   MAINT ENANCE RESERVICES   36,356   70,330   128,000   57,670   55%   15500239   MAINT ENANCE RESERVICES   601   1,192   1,000   (192)   11,594   15500239   MAINTENANCE RESERVOIRS/TANKS   601   1,192   1,000   (192)   11,594   15500239   MAINTENANCE RESERVOIRS/TANKS   2,113   5,146   9,000   3,854   57%   15500239   MAINTENANCE   3,122   2,400   2,200   3,854   3,365	155300284	UNIFORMS, EMPLOYEE BENEFITS	260	390		•	
155000291   SOCIAL SECURITY-FICA   2,265   8,125   29,915   19,790   309     155000292   MEDICARE   530   1,900   6,295   4,395   304     155000293   WORKER'S COMPENSATION INSURANCE   1,874   6,638   19,939   13,301   33%     155000530   MAINT PIPELINE/FIRE HYDRANT   5,404   13,161   36,000   24,839   35%     155000530   MAINT PIPELINE/FIRE HYDRANT   5,404   13,161   36,000   57,670   55%     155000531   LINE LOCATES   36,358   70,330   126,000   57,670   55%     155000531   MAINT METERS & SERVICES   36,358   70,330   126,000   57,670   55%     155000531   BACKFLOW DEVICES   601   1,192   1,000   (192)   119%     155000538   BACKFLOW DEVICES   601   1,192   1,000   (192)   119%     155000538   MAINTENANCE RESERVOIRS/TANKS   - 407   12,000   11,593   33%     155000539   MAINTENANCE PRESSURE REGULATORS   2,113   5,146   9,000   3,854   57%     155000539   INVENTORY PURCHASE DISCOUNTS   - 19,000   15,000   0,000   0,000     155000539   INVENTORY PURCHASE DISCOUNTS   - 10,000   10,000   0,000     155000540   DBSOLETE OR DAMAGED INVENTORY   - 250   250   0,000     155000550   Total transmission and distribution   107,663   314,491   964,093   649,602   33%     155000560   Total transmission and distribution   107,663   314,491   964,093   649,602   33%     155000271   LABOR   LABOR   15,000   4,760   2,760   2,760   2,760     155000272   LABOR   LABOR   1,757   2,000   1,426   2,760     155000273   LABOR   LABOR   1,757   2,000   2,000   1,426   2,760     155000274   LABOR   LABOR   1,757   2,000   2,000   1,426   2,760     155000275   LABOR   1,757   1,750   2,000   1,2630   2,760     155000276   LABOR   1,757   1,750   2,750   2,750   2,750     155000271   LABOR   1,757   1,750   2,750   2,750   2,750     155000271   LABOR   1,757   1,750   2,750   2,750   2,750   2,750   2,750   2,750   2,750   2,750   2,	155300285	EDUCATION EXPENSES					8%
155002622   MEDICARE	155300291	SOCIAL SECURITY-FICA	2,265	8,125		18.790	
158300259   WORKER'S COMPENSATION INSURANCE   1,874   6,638   19,939   13,301   33%   1533051   15330516   15330516   15330515   153300515   153300515   153300515   153300515	155300292	MEDICARE		1,900			30%
158300581   SEMINAR & TRAVEL EXPENSES	155300293	WORKER'S COMPENSATION INSURANCE	1,874				33%
155005303	155300518	SEMINAR & TRAVEL EXPENSES					0%
15530051	155300530	MAINT PIPELINE/FIRE HYDRANT	5,404	13,161	38,000		
155300535   BACKFLOW DEVICES   BOT   1,192   1,000   1,192   1,000   1,192   1,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193   3,000   1,193	155300531	LINE LOCATES				•	26%
15500555   BACKFLOW DEVICES   601   1,192   1,000   (192)   1109%   15500555   MAINTENANCE RESERVOIRS/TANKS   - 407   12,000   11,593   33%   155300537   MAINTENANCE RESERVOIRS/TANKS   - 407   12,000   11,593   33%   155300537   MAINTENANCE PRESSURE REGULATORS   2,113   5,146   9,000   3,854   57%   155300599   INVENTORY ADJUSTMENT   15,000   15,000   0%   15,000   0%   15,000   15,000   15,000   15,000   15,000   15,000   15,000   15,000   15,000   10			36,358	70,330	128,000	57,670	55%
155300588   MAINTENANCE RESERVOIRS/TANKS   - 407   12,000   11,593   3%   3%   355300537   MAINTENANCE PRESSURE REGULATORS   2,113   5,146   9,000   3,854   57%   155300539   INVENTORY ADJUSTMENT   15,000   15,000   0%   155300540   INVENTORY PURCHASE DISCOUNTS   - (90)   (2,300)   (2,210)   4%   4%   08SOLETE OR DAMAGED INVENTORY   10,000   10,000   10,000   0%   155300540   MAINTENANCE	155300535	BACKFLOW DEVICES	601	1,192	1,000	(192)	119%
155300537   MAINTENANCE PRESSURE REGULATORS   2,113   5,146   9,000   3,854   57%   155300540   INVENTORY ADJUSTMENT   -	155300536			407			3%
155500539	155300537		2,113	5,146			57%
155300549   INVENTORY PURCHASE DISCOUNTS   - (90) (2,300) (2,210)   4%   155300541   OBSOLETE OR DAMAGED INVENTORY   10,000   10,000   0%   155300541   OBSOLETE OR DAMAGED INVENTORY   2550   2550   0%   70   10   10   10   10   10   10   10	155300539	INVENTORY ADJUSTMENT					0%
155300541	155300540	INVENTORY PURCHASE DISCOUNTS		(90)			4%
155300568   RANDOM DRUG TEST	155300541	OBSOLETE OR DAMAGED INVENTORY					0%
In House Inspections	155300568	RANDOM DRUG TEST		<u> </u>			0%
155350271         LABOR         1590         6,704         15,400         8,696         44%           155350281         HEALTH INSURANCE         415         1,572         3,000         1,428         52%           155350282         RETIREMENT/CALPERS         520         2,192         2,400         208         91%           155350283         LIFE INSURANCE         12         45         250         205         18%           155350284         UNIFORMS, EMPLOYEE BENEFITS         -         -         250         250         0%           155350293         SOCIAL SECURITY-FICA         100         417         1,350         933         31%           155350293         MEDICARE         23         97         350         253         28%           155350293         WORKER'S COMPENSATION INSURANCE         104         343         1,000         657         34%           155400281         LIFE INSURANCE         9,145         36,509         123,342         86,833         30%           155400281         HEALTH INSURANCE         3,122         12,654         48,133         35,479         26%           155400281         HEALTH INSURANCE         62         235         874         639 </td <td></td> <td>Total transmission and distribution</td> <td>107,963</td> <td>314,491</td> <td>964,093</td> <td>649,602</td> <td>33%</td>		Total transmission and distribution	107,963	314,491	964,093	649,602	33%
155350271         LABOR         1590         6,704         15,400         8,696         44%           155350281         HEALTH INSURANCE         415         1,572         3,000         1,428         52%           155350282         RETIREMENT/CALPERS         520         2,192         2,400         208         91%           155350283         LIFE INSURANCE         12         45         250         205         18%           155350284         UNIFORMS, EMPLOYEE BENEFITS         -         -         250         250         0%           155350293         SOCIAL SECURITY-FICA         100         417         1,350         933         31%           155350293         MEDICARE         23         97         350         253         28%           155350293         WORKER'S COMPENSATION INSURANCE         104         343         1,000         657         34%           155400281         LIFE INSURANCE         9,145         36,509         123,342         86,833         30%           155400281         HEALTH INSURANCE         3,122         12,654         48,133         35,479         26%           155400281         HEALTH INSURANCE         62         235         874         639 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
155350281   HEALTH INSURANCE	156250271		4500				
155350282   RETIREMENT/CALPERS   520   2,192   2,400   208   91%     155350283   LIFE INSURANCE   12   45   250   205   18%     155350284   UNIFORMS, EMPLOYEE BENEFITS   250   250   0%     155350291   SOCIAL SECURITY-FICA   100   417   1,350   933   31%     155350292   MEDICARE   23   97   350   253   28%     155350293   WORKER'S COMPENSATION INSURANCE   104   343   1,000   657   34%     155350293   WORKER'S COMPENSATION INSURANCE   104   343   1,000   12,630   47%     155400271   LABOR   9,145   36,509   123,342   86,833   30%     155400281   HEALTH INSURANCE   3,122   12,654   48,133   35,479   26%     155400282   RETIREMENT/CALPERS   1,552   9,395   28,758   19,363   33%     155400283   LIFE INSURANCE   62   235   874   639   27%     155400284   UNIFORMS, EMPLOYEE BENEFITS   750   750   0%     155400285   EDUCATION EXPENSES   400   400   0%     155400291   SOCIAL SECURITY-FICA   568   2,265   7,647   5,382   30%     155400292   MEDICARE   133   530   1,788   1,258   30%     155400293   WORKER'S COMPENSATION   511   1,722   5,438   3,716   32%     155400280   RANDOM DRUG TEST   300   300   0%     155400568   RANDOM DRUG TEST   200   200   0%						•	
155350283							
155350284   UNIFORMS, EMPLOYEE BENEFITS							
155350291   SOCIAL SECURITY-FICA   100   417   1,350   933   319%   350   253   28%   28%   23   97   350   253   28%   25350293   WORKER'S COMPENSATION INSURANCE   104   343   1,000   657   34%   2765   11,370   24,000   12,630   47%   2600000000000000000000000000000000000			12	45			
155350292   MEDICARE   23 97 350 253 28%							
155350293   WORKER'S COMPENSATION INSURANCE   104   343   1,000   657   34%							
Customer accounts           155400271         LABOR         9,145         36,509         123,342         86,833         30%           155400281         HEALTH INSURANCE         3,122         12,654         48,133         35,479         26%           155400282         RETIREMENT/CALPERS         1,552         9,395         28,758         19,363         33%           155400283         LIFE INSURANCE         62         235         874         639         27%           155400284         UNIFORMS, EMPLOYEE BENEFITS         -         -         750         750         0%           155400285         EDUCATION EXPENSES         -         -         400         400         0%           155400291         SOCIAL SECURITY-FICA         568         2,265         7,647         5,382         30%           155400292         MEDICARE         133         530         1,788         1,258         30%           155400293         WORKER'S COMPENSATION         511         1,722         5,438         3,716         32%           155400518         SEMINAR & TRAVEL EXPENSES         -         -         -         300         300         0%           155400568         RANDOM DRUG TEST							
Customer accounts           155400271         LABOR         9,145         36,509         123,342         86,833         30%           155400281         HEALTH INSURANCE         3,122         12,654         48,133         35,479         26%           155400282         RETIREMENT/CALPERS         1,552         9,395         28,758         19,363         33%           155400283         LIFE INSURANCE         62         235         874         639         27%           155400284         UNIFORMS, EMPLOYEE BENEFITS         -         -         750         750         0%           155400285         EDUCATION EXPENSES         -         -         400         400         0%           155400291         SOCIAL SECURITY-FICA         568         2,265         7,647         5,382         30%           155400292         MEDICARE         133         530         1,788         1,258         30%           155400293         WORKER'S COMPENSATION         511         1,722         5,438         3,716         32%           155400518         SEMINAR & TRAVEL EXPENSES         -         -         -         -         300         300         0%           155400568         <	133330283	WORKER'S COMPENSATION INSURANCE					
155400271       LABOR       9,145       36,509       123,342       86,833       30%         155400281       HEALTH INSURANCE       3,122       12,654       48,133       35,479       26%         155400282       RETIREMENT/CALPERS       1,552       9,395       28,758       19,363       33%         155400283       LIFE INSURANCE       62       235       874       639       27%         155400284       UNIFORMS, EMPLOYEE BENEFITS       -       -       -       750       750       0%         155400285       EDUCATION EXPENSES       -       -       400       400       0%         155400291       SOCIAL SECURITY-FICA       568       2,265       7,647       5,382       30%         155400292       MEDICARE       133       530       1,788       1,258       30%         155400293       WORKER'S COMPENSATION       511       1,722       5,438       3,716       32%         155400518       SEMINAR & TRAVEL EXPENSES       -       -       -       300       300       0%         155400568       RANDOM DRUG TEST       -       -       -       200       200       0%		Customer accounts	2703	11,370	24,000	12,030	4/%
155400281         HEALTH INSURANCE         3,122         12,654         48,133         35,479         26%           155400282         RETIREMENT/CALPERS         1,552         9,395         28,758         19,363         33%           155400283         LIFE INSURANCE         62         235         874         639         27%           155400284         UNIFORMS, EMPLOYEE BENEFITS         -         -         -         750         750         0%           155400285         EDUCATION EXPENSES         -         -         400         400         0%           155400291         SOCIAL SECURITY-FICA         568         2,265         7,647         5,382         30%           155400292         MEDICARE         133         530         1,788         1,258         30%           155400293         WORKER'S COMPENSATION         511         1,722         5,438         3,716         32%           155400518         SEMINAR & TRAVEL EXPENSES         -         -         -         300         300         0%           155400568         RANDOM DRUG TEST         -         -         -         200         200         0%	155400271		0.145	26 500	122 242	96 922	200/
155400282         RETIREMENT/CALPERS         1,552         9,395         28,758         19,363         33%           155400283         LIFE INSURANCE         62         235         874         639         27%           155400284         UNIFORMS, EMPLOYEE BENEFITS         -         -         -         750         750         0%           155400285         EDUCATION EXPENSES         -         -         400         400         0%           155400291         SOCIAL SECURITY-FICA         568         2,265         7,647         5,382         30%           155400292         MEDICARE         133         530         1,788         1,258         30%           155400293         WORKER'S COMPENSATION         511         1,722         5,438         3,716         32%           155400518         SEMINAR & TRAVEL EXPENSES         -         -         -         300         300         0%           155400568         RANDOM DRUG TEST         -         -         200         200         0%							
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155400291         SOCIAL SECURITY-FICA         568         2,265         7,647         5,382         30%           155400292         MEDICARE         133         530         1,788         1,258         30%           155400293         WORKER'S COMPENSATION         511         1,722         5,438         3,716         32%           155400518         SEMINAR & TRAVEL EXPENSES         -         -         -         300         300         0%           155400568         RANDOM DRUG TEST         -         -         200         200         0%							
155400292         MEDICARE         133         530         1,788         1,258         30%           155400293         WORKER'S COMPENSATION         511         1,722         5,438         3,716         32%           155400518         SEMINAR & TRAVEL EXPENSES         -         -         -         300         300         0%           155400568         RANDOM DRUG TEST         -         -         -         200         200         0%			560	2 265			
155400293         WORKER'S COMPENSATION         511         1,722         5,438         3,716         32%           155400518         SEMINAR & TRAVEL EXPENSES         -         -         -         300         300         0%           155400568         RANDOM DRUG TEST         -         -         -         200         200         0%				•			
155400518         SEMINAR & TRAVEL EXPENSES         -         -         300         300         0%           155400568         RANDOM DRUG TEST         -         -         200         200         0%							
155400568 RANDOM DRUG TEST 200 200 0%			511	1,722			
200 200 076							
10tal customer accounts 15,094 63,308 217,630 154,322 29%							
		i oral customer accounts	15,094	63,308	217,630	154,322	29%

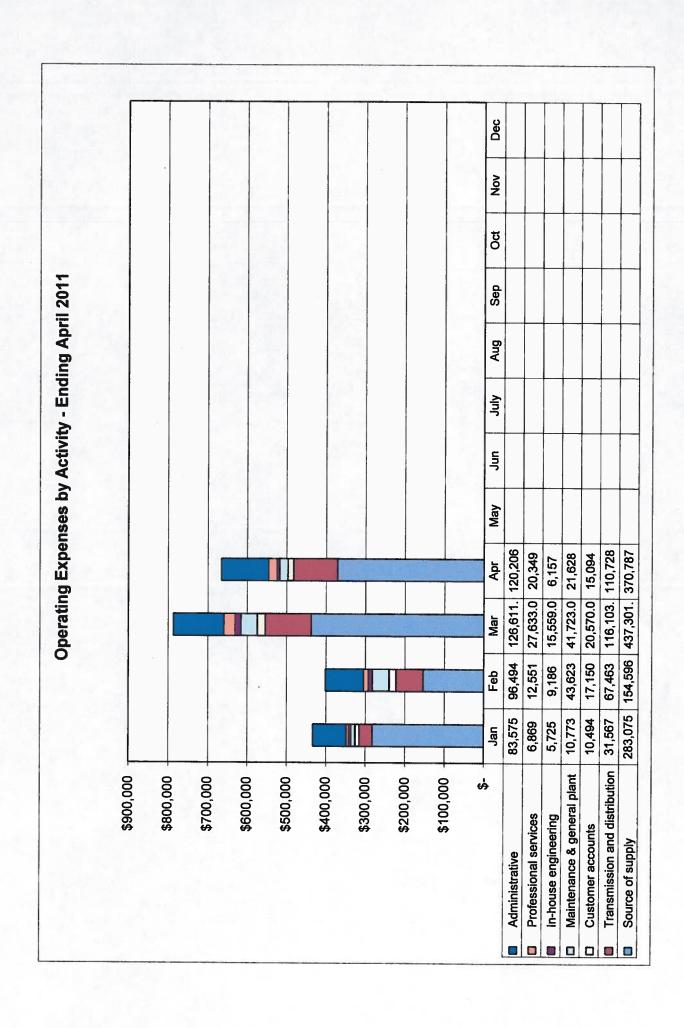
		Current Month	Actual - YTD	Adopted Budget	Budget Remaining	Percent of the Budget
	Maintenance & general plant					
From 1-5-						
5610515 to 155640591	UTILITIES - DISTRICT PROPERTIES	6.497	00.054	04 500	00.440	
155700589	AUTO/FUEL	6,187	29,051	91,500	62,449	32%
155700590	SAFETY EQUIPMENT	6,523 57	23,764 279	86,722	62,958	27%
155700591	COMMUNICATION MAINTENANCE	360	360	9,100 700	8,821 340	3%
155700592	REPAIR & MAINT OF GEN EQUIPMENT	912	2,822	8,000	5,178	51%
155700593	REPAIR VEHICLES AND TOOLS	(10,383)	2,022	0,000	5,176	35% 0%
155700594	LARGE EQUIPMENT MAINTENANCE	196	7,640	30,000	22,360	25%
155700595	EQUIP. PREVENTATIVE MAINTENANCE	(100)	7,040	30,000	22,360	0%
155700596	FLEET REPAIR/MAINTENANCE	11,993	15,869	33,046	17,177	48%
155700597	MAINT GENERAL PLANT (BUILDINGS)	78	1,623	3,000	1,377	54%
155700598	LANDSCAPE MAINTENANCE	4,734	25,778	75,000	49,222	34%
155700601	RECHARGE FAC, CANYON & POND MAINTENANCE	1,072	9,254	40,000	30,746	23%
	Total maintenance & general plant	21,628	116,441	377,068	260,627	31%
	In-House engineering					
155800271	LABOR	4,765	26,759	104,000	77 244	269/
155800281	HEALTH INSURANCE	368	1,557	5,735	77,241 4,178	26% 27%
155800282	RETIREMENT/CALPERS	483	3,886	12,000	8,114	32%
155800283	LIFE INSURANCE	26	111	400	289	28%
155800285	EDUCATION EXPENSE	20	1,642	5,000	3,358	33%
155800291	SOCIAL SECURITY-FICA	295	1,659	6,459		26%
155800292	MEDICARE	69	388	1,510	4,800	
155800293	WORKER'S COMPENSATION	150	626	1,903	1,122 1,277	26%
155800518	SEMINAR & TRAVEL EXPENSES	130	020	500	500	33%
155800546	SOFTWARE LICENSING			4,000	4,000	0% 0%
	Total in-house engineering	6,157	36,628	141,507	104,879	26%
	Professional services					
155810611	GENERAL LEGAL	20,349	49,206	150,000	100,794	33%
155810614	AUDIT		5,442	23,000	17,558	24%
155820611	GENERAL ENGINEERING		4,045	50,000	45,955	8%
155820612	DEVELOPMENT - REIMB. ENGINEERING		6,593	6,000	(593)	110%
155820615	ENGINEERING - PERMITTING (REC WATER)	-	2,116	4,000	1,884	53%
	Total professional services	20,349	67,402	233,000	165,598	29%
	General and administrative					
155500271	LABOR	48,360	185,784	875,991	690,207	21%
155500281	HEALTH INSURANCE	11,599	39,090	224,132	185,042	17%
155500282	RETIREMENT/CALPERS	11,392	43,887	199,772	155,885	22%
155500283	LIFE INSURANCE	308	998	6,028	5,030	17%
155500284	UNIFORMS EMPLOYEE BENEFIT			1,000	1,000	0%
155500285	EDUCATION EXPENSES		110	0	(110)	0%
155500291	SOCIAL SECURITY	2,998	11,501	54,311	42,810	21%
155500292	MEDICARE	701	2,690	12,701	10,011	21%
155500293	WORKER'S COMPENSATION INSURANCE	499	2,380	7,521	5,141	32%
155500294	UNEMPLOYMENT INSURANCE		_,	13,000	13,000	0%
155500518	SEMINAR & TRAVEL EXPENSES		775	2,000	1,225	39%

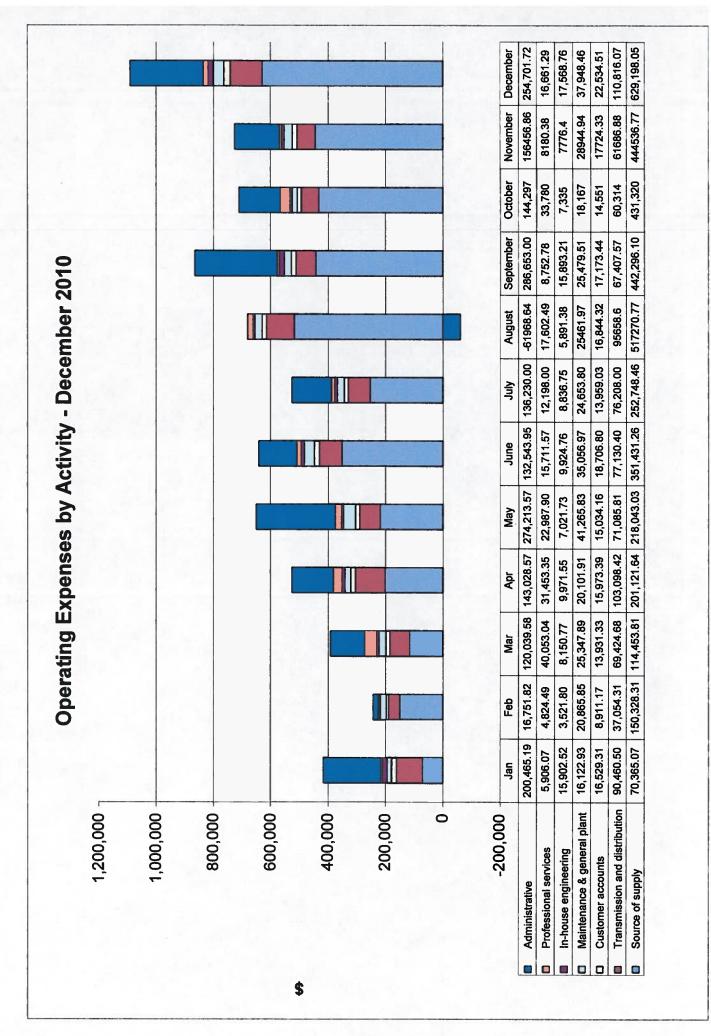
		Current Month	Actual - YTD	Adopted Budget	Budget Remaining	Percent of the Budget
155500547	EMPLOYER SHARE FOR RETIRED (CALPERS)	569	2,275	6,000	3,725	38%
155500548	ADMINISTRATIVE COSTS (CALPERS)	141	563	1,600	1,037	35%
155500549	BANK CHGS/MONEY MARKET/TRANS. FEES	2,298	8,791	26,000	17,209	34%
155500553	TEMPORARY LABOR			20,000	20,000	0%
155500555	OFFICE SUPPLIES	3,020	15,416	32,150	16,734	48%
155500556	OFFICE EQUIPMENT/SERVICE AGREEMENTS	6,305	26,554	69,050	42,496	38%
155500557	OFFICE MAINTENANCE	1,101	4,404	14,000	9,596	31%
155500558	MEMBERSHIP DUES	1,575	7,627	30,000	22,373	25%
155500560	OFFICE EQUIP.MAINT. & REPAIRS	-		3,950	3,950	0%
155500561	POSTAGE	10,058	16,646	48,000	31,354	35%
155500562	SUBSCRIPTIONS	198	1,238	5,000	3,762	25%
155500563	MISCELLANEOUS OPERATING SUPPLIES	905	1,045	7,700	6,655	14%
155500564	MISCELLANEOUS TOOLS/EQUIPMENT	2,274	2,274	4,092	1,818	56%
155500567	EMPLOYEE MEDICAL/FIRST AID	130	130	500	370	26%
155500568	RANDOM DRUG TESTING			300	300	0%
155500570	PROPERTY/AUTO/GEN LIABILITY INSURANCE	7,477	29,907	100,000	70,093	30%
155500572	STATE MANDATES AND TARIFFS		1,545	32,000	30,455	5%
155500573	MISCELLANEOUS EXPENSES	2,271	3,290	4,500	1,210	73%
155500574	PUBLIC EDUCATION	Control of the	- I	10,000	10,000	0%
155500575	PROPERTY DAMAGE		150	2,000	1,850	8%
155500578	IT SUPPORT/SOFTWARE SUPPORT	5,436	13,085	45,000	31,915	29%
155500630	BAD DEBT EXPENSES	-		0	0	0%
155510271	BOARD OF DIRECTOR FEES	540	4,357	48,850	44,493	9%
155510291	SOCIAL SECURITY-FICA	33	295	3,010	2,715	10%
155510241	MEDICARE	8	69	500	431	14%
155510293	WORKER'S COMPENSATION	11	11	200	189	0%
155510551	SEMINAR & TRAVEL EXPENSES	•		1,000	1,000	0%
	Total Administrative (incl B of Directors)	120,206	426,886	1,951,145	1,524,259	- 22%
	120,205.68					
	Total operating expenses	664,949	2,282,285	7,749,755	5,467,470	29%
	Operation in some hefers depressiation	(54,000)	(00.000)			
	Operating income before depreciation	(54,838)	(90,956)	2,141,797	2,232,753	-4%
155700599	Depreciation	183,333	733,333	2,200,000	1,466,667	33%
	Operating Income Surplus/(Loss)	(238,171)	(824,289)	(58,203)	766,086	1416%
	Non-operating revenue					
144010446- 144020435	Interest Earnings	1,857	7,760	35,000	27,240	22%
144010412 and From 1-4-4011-					146	
412-to 144017515	Rental income	4 250	6 047	22.000	45 400	0.404
144010409	Reimbursement Insurance	1,352	6,817 33,766	22,000	15,183	31%
144030600	Grant Income ( adjust) before printing		33,700	33,000	(766) 75.000	102%
1-4-4010411-	C.S			75,000	75,000	0%
144010-449	Other non-operating revenues	4,252	11,671	31,000	19,329	38%

#### Beaumont-Cherry Valley Water District Statements of Revenues, Expenses, and Changes in Net Assets Detailed

#### Unaudited Through Apr 30, 2011

		Current Month	Actual - YTD	Adopted Budget	Budget Remaining	Percent of the Budget
	Total non-operating (revenues)	7,461	60,014	196,000	135,986	31%
	Non-operating Expenses					
155500587	Principal debit			722,500	722,500	0%
155500588	Interest on principal debit			137,270	137,270	0%
155500631-						
155820617	Other non operating expenses	1,527	9,021	18,432	9,411	49%
	Total non-operating (expenses)	1,527	9,021	878,202	869,181	1%
	Net surplus/(Loss) before capital contributions	(232,237)	(773,295)	(740,405)	902,072	-122%
(	Capital contributions:					
144020422-432	Facilities charges		118,515	740,405	621,890	16%
144020421	Front footage fees	_	-,	-	0	0%
	Total capital contributions		118,515	740,405	621,890	16%
	Change in net assets Surplus/(Loss)	(232,237)	(654,780)	-	-	0%





#### Beaumont-Cherry Valley Water District Month-end Financial Statement Cash and Investments (Unaudited) As of April 30, 2011

Restricted:	
Debt service	91,450
Construction _	44,808
Total =	5,338,707
Cash and cash equivalents consist of the following:	
Petty cash	1,400
Deposits with financial institutions	5,201,048
Total cash and cash equivalents	5,202,448

#### Beaumont-Cherry Valley Water District Bank of America Note Reconciliation April 30, 2011

	FY2011
Balance of Funds received on March 31, 2010	\$215,489.22
Add: FY 2011 Year to date Interest earned	\$72.71
Less: reimbursement for costs incurred	
on capital projects	
2800 Zone Tank	
24" Recycled - Brookside	
1 MG Reservoir/Booster	\$69,903.47
24" Recycled - Westerly Loop Phase 4B	
Ring Ranch Rd	
24" Recycled - Westerly Loop Phase 4A	\$100,849.98
Total	\$170,753.45
Capital Project Fund balance	\$44,808.48

#### Record of the Minutes of the Special Board Meeting of the Board of Directors of the BEAUMONT CHERRY VALLEY WATER DISTRICT May 6, 2011

#### CALL TO ORDER, PRESIDENT BALL

President Ball called the meeting to order at 4:30 p.m., 560 Magnolia Avenue, Beaumont, California.

#### PLEDGE OF ALLEGIANCE, DIRECTOR ROSS

Director Ross led the pledge.

#### INVOCATION, DIRECTOR GULDSETH

Director Guldseth recited an invocation.

#### **ROLL CALL, BLANCA MARIN**

Those responding to roll call were President Ball, Vice President Woll and Directors Earhart Guldseth and Ross. Also present at this meeting were General Counsel Gil Granito, Interim General Manager Anthony Lara and Executive Assistant Blanca Marin.

There was no public present at this meeting.

#### **PUBLIC INPUT**

There was no public input presented.

#### **ACTION ITEMS**

#### 1. ADOPTION OF THE AGENDA

Director Woll moved to adopt the agenda as presented. Director Earhart seconded. The motion passed unanimously.

#### 2. CLOSED SESSION

At this time the Board will go into Closed Session pursuant to Government Code Section 54957 to interview candidates concerning the appointment to the General Manager position.

President Ball adjourned the meeting to Closed Session at 4:33 p.m.

#### 3. OPEN SESSION- REPORT ON CLOSED SESSION

General Counsel Gil Granito reported that the Board did go into Closed Session as agendized at approximately 4:33 p.m., and that this Closed Session was held pursuant to Government Code Section 54957 to interview candidates concerning the appointment to the general manager's position. During the Closed Session the Board resumed the process of interviewing the candidates for the general manager position and this is still a work in progress. No further reportable action was reported.

#### 4. ADJOURNMENT

Director Earhart moved to adjourn. Director Woll seconded. The motion passed unanimously.

President Ball adjourned the meeting at 9:33 p.m.

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

Attest:

Kenneth Ross, Secretary to the Board of Directors of the Beaumont Cherry Valley Water District

# RECORD OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT May 11, 2011

#### CALL TO ORDER, PRESIDENT BALL

President Ball called the meeting to order at 7:00 p.m., 560 Magnolia Avenue, Beaumont, California.

#### PLEDGE OF ALLEGIANCE, DIRECTOR EARHART

Director Earhart led the pledge.

#### INVOCATION, DIRECTOR ROSS

Director Ross recited an invocation.

#### **ROLL CALL, BLANCA MARIN**

Those responding to roll call were President Ball and Directors Earhart Guldseth and Ross. Vice President Woll was absent at this meeting. Also present at this meeting were General Counsel Gil Granito, Interim General Manager Anthony Lara, Executive Assistant Blanca Marin and Superintendant Knute Dahlstrom.

#### Public Present:

Patsy Reeley Bill Dickson
Frances Flanders Ray Morris
Niki Magee David Castaldo
Barbara Voigt Barbara Brown

#### **PUBLIC INPUT**

No public input presented at this time.

#### **ACTION ITEMS**

#### 1. ADOPTION OF THE AGENDA

Director Earhart moved to adopt the agenda as presented. Director Guldseth seconded. The motion passed with Vice President Woll absent.

- 2. CONSENT CALENDAR: Matters listed in the Consent Calendar are considered to be routine and will be approved by one motion as recommended. There will be no separate discussion unless Board or Staff Member request separate discussion prior to approval.
- a. April 2011 Bills for Consideration\*\*
- b. April 2011 Invoices Pending Approval\*\*
- c. March 2011 Month End Financial Statement\*\*
- d. Minutes of the Regular Meeting of April 13, 2011\*\*
- e. Minutes of the Special Meeting of April 28, 2011\*\*

Director Ross moved to approve the Consent Calendar as presented. Director Earhart seconded. The motion passed with Vice President Woll absent.

3. APPROVAL OF PURCHASE OF SURPLUS WATER FROM SOUTH MESA MUTUAL WATER COMPANY\*\*

Director Ross invited Patsy Reeley to address the Board on this item. Mrs. Reeley requested that the Board take into consideration that the purchase of water is "not wet water".

Interim General Manager Anthony Lara provided a brief report on this item indicating that the District needs to purchase all water available.

Director Guldseth moved to approve the purchase of surplus water from South Mesa Mutual Water Company. Director Earhart seconded. The motion passed with Vice President Woll absent.

#### 4. REPORTS FOR DISCUSSION AND POSSIBLE ACTION

(a) Ad hoc Committees – President Ball reported that he, along with Director Ross, as a new ad hoc committee met with officials from the City of Beaumont regarding disaster preparedness. He further recommended that Staff and other board members become involved in these types of meetings related to disasters in order to be better prepared to assist people in case of natural disasters. He indicated that the City of Beaumont will host some of these trainings in the next months.

#### (b) General Manager

- Presentation on Preliminary Imported Water Allocation Concepts- Lara provided a slide show on this item and he further answered questions from the Board.
- Proposed dates for June meetings- Lara requested that the next Finance & Audit and Regular Board Meetings for June be changed due to the Memorial Day holiday.

#### (c) Directors

- Dr. Blair Ball- None
- James Earhart- None
- John Guldseth-None
- Ken Ross-None
- Ryan Woll-Absent
- (d) Legal Counsel- General Counsel Granito provided a report on assembly bills AB34 and AB457

#### 5. ANNOUNCEMENTS

- A) The District will be closed on May 30, 2011 for Memorial Day
- B) Finance & Audit Meeting, June 9, 2011 at 2:00 p.m.
- C) Regular Board Meeting, June 15, 2011 at 7:00 p.m.

#### 6. ACTION LIST

- LARA- Contact ACWA on information regarding AB34
- MARIN-Complete calendar of events for Board of Directors

#### 7. CLOSED SESSIONS- (THREE MATTERS)

President Ball adjourned the meeting into Closed Session at 7:45p.m.

A. A Closed Session will be held to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 (Re: Joseph Scott vs Beaumont Cherry Valley Water District, Superior Court of California, County of Riverside, Case No. RIC 10021518)

- B. A Closed Session will be held to confer with Legal Counsel pursuant to subdivision (c) of Government Code Section 54956.9 during which time, based on existing facts and circumstances, the Board will review and confirm its decision to initiate litigation against Richard L. Schaffner For Failure to Comply With Judgment re Case No. RIC 436913 (Beaumont Cherry Valley Water District vs. Richard L. Schaffner, Superior Court of California, County of Riverside)
- C. A Closed Session will be held to pursuant to Government Code Section 54957 to continue discussion concerning the recruitment/appointment to the General Manager position.

#### 8. OPEN SESSION REPORT ON CLOSED SESSION

President Ball reconvened the meeting to open session at 8:22 p.m.

General Counsel Gil Granito reported that the board did go into Closed Session as agendized in the agenda at approximately 7:45 p.m. During Closed Session Item 7A was held to confer with Legal Counsel on a matter pursuant to subdivision (a) of Government Code Section 54956.9, Joseph Scott vs Beaumont Cherry Valley Water District, Superior Court of California, County of Riverside, case No. RIC 10021518. There was no further reportable action.

General Counsel Gil Granito further reported that Item 7B was also held in Closed Session pursuant to subdivision (c) of Government Code Section 54956.9. During Closed Session the Board reviewed and confirmed initiation of litigation against Richard L Schaffner for failure to comply with Judgment regarding Case No. 436913.

General Counsel Gil Granito lastly reported that Item 7C was also held in Closed Session pursuant to Government Code Section 54957 to continue discussions concerning the recruitment/appointment to the General Manager's position. There was no further reportable action.

#### 9. ADJOURNMENT

Director Earhart moved to adjourn the meeting. Director Ross seconded. The motion passed with Director Woll absent.

President Ball adjourned the meeting at 8:25pm.

Dr. Blair Ball, President of the Board of Directors of the Beaumont Cherry Valley Water Distric
Attest:
Kenneth Ross, Secretary to the
Board of Directors of the

Beaumont Cherry Valley Water District



# Beaumont-Cherry Valley Water District Annual Financial Report December 31, 2010 and 2009





## Board of Directors as of December 31, 2010

Name	Title	Division	Current Term
Blair Ball	President	5	12/2010-12/2014
Ryan Woll	Vice-President	1	12/2008-12/2012
James Earhart	Treasurer	3	12/2010-12/2014
Ken Ross	Secretary	2	12/2008-12/2012
John Guldseth	Director	4	12/2010-12/2014

Anthony Lara, Interim General Manager Beaumont-Cherry Valley Water District 560 Magnolia Avenue Beaumont, California 92223-2258 (951) 845-9581 – www.bcvwd.org

# Beaumont-Cherry Valley Water District Annual Financial Report

For the Years Ended December 31, 2010 and 2009



#### Beaumont-Cherry Valley Water District Annual Financial Report For the Years Ended December 31, 2010 and 2009

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## **Financial Section**

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#### **Independent Auditor's Report**

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

We have audited the accompanying financial statements of the Beaumont-Cherry Valley Water District (District) as of and for the years ended December 31, 2010 and 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Beaumont-Cherry Valley Water District as of December 31, 2010 and 2009, and the respective changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

April 30, 2011 Cypress, California < Page Intentionally Left Blank >



# Beaumont-Cherry Valley Water District Management's Discussion and Analysis For the Years Ended December 31, 2010 and 2009

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Beaumont-Cherry Valley Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended December 31, 2010 and 2009. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

## **Financial Highlights**

- In 2010, the District's net assets increased \$66,849 to \$106,891,027. In 2009, the District's net assets decreased \$766,179 to \$106,824,178.
- In 2010, the District's total revenues increased 1.62% or \$147,722 due primarily from an increase in non-operating revenues of \$206,717. In 2009, the District's total revenues decreased 8.63% or \$862,080 due primarily to a \$592,161 decrease in water importation surcharge revenue collected and a \$532,497 decrease in development and installation charges collected.
- In 2010, the District's total expenses decreased 1.30% or 129,596 due primarily from a \$454,151 or 33% increase in the amount of purchased water, a \$492,083 or 16% decrease in the amount of labor costs due to a reduction in District staffing and a furlough program since April 2010 along with a \$225,186 or 10% decrease in overall depreciation expense. In 2009, the District's total expenses increased 7.78% or \$717,035 due primarily to a \$257,137 increase in operating expenses and a \$459,898 increase in depreciation expense.

#### **Required Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The District's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water service to the customers of the District are financed primarily through user charges.

The Statement of Net Assets includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

#### **Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

## **Beaumont-Cherry Valley Water District**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009

## **Financial Analysis of the District (Continued)**

These two statements report the District's *net assets* and the changes which occurred during the year. You can think of the District's net assets (the difference between assets and liabilities), as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

#### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

#### **Statement of Net Assets**

#### **Condensed Statements of Net Assets**

		2010	2009	_	Change
Assets:					
Current assets	\$	7,931,646	5,603,790	#	2,327,856
Non-current assets		1,206,412	302,542	#	903,870
Capital assets, net		104,330,836	103,938,452	_	392,384
<b>Total assets</b>	:	113,468,894	109,844,784	_	3,624,110
Liabilities:					
Current liabilities		2,919,454	2,861,585		57,869
Non-current liabilities		3,736,282	159,021	_	3,577,261
Total liabilities	<u>ر</u>	6,655,736	3,020,606	_	3,635,130
Net assets:					
Net investment in capital assets		99,800,836	103,938,452		(4,137,616)
Unrestricted		7,090,191	2,885,726	_	4,204,465
<b>Total net assets</b>		106,891,027	106,824,178	_	66,849
Total liabilities and net assets	\$	113,546,763	109,844,784	_	3,701,979

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$106,891,027 and \$106,824,178 as of December 31, 2010 and 2009, respectively.

By far the largest portion of the District's net assets (93% and 97% as of December 31, 2010 and 2009, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

At the end of fiscal year 2010 and 2009, the District showed a positive balance in its unrestricted net assets of \$7,090,191 and \$2,885,726, respectively. See Note 11 to the basic financial statements for further information.

## **Beaumont-Cherry Valley Water District**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009

## Statement of Revenues, Expenses and Changes in Net Assets

#### Condensed Statements of Revenues, Expenses and Changes in Net Assets

	_	2010	2009	Change
Revenues:				
Operating revenues	\$	8,965,462	9,024,457	(58,995)
Non-operating revenues	_	309,563	102,846	206,717
Total revenues	_	9,275,025	9,127,303	147,722
Expenses:				
Operating expenses		7,653,063	7,714,152	(61,089)
Depreciation and amortization		1,998,033	2,223,219	(225,186)
Non-operating expenses	_	156,679		156,679
Total expenses	-	9,807,775	9,937,371	(129,596)
Net income(loss) before capital contributions	_	(532,750)	(810,068)	277,318
Capital contributions	_	1,853,106	478,614	1,374,492
Change in net assets		1,320,356	(331,454)	1,651,810
Net assets, beginning of year		106,824,178	107,590,357	(766,179)
Prior period adjustment	-	(1,253,507)	(434,725)	(818,782)
Net assets, end of year	\$	106,891,027	106,824,178	66,849

The statement of revenues, expenses and changes of net assets shows how the District's net assets changed during the fiscal years. In the case of the District, net assets increased by \$66,849 which includes a prior period adjustment that decreased net assets in the amount of \$1,253,507 (See Note 2) for the fiscal year ended December 31, 2010 and decreased by \$766,179 which includes a prior period adjustment that decreased net assets in the amount of \$434,725 (See Note 2) for the fiscal year ended December 31, 2009.

A closer examination of the sources of changes in net assets reveals that:

In 2010, the District's total revenues increased 1.62% or \$147,722 due primarily from an increase in non-operating revenues of \$206,717. In 2009, the District's total revenues decreased 8.63% or \$862,080 due primarily to a \$592,161 decrease in water importation surcharge revenue collected and a \$532,497 decrease in development and installation charges collected.

In 2010, the District's total expenses decreased 1.30% or 129,596 due primarily from a \$454,151 or 33% increase in the amount of purchased water, a \$492,083 or 16% decrease in the amount of labor costs due to a reduction in District staffing and a furlough program since April 2010 along with a \$225,186 or 10% decrease in overall depreciation expense. In 2009, the District's total expenses increased 7.78% or \$717,035 due primarily to a \$257,137 increase in operating expenses and a \$459,898 increase in depreciation expense.

## **Beaumont-Cherry Valley Water District**

Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009

## **Capital Asset Administration**

At the end of fiscal year 2010 and 2009, the District's investment in capital assets amounted to \$104,330,836 and \$103,938,452, respectively, (net of accumulated depreciation). This investment in capital assets includes land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, equipment, and vehicles, etc. Major capital assets additions during the year included upgrades to the District's pumping plant and the transmission and distribution system. See Note 8 for further information.

Changes in capital asset amounts for the year were as follows:

	,	Balance 2009	Additions	Transfers/ Deletions	Balance 2010
Capital assets:					
Non-depreciable assets	\$	11,357,816	2,369,354	(5,692,488)	8,034,682
Depreciable assets		103,341,810	5,713,551	(45,767)	109,009,594
Accumulated depreciation and amortization		(10,761,174)	(1,998,033)	45,767	(12,713,440)
Total capital assets, net	\$	103,938,452	6,084,872	(5,692,488)	104,330,836
		Balance		Transfers/	Balance
		Balance 2008	Additions	Transfers/ Deletions	Balance 2009
Capital assets:	,		Additions		
Capital assets: Non-depreciable assets	\$		Additions 3,668,891		
•	\$	2008		Deletions	2009
Non-depreciable assets	\$	2008	3,668,891	Deletions	<b>2009</b> 11,357,816

## **Long-term Debt**

At the end of fiscal year 2010, the District had long-term debt totaling \$4,530,000. See Note 10 for further information.

Changes in long-term debt for the year were as follows:

		Balance		Principal	Balance
	_	2009	Additions	Payments	2010
Note payable	\$	-	5,000,000	(470,000)	4,530,000
Less current portion		-			(945,000)
Non-current portion	\$				3,585,000

## **Conditions Affecting Current Financial Position**

Management is unaware of any conditions that would have a significant impact on the District's financial position, net assets, or operating results in terms of past, present and future.

#### **Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Interim General Manager of Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, CA 92223-2258.

## **Basic Financial Statements**

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## Beaumont-Cherry Valley Water District Statements of Net Assets December 31, 2010 and 2009

Accrued interest receivable Accounts receivable – water sales and services, net (note 4) Accounts receivable – other, net (note 5) Accounts receivable – other, net (note 5)  Notes receivable – current portion, net (note 6)  Materials and supplies inventory Adenouses and deposits Total current assets  Non-current assets:  Non-current assets:  Notes receivable, net (note 6) Deferred charges, net (note 7) Capital assets, not being depreciated (note 8) Capital assets, being depreciated, net (note 8)  Total non-current assets  Total non-current assets  Accounts payable and accrued expenses Accrued salaries and benefits Accrued interest on long-term debt Long-term liabilities - due within one year: Compensated absences (note 9) Notes payable (note 10)  S7,210  1,097,764 1,097,737 69  Total 1,206,412 302 1,206,412 302 1,206,412 302 302 1,206,412 302 302 1,206,412 302 302 1,206,412 302 302 1,206,412 302 302 1,206,412 302 302 1,206,412 302 302 1,206,412 302 302 1,206,412 302 302 1,206,412 302	
Accrued interest receivable Accounts receivable – water sales and services, net (note 4) Accounts receivable – other, net (note 5) Accounts receivable – other, net (note 5)  Notes receivable – current portion, net (note 6)  Materials and supplies inventory Prepaid expenses and deposits  Total current assets  Non-current assets: Notes receivable, net (note 6)  Deferred charges, net (note 7) Capital assets, not being depreciated (note 8) Capital assets, being depreciated, net (note 8)  Total non-current assets  Accounts payable and accrued expenses Accrued salaries and benefits Accrued salaries and benefits Customer and other deposits Deferred revenue Accrued interest on long-term debt Long-term liabilities - due within one year: Compensated absences (note 9) Notes payable (note 10)  State of the total 1,097,764 11,097,764 16,067 1697,878 12,064,39 12,064,412 302 12	
Accounts receivable – water sales and services, net (note 4)  Accounts receivable – other, net (note 5)  Accounts receivable – other, net (note 5)  Notes receivable – current portion, net (note 6)  Materials and supplies inventory  Prepaid expenses and deposits  Total current assets  Non-current assets:  Notes receivable, net (note 6)  Deferred charges, net (note 7)  Capital assets, not being depreciated (note 8)  Capital assets, being depreciated, net (note 8)  Total non-current assets  **Individual assets**  **Individual	(note 3) \$ 5,687,027 3,944,495
Accounts receivable – other, net (note 5)  Notes receivable – current portion, net (note 6)  Notes receivable – current portion, net (note 6)  Materials and supplies inventory  Prepaid expenses and deposits  Total current assets  Non-current assets  Non-current assets:  Notes receivable, net (note 6)  Deferred charges, net (note 7)  Capital assets, not being depreciated (note 8)  Capital assets, being depreciated, net (note 8)  Total non-current assets  Total non-current assets  Liabilities and Net Assets  Current liabilities:  Accounts payable and accrued expenses  Accrued salaries and benefits  Accrued salaries and benefits  Customer and other deposits  Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  Say3,652  446,369  430  7,931,646  5,603  Non-current assets  1,206,412  302  77,869  1,206,412  302  302  403  4,246  4,248  2,146  46  Customer and other deposits  117,326  211  Deferred revenue  1,257,720  403  Accrued interest on long-term debt  Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  Say3,652  84  44  40  40  40  40  40  40  40  40	57,210 3,532
Notes receivable – current portion, net (note 6)         169,787         3           Materials and supplies inventory         446,369         430           Prepaid expenses and deposits         79,837         69           Total current assets         7,931,646         5,603           Non-current assets:         8         302           Notes receivable, net (note 6)         1,206,412         302           Deferred charges, net (note 7)         77,869         11,357           Capital assets, not being depreciated (note 8)         8,034,683         11,357           Capital assets, being depreciated, net (note 8)         96,296,153         92,580           Total non-current assets         105,615,117         104,240           Liabilities and Net Assets           Current liabilities:           Accounts payable and accrued expenses         \$ 474,238         2,146           Accrued salaries and benefits         36,465         46           Customer and other deposits         117,326         211           Deferred revenue         1,257,720         403           Accrued interest on long-term debt         38,278           Long-term liabilities - due within one year:         50,427         53           Compensated absences (note 9)	er sales and services, net (note 4) 1,097,764 1,067,785
Materials and supplies inventory         446,369         430           Prepaid expenses and deposits         79,837         69           Total current assets         7,931,646         5,603           Non-current assets:         8,031,645         302           Notes receivable, net (note 6)         1,206,412         302           Deferred charges, net (note 7)         77,869         1,357           Capital assets, not being depreciated (note 8)         8,034,683         11,357           Capital assets, being depreciated, net (note 8)         96,296,153         92,580           Total non-current assets         105,615,117         104,240           Total assets         \$ 113,546,763         109,844           Liabilities and Net Assets           Current liabilities:         \$ 474,238         2,146           Accrued salaries and benefits         36,465         46           Customer and other deposits         117,326         211           Deferred revenue         1,257,720         403           Accrued interest on long-term debt         38,278           Long-term liabilities - due within one year:         50,427         53           Compensated absences (note 9)         50,427         53           Notes payable (note 10)	er, net (note 5) 393,652 84,116
Prepaid expenses and deposits         79,837         69           Total current assets         7,931,646         5,603           Non-current assets:         1,206,412         302           Deferred charges, net (note 6)         77,869         77,869           Capital assets, not being depreciated (note 8)         8,034,683         11,357           Capital assets, being depreciated, net (note 8)         96,296,153         92,580           Total non-current assets         105,615,117         104,240           Total assets         \$ 113,546,763         109,844           Current liabilities:           Accounts payable and accrued expenses         \$ 474,238         2,146           Accrued salaries and benefits         36,465         46           Customer and other deposits         117,326         211           Deferred revenue         1,257,720         403           Accrued interest on long-term debt         38,278           Long-term liabilities - due within one year:         50,427         53           Compensated absences (note 9)         50,427         53           Notes payable (note 10)         945,000         945,000	portion, net (note 6) 169,787 3,803
Total current assets   7,931,646   5,603	entory 446,369 430,758
Non-current assets:         Notes receivable, net (note 6)       1,206,412       302         Deferred charges, net (note 7)       77,869       77,869         Capital assets, not being depreciated (note 8)       8,034,683       11,357         Capital assets, being depreciated, net (note 8)       96,296,153       92,580         Total non-current assets       105,615,117       104,240         Liabilities and Net Assets         Current liabilities:         Accounts payable and accrued expenses       \$ 474,238       2,146         Accrued salaries and benefits       36,465       46         Customer and other deposits       117,326       211         Deferred revenue       1,257,720       403         Accrued interest on long-term debt       38,278         Long-term liabilities - due within one year:       50,427       53         Notes payable (note 10)       945,000       50,427       53	sits 79,837 69,301
Notes receivable, net (note 6)         1,206,412         302           Deferred charges, net (note 7)         77,869           Capital assets, not being depreciated (note 8)         8,034,683         11,357           Capital assets, being depreciated, net (note 8)         96,296,153         92,580           Total non-current assets         105,615,117         104,240           Liabilities and Net Assets           Current liabilities:           Accounts payable and accrued expenses         \$ 474,238         2,146           Accrued salaries and benefits         36,465         46           Customer and other deposits         117,326         211           Deferred revenue         1,257,720         403           Accrued interest on long-term debt         38,278           Long-term liabilities - due within one year:         50,427         53           Compensated absences (note 9)         50,427         53           Notes payable (note 10)         945,000	7,931,646 5,603,790
Deferred charges, net (note 7)	
Capital assets, not being depreciated (note 8)       8,034,683       11,357         Capital assets, being depreciated, net (note 8)       96,296,153       92,580         Total non-current assets       105,615,117       104,240         Liabilities and Net Assets         Current liabilities:         Accounts payable and accrued expenses       \$ 474,238       2,146         Accrued salaries and benefits       36,465       46         Customer and other deposits       117,326       211         Deferred revenue       1,257,720       403         Accrued interest on long-term debt       38,278         Long-term liabilities - due within one year:       50,427       53         Notes payable (note 10)       945,000       50,427       53	6) 1,206,412 302,542
Capital assets, being depreciated, net (note 8)       96,296,153       92,580         Total non-current assets       105,615,117       104,240         Total assets         Liabilities and Net Assets         Current liabilities:         Accounts payable and accrued expenses         Accrued salaries and benefits       36,465       46         Customer and other deposits       117,326       211         Deferred revenue       1,257,720       403         Accrued interest on long-term debt       38,278         Long-term liabilities - due within one year:       50,427       53         Compensated absences (note 9)       50,427       53         Notes payable (note 10)       945,000	- 77,869
Total non-current assets         105,615,117         104,240           Total assets         \$ 113,546,763         109,844           Liabilities and Net Assets           Current liabilities:           Accounts payable and accrued expenses         \$ 474,238         2,146           Accrued salaries and benefits         36,465         46           Customer and other deposits         117,326         211           Deferred revenue         1,257,720         403           Accrued interest on long-term debt         38,278           Long-term liabilities - due within one year:         50,427         53           Compensated absences (note 9)         50,427         53           Notes payable (note 10)         945,000	epreciated (note 8) 8,034,683 11,357,816
Total assets \$ 113,546,763 109,844  Liabilities and Net Assets  Current liabilities:  Accounts payable and accrued expenses \$ 474,238 2,146  Accrued salaries and benefits 36,465 46  Customer and other deposits 117,326 211  Deferred revenue 1,257,720 403  Accrued interest on long-term debt 38,278  Long-term liabilities - due within one year:  Compensated absences (note 9) 50,427 53  Notes payable (note 10) 945,000	ciated, net (note 8) 96,296,153 92,580,636
Liabilities and Net Assets  Current liabilities:  Accounts payable and accrued expenses  Accrued salaries and benefits  Customer and other deposits  Deferred revenue  Accrued interest on long-term debt  Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  System  \$ 474,238	105,615,117 104,240,994
Current liabilities:  Accounts payable and accrued expenses  Accrued salaries and benefits  Customer and other deposits  Deferred revenue  Accrued interest on long-term debt  Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  \$\$\frac{474,238}{36,465} & \frac{46}{46}\$	\$ <u>113,546,763</u> <u>109,844,784</u>
Accounts payable and accrued expenses  Accrued salaries and benefits  Customer and other deposits  Deferred revenue  Accrued interest on long-term debt  Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  \$\frac{474,238}{36,465} & 46} \\ 117,326 & 211} \\ 1,257,720 & 403} \\ 38,278 \\ 50,427 & 53	ilities and Net Assets
Accounts payable and accrued expenses  Accrued salaries and benefits  Customer and other deposits  Deferred revenue  Accrued interest on long-term debt  Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  \$\frac{474,238}{36,465} & 46} \\ 117,326 & 211} \\ 1,257,720 & 403} \\ 38,278 \\ 50,427 & 53	
Accrued salaries and benefits  Customer and other deposits  Deferred revenue  Accrued interest on long-term debt  Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  36,465  117,326  211  212  403  38,278  53  Notes payable (note 10)	ued expenses \$ 474,238 2,146,532
Customer and other deposits  Deferred revenue  Accrued interest on long-term debt Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  117,326 1,257,720 403 38,278 50,427 53	·
Deferred revenue  Accrued interest on long-term debt  Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  1,257,720  38,278  50,427  53	
Accrued interest on long-term debt Long-term liabilities - due within one year:  Compensated absences (note 9) Notes payable (note 10)  38,278  50,427 53  945,000	
Long-term liabilities - due within one year:  Compensated absences (note 9)  Notes payable (note 10)  50,427  945,000	
Notes payable (note 10) 945,000	
	(note 9) 50,427 53,007
Total current liabilities 2,919,454 2,861	945,000
	2,919,454 2,861,585
Non-current liabilities:	
Long-term liabilities - due in more than one year:	in more than one year:
Compensated absences (note 9) 151,282 159	(note 9) 151,282 159,021
Notes payable (note 10) 3,585,000	3,585,000
Total non-current liabilities 3,736,282 159	ities 3,736,282 159,021
<b>Total liabilities</b> 6,655,736 3,020	6,655,736 3,020,606
Net assets: (note 11)	
Investment in capital assets, net of related debt 99,800,836 103,938	s, net of related debt 99,800,836 103,938,452
Unrestricted 7,090,191 2,885	7,090,191 2,885,726
<b>Total net assets</b> 106,891,027 106,824	106,891,027 106,824,178
Total liabilities and net assets \$\\\ \begin{array}{cccccccccccccccccccccccccccccccccccc	s and net assets \$ 113,546,763 109,844,784

## Beaumont-Cherry Valley Water District Statements of Revenues, Expenses and Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	2010	2009
Operating revenues:		
Water consumption sales \$	4,170,001	4,651,105
Water service charges	1,810,098	1,796,816
Water importation surcharges	1,025,996	768,624
Water pumping power surcharges	1,349,287	1,263,040
Development and installation charges	228,986	282,049
Other charges for services	381,094	262,823
Total operating revenues	8,965,462	9,024,457
Operating expenses:		
Source of supply	1,815,459	1,361,308
Pumping	2,066,259	2,250,629
Transmission and distribution	984,890	1,129,191
Engineering	187,758	397,285
Customer accounts	193,713	174,322
General and administrative	2,404,984	2,401,417
Total operating expenses	7,653,063	7,714,152
Operating income before depreciation and amortization	1,312,399	1,310,305
Depreciation and amortization	(1,998,033)	(2,223,219)
Operating loss	(685,634)	(912,914)
Non-operating revenue(expense):		
Interest earnings	89,198	54,576
Rental income	22,031	10,027
Other non-operating revenues	193,834	38,243
Gain on sale of assets	4,500	-
Interest expense	(38,278)	-
Amortization of deferred charges	(13,742)	-
Other non-operating expenses	(104,659)	
Total non-operating revenues, net	152,884	102,846
Net loss before capital contributions	(532,750)	(810,068)
Capital contributions:		
Facilities charges	1,853,106	446,974
Front footage fees		31,640
Total capital contributions	1,853,106	478,614
Change in net assets	1,320,356	(331,454)
Net assets, beginning of year	106,824,178	107,590,357
Prior period adjustment (note 2)	(1,253,507)	(434,725)
Net assets, end of year \$	106,891,027	106,824,178

## Beaumont-Cherry Valley Water District Statements of Cash Flows For the Years Ended December 31, 2010 and 2009

	_	2010	2009
Cash flows from operating activities:  Cash receipts from customers for water sales and services  Cash paid to employees for salaries and wages  Cash paid to vendors and suppliers for materials and services	\$	8,689,179 (1,643,521) (8,285,576)	9,294,981 (1,792,710) (4,206,199)
Net cash provided(used) by operating activities	_	(1,239,918)	3,296,072
Cash flows from non-capital financing activities: Proceeds from rental income Proceeds from other non-operating revenues, net	_	22,031 93,674	10,027 38,243
Net cash provided by non-capital financing activities	_	115,705	48,270
Cash flows from capital and related financing activities: Acquisition and construction of capital assets Proceeds from(issuance of) note receivables Proceeds from issuance of note payable Principal payments on note payable Debt issuance costs Capital contributions	_	(2,390,417) (1,069,854) 5,000,000 (470,000) (91,610) 1,853,106	(3,430,791) 95,417 - - - - 478,614
Net cash provided(used) by capital and related financing activities	_	2,831,225	(2,856,760)
Cash flows from investing activities: Interest earnings  Net cash provided by investing activities  Net increase in cash and cash equivalents	<u>-</u>	35,520 35,520 1,742,532	70,508 70,508 558,090
Cash and cash equivalents, beginning of year		3,944,495	3,386,405
Cash and cash equivalents, end of year	\$	5,687,027	3,944,495
Reconciliation of cash and cash equivalents to statements of financial positi	on:		
Cash and cash equivalents	\$_	5,687,027	3,944,495
Total cash and cash equivalents	\$ _	5,687,027	3,944,495

Continued on next page

## Beaumont-Cherry Valley Water District Statements of Cash Flows (Continued) For the Years Ended December 31, 2010 and 2009

	_	2010	2009
Reconciliation of operating loss to net cash provided(used) by operating activi	ities	:	
	\$_	(685,634)	(912,914)
Adjustments to reconcile operating loss to net cash provided(used)			
by operating activities:			
Deprecation and amortization		1,998,033	2,223,219
Changes in assets and liabilities:			
(Increase) Decrease in assets:			
Accounts receivable – water sales and services, net		115,021	301,497
Accounts receivable – other, net		(297,246)	(147,223)
Materials and supplies inventory		(15,611)	247,025
Prepaid expenses and deposits		(10,536)	(5,973)
Increase (Decrease) in liabilities:			
Accounts payable and accrued expenses		(2,238,671)	1,964,870
Accrued salaries and benefits		(10,305)	29,383
Customer and other deposits		(94,058)	116,250
Deferred revenue		9,408	(413,485)
Compensated absences	_	(10,319)	(106,577)
Total adjustments	_	(554,284)	4,208,986
Net cash provided(used) by operating activities	\$ _	(1,239,918)	3,296,072

## (1) Reporting Entity and Summary of Significant Accounting Policies

#### A. Organization and Operations of the Reporting Entity

The Beaumont Irrigation District was formed in March of 1919 under the Wright Act of 1897. Over the years, both the name and the mission of the District have changed. Today, the Beaumont Cherry Valley Water District (District) continues to develop programs and policies that ensure a supply of water for the area's growing population. The District is governed by a five-member Board of Directors who serves overlapping four-year terms.

## **B.** Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water services to its customers on a continuing basis be financed or recovered primarily through user charges (water service fees). Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and services as well as water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

The District recognizes revenue from water service charges based on cycle billings preformed every month. The District accrues revenues with respect to water service charges sold but not billed at the end of a fiscal period.

#### C. Financial Reporting

The District's basic financial statements are presented in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" (GASB No. 34). This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reports.

GASB No. 34 and its related GASB pronouncements provide for a revised view of financial information and restructure the format of financial information provided prior to its adoption. A statement of net assets replaces the balance sheet and reports assets, liabilities, and the difference between them as net assets, not equity. A statement of revenues, expenses and changes in net assets replaces both the income statement and the statement of changes in retained earnings and contributed capital. GASB No. 34 also requires that the statement of cash flows be prepared using the direct method. Under the direct method, cash flows from operating activities are presented by major categories.

## (1) Reporting Entity and Summary of Significant Accounting Policies (Continued)

#### **C.** Financial Reporting (Continued)

Under GASB No. 34, enterprise funds, such as the District, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The District has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by GASB.

#### D. Assets, Liabilities and Net Assets

#### 1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period.

#### 2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

## 3. Investments and Investment Policy

The District has adopted an investment policy to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

## 4. Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

## 5. Prepaid Expenses

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

## 6. Materials and Supplies Inventory

Inventory consists primarily of materials used in construction and maintenance of the water system and is stated at cost using the average-cost method.

## (1) Reporting Entity and Summary of Significant Accounting Policies (Continued)

#### D. Assets, Liabilities and Net Assets (Continued)

## 7. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are recorded at estimated fair market value at the date of contribution. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Transmission and distribution system
Structures and improvements
40 to 75 years
40 years
Reservoirs and tanks
50 to 75 years
Pumping and telemetering equipment
Vehicles and equipment
5 to 10 years

## 8. Compensated Absences

The District's policy is to permit employees to accumulate earned vacation and sick leave according to the number of years of service with the District. The liability for vested vacation and sick leave is recorded as an expense when earned.

Vacation leave is earned from the date of hire and is available for use the following year from ten to a maximum of twenty days per year. Sick leave is accumulated at one day per month. An employee not using any sick leave for twelve consecutive months can convert their twelve accrued days to cash at the rate of two accrued days for each hour's pay at their regular hourly pay-rate. Upon retirement or death, employees or their beneficiaries are entitled to receive a pay-out of 50% of all accumulated sick leave.

#### 9. Water Sales

The District recognizes water services charges based on cycle billings rendered to the customers on a bi-monthly basis.

### 10. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners or real estate developers desiring services that require capital expenditures or capacity commitment.

#### 11. Budgetary Policies

The District adopts a one year non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

#### 12. Reclassifications

The District has reclassified certain prior year information to conform to current year presentations.

## (1) Reporting Entity and Summary of Significant Accounting Policies (Continued)

## D. Assets, Liabilities and Net Assets (Continued)

#### 13. Net Assets

The financial statements utilize a net assets presentation. Net assets are categorized as follows:

- **Net Investment in Capital Assets** This component of net assets consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.
- Restricted Net Assets This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Assets This component of net assets consists of net assets that do not meet the definition of restricted or net investment in capital assets.

#### (2) Prior Period Adjustment

During the fiscal years ended December 31, 2010 and 2009, net assets of the District were restated to adjust balances as of December 31, 2009 and 2008 as follows:

Calculation of prior period adjustment as of December 31, were as follows:

	_	2010	2009
Prior period adjustment:			
Reconciliation of prior years deferred revenue accounts	\$	(844,420)	-
Reconciliation of prior years accounts receivable accounts		(252,569)	-
Accrued expenditures batch not included in payables		(156,518)	-
Calculation of an allowance for doubtful accounts		-	(643,140)
Temporary easement expensed		-	(208,000)
Recalculation of prior year compensated absences		-	(55,961)
Estimated accrued expenses reversed	_	-	472,376
Total prior period adjustment	\$	(1,253,507)	(434,725)

#### (3) Cash and Investments

Cash and cash equivalents as of December 31, are classified in the accompanying financial statements as follows:

	_	2010	2009
Cash and cash equivalents	\$_	5,687,027	3,944,495
Total	\$_	5,687,027	3,944,495
Cash and cash equivalents as of December 31, consist of the following:	_		
	_	2010	2009
Petty cash	\$	1,400	1,400
Deposits with financial institutions		5,682,078	3,943,095
Local Agency Investment Fund (LAIF)	_	3,549	
Total cash and cash equivalents	\$_	5,687,027	3,944,495
As of December 31, the District's authorized deposits had the following mat	uritie	s:	
	_	2010	2009
Deposits held with California Local Agency Investment Fund (LAIF)		215 Days	223 Days

#### Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

#### (3) Cash and Investments, continued

#### Investment in State Investment Pool

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

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations.

## Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

#### Concentration of Credit Risk

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

## (4) Accounts Receivable – Water Sales and Services, Net

Accounts receivable – water sales and services consists of the following as of December 31:

	_	2010	2009
The balance at December 31, consists of the following:			
Accounts receivable – water sales and services Allowance for uncollectible accounts	\$	1,314,621 (216,857)	1,427,785 (360,000)
Accounts receivable - water sales, net	\$	1,097,764	1,067,785

### (5) Accounts Receivable – Other, Net

Accounts receivable – other consists of the following as of December 31:

	2010	2009
The balance at December 31, consists of the following:		
Accounts receivable – other	\$ 397,017	297,256
Allowance for uncollectible accounts	 (3,365)	(213,140)
Accounts receivable - other, net	\$ 393,652	84,116

#### (6) Notes Receivable

Notes receivable – current and long-term portion consists of the following as of December 31:

	_	2010	2009
The balance at December 31, consists of the following:			
Notes receivable – Fairway Canyon Notes receivable – Bonita Vista	\$	166,709 7,078	7,803
Allowance for uncollectible accounts	_	(4,000)	(4,000)
Notes receivable – current portion, net	\$ <b>=</b>	169,787	3,803
	_	2010	2009
The balance at December 31, consists of the following:	_	2010	2009
The balance at December 31, consists of the following:  Notes receivable – Fairway Canyon	<u> </u>	<b>2010</b> 969,607	2009
	\$		<b>2009</b> - 368,542
Notes receivable – Fairway Canyon	\$	969,607	-

In 2003, the Bonita Vista Mutual Water Company started the annexation process to join the District. The annexation agreement calls for the District to install a new water delivery system (transmission lines and approximately 102 services) at an estimated total cost of \$500,000. Former Bonita Vista customers are to pay a maximum of \$5,500 per meter. The notes are payable over 20 years at a variable interest rate calculated annually at 1.5% above the District's LAIF savings rate.

## (7) Deferred Charges

The balance at December 31, consists of the following:	 2010	2009
Deferred charges	\$ 91,611	-
Accumulated amortization	 (13,742)	_
Deferred charges, net	\$ 77,869	

## (8) Capital Assets

Changes in capital assets for 2010 were as follows:

Changes in capital assets for 2010 were as follow	ws:				
		Balance	Additions/	Deletions/	Balance
		2009	Transfers	Transfers	2010
Non-depreciable assets:					
Land	\$	7,721,730	-	-	7,721,730
Construction-in-process	į	3,636,086	2,369,354	(5,692,488)	312,952
Total non-depreciable assets		11,357,816	2,369,354	(5,692,488)	8,034,682
Depreciable assets:					
Transmission and distribution system		55,021,682	3,310,670	-	58,332,352
Structures and improvements		16,393,296	-	-	16,393,296
Reservoirs and tanks		17,604,872	2,381,818	-	19,986,690
Pumping and telemetering equipment		12,593,579	-	-	12,593,579
Vehicles and equipment		1,728,381	21,063	(45,767)	1,703,677
Total depreciable assets		103,341,810	5,713,551	(45,767)	109,009,594
Accumulated depreciation and amortization		(10,761,174)	(1,998,033)	45,767	(12,713,440)
Total depreciable assets, net		92,580,636	3,715,518		96,296,154
Total capital assets, net	\$	103,938,452			104,330,836
Changes in capital assets for 2009 were as follow	ws:	D. L.	A 1122/	Date	D.L.
Changes in capital assets for 2009 were as follow	ws:	Balance	Additions/	Deletions/	Balance
	ws:	Balance 2008	Additions/ Transfers	Deletions/ Transfers	Balance 2009
Non-depreciable assets:	,	2008			2009
Non-depreciable assets:  Land	ws:	7,721,730	Transfers	Transfers	<b>2009</b> 7,721,730
Non-depreciable assets:	,	2008			2009
Non-depreciable assets:  Land	,	7,721,730	Transfers	Transfers	<b>2009</b> 7,721,730
Non-depreciable assets:  Land  Construction-in-process	,	7,721,730 3,167,183	3,668,891	Transfers (3,199,988)	7,721,730 3,636,086
Non-depreciable assets:  Land  Construction-in-process  Total non-depreciable assets	,	7,721,730 3,167,183	3,668,891	Transfers (3,199,988)	7,721,730 3,636,086
Non-depreciable assets:  Land Construction-in-process Total non-depreciable assets  Depreciable assets:	,	7,721,730 3,167,183 10,888,913	3,668,891 3,668,891	Transfers (3,199,988)	7,721,730 3,636,086 11,357,816
Non-depreciable assets:     Land     Construction-in-process     Total non-depreciable assets  Depreciable assets:     Transmission and distribution systems	,	7,721,730 3,167,183 10,888,913 54,714,311	3,668,891 3,668,891	Transfers (3,199,988)	7,721,730 3,636,086 11,357,816 55,021,682
Non-depreciable assets:     Land     Construction-in-process     Total non-depreciable assets  Depreciable assets:     Transmission and distribution systems     Structures and improvements	,	7,721,730 3,167,183 10,888,913 54,714,311 16,393,296	3,668,891 3,668,891	Transfers (3,199,988)	7,721,730 3,636,086 11,357,816 55,021,682 16,393,296
Non-depreciable assets:     Land     Construction-in-process     Total non-depreciable assets  Depreciable assets:     Transmission and distribution systems     Structures and improvements     Reservoirs and tanks	,	7,721,730 3,167,183 10,888,913 54,714,311 16,393,296 17,604,872	3,668,891 3,668,891 307,371	Transfers (3,199,988)	7,721,730 3,636,086 11,357,816 55,021,682 16,393,296 17,604,872
Non-depreciable assets:     Land     Construction-in-process     Total non-depreciable assets  Depreciable assets:     Transmission and distribution systems     Structures and improvements     Reservoirs and tanks     Pumping and telemetering equipment	,	2008 7,721,730 3,167,183 10,888,913 54,714,311 16,393,296 17,604,872 10,228,978	3,668,891 3,668,891 307,371 - 2,364,601	- (3,199,988) (3,199,988) 	7,721,730 3,636,086 11,357,816 55,021,682 16,393,296 17,604,872 12,593,579
Non-depreciable assets:     Land     Construction-in-process     Total non-depreciable assets  Depreciable assets:     Transmission and distribution systems     Structures and improvements     Reservoirs and tanks     Pumping and telemetering equipment     Vehicles and equipment	,	7,721,730 3,167,183 10,888,913 54,714,311 16,393,296 17,604,872 10,228,978 1,646,465	3,668,891 3,668,891 307,371 - 2,364,601 81,916	- (3,199,988) (3,199,988) 	7,721,730 3,636,086 11,357,816 55,021,682 16,393,296 17,604,872 12,593,579 1,728,381
Non-depreciable assets:     Land     Construction-in-process     Total non-depreciable assets  Depreciable assets:      Transmission and distribution systems     Structures and improvements     Reservoirs and tanks     Pumping and telemetering equipment     Vehicles and equipment     Total depreciable assets	,	2008  7,721,730 3,167,183  10,888,913  54,714,311 16,393,296 17,604,872 10,228,978 1,646,465  100,587,922	3,668,891 3,668,891 307,371 - 2,364,601 81,916 2,753,888	- (3,199,988) (3,199,988) 	7,721,730 3,636,086 11,357,816 55,021,682 16,393,296 17,604,872 12,593,579 1,728,381 103,341,810

## (9) Compensated Absences

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which is accrued as earned. The District's liability for compensated absences is determined annually.

Changes to compensated absences balances at December 31, were as follows:

	Balance			Balance		
_	2009	Additions	Deletions	2010	Current	Long-term
\$_	212,028	122,756	(133,065)	201,719	50,427	151,282

## (10) Note Payable

On March 26, 2010, the Board of Directors approved a \$5.0 million loan payable at a 3.380% interest rate to Bank of America to finance the District's share of certain design and construction costs related to the expansion of the Recycled Water Facilities project. The loan is to be repaid by April 1, 2015 with principal and interest payments due on October 1<sup>st</sup> and April 1<sup>st</sup> of each year. Debt service repayment terms are as follows:

Year		Principal	Interest	Total
2011	\$	945,000	145,256	1,090,256
2012		985,000	112,976	1,097,976
2013		1,015,000	79,430	1,094,430
2014		1,050,000	44,870	1,094,870
2015	_	535,000	9,041	544,041
Total	\$	4,530,000	391,573	4,921,573
Less: current	_	(945,000)		
Total non-current	\$ _	3,585,000		

## (11) Net Assets

Calculation of net assets as of December 31, were as follows:			
	_	2010	2009
Net investment in capital assets:			
Capital assets, not being depreciated	\$	8,034,683	11,357,816
Capital assets, being depreciated, net		96,296,153	92,580,636
Note payable – current		(945,000)	-
Note payable – non-current	_	(3,585,000)	-
Total net investment in capital assets	_	99,800,836	103,938,452
Unrestricted net assets:			
Non-spendable net assets:			
Materials and supplies inventory		446,369	430,758
Prepaid expenses and deposits		79,837	69,301
Notes receivable – non-current portion		1,206,412	302,542
Deferred charges, net	_	77,869	
Total non-spendable net assets	_	1,810,487	802,601
Spendable net assets are designated as follows:			
Designated for State Water Importation purchases		101,622	891,085
Designated for debt service reserve		232,000	-
Designated for capital replacement reserve		1,000,000	-
Designated for operating reserve	_	3,946,082	1,192,040
Total spendable net assets	_	5,279,704	2,083,125
Total unrestricted net assets	_	7,090,191	2,885,726
Total net assets	\$	106,891,027	106,824,178

## (12) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. All plan assets are held in trust with the Lincoln Financial Group.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net assets.

#### (13) Defined Benefit Pension Plan

## Plan Description

The Agency contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multi-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the Agency. Copies of CalPERS annual financial report may be obtained form their executive Office: 400 P Street, Sacramento, CA, 95814.

#### Funding Policy

The contribution rate for plan members in the CalPERS 2.7% at 55 Risk Pool Retirement Plan is 8% of their annual covered salary. The District makes these contributions required of District employees on their behalf and for their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates for fiscal years 2010, 2009 and 2008 were as follows:

Time Period	<u>od 2010 2009</u>		2008	08	
Jan. 1 - June 30	25.520%	25.964%	24.883%		
July 1 - Dec. 31	24.691%	25.520%	25.964%		

The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For Fiscal years 2009, 2008 and 2007, the Agency's annual contributions for the CalPERS plan were equal to the Agencies required and actual contributions for each fiscal year as follows:

### Three Year Trend Information:

Fiscal Year Ending	 Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2008	\$ 489,622	100%	-
12/31/2009	420,235	100%	-
12/31/2010	426,103	100%	-

## (14) Other Post Employment Benefits

The District finances the plan on a pay-as-you-go basis. The District's contribution for each retired employee shall be the amount necessary to pay the full cost of his or her enrollment, including the enrollment of his or her family members in a health benefit(s) plan up to a maximum of \$474 per month. In 2010, the District paid \$5,783 in post-employment health care benefits, net of retiree contributions.

## (15) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At December 31, 2010, the District participated in the liability, property, and workers' compensation programs of the ACWA/JPIA as follows:

General and auto liability, public officials and employees' errors and omissions: Total risk
financing self-insurance limits of \$1,000,000, combined single limit at \$1,000,000 per
occurrence. The District purchased additional excess coverage layers: \$60 million for general,
auto and public officials liability, which increases the limits on the insurance coverage noted
above.

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

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the year ending December 31, 2009. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of December 31, 2010, 2009 and 2008, respectively.

## (16) Commitments and Contingencies

## Joint Venture Agreements

In 2002, the City of Beaumont, the South Mesa Mutual Water Company, the Yucaipa Valley Water District and the District (collectively referred to as the Joint Venture) entered into a joint-powers agreement creating the San Timoteo Watershed Management Authority (Authority). The purpose of the Authority is to prepare and implement a Water Resources Management Plan for the San Timoteo Watershed and the waters tributary in order to conserve local water supplies, improve surface and subservice water quality and quantity, protect and enhance groundwater storage and recreational resources, preserve open space, protect wildlife habitat and wetlands, protect and enhance agriculture, and develop and enhance the region's water resources for the benefit of the public.

## (16) Commitments and Contingencies, continued

## Joint Venture Agreements, continued

In 2004, the Beaumont Basin Watermaster (Watermaster) was created to manage the groundwater extractions, replenishment thereof, and storage of supplemental water within the Beaumont Basin. The District is a member agency of the Watermaster and contributes an annual amount to the Watermaster to fund its operations.

#### Related Party Transaction

The District entered into an agreement with Tom Lara Landscaping (Contractor) to provide landscaping services and maintenance for the District's properties. The father of one of the District's employees is the owner of the Contractor. At December 31, 2010, the District paid the Contractor \$53,240 for services rendered.

## Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.



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# **Report on Internal Controls and Compliance**



ORAFT

## Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the basic financial statements of the Beaumont-Cherry Valley Water District (District) as of and for the year ended December 31, 2010, and have issued our report thereon dated April 30, 2011. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Internal Control Over Financial Reporting

In planning and performing our audits, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

April 30, 2011 Cypress, California



## Beaumont Cherry Valley Water District Regular Meeting of the Board of Directors June 23, 2011

## **Background**

Since the early 1980's the District has been providing service to a number of properties outside District boundaries. The majority of these services have been provided through "outside service agreements" with the property owners who have been paying outside water rates. These agreements have not been updated for some time and there is no Extra Territorial Agreement for these properties on file with Riverside County LAFCO. These properties are shown on the attached map and colored orange.

The second map contains properties that are currently in the process of annexing to the City of Beaumont and would also need to be annexed to the District at some point. These properties have not formally requested annexation to the District but there have been some discussions at the staff level regarding these parcels. There is an opportunity to annex these parcels concurrently with the City should the Board wish to proceed.

The Districts current rules and regulations prohibit providing service to customers outside District boundaries.

#### Fiscal Impact

An estimate of the costs associated with this project will be presented in the 2012 budget. District staff will draft letters to notify and set up meetings with property owners.

#### Recommendation

That the Board direct staff to initiate the annexation process for the properties shown on the attached exhibits.

# APPL JATION FOR THE USE OF DOME IC WATER OUTSIDE THE BOUNDARIES OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT

The undersigned hereby applies for continuation of use of domestic water outside the boundaries of the Beaumont-Cherry Valley Water District for a period of twelve months beginning with August 1, 1988, and ending with July 31, 1989.

The undersigned agrees, in case this application is granted, to pay before delinquency, under the regulations of the Board of Directors of the said District, all charges whatsoever made by you for the said water; and if not so paid, water may be discontinued without notice and suit instituted for the amount unpaid. An outside water service connection shall be terminated upon discontinuance of service (for any reason) as provided for in District Regulation 3-4.1.2.

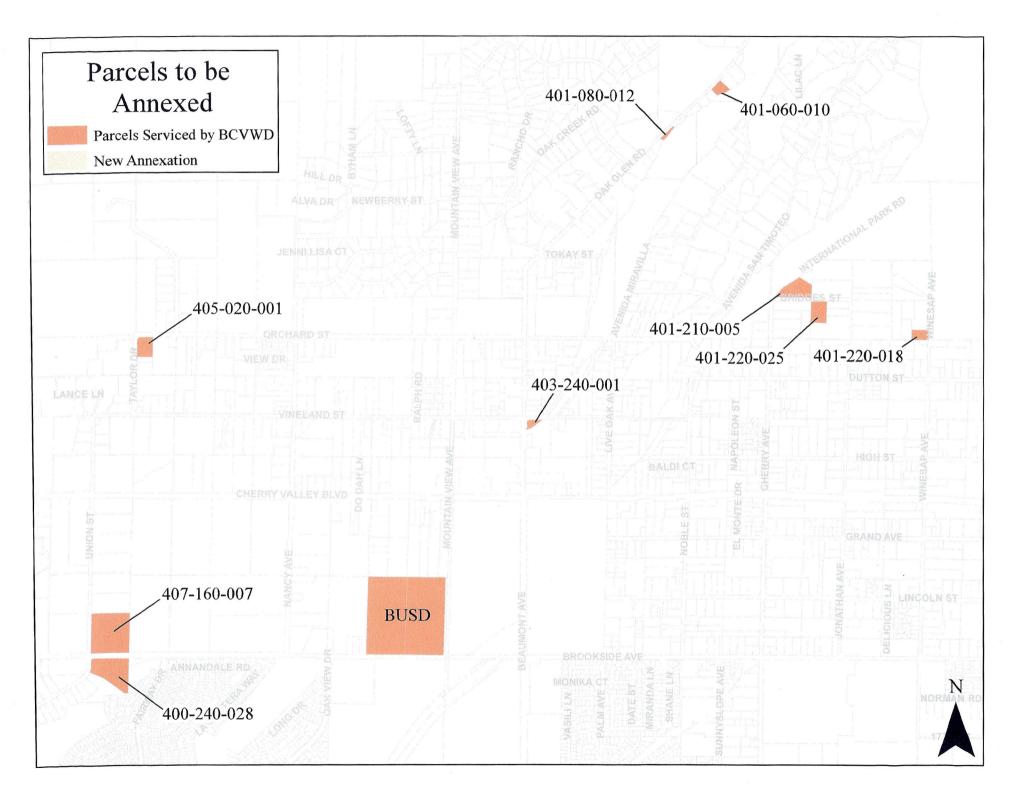
This application is made with the understanding that, at present, there is available a limited amount of water for use outside the boundaries of Beaumont-Cherry Valley Water District, and the undersigned agrees, in case this application is granted, that the undersigned obtains no right, legal, equitable or otherwise, to the said waters or any other water of the District by user; any such right is hereby expressly waived; and that the water supply may be discontinued in case it develops at any time in the future that water is not available for use by the undersigned outside the boundaries of Beaumont-Cherry Valley Water District.

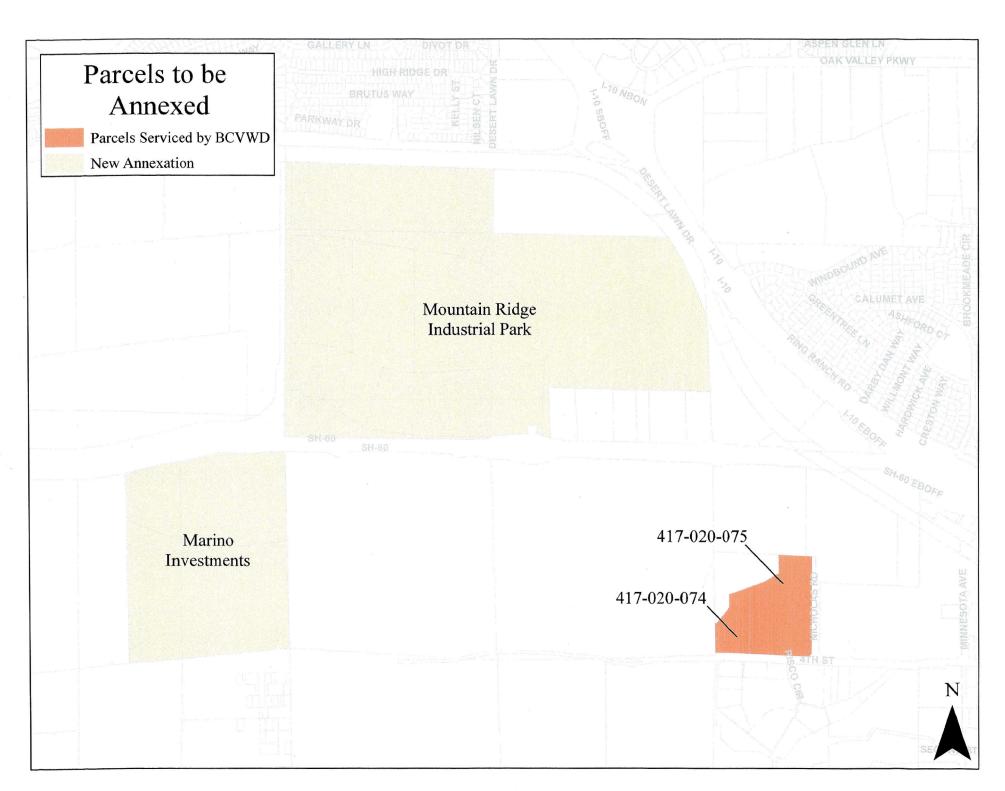
The undersigned agrees that the rate of charge for water supplied to the undersigned may be changed by the District at any time.

The service for which the undersigned hereby applies is to be supplied at the following location, to wit: 40472 ORCHARD PL. - Account Number 65022000.

Dated:				
		2		
	Applicant			

Applicant will please complete this form, and return to the office of the Beaumont-Cherry Valley Water District, Post Office Box 2037, Beaumont, CA 92223.







## Beaumont Cherry Valley Water District Regular Meeting of the Board of Directors June 23, 2011

## **Background**

In response to the Public Health Security and Bio-Terrorism Preparedness and Response Act of 2002 the District conducted a Vulnerability Assessment (VA) and the attached Emergency Response Plan (ERP).

The U.S. Environmental Protection Agency (USEPA) defines a vulnerability assessment as a "systematic analysis used to develop a security protection plan for water supply, treatment, and distribution systems. It identifies systems vulnerabilities and provides a prioritized plan for security upgrades, modifications of operational procedures, and/or policy changes to mitigate identified risks to critical assets."

The Vulnerability Assessment was conducted in June 2004 and has never been presented to the Board or available to the public as it is excluded from public access under the Freedom of Information Act. The VA is a very specific and detailed report which identifies risks at all District facilities. The information in this report is considered confidential and should not be shared with unauthorized parties.

The attached ERP was first developed in 2004, this document provides the procedures for staff to follow when responding to emergencies that may pose a threat to the water system and affect our ability to provide service. The document has been updated to reflect organizational changes and identify key personnel and their roles in the event of an emergency.

#### Recommendation

That the Board receive and file the updated Emergency Response Plan

# EMERGENCY RESPONSE PLAN (ERP) Water System

## BEAUMONT CHERRY VALLEY WATER DISTRICT

560 Magnolia Avenue Beaumont, CA 92223 (909) 845-9581

**December 8, 2004** 

Terry Hall, Project Manager, Consultant Dr. Kenneth G. Fauth, CPP, Consultant Pinkerton Consulting REVISED MAY, 2011 Beaumont Cherry Valley Water District

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## I. INTRODUCTION

#### A. DEFINITION

An Emergency Response Plan (ERP) is an organized way of responding to event(s) or set of circumstances that goes beyond those normally found or associated with Beaumont Cherry Valley Water District (BCVWD) in its normal day-to-day functioning of business of water delivery and services. The responses outlined in this document are designed to assist in taking action for those instances or circumstances that are NOT normally encountered or are NOT reasonably expected to occur in the normal course of business. This type of event(s) or circumstances may occur with little or no warning and may or may not involve criminal activity.

#### **B. PURPOSE**

The purpose of this plan is to outline responsibilities, actions, precautions and policies for specific employees to provide a framework for maintaining operations and the on-going or resumption of service to the community.

## C. GOAL

The goal of Beaumont Cherry Valley Water District (BCVWD) is to have an effective and efficient response to these unrelated operation circumstances which could interfere with the normal service to customers and to minimize their impact.

12-8-2004

## II. RESPONSE TEAM ORGANIZATION

#### A. GENERAL ACTION TO BE TAKEN

#### 1. Initial Assessment and Notification

The notification matrix chart must be activated for the type of emergency situation occurring. Activation of the Emergency Operations Center (EOC) must occur immediately in order to direct and control operations. Communications through the Emergency Operations Center (EOC) are essential so as to provide the proper coordination of response efforts.

#### 2. Damage assessment

An immediate assessment of damages is essential to ascertain the extent of the situation and what is the initiating factor (security or non-security related). Some immediate factors to consider for answers are:

- a. What and how much of the system is affected?
- b. Can it be isolated and how?
- c. Is this a security related event?
- d. What type of assistance do we need?

#### 3. Work assignments

As soon as field reports are received, develop a course of action and make certain everyone understands their work assignment.

## 4. Coordination with our agencies/contractors

If assistance is required and authorized, activate the appropriate mutual aid assistance program or request the assistance of private contractors as per authorization.

#### 5. Public information

The general public must be given prompt and factual information as appropriate:

- a. Nature of problem.
- b. Actions currently being taken and planned for immediate future.
- c. Estimated time of restoration of service.
- d. What type of action is required to inform the public?

#### **B. EMERGENCY OPERATIONS CENTER**

The Emergency Operations Center (EOC) is located in the Operations Office at 815 East 12<sup>th</sup> Street, Beaumont, CA. This office is equipped with (Unlisted lines) telephone lines, updated records, and drawings of all facilities. This site is readily accessible to all portions of distribution system. It is the primary nerve center for controlling our supply, wells, reservoirs, pumps and storage facilities and distribution system.

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The Secondary EOC is located in the Main Office located at 560 Magnolia Avenue, Beaumont, CA. This location also has ready access to our supply source, and our distribution system.

Activation of the EOC can occur by management or <u>anyone</u> in the field or office who discovers a situation that warrants its.

#### C. MANAGEMENT REPORTING STATIONS

Depending on the situation, an initial assessment could be performed by the responsible in charge of their respective area of the system prior to reporting to the EOC. IF THE SITUATION IS "NOT" A NATURAL DISASTER (including a forest fire), the EOC needs to be activated to "monitor" the initial assessment and maintain an on-going contact with the assessment team.

General Manager Emergency Operations Center

Assistant General Manager Incident location then/or Emergency Operations Center Field Superintendent Upper Well Field then/or Emergency Operations Center

Field Foreman Lower Well Field then/or Incident location

Controller Emergency Operations Center
Account Clerks Emergency Operations Center
Customer Service Emergency Operations Center

Utility Crew Leader III Incident location Utility Person II Incident location

Production Personnel Middle Well Field then/or Incident location

## D. EMERGENCY REPORTING STATIONS

Due to probability or the inability of many employees to reach assigned emergency stations promptly, available management and office personnel will be assigned as necessary. Following preliminary damage assessment, employees may be reassigned as priorities and employee work experience dictates.

Depending on the type of emergency and whether it is directed at one location or multiple locations determines the deployment of personnel.

- 1. <u>Utility Crew Leader III and Utility II Persons</u> will need to go directly to the incident site to monitor or correct the problem.
- 2. <u>Administrative Office Personnel</u> have been designated as couriers and will, therefore, provide the means of communication at the direction of the Incident Commander.
- 3. <u>Production Employees</u> will be assigned to well stations as needed to ensure operational capability is maintained.
- 4. <u>Field Foreman</u> will be assigned at the direction of the Incident Commander.
- 5. Engineering Staff will report directly to the Emergency Operations Center.

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#### E. DUTIES OF MANAGEMENT PERSONNEL

- **1. GENERAL MANAGER** will be designated as the <u>INCIDENT COMMANDER</u>. The General Manager shall also serve as liaison between City, County and Township officials and the state officials. Assessment of priorities will be designated by the General Manager to personnel concerned. Progress reports and assignments will be promptly forwarded to the Manager to insure that he is fully informed at all times. News releases will be made by the Manager. All personnel are cautioned against making statements concerning Company operations unless they are fully informed and authorized, during or after emergencies. If the emergency is of local origin, the Incident Commander may contact other area water systems (see Notification Call List) to secure additional personnel, materials, or equipment as required. The Incident Commander may dispatch department personnel to wells, reservoirs, booster stations, distribution lines and storage tanks.
- **2. ASSISTANT GENERAL MANAGER** shall in the absence or incapacity of the General Manager serve as INCIDENT COMMANDER and perform all duties related there-on-to. The Field Superintendent shall fulfill duties requested by the Incident Commander. The individual will normally be stationed at the Emergency Operations Center and will serve as a special assistant to the Incident Commander. The Field Superintendent shall revise distribution maps periodically and distribute the revisions to all distribution authorized personnel.
- **3. FIELD SUPERINTENDENT** shall in the absence or incapacity of the General Manager and Assistant General Manager serve as INCIDENT COMMANDER and perform all duties related there-on-to. The Field Superintendent shall assist the Assistant General Manager in implementing the plan of action to be taken. The individual will assume complete charge of field operations and report directly to the Assistant General Manager. The Field Superintendent may dispatch department personnel to wells, reservoirs, booster stations, distribution lines and storage tanks.
- **4. FIELD FOREMAN / PRODUCTION SUPERVISOR** shall maintain an experience record of all employees to insure proper emergency assignments of personnel and shall report directly to the Field Superintendent. The Field Superintendent shall dispatch department personnel to wells, reservoirs, booster stations, distribution lines and storage tanks.
- **5. UTILITY** / **PRODUCTION** personnel shall monitor the water quality and conduct bacteriological testing to determine quality and potability of water in affected areas of the distribution and storage systems. These personnel shall be trained in determining the location of water, valves and pump stations from maps, which are located at various known storage areas, in order to effectively isolate problem areas in the distribution and collection grid.
- **6. ADMINISTRATIVE OFFICE PERSONNEL** These individuals shall maintain a written log of activities occurring and be available to perform courier or messenger relay duties if needed
- 7. ENGINEERING STAFF shall report to the EOC and shall at all times maintain updated

12-8-2004 **6** 

drawings of water system facilities and have them readily available to the Incident Commander.

NOTE: All of the above listed management team shall maintain an up-to-date list of all Beaumont Cherry Valley personnel, their residence address and phone numbers. Each department head shall be responsible for contacting the personnel in his section during an after hours emergency.

When any of the above are absent due to sickness or vacation, or another member of the management staff are assigned as required. The management staff is required to list an address and/or phone number (where they can be contacted while absent from our service area).

### G. EMERGENCY FUNDS

There is no set amount specifically budgeted for major emergency contingency expenditures. However, the General Manager is authorized to order immediate emergency expenditures to insure restoration of water service to the general public. In the absence of the General Manager, the acting Incident Commander may proceed with making the necessary expenditure.

#### H. IDENTIFICATION CARDS

All employees must display Identification Card issued by the District at all times while on duty. This will assist with access to areas that are closed to the general public that District personnel may need to enter to check and/or repair facilities.

### I. DISTRIBUTION SYSTEM MAPS AND VALVE LOCATION RECORDS

Copies of distribution maps are located in the main office and operations building. Copies are provided Operations staff and are located in District vehicles. Current plans call for specific site maps to be located at all pumping and storage facilities.

# III. NOTIFICATION and ALERT PROCESS

#### A. NOTIFICATION

a. If discovery of the issue or event is made <u>by a BCVWD employee</u> while performing their regular duties, they shall immediately report by the fastest means possible this fact to the <u>EOC</u>. The report will include their name, type of occurrence, where they are and other appropriate needed information found in Table B.

Secondly, depending on the occurrence and possible life threatening conditions to themselves or any others make a mutual determination with the person at EOC as to their next course of action. SEE NOTIFICATION CALL LIST. Some examples of next course(s) of action could include:

- A. Dispatching a BCVWD employee to evaluate the situation further or make contact with individual(s) at the scene. If security issues are suspected or involved, special care must be exercised so as not to "disrupt" what may be a "crime scene.
- B. Continue to monitor and check on individual and situation. This needs to occupy the full attention of the EOC during this time period.
- C. Directing BCVWD employee that is reporting to simply stay put and continue to monitor the situation.
- D. Notify Business Unit Manager of effected area.
- E. Notify the Managerial person in charge at BCVWD.
- F. Notify local law enforcement via 911 call.
- G. Activate the Emergency Action Plan (EAP) for related occurrence.
- H. Initiate notifications in accordance with EAP.
- b. If discovery <u>comes from a Non-BCVWD employee</u>, it shall immediately be relayed by the fastest means possible to the <u>EOC</u>. The report will include the source of the notification (Name, organization, phone number) and type of occurrence and any other information stated.

Secondly, depending on the occurrence and possible life threatening conditions the person at EOC will make a determination as to the next course of action to be taken. SEE NOTIFICATION CALL LIST. Some examples of next course(s) of action could include:

- A. Dispatching a BCVWD employee to evaluate the situation further or make contact with individual(s) at the scene. If security issues are suspected or involved, special care must be exercised so as not to "disrupt" what may be a "crime scene.
- B. Continue to monitor and check on individual and situation. This needs to occupy the full attention of the "EOC" during this time period.
- C. Notify Business Unit Manager of effected area.
- D. Notifying the Managerial person in charge at BCVWD.
- E. Notify local law enforcement via a 911 call.
- F. Activate the Emergency Action Plan for related occurrence.
- G. Initiate notifications in accordance with EAP.
- c. Activation of the Emergency Action Plan (EAP) for the various issues or occurrences needs to happen in a timely and efficient manner. The protocol to physically make this happen needs to take advantage of modern communications and electronics as this can be an extremely involved and timely task.
- d. A point to be aware of and remember is that the "news media" monitor radio frequencies utilized by the law enforcement community and may arrive at the scene before any EAP is up and running. Therefore, preparations for "Public Disclosure and BCVWD Action Plan" need to be ready with a spokesperson almost simultaneous with any public notification.

NOTE: This is where prior planning and preparation will assist in making this "Beaumont Cherry Valley Water District Emergency" one that can be managed with the care and sensitivity it needs. Directions to all BCVWD need to be reaffirmed as to "who" will speak for BCVWD and to whom the "news Media" will be directed.

# B. COMMUNICATIONS FAILURE

If a natural or man-made disaster immediately disrupts all forms of automatic communications, management and employees should report to their "assigned emergency station" as quickly as possible. If their primary assigned station is inaccessible, employees should immediately report to Command Post/EOC.

# IV. GENERAL SECURITY POLICY PROTOCOLS

### A. STATUS

The response to a security event requires "due care". In addition to the threat, damage or possible damage present, the event may be considered a criminal act and the area, a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered or may be designated a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any immediate threat to life or significant damage to the water system. This area may become restricted to "law enforcement personnel only" once they arrive. This action may preclude water personnel from entering unless they are specifically authorized to by the police.

# B. EPA ALERT LEVELS

CONDITION	CONSIDER ADOPTING THESE MEASURES	
LOW (GREEN) Low Risk of Terrorist Attack	Detection	<ul> <li>Monitor water quality at the source water, leaving the plant, and in distribution and storage systems. Establish baseline results. Review operational and analytical data to detect unusual variations.</li> <li>Follow-up on customer complaints concerning water quality and/or suspicious behavior on the facilities.</li> <li>Confirm communication protocol with public health officials concerning potential waterborne illnesses.</li> </ul>
signifies a low risk of terrorist attacks. Protective measures should focus on ongoing facility assessments; and the development, testing, and implementation of emergency plans. In addition to THREAT LEVEL GREEN, there are four higher threat levels: blue, yellow, orange, and red. (Please refer to the other fact sheets for information on suggested steps to be taken during other threat condition levels.)	Preparedness	<ul> <li>Post emergency evacuation plans in accessible, but secure, location near entrance for immediate access by law enforcement, fire response, and other first responders.</li> <li>Inventory spare parts and on-hand chemicals. Check if sufficient.</li> <li>Identify sensitive populations within the service area (e.g., hospitals, nursing homes, daycare centers, schools, etc.) for notification, as appropriate, in the event of a specific threat against the utility.</li> <li>Back-up critical files such as plans and drawings, as-builts, sampling results, billing, and other critical information.</li> <li>Conduct appropriate background investigations of staff, contractors, operators, and others with access to the facility.</li> <li>Prepare vulnerability assessments and revise to incorporate changes made (e.g., assets added/replaced or new countermeasures implemented).</li> <li>Ensure that employees understand appropriate emergency notification procedures.</li> </ul>
	Prevention	<ul> <li>Train staff in safety procedures, such as handling hazardous materials and maintaining and using self-contained breathing apparatus.</li> <li>Secure equipment such as vehicles and spare parts.</li> <li>Monitor requests for potentially sensitive information.</li> </ul>
	Protection	<ul> <li>Check all chemical deliveries for driver identification and verification of load.</li> <li>Maintain vigilance and be alert to suspicious activity. Inspect buildings in regular use for suspicious packages and evidence of unauthorized entry. Report any suspicious activity to appropriate authorities.</li> <li>Prosecute intruders, trespassers, and those detained for tampering to the fullest extent possible under applicable laws.</li> <li>Review request for tours and identify protocols for managing the tour.</li> <li>Implement controls for construction activities at critical sites.</li> <li>Maintain disinfectant residuals as required by regulations.</li> <li>Implement best management practices for optimizing drinking water treatment.</li> </ul>

CONDITION	CONSIDER ADOPTING THESE MEASURES (and those at lower threat levels)		
GUARDED (BLUE) General Risk of Terrorist Attacks	Detection	Test security alarms and systems for reliability.	
signifies a guarded risk of terrorist attacks. Protective measures should focus on activating employee and public information plans; exercising communication channels with response teams and local agencies; and reviewing and exercising emergency plans.	Preparedness	<ul> <li>Reaffirm communication and coordination protocols (embedded in the utility's emergency response plan) with local authorities such as police and fire departments, HAZMAT teams, hospitals, and other first responders.</li> <li>Prepare and/or revise emergency response plans associated communication protocols. Include appropriate local officials concerned with law enforcement, emergency response and public health.</li> <li>On a regular basis post employee reminders about events that constitute security violations and ensure employees understand notification protocol in the event of a security breach.</li> <li>Prepare draft press releases, public notices and other communications for a variety of incidents. Route through appropriate channels of review to ensure pieces are clear and consistent.</li> </ul>	
	Prevention	<ul> <li>Secure buildings, rooms, and storage areas not in regular use. Maintain a list of secured areas or facilities and monitor activity in these areas.</li> </ul>	
	Protection	Control access to mission critical facilities.	

CONDITION		CONSIDER ADOPTING THESE MEASURES (and those at lower threat levels)
ELEVATED (YELLOW)  Significant Risk of Terrorist Attack	Detection	<ul> <li>To the extent possible, increase the frequency and extent of monitoring activities and review results against baseline.</li> <li>Increase review of operational and analytical data (including customer complaints) with an eye toward detecting unusual variability (as an indicator of unexpected changes in the product). Variations due to natural or routine operational variability should be considered first.</li> <li>Increase surveillance activities in source and finished water areas.</li> </ul>
signifies an elevated risk of terrorist attacks. Protective measures should focus on increasing surveillance of critical facilities; coordinating response plans with allied utilities and response teams and local agencies; and implementing emergency plans, as appropriate.	Preparedness	<ul> <li>Review and update emergency response procedures and communication protocols.</li> <li>Establish unannounced security spot checks (e.g., verification of personal identification and door security) at access control points for critical facilities.</li> <li>Increase frequency for posting employee reminders of the threat situation and about events that constitute security violations.</li> <li>Ensure employees understand notification protocol in the event of a security breach.</li> <li>Conduct security audit of physical security assets, such as fencing and lights, and repair or replace missing/broken assets. Remove debris from along fence-lines that could be stacked to facilitate scaling.</li> <li>Maximize physical control of all equipment and vehicles inoperable when not in-use, (e.g., lock steering wheels, secure keys, chain and padlock on front-end loaders, etc.).</li> <li>Review draft communications on potential incidents, brief media relations personnel of potential for press contact and/or issuance of release.</li> <li>Review and update list of sensitive populations within the service area, such as hospitals, nursing homes, daycare centers, schools, etc., for notification, as appropriate, in the event of a specific threat against the utility.</li> <li>Contact neighboring water utilities to review coordinated response plans and mutual aid during emergencies.</li> <li>Review whether critical replacement parts are available and accessible.</li> </ul>
	Prevention	<ul> <li>Carefully review all facility tour requests before approving. If allowed, implement security measures to include list of names prior to tour, request identification of each attendee prior to tour, prohibit backpacks/duffle bags, cameras and identify parking restrictions.</li> <li>On a daily basis, inspect the interior and exterior of buildings in regular use for suspicious activity or packages, signs of tampering, or indications of unauthorized entry.</li> <li>Implement mailroom security procedures. Follow guidance provided by the United States Postal Service.</li> </ul>
	Protection	<ul> <li>Verify the identity of all personnel entering the water utility. Mandate visible use of identification badges. Randomly check identification badges and cards of those on the premises.</li> <li>At the discretion of the facility manager or security director, remove all vehicles and objects (e.g., trash containers) located near mission critical facility security perimeters and other sensitive areas.</li> <li>Verify the security of critical information systems (e.g., Supervisory Control and Data Acquisition (SCADA), Internet, email, etc.) and review safe computer and internet access procedures with employees to prevent cyber intrusion.</li> <li>Consider steps needed to control access to all areas under the jurisdiction of the water utility.</li> </ul>

CONDITION		CONSIDER ADOPTING THESE MEASURES (and those at lower threat levels)
HIGH (ORANGE) High Risk of Terrorist Attack	Detection	<ul> <li>Increase the frequency and extent of monitoring activities. Review results against baseline.</li> <li>Confirm that county and state health officials are on high alert and will inform water utilities of any potential waterborne illnesses.</li> <li>If a neighborhood watch-type program is in place, notify the community and request increased awareness.</li> </ul>
Signifies a high risk of terrorist attack. Protective measures should focus on limiting facility access to staff and contractors, and security efforts with local law enforcement and the armed forces, as appropriate.	Preparedness	<ul> <li>Confirm emergency response and laboratory analytical support network are ready for deployment 24 hours per day, 7 days a week.</li> <li>Reaffirm liaison with local police, intelligence, and security agencies to determine likelihood of an attack on the water utility personnel and facility and consider appropriate protective measures (e.g., road closing, extra surveillance, etc.).</li> <li>Practice communications protocol with local authorities and others cited in the facility's emergency response plan.</li> <li>Post frequent reminders for staff and contractors of the threat level, along with a reminder of what events constitute security violations.</li> <li>Ensure employees are fully aware of emergency response communication protocols and have access to contact information for relevant law enforcement, public health, environmental protection, and emergency response organizations.</li> <li>Inspect and practice activation of available emergency interconnections with neighboring water agencies.</li> <li>Have alternative water supply plan ready to implement (e.g., bottled water delivery).</li> </ul>
	Prevention	<ul> <li>Discontinue tours and prohibit public access to all operational facilities.</li> <li>Consider requesting increased law enforcement surveillance, particularly of critical assets and otherwise unprotected areas.</li> </ul>
	Protection	<ul> <li>Evaluate need to staff water treatment/production facility at all times.</li> <li>Consider the need to prohibit recreational use of surface water reservoirs.</li> <li>Increase security patrol activity to the maximum level sustainable and ensure tight security in the vicinity of mission critical facilities. Vary the timing of security patrols.</li> <li>Request employees change password on critical information management systems.</li> </ul>

CONDITION		CONSIDER ADOPTING THESE MEASURES (and those at lower threat levels)
SEVERE (RED) Severe Risk of Terrorist Attack	Detection	<ul> <li>Ensure that list of sensitive populations (e.g., hospitals, nursing homes, daycare centers, schools, etc.) within the service area is accurate and shared with appropriate public health officials.</li> <li>Reconfirm that county and state health officials are on high alert and will inform water utilities of any potential waterborne illnesses.</li> </ul>
signifies a severe risk of terrorist attacks. Protective measures should focus on the decision to close specific facilities and the redirection of staff resources to critical operations.	Preparedness	<ul> <li>Post daily notices to staff regarding threat level and appropriate security practices</li> <li>Where appropriate, place back-up operational capacity on-line (water treatment plant filters, turbines, etc.).</li> <li>Ensure key utility personnel are on duty.</li> <li>Where appropriate, provide public notification for citizens to store emergency water supply or to implement other preparatory measures.</li> <li>Evaluate the need for opening an emergency operations center.</li> </ul>
	Prevention	<ul> <li>As appropriate, request increased law enforcement and/or security agency surveillance, particularly of critical assets and otherwise unprotected areas (e.g., consider if National Guard assistance is needed and make appropriate request).</li> <li>Limit access to facilities and activities to essential personnel.</li> <li>Consider whether mail and packages should go to a central, secure location and be inspected before distribution. Remind mailroom personnel of the need for heightened awareness when sorting and distributing all incoming mail.</li> </ul>
	Protection	<ul> <li>Ensure existing security policies, procedures, and equipment are effectively implemented.</li> <li>Recheck security of all on-site chemical storage and utilization areas.</li> <li>Implement frequent and staggered inspections of the exterior of buildings (to include roof areas) and parking areas.</li> <li>Re-check the security of critical information systems (e.g., SCADA, Internet, email, etc.) and have staff change computer passwords.</li> <li>Consider placing staff at remote (typically unmanned) facilities.</li> </ul>

# V. TYPES of EMERGENCIES (Non-security & Security Related)

# A. MEDICAL EMERGENCIES (Non-security related)

### 1. GENERAL

Medical emergencies can occur at any time. The medical emergency may be for one person or groups of individuals and may directly or indirectly affect the water system property or the water system (at any point within the system). Most medical emergencies can be handled with first aid procedures but others depending on the seriousness may require immediate attention by medically trained professionals.

# Time and proper response is of an essence in addressing emergency medical situations.

The stockpiling of emergency first aid kits and supplies) should be considered at all locations or nearby sites. Automatic External Defibrillators (AED) should be considered at all main locations. All individuals should be trained in First Aid, CPR and the use of AED.

Upon becoming aware that any part of the BCVWD Water System has been affected by this type of medical situation, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery actions, appropriate utility elements and remediation actions.

### 2. INITIAL NOTIFICATION

- a. Evaluate and apply basic first aid as appropriate
- b. If emergency is beyond first aid treatment, call for assistance by notifying BCVWD Supervisor OR calling 911 immediately depending on the emergency.
- c. Activate BCVWD Response Personnel to their respective assignments.
- d. Activate BCVWD notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

a. Injury to an individual - Conduct an immediate review of the medical emergency situation. If it appears that it is a minor emergency that can be attended to by you with very basic first aid, do so. If it appears beyond your capability call for assistance, notify your supervisor and/OR call 911.

- b. If there are multiple injuries IMMEDIATELY call for assistance, notify your supervisor and/OR call 911. Apply basic first aid and keep individuals safe from additional hazards while waiting for emergency ambulatory services.
- c. Take action to alert others to dangers that may be present and to stay and assist or stay clear.
  - d. Based on activities individual(s) was performing, evaluate impact on current water system operations.
  - e. Coordinate activities to maintain water system stability as needed.

BCVWD personnel should begin recovery actions as soon as practical after the medical emergency. If necessary, a damage assessment of the processes, facility or activity should occur. Actions found necessary to perform need to be identified and communicated.

### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event which may require outside resources.

# 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan including prioritized processes as determined by management.

# 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional procedural, equipment/facility and/or training for future occurrences.

# **B. VEHICLE ACCIDENTS (Non-security related)**

### **GENERAL**

Vehicle accidents can occur at any time. A vehicle accident may involve a single vehicle or multiple vehicles. In addition to the physical damage caused by the vehicle(s) other issues may be involved which can include medical situations and/or fire. Vehicle(s) damaged may be specialized equipment utilized in the maintenance of the water system and may directly or indirectly affect the water system property or the water system (at any point within the system).

Time and proper response is of an essence in addressing this emergency.

Upon becoming aware that any part of the Water System has been affected by this type of accidents, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

### 2. INITIAL NOTIFICATION

- a. Evaluate and apply basic first aid as appropriate
- b. If the emergency is beyond first aid treatment, call for assistance by notifying BCVWD Supervisor OR calling 911 immediately depending on the emergency.
- c. Activate BCVWD Response Personnel to their respective assignments.
- d. Activate BCVWD notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

- a. Conduct an immediate review of the situation to see if a medical emergency situation exists. If it appears that it is a minor emergency that can be attended to by you with very basic first aid, do so. If it appears beyond your capability call for assistance, notify your supervisor and/OR call 911.
- b. If there are multiple injuries IMMEDIATELY call for assistance, notify your supervisor and/OR call 911. Apply basic first aid and keep individuals safe from additional hazards while waiting for emergency ambulatory services.
- c. Take action to alert others to dangers that may be present and to stay an assist or stay clear.

- d. Photograph and document the accident. Have the driver and any occupants make a statement as to what occurred. If the accident occurred off the BCVWD property, call the local police to take an accident report.
- e. Based on activity or damage done by the vehicle(s); evaluate impact on current water system operations.
- f. Coordinate activities to maintain water system stability as needed.

BCVWD personnel should begin recovery actions as soon as practical after the medical emergency. If necessary, a damage assessment of the processes, facility or activity should occur. Actions found necessary to perform need to be identified and communicated.

### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event which may require outside resources.

# 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan including prioritized processes as determined by management.

#### 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional procedural, equipment/facility and/or training for future occurrences.

### C. FLOODS (Non-security related)

#### 1. GENERAL

Flood events are normally based on the weather conditions that create over-abundance of water for the land or storm system to handle may be affecting the water system property or the water system (at any point within the system). Not all of this area is prone to this type of weather; however, flooding of low lands can result in severe injury or damage to individuals, property, structures and delivery systems.

The stockpiling of sand and sand bags, portable pumps, power chain saws and portable power generators should be considered at critical locations or nearby sites.

Upon becoming aware that any part of the Water System has been affected by this type of weather conditions, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

#### 2. INITIAL NOTIFICATION

- a. Notify BCVWD Supervisor
- b. Activate BCVWD Response Personnel to their respective assignments.
- c. Activate BCVWD notification plan for this particular event (see Notification Matrix).

#### 3. RESPONSE ACTIONS

- a. Injury to people Due care must be taken while responding to provide all possible efforts in giving assistance and emergency first aid to the injured and notifying emergency ambulatory services.
- b. Damage to property Due care must be taken while responding in these type of weather conditions to avoid becoming a victim of injury or to be struck by falling wires, trees, weaken or unstable structures. Implementation of standard repair processes and operations will commence after the appropriate assessment has been completed by response personnel.
- c. Attention must be to electrical circuits and protection against electrocution during flooding conditions.
- d. Based on extent or type of damage, consider alternate (interim) processes in order to maintain at least some level of continued service if applicable.

- e. Coordinate alternative water supply, as needed.
- f. Consider activating pubic notice notification.

BCVWD personnel should begin recovery actions as soon as practical after the damage assessment and/or processes, facility or activity has been isolated from the rest of the utility facilities or determined that this threat is no longer present.

# 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event which may require outside resources.

# 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan including prioritized processes as determined by management.

### 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional procedural, equipment/facility and/or training for future occurrences.

### D. SNOW/ICE DAMAGE (Non-security related)

#### 1. GENERAL

These events are based on the weather conditions that result in snow and/or ice conditions affecting the water system property or the water system (at any point within the system). Since this area is not normally prone to this type of weather, the occurrence of such conditions can result in severe injury or damage to individuals, property, structures and delivery systems.

The stockpiling of salt to be used to reduce the freezing effect of ice and snow, power chain saws and power generators should be considered at critical locations or nearby sites.

Upon becoming aware that any part of the Water System has been affected by this type of weather conditions, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

#### 2. INITIAL NOTIFICATION

- a. Notify BCVWD Supervisor
- b. Activate BCVWD Response Personnel to their respective assignments.
- c. Activate BCVWD notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

- a. Injury to people Due care must be taken while responding to provide all possible efforts in providing assistance and emergency first aid to the injured and notifying emergency ambulatory services.
- b. Damage to property Due care must be taken while responding in these type of weather conditions to avoid becoming a victim of injury or to be struck by falling wires, trees, weaken or unstable structures. Inspect Priority One, Two and Three sites and Routes (SEE APPENDIX A). Implementation of standard repair processes and operations will commence after the appropriate assessment has been completed by response personnel.
- c. Based on extent or type of damage, consider alternate (interim) processes in order to maintain at least some level of continued service if applicable.
- d. Coordinate alternative water supply, as needed.
- e. Consider activating pubic notice notification.

BCVWD personnel should begin recovery actions as soon as practical after the damaged assessment and/or processes, facility or activity has been isolated from the rest of the utility facilities or determined that this threat is no longer present.

# 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event which may require outside resources.

# 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan including prioritized processes as determined by management.

# 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional procedural, equipment/facility and/or training for future occurrences.

### E. EARTHQUAKES (Non-security related)

#### 1. GENERAL

This event is based on geographical and seismic conditions that occur everyday throughout the world that can have varying effects on the water system property or the water system (at any point within the system). The effects can range from no noticeable implications to catastrophic destruction. Due to the actions involved in earthquakes and the shifting of the ground mass, damage to the infrastructure of the delivery system and Dam sites, earthen or structural, can readily occur. Earthquakes come with a series of "aftershocks" following the main event that can continue to causes damage. The secondary effects of earthquakes are fires caused by broken gas mains and the resulting fire spread due to broken and disrupted water supply normally used for extinguishing them. All of these affects from an earthquake require immediate coordination of all portions of the water delivery system.

The stockpiling of piping and valves, contractual heavy equipment, portable pumps, power chain saws and potable power generators should be considered at critical locations or nearby sites.

Upon becoming aware that any part of the service area for the Water System being affected by an earthquake, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

### 2. INITIAL NOTIFICATION

- a. Notify BCVWD Supervisor
- b. Activate BCVWD Response Personnel to their respective assignments.
- c. Activate BCVWD notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

- a. Injury to people Due care must be taken while responding to provide all possible efforts in giving assistance and emergency first aid to the injured and notifying emergency ambulatory services.
- b. The potential damage due to flooding from reservoir or the Dam must be immediately evaluated and monitored.
- c. Depending on size of earthquake, see APPENDIX A for mobilization response.

- d. Inspect Priority One, Two and Three sites and Routes (SEE APPENDIX B).
- e. Damage to property Due care must be taken while responding in an earthquake situation due the "aftershocks" and damage they may cause. The need to avoid becoming a victim of injury or being struck by falling wires, trees, weaken or unstable structures should be foremost in everyone's thought process. Consideration to aid fire fighting will need to be coordinated with County Emergency Response Office. Implementation of standard repair processes and operations will commence after the appropriate assessment has been completed by response personnel.
- f. Based on extent or type of damage, consider alternate (interim) processes in order to maintain at least some level of continued service if applicable.
- g. Coordinate alternative water supply, as needed.
- h. Activating pubic notice notification.

BCVWD personnel should begin recovery actions as soon as practical after the damaged assessment and/or the process, facility or activity has been isolated from the rest of the utility facilities or it has been determined that this threat is no longer present.

All efforts should be made to keep the public and news media informed of the steps that are be taken and the public is informed of things they could do to assist in the process.

### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event which may require outside resources.

# 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan including prioritized processes as determined by management.

#### 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional procedural, equipment/facility and/or training for future occurrences.

### F. HURRICANES and TORNADOES (Non-security related)

#### 1. GENERAL

These events are based on the weather conditions that result in extremely high winds and rain affecting the water system property or the water system (at any point within the system). The strong winds may result in structural damage to buildings and may generate flooding of many areas including treatment facilities. Since this area is normally prone to this type of weather, the occurrence of such conditions can be anticipated and normally 24 to 48 hour warning is provided. However, the results can still be severe injury or damage to individuals, property, structures and the water delivery systems.

The stockpiling of power chain saws, portable pumps and portable power generators should be considered at critical locations or nearby sites.

Upon becoming aware that any part of the Water System has been affected by this type of weather conditions, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

#### 2. INITIAL NOTIFICATION

- a. Notify BCVWD Supervisor
- b. Activate BCVWD Response Personnel to their respective assignments.
- c. Activate BCVWD notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

- a. Injury to people Due care must be taken while responding to provide all possible efforts in giving assistance and emergency first aid to the injured and notifying emergency ambulatory services.
- b. Inspect Priority One, Two and Three sites and Routes (SEE APPENDIX B).
- c. Damage to property Due care must be taken while responding in these type of weather conditions to avoid becoming a victim of injury or to be struck by falling wires, trees, weaken or unstable structures. Implementation of standard repair processes and operations will commence after the appropriate assessment has been completed by response personnel.

- d. Based on extent or type of damage, consider alternate (interim) processes in order to maintain at least some level of continued service if applicable.
- e. Coordinate alternative water supply, as needed.
- f. Consider activating pubic notice notification.

BCVWD personnel should begin recovery actions as soon as practical after the damaged assessment and/or processes, facility or activity has been isolated from the rest of the utility facilities or determined that this threat is no longer present.

### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event which may require outside resources.

# 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan including prioritized processes as determined by management.

### 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional procedural, equipment/facility and/or training for future occurrences.

### G. FIRE (Treat all fires as Security related until proven otherwise)

#### NOTICE:

"The response to a security event requires due care. In addition to the damage or possible damage present, the event may be considered a criminal act and the area a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any immediate threat to life or significant damage to the water system. This area will become restricted to "law enforcement personnel only" once they arrive. This action may preclude BCVWD personnel from entering unless they are specifically authorized to by the police."

### 1. GENERAL

A fire event is based on the accidental or negligent situations, act of God, or intentional activity. Each one usually results in property damage and/or injury including death to individuals. The secondary affect is diminished or no service to the consumer by the delivery of product - water. The first goal is to save life and then property and maintain service. Immediate response to extinguish or contain the fire is paramount. The cause of the fire is very important to determine as it may affect the future use of certain equipment, insurance coverage, and civil and/or criminal action. Good housekeeping, regular preventative maintenance, proper storage of combustibles, portable extinguishers and sprinkler equipped building reduce the potential for fires.

Fires can be small (those who's extinguishment can be accomplished by use of a hand held extinguisher) and large fires (any fire that cannot be contained with a hand held fire extinguisher).

#### THE FIRST STEP IN ANY FIRE IS TO SOUND THE ALERT AND GET ASSISTANCE!

All individuals should be trained in the proper use of hand held fire extinguishers.

Upon becoming aware that any part of the Water System is or has been affected by a LARGE fire event, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

### 2. INITIAL NOTIFICATION

- a. Notify BCVWD Supervisor
- b. Activate BCVWD Response Personnel to their respective assignments.
- c. Activate BCVWD notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

- a. THE FIRST RESPONSE TO ANY FIRE IS TO SOUND THE ALERT AND GET ASSISTANCE.
- b. IF after sounding the alarm and getting assistance, you are knowledgeable in the use of the fire extinguisher AND the fire is small, you may extinguish it with the hand held extinguisher OR assist in evacuating the area and wait for the fire department to arrive.
- c. Injury to people Due care must be taken while responding to provide all possible efforts in giving assistance and emergency first aid to the injured and notifying emergency ambulatory services.
- d. Damage to property Due care must be taken while responding as fire can destroy the structural integrity of structures and the collapse may occur. You must avoid becoming a victim of injury or being struck by falling wires, trees, weaken or unstable structures. Implementation of standard repair processes and operations will commence after the appropriate assessment has been completed by response personnel.
- e. Based on extent or type of damage, consider alternate (interim) processes in order to maintain at least some level of continued service if applicable.
- f. Coordinate alternative water supply, as needed.
- g. Consider activating pubic notice notification.

#### 4. RECOVERY ACTIONS

BCVWD personnel should begin recovery actions as soon as practical after the damaged assessment and/or processes, facility or activity has been isolated from the rest of the utility facilities or determined that this threat is no longer present.

#### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event which may require outside resources.

# 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan including prioritized processes as determined by management.

# 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional procedural, equipment/facility and/or training for future occurrences.

# H. TREASPASS, VANDALS and SABOTAGE (Security related)

Man-Made and/or Technological Emergencies

#### NOTICE:

"The response to a security event requires due care. In addition to the damage or possible damage present, the event may be considered a criminal act and the area a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any <a href="immediate">immediate</a> threat to life or significant damage to the water system. This area will become restricted to "law enforcement personnel only" once they arrive. This action may preclude BCVWD personnel from entering unless they are specifically authorized to by the police."

#### 1. GENERAL

These events are based on the threat of or actual, intentional trespass, vandalism and/or sabotage of water system property or the water system (at any point within the system).

Under Presidential Decision Directive (PDD) 63 issued on May 22, 1998, the United States Environmental Protection Agency (USEPA) was designated as the lead federal agency to assess and address the vulnerabilities of the Nation's water supply infrastructure. Following the terrorist attacks of September 11, 2001, the President signed the Public Health Security and Bio-Terrorism Preparedness and Response Act of 2002 into law (PL 107-188) (June 12, 2002). Per this Act, community water systems had to conduct vulnerability assessments (V/As) within mandated deadlines and prepare emergency response plans (ERPs).

To aid this effort, USEPA directed efforts to reduce the vulnerability of water systems to terrorist attacks, to enhance their security and ability to respond to emergency situations.

Upon notification or of becoming aware that any part of the BCVWD Water System has been intentionally trespassed, vandalized and/or sabotaged, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

Trespass, vandalism and possible sabotage are handled to a large extent by planning and prevention. Most of the facilities are fenced, gated, locked and constructed to minimize

trespass or damage by vandalism. Concerted efforts to stop trespassing and/or damage to facilities, however, cannot be economically prevented.

Preventive actions obtained by applying certain physical and electronic security applications, law enforcement agencies and an alert operating force are also strong deterrents to reducing acts of trespass, vandalism and sabotage as well as the consequent damage. Staff should be aware of suspicious parties that may be loitering near facilities, notify the proper contact(s) or Law Enforcement, make a written note of license plates, descriptions, etc., of suspicious parties, and wait for assistance to arrive , or if appropriate, approach the individuals to ascertain there purpose and identity.

#### 2. INITIAL NOTIFICATION

- a. Notify BCVWD Supervisor
- b. Activate BCVWD Response Personnel to their respective assignments.
- c. Activate BCVWD notification plan for this particular event (see Notification Matrix).

#### 3. RESPONSE ACTIONS

- a. TRESPASSER(s) Notify BCVWD Supervisor. If conditions warrant (late at night, secluded areas, other than normally public areas), the immediate dispatching of law enforcement to scene should\_occur. BCVWD employees should standby to meet and assist law enforcement or be available to handle any water related issues. In all cases of trespassers, appropriate identification, vehicle license, etc. should be obtained and then, as appropriate to circumstances, direct them to leave or be prepared to file criminal trespass charges.
- b. VANDALISM and SABOTAGE Notify BCVWD Supervisor. Immediately notify law enforcement and request presence at the scene. BCVWD employees should standby to meet and assist law enforcement or be available to handle any water related issues.
- c. If damage has occurred, deploy emergency response team, treat as crime scene. Standby and be available to assist local/county/state law enforcement and/or FBI to process crime scene for evidence preservation.
- d. Coordinate alternative water supply, as needed.
- e. Consider increasing security measures.
- f. Based on extent or type of damage, consider alternate (interim) processes in order to maintain at least some level of continued service if applicable.

BCVWD personnel should begin recovery actions as soon as practical after trespasser(s) removed, damaged assessed and/or process, facility or activity has been isolated from the rest of the utility facilities or determined that the threat is no longer present.

# 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event.

### 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan.

### 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional protection/ security measures for the property or damaged equipment/facility.

### I. MAJOR THEFT of EQUIPMENT or CHEMICALS (Security related)

Man-Made and/or Technological Emergencies

### NOTICE:

"The response to a security event requires due care. In addition to the damage or possible damage present, the event may be considered a criminal act and the area a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any immediate threat to life or significant damage to the water system. This area will become restricted to "law enforcement personnel only" once they arrive. This action may preclude BCVWD personnel from entering unless they are specifically authorized to by the police."

#### 1. GENERAL

These events are based on the threat of or actual theft of major equipment or chemicals of water system property or the water system (at any point within the system).

Under Presidential Decision Directive (PDD) 63 issued on May 22, 1998, the United States Environmental Protection Agency (USEPA) was designated as the lead federal agency to assess and address the vulnerabilities of the Nation's water supply infrastructure. Following the terrorist attacks of September 11, 2001, the President signed the Public Health Security and Bio-Terrorism Preparedness and Response Act of 2002 into law (PL 107-188) (June 12, 2002). Per this Act, community water systems had to conduct vulnerability assessments (V/As) within mandated deadlines and prepare emergency response plans (ERPs).

To aid this effort, USEPA directed efforts to reduce the vulnerability of water systems to terrorist attacks, to enhance their security and ability to respond to emergency situations.

Upon notification or of becoming aware that any part of the BCVWD Water System has been the victim of a major theft of equipment or chemicals, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

Theft of equipment and chemicals may and can occur at almost any time. Most of the facilities are fenced, gated, locked and constructed to minimize theft. Concerted efforts to stop theft of equipment and chemicals, however, cannot be economically prevented.

Preventive actions obtained by applying certain physical and electronic security applications, law enforcement agencies and an alert operating force are also strong deterrents to reducing acts of theft. Staff should be aware of suspicious parties that may be loitering near facilities, notify the proper contact(s) or Law Enforcement, make a written note of license plates, descriptions, etc., of suspicious parties, and wait for assistance to arrive, or if appropriate, approach the individuals to ascertain there purpose and identity.

#### 2. INITIAL NOTIFICATION

- a. Notify BCVWD Supervisor
- b. Activate BCVWD Response Personnel to their respective assignments.
- c. Activate BCVWD notification plan for this particular event (see Notification Matrix).

#### 3. RESPONSE ACTIONS

- a. Upon the discovery of missing equipment or chemicals, immediately notify BCVWD Supervision and management. Try to ascertain if equipment or chemicals were moved in an authorized manner. Time is of an essence.
- b. If a reasonable search and inquiry (short period of time) do not provide an answer for the disappearance, immediately notify law enforcement and request presence at the scene. BCVWD employees should standby to meet and assist law enforcement or be available to handle any water related issues.
- c. Activate the damage assessment team.
- d. Consider increasing security measures.
- e. Based on extent or type of theft, consider alternate (interim) processes in order to maintain at least some level of continued service if applicable.
- f. Determine with Aqua Management and law enforcement the type of news release that should be given out to the public, if any.
- g. Obtain statements from all personnel as to the last time they saw the item(s) prior to their becoming missing.
- h. Notify insurance broker and carrier.

BCVWD personnel should begin recovery actions as soon as practical after theft items have been isolated from the rest of the utility facilities or determined that the threat is no longer present or can be dealt with by some other means.

# 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event.

### 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan.

### 7. REMEDIATION ACTIONS

- a. Replace equipment and chemicals.
- b. Assess need for additional protection/ security measures for the property or damaged equipment/facility.

### J. CONTAMINATION (Security related)

Man-Made and/or Technological Emergencies

WATER CONTAMINATION
"The response to a security event requires due care. In addition to the threat, danger or possible damage present, the event may be considered a criminal act and the area a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any immediate threat to life or significant damage to the water system. This area may become restricted to "law enforcement personnel only" once they arrive. This action may preclude BCVWD personnel from

entering unless they are specifically authorized to by the police."

#### 1. GENERAL

1. Any event that impacts distribution water quality to the point that public health is <a href="immediately">immediately</a> threatened, is based on the water utility being notified by proper authority, or discovering that there may be a water contamination occurrence, will activate this section.

Under Presidential Decision Directive (PDD) 63 issued on May 22, 1998, the United States Environmental Protection Agency (USEPA) was designated as the lead federal agency to assess and address the vulnerabilities of the Nation's water supply infrastructure. Following the terrorist attacks of September 11, 2001, the President signed the Public Health Security and Bio-Terrorism Preparedness and Response Act of 2002 into law (PL 107-188) (June 12, 2002). Per this Act, community water systems had to conduct vulnerability assessments (V/As) within mandated deadlines and prepare emergency response plans (ERPs).

To aid this effort, USEPA directed efforts to reduce the vulnerability of water systems to terrorist attacks, to enhance their security and ability to respond to emergency situations.

Upon notification or of becoming aware that any part of the BCVWD Water System has a potential contamination, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

2. Contamination Types can be generally categorized as disease causing organisms from bacterial, viral or parasites (biological); chemical; organic; radiological.

#### 2. INITIAL NOTIFICATION

- a. Activate BCVWD Emergency Response Personnel to their respective assignments.
- b. Activate notification plan for this particular event (see Notification Matrix).
- c. Public Notice Types
  - A. "Boil Order" Notice to boil water prior to use is issued by the California Department of Health Services and is called a <u>Boil Water Order</u>. It is used only in the event that the water supply is found to be contaminated or is likely to be contaminated with disease-causing organisms that boiling will neutralize the effects. As an alternative, chlorine bleach can be used with similar effect. See APPENDIX C for an example of the order language.
  - B. "Unsafe Water Alert" Notice on non-portability of water is issued in order to prevent the public from drinking the water is called an <u>Unsafe Water Alert</u>. It is required if toxic levels of metals, radiological, or organics are found in the water supply. It is issued by the California Department of Health Services (DHS) and contents must be approved by DHS. See APPENDIX D for an example of the alert language.

#### 3. RESPONSE ACTIONS

NOTE: Patient symptoms should be used to narrow the list of potential contaminants.

- a. Source Water
  - 1. Increase sampling at or near water intakes.
  - 2. Consider whether to isolate the water source if possible.
- b. Drinking Water Treatment Facility (Not Applicable)
  - 1. Preserve data from latest full battery background test (local Treatment Plant Operation Log?) as baseline.
  - 2. Increase sampling efforts to confirm contaminant.
  - 3. Consider whether to continue normal operations (If reduction or stoppage is outcome, provide notification to customers/ issue alerts). Discontinue treatment operations and discharge to waste if necessary.
- c. Water Distribution/ Storage

Isolate the water, drain and disinfect as necessary in the effected area, sample to confirm contaminant.

#### 4. RECOVERY ACTIONS

NOTE: Recovery actions may be tailored to a specified (identified) material if the physical properties for the material are known.

BCVWD personnel should begin recovery actions once contaminant is through the system.

### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event (see notification matrix).

#### 6. APPROPRIATE UTILITY ELEMENTS

- a. Sample appropriate system storage tanks, filters, sediment basins, solids handling, etc. to determine if residual contamination exists to determine if residual contamination exists.
- b. Flush system based on results of sampling.
- c. Monitor health of employees pursuant to medical provider's advice.
- d. Plan for the appropriate disposition of personal protection equipment (PPE) and other equipment.

#### 7. REMEDIATION ACTIONS

NOTE: Remediation actions may be tailored to a specified (identified) material if the physical properties for the material are known.

- a. Based on sampling results, assess need to remediate or modify processes regarding storage tanks, filters, sediment basins, solids handling.
- b. Dispose of PPE and other equipment.
- c. Identify recommendations for future facility protection.

# **K. CONTAMINATION at MAJOR EVENT (Security related)**

Man-Made and/or Technological Emergencies

# NOTICE:

"The response to a security event requires due care. In addition to the threat, danger or possible damage present, the event may be considered a criminal act and the area a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any immediate threat to life or significant damage to the water system. This area may become restricted to "law enforcement personnel only" once they arrive. This action may preclude BCVWD personnel from entering unless they are specifically authorized to by the police."

#### 1. GENERAL

This event is based on the threat of, or actual, intentional introduction of a contaminant into the water system at a sports area, convention center or similar public facility.

Under Presidential Decision Directive (PDD) 63 issued on May 22, 1998, the United States Environmental Protection Agency (USEPA) was designated as the lead federal agency to assess and address the vulnerabilities of the Nation's water supply infrastructure. Following the terrorist attacks of September 11, 2001, the President signed the Public Health Security and Bio-Terrorism Preparedness and Response Act of 2002 into law (PL 107-188) (June 12, 2002). Per this Act, community water systems had to conduct vulnerability assessments (V/As) within mandated deadlines and prepare emergency response plans (ERPs).

To aid this effort, USEPA directed efforts to reduce the vulnerability of water systems to terrorist attacks, to enhance their security and ability to respond to emergency situations.

Upon notification or of becoming aware that any part of the BCVWD Water System has been notified of a threat against or actual intentionally contamination at a major event, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

#### 2. INITIAL NOTIFICATION

- a. Activate BCVWD Response Personnel to their respective assignments.
- b. Activate notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

a. Source Water

NO recommended action to take.

b. Drinking Water Treatment Facility

NO recommended action to take.

- c. Water Distribution/ Storage
  - 1. Isolate water in the distribution system and at the particular site.
  - 2. Sample the water to confirm the contamination.
  - 3. Drain the contaminated water and disinfect.
  - 4. Provide alternate water source.

### 4. RECOVERY ACTIONS

BCVWD personnel should begin recovery actions once contaminant is through the system.

### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event.

# 6. WATER DISTRIBUTION/ STORAGE

- a. Do NOT flush distribution system via hydrants.
- b. Move to prevent any risk of backflow. Install backflow prevention devices on <u>all</u> services to the event prior to recovering facility's water system.

# 7. REMEDIATION ACTIONS

Water Distribution/ Storage

Assess need to decontaminate/replace distribution system components.

# L. NOTIFICATION by HEALTH OFFICE of CONTAMINANT (Security related)

Man-Made and/or Technological Emergencies

# NOTICE:

"The response to a security event requires due care. In addition to the threat, danger or possible damage present, the event may be considered a criminal act and the area a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any immediate threat to life or significant damage to the water system. This area may become restricted to "law enforcement personnel only" once they arrive. This action may preclude BCVWD personnel from entering unless they are specifically authorized to by the police."

#### 1. GENERAL

This event is based on the water utility being notified by Public Health officials of potential contamination based on symptoms of patients.

Under Presidential Decision Directive (PDD) 63 issued on May 22, 1998, the United States Environmental Protection Agency (USEPA) was designated as the lead federal agency to assess and address the vulnerabilities of the Nation's water supply infrastructure. Following the terrorist attacks of September 11, 2001, the President signed the Public Health Security and Bio-Terrorism Preparedness and Response Act of 2002 into law (PL 107-188) (June 12, 2002). Per this Act, community water systems had to conduct vulnerability assessments (V/As) within mandated deadlines and prepare emergency response plans (ERPs).

To aid this effort, USEPA directed efforts to reduce the vulnerability of water systems to terrorist attacks, to enhance their security and ability to respond to emergency situations.

Upon notification or of becoming aware that any part of the BCVWD Water System has a potential contamination, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery actions, appropriate utility elements and remediation actions.

#### 2. INITIAL NOTIFICATION

- a. Activate BCVWD Response Personnel to their respective assignments.
- b. Activate notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

NOTE: Patient symptoms should be used to narrow the list of potential contaminants.

- a. Source Water
  - 1. Increase sampling at or near water intakes.
  - 2. Consider whether to isolate the water source if possible.

### b. Drinking Water Treatment Facility

- 1. Preserve latest full battery background test as baseline.
- 2. Increase sampling efforts.
- 3. Consider whether to continue normal operations (If reduction or stoppage is outcome, provide notification to customers/ issue alerts).

### c. Water Distribution/ Storage

- 1. Increase sampling in the area potentially affected and at locations where the contaminant could have migrated to. It is important to consider the time between exposure and the onset of symptoms to select sampling sites.
- 2. Consider whether to isolate.
- 3. Consider whether to increase residual disinfectant level...

### 4. RECOVERY ACTIONS

BCVWD personnel should begin recovery actions once contaminant is through the system.

### 5. RECOVERY NOTIFICATIONS

- a. Activate notification plan for this particular event.
- b. Assist health department.

### 6. APPROPRIATE UTILITY ELEMENTS

a. Sample appropriate system elements (storage tanks, filters, sediment basins, solids

handling) to determine if residual contamination exists.

- b. Flush system based on results of sampling.
- c. Monitor health of employees.
- d. Plan for the appropriate disposition of personal protection equipment (PPE) and other equipment.

### 7. REMEDIATION ACTIONS

- a. Based on sampling results assess need to remediate storage tanks, filters, sediment basins, solids handling.
- b. Plan for appropriate disposition of PPE and other equipment.
- c. If waste water treatment plant was by-passed, sample and establish monitoring regime for receiving stream and potential remediation based on sampling results.

### M. UNAUTHORIZED SCADA ACTIVITY (Security related)

Man-Made and/or Technological Emergencies

### NOTICE:

"The response to a security event requires due care. In addition to the threat, danger, or possible damage present, the event may be considered a criminal act and the area a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any immediate threat to life or significant damage to the water system. This area may become restricted to "law enforcement personnel only" once they arrive. This action may preclude BCVWD personnel from entering unless they are specifically authorized to by the police."

#### 1. GENERAL

This event is based on either internal or external unauthorized intrusion of the Supervisory Control and Data Acquisition (SCADA) system.

Under Presidential Decision Directive (PDD) 63 issued on May 22, 1998, the United States Environmental Protection Agency (USEPA) was designated as the lead federal agency to assess and address the vulnerabilities of the Nation's water supply infrastructure. Following the terrorist attacks of September 11, 2001, the President signed the Public Health Security and Bio-Terrorism Preparedness and Response Act of 2002 into law (PL 107-188) (June 12, 2002). Per this Act, community water systems had to conduct vulnerability assessments (V/As) within mandated deadlines and prepare emergency response plans (ERPs).

To aid this effort, USEPA directed efforts to reduce the vulnerability of water systems to terrorist attacks, to enhance their security and ability to respond to emergency situations.

Upon notification or of becoming aware of an unauthorized intrusion of any part of the BCVWD Water System through SCADA, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery actions, recovery notifications, appropriate utility elements and remediation actions.

#### 2. INITIAL NOTIFICATION

- a. Activate BCVWD Emergency Response Teams to their respective assignments.
- b. Activate notification plan for this particular event (see Notification Matrix).

#### 3. RESPONSE ACTIONS

a. Conduct an initial assessment of the SCADA to determine impact of the intrusion and potential for hazard. Based on findings, determine if additional steps are needed as describe below.

#### b. Source Water

- 1. Increase sampling at or near water intakes.
- 2. Consider whether to isolate the water source if possible.

### c. Drinking Water Treatment Facility

- 1. Preserve data from latest full battery background test (Treatment Plant Operation Log?) as baseline.
- 2. Temporary shut down SCADA system and implement manual operation using established protocol.

### d. Water Distribution/ Storage

- 1. Monitor unmanned components (storage tanks and pumping stations).
- 2. Consider whether to isolate.

### 4. RECOVERY ACTIONS

BCVWD personnel should begin recovery actions once the intrusion has been eliminated and the containment of unsafe water (if this occurs) is purged from the system.

### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event.

### 6. APPROPRIATE UTILITY ELEMENTS

- a. <u>WITH ASSISTANCE</u> from the FBI, make an image copy of <u>ALL</u> systems logs to preserve evidence.
- b. WITH ASSISTANCE from the FBI, check for implanted backdoors and other malicious

code. Eliminate them before restarting SCADA.

- c. Install safeguards before re-starting SCADA.
- d. Bring SCADA up and monitor system.

### 7. REMEDIATION ACTIONS

- a. Assess/implement additional protections for SCADA.
- b. Check for National Infrastructure Protection Center (NIPC) water sector warning based on the intrusion that may contain additional water protective actions to be considered. NIPC warnings can be found at <a href="https://www.infrgard.org">www.NIPC.gov</a> or at <a href="https://www.infrgard.org">https://www.infrgard.org</a> for secure access Infragard members.

### N. INTENTIONAL DAMAGE to STRUCTURE (Security related)

Man-Made and/or Technological Emergencies

### **NOTICE:**

NIFTCANTS TRUGTLE ALL DAMA GENTES Until Land. from addition to the threat, Adarger, or possible damage present, the event may be considered a criminal act and the area a crime scene. As such, the physical area surrounding the entry point or breech of the system is normally considered a "crime scene". The crime scene needs to be protected in its original state as to when the crime occurred until it can be processed for evidence leading to the perpetrators and/ or methods utilized in the act. Care must be taken not to disturb what occurred yet action may be taken to avert any immediate threat to life or significant damage to the water system. This area may become restricted to "law enforcement personnel only" once they arrive. This action may preclude BCVWD personnel from entering unless they are specifically authorized to by the police."

### 1. GENERAL

This event is based on intentional structural damage to water system components to disrupt normal system operations.

Under Presidential Decision Directive (PDD) 63 issued on May 22, 1998, the United States Environmental Protection Agency (USEPA) was designated as the lead federal agency to assess and address the vulnerabilities of the Nation's water supply infrastructure. Following the terrorist attacks of September 11, 2001, the President signed the Public Health Security and Bio-Terrorism Preparedness and Response Act of 2002 into law (PL 107-188) (June 12, 2002). Per this Act, community water systems had to conduct vulnerability assessments (V/As) within mandated deadlines and prepare emergency response plans (ERPs).

To aid this effort, USEPA directed efforts to reduce the vulnerability of water systems to terrorist attacks, to enhance their security and ability to respond to emergency situations.

Upon notification or of becoming aware that any part of the BCVWD Water System has sustained significant structural damage from an intentional act, this emergency response plan will be immediately implemented.

The emergency response plan for this type of situation will include specific initial notifications, response actions, recovery notifications, recovery actions, appropriate utility elements and remediation actions.

#### 2. INITIAL NOTIFICATION

- a. Activate BCVWD Emergency Response Personnel to their respective assignments.
- b. Activate notification plan for this particular event (see Notification Matrix).

### 3. RESPONSE ACTIONS

- a. Deploy Emergency Response Teams, treat as crime scene Consult local/state law enforcement and FBI on evidence preservation.
- b. Inform law enforcement and FBI of potential hazardous materials.
- c. Coordinate alternative water supply, as needed.
- d. Consider increasing security measures.
- e. Based on extent of damage, consider alternate (interim) treatment schemes to maintain at lease some level of treatment.

#### 4. RECOVERY ACTIONS

BCVWD personnel should begin recovery actions as soon as practical after damaged facility is isolated from the rest of the utility facilities.

### 5. RECOVERY NOTIFICATIONS

Activate notification plan for this particular event.

### 6. APPROPRIATE UTILITY ELEMENTS

- a. Dependent on the feedback from damage assessment teams.
- b. Implement damage recovery plan.

### 7. REMEDIATION ACTIONS

- a. Repair damage.
- b. Assess need for additional protection/ security measures for the damaged facility and other critical facilities within the utility.

### **APPENDIX A**

The Beaumont Cherry Valley Water District's initial response to an emergency will be to determine the level of mobilization necessary to meet the immediate, primary objectives. The level of mobilization will be dictated by the initial preliminary inspection of facilities.

	MOBII	LIZATION LEVELS	DEFINED
Level of Emergency	Richter Scale	Mercalli Scale	Level of Mobilization
Level 1 Mobilization	Less than 5.5	1-V1	Limited Mobilization required. (Duty person performs initial assessment checking the telemetry system at the District Headquarters, monitors radio and pager for damage reports form the public and activates initial response team and EOC as necessary.)
Level 2 Mobilization	5.5 to 6.0	V1 - V111	Mobilization required. (Initial Response Team is activated and all assessments reported to EOC.)
Level 3 Mobilization	6.1 to 10	V111 - X11	Full mobilization required, outside services and equipment needed. (EOC activated, action plan developed based on incoming assessments.)

## APPENDIX B

### INITIAL RESPONSE CHECKLIST PRIORITY I ROUTE 1

Date:	Time:		Emergency:	
MAGNITUDE:		EPICENTER:		
FACILITY INSPECTED		CHECKED BY	TIN	IE
1. Reservoir				
2. Treatment Plant/Well				
3. Reservoir			_	
4. Reservoir			_	
	_			
Notify the System Dispatch " Route 1, Priority I Inspect Unless otherwise instructe COMMENTS:	tion Complete."			

## **APPENDIX B continued**

### INITIAL RESPONSE CHECKLIST PRIORITY I ROUTE 2

Date:	lime:	Emergency:	
MAGNITUDE:	EPICENTER	:	
FACILITY INSPECTED	CHECKED BY	TIME	
1. Reservoir			
2. Well		_	
3. Well			
4. Well			
5. Well			
Notify the System Dispatcher: " Route 2, Priority I Inspection ( Unless otherwise instructed, re COMMENTS:	Complete." port to the EOC.		
	•		

### **APPENDIX B continued**

### INITIAL RESPONSE CHECKLIST PRIORITY I ROUTE 3

Date:	Time:		Emergency:	
MAGNITUDE:		EPICENTER:	<u>:</u>	
FACILITY INSPECTED	C	HECKED BY	TIME	
1. Reservoir			_	
2. Well				
3. Well				
4. Reservoir				
5. Reservoir				
6. tank/Chlorine				
Notify the System Dispatch " Route 3, Priority I inspect Unless otherwise instructe	ion Complete."			
COMMENTS:				

### APPENDIX C

Date:

### **BOIL WATER ORDER**

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

### **BOIL YOUR WATER BEFORE USING**

Failure to follow this advisory could result in stomach or intestinal illness.

Due to the recent event [e.g., water outage, power outage, flood, fire, earthquake or other emergency situation], the California Department of Health Services in conjunction with the [County Name] County Health Department, and Beaumont Cherry Valley Water System are advising residents of Beaumont Cherry Valley to use boiled tap water or bottled water for drinking and cooking purposes as a safety precaution.

<u>DO NOT DRINK THE WATER WITHOUT BOILING IT FIRST.</u> **Bring all water to a boil**, let it boil for one (1) minute, and let it cool before using, or use bottled water. Boiled or bottled water should be used for drinking and food preparation until further notice. Boiling kills bacteria and other organisms in the water. [or This is the preferred method to assure that the water is safe to drink.]

### Optional alternative to include for prolonged situations where it fits.

- An alternative method of purification for residents that do not have gas or electricity available is to use fresh liquid household bleach (Clorox, Purex, etc.). To do so, add 8 drops (or 1/4 teaspoon) of bleach per gallon of clear water or 16 drops (or 1/2 teaspoon) per gallon of cloudy water, mix thoroughly, and allow to stand for 30 minutes before using. A chlorine-like taste and odor will result from this purification procedure and is an indication that adequate disinfection has taken place.
- Water purification tablets may also be used by following the manufacturer's instructions.
- Optional: Potable water is available at the following locations: [List locations] Please bring a clean water container (5 gallons maximum capacity).

We will inform you when tests show no bacteria and you no longer need to boil your water. We anticipate resolving the problem within [estimated time frame].

### For more information call:

Water Utility contact: [Name, title, phone & address of responsible utility representative]. California Department of Health Services – Drinking Water Field Operations Branch- District Office at [(XXX) XXX-XXXX].

Local Environmental Health Jurisdiction: [XXXXX County at (XXX) XXX-XXXX].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

### APPENDIX D

Date:

### UNSAFE WATER ALERT

[Insert one-liner language other than Spanish here, otherwise delete.]

Beaumont Cherry Valley water is possibly contaminated with [an unknown substance]

### DO NOT USE YOUR WATER

Failure to follow this advisory could result in illness.

An unknown substance has been added to the drinking water supplied by the Beaumont Cherry Valley due to a recent [intrusion; break-in] at [one of the wells; our treatment plant; storage tank; specific facility]. The California Department of Health Services, [County Name] County Health Department, and Beaumont Cherry Valley Water System are advising residents of Beaumont Cherry Valley to NOT USE THE TAP WATER FOR DRINKING [AND/,] COOKING [,HAND WASHING OR BATHING] UNTIL FURTHER NOTICE.

What should I do?

- <u>DO NOT DRINK OR USE TAP WATER---USE ONLY BOTTLED WATER.</u> **Bottled water should be used for all drinking (including baby formula and juice), brushing teeth, washing dishes, and food preparation** until further notice.
- <u>DO NOT TRY AND TREAT THE WATER YOURSELF.</u> **Boiling**, freezing, filtering, adding chlorine or other disinfectants, or letting water stand will not make the water safe.

#### **OPTIONS**

• Optional: Potable water is available at the following locations: [List locations] Please bring a clean water container (5 gallons maximum capacity).

We will inform you when tests show that the water is safe again. We expect to resolve the problem within [estimated time frame].

#### For more information call:

Water Utility contact: [Name, title, phone & address of responsible utility representative]. California Department of Health Services at: [insert local district office, DE and phone number].

Local County Health Department: [insert phone number of local health department].

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### Front

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

**Employee Name** 

Employee No.

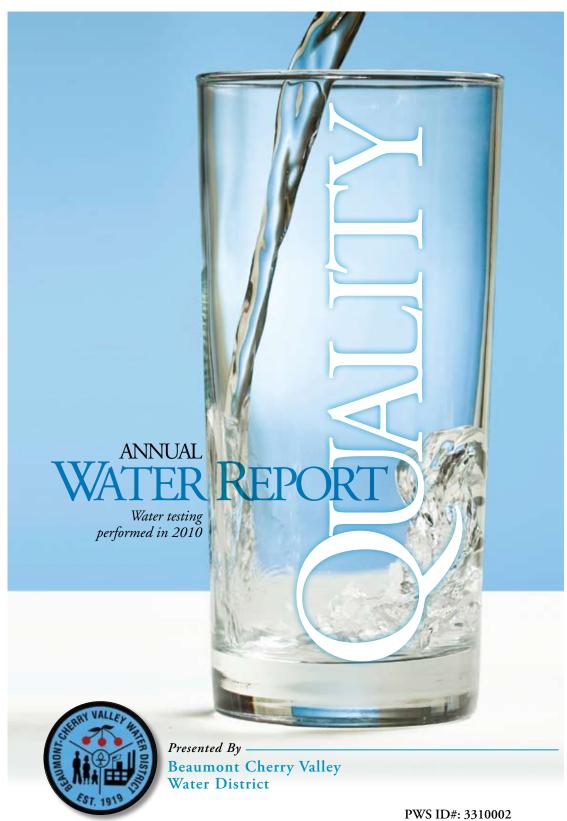
Place Photo Here

Employee Title

### Back

This Badge is property of the Beaumont Cherry Valley Water District. If found, please return to:

Beaumont Cherry Valley Water District 560 Magnolia Avenue Beaumont, CA 92223 (951) 845-9581



## Quality First Quality

Once again we are proud to present our annual water quality report covering all testing performed between January 1 and December 31, 2010. As in years past, we are committed to delivering the best-quality drinking water possible. To that end, we remain vigilant in meeting the challenges of new regulations, source water protection, water conservation, and community outreach and education while continuing to serve the needs of all of our water users. Thank you for allowing us to continue providing you and your family with quality drinking water.

Should you ever have any questions or concerns, we are always available to assist you.

### Where Does My Water Come From?

The Beaumont Cherry Valley Water District customers are fortunate because we enjoy an abundant water supply from two sources. The Beaumont Basin, located hundreds of feet below the surface of the ground, is our primary source. Our second water source is from Edgar Canyon, which is directly east and follows the contour of Oak Glen Rd. in Cherry Valley. These sources provide roughly 3.6 billion gallons of clean drinking water every year. Managing these resources in a responsible and environmentally friendly manner is always at the forefront of district policies. The Recharge and Reclamation Facility, located on the corner of Beaumont Ave. and Cherry Valley Blvd. was able to recharge 2.3 billion gallons of water into the Beaumont Basin during the 2010 calendar year. The construction of a two-million-gallon storage tank, 5,808 feet of 24-inch ductile iron pipe, and 3,031 feet of 16-inch ductile iron pipe have brought the recycled water system close to completion. When finished, the recycled water system will significantly reduce the demand on the Beaumont Basin by providing recycled water to large, non-potable water users. The Recharge and Reclamation Facility combined with the recycled water system will help to provide reliable drinking water for years to come.



### Community Participation

You are invited to participate in our public forum and voice your concerns about your drinking water. The Board of Directors meets the second Wednesday of each month, beginning at 7:00 p.m., at the BCVWD Public Board Room, located at 560 Magnolia Ave., Beaumont, CA 92223.

### Lead in Home Plumbing

If present, elevated levels of lead can Leause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. We are responsible for providing high-quality drinking water but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at www. epa.gov/safewater/lead.



# Questions?

For more information about this report, or for any questions relating to your drinking water, please call Dwan Lee Jr., Water Production Supervisor, at (951) 845-9581.

### Tap vs. Bottled

Thanks in part to aggressive marketing, the bottled water industry has successfully convinced us all that water purchased in bottles is a healthier alternative to tap water. However, according to a four-year study conducted by the Natural Resources Defense Council, bottled water is not necessarily cleaner or safer than most tap water. In fact, about 25 percent of bottled water is actually just bottled tap water (40 percent according to government estimates).

The Food and Drug Administration is responsible for regulating bottled water, but these rules allow for less rigorous testing and purity standards than those required by the U.S. EPA for community tap water. For instance, the high mineral content of some bottled waters makes them unsuitable for babies and young children. Further, the FDA completely exempts bottled water that's packaged and sold within the same state, which accounts for about 70 percent of all bottled water sold in the United States.

People spend 10,000 times more per gallon for bottled water than they typically do for tap water. If you get your recommended eight glasses a day from bottled water, you could spend up to \$1,400 annually. The same amount of tap water would cost about 49 cents. Even if you installed a filter device on your tap, your annual expenditure would be far less than what you'd pay for bottled water.

For a detailed discussion on the NRDC study results, check out their Web site at www.nrdc. org/water/drinking/bw/exesum.asp.

### Substances That Could Be in Water

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (U.S. EPA) and the State Department of Public Health (Department) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk.

Contaminants that may be present in source water include:

**Microbial Contaminants**, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife;

**Inorganic Contaminants**, such as salts and metals, that can be naturally occurring or can result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming;

**Pesticides and Herbicides**, that may come from a variety of sources, such as agriculture, urban stormwater runoff, and residential uses;

**Organic Chemical Contaminants**, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production and which can also come from gas stations, urban stormwater runoff, agricultural applications, and septic systems;

**Radioactive Contaminants**, that can be naturally occurring or can be the result of oil and gas production and mining activities.

More information about contaminants and potential health effects can be obtained by calling the U.S. EPA's Safe Drinking Water Hotline at (800) 426-4791.

### **Testing For Radon**

The Beaumont Cherry Valley Water District sampled for radon as part of the Gross-Alpha radionuclide monitoring. The analysis of ND (Non-Detected) was the result of the 2010 sampling period. It is important to sample for radon because radon is a radioactive gas that you cannot see, taste, or smell. It is found throughout the United States. Radon can move up through the ground and into a home through cracks and holes in the foundation. Radon can build up to high levels in all types of homes. Radon can also get into indoor air when released from tap water from showering, washing dishes, and other household activities. Compared to radon entering the home through soil, radon entering the home through tap water will in most cases be a small source of radon in indoor air. Radon is a known human carcinogen. Breathing air containing radon can lead to lung cancer. Drinking water containing radon may also cause increased risk of stomach cancer. If you are concerned about radon in your home, test the air in your home. Testing is inexpensive and easy. You should pursue radon removal if the level of radon in your air is 4 pCi/L of air or higher. There are simple ways to fix a radon problem that are not too costly. For additional information, call California's radon program (1-800-745-7236), the U.S. EPA Safe Drinking Water Act Hotline (1-800-426-4791), or the National Safe Council Radon Hotline (1-800-SOS-RADON).

### Important Health Information

Nitrate in drinking water at levels above 45 ppm is a health risk for infants of less than six months of age. Such nitrate levels in drinking water can interfere with the capacity of the infant's blood to carry oxygen, resulting in a serious illness; symptoms include shortness of breath and blueness of the skin. Nitrate levels above 45 ppm may also affect the ability of the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask advice from your health care provider.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants may be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. The U.S. EPA/CDC (Centers for Disease Control and Prevention) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline at (800) 426-4791 or http://water.epa.gov/drink/hotline.

### Sampling Results

During the past year, we have taken hundreds of water samples in order to determine the presence of any radioactive, biological, inorganic, volatile organic, or synthetic organic contaminants. The table below shows only those contaminants that were detected in the water. The state requires us to monitor for certain substances less than once per year because the concentrations of these substances do not change frequently. In these cases, the most recent sample data are included, along with the year in which the sample was taken.

the concentrations of these substances do not change frequently. In these cases, the most recent sample data are included, along with the year in which the sample was taken.														
REGULATED SUE	BSTANCE	ES												
SUBSTANCE (UNIT OF MEASURE)		YEAR SAMPLED	MCL [MRDL]		G (MCLG) MRDLG]	AMOUNT DETECTED	RANGE LOW-HIGH	VIOLATION	TYPICAL SOURCE					
Chromium (ppb)		2010	50		(100)	8.3	ND-20	No	Discharge from s	steel and pulp	mills and ch	rome plating	g; erosion of	natural deposits
Fluoride (ppm)		2010	2.0		1	0.44	0.3-0.9	No	Erosion of natural deposits; water additive that promotes strong teeth; discharge from fertilizer and aluminum factories					th; discharge from fertilizer and
Haloacetic Acids (p)	ob)	2010	60		NA	ND	ND-5.8	No	By-product of drinking water disinfection					
Nickel (ppb)		2010	100		12	ND	ND-14	No	Erosion of natural deposits; discharge from metal factories					
Nitrate [as nitrate]	ppm)	2010	45		45	9.3	3.1–38	No	Runoff and leach	hing from fert	ilizer use; lead	ching from s	septic tanks a	nd sewage; erosion of natural deposits
TTHMs [Total Trihalomethanes] (p	ppb)	2010	80		NA	1.68	ND-4.2	No	By-product of dr	rinking water	disinfection			
Bacteriological														
SUBSTANCE (UNIT OF MEASURE)						EAR MPLED	М	CL [MRDL]		PHG (MCLG) [MRDLG]	AMOUNT DETECTED	RANGE LOW-HIGH	VIOLATION	TYPICAL SOURCE
Total Coliform Bacte	ria [Total	Coliform F	Rule] (% po	sitive san	ples) 2	2010 More	than 5.0% of	monthly san	mples are positive	(0)	1.6	NA	No	Naturally present in the environment
Tap water samples were	collected	for lead and	copper analy	ses from	sample sites	s throughout the	community							
SUBSTANCE (UNIT OF MEASURE)	YEAR SAMPLED		PHG AN MCLG)	IOUNT DI (90TH%		SITES ABOVE AL/TOTAL SITE		N TYPICAL	LSOURCE					
Copper (ppm)	2000								-000.00-					
11 41 /	2009	1.3	0.3	0.1	8	0/30	No	Interna		sehold plumb	oing systems;	erosion of na	atural deposit	ts; leaching from wood preservatives
Lead (ppb)	2009	1.3 15	0.3	0.1 NI		0/30 1/30	No No	Interna	al corrosion of hou	•			•	ts; leaching from wood preservatives dustrial manufacturers; erosion of
	2009	15						Interna	al corrosion of hous	•			•	
Lead (ppb)	2009	15	0.2			1/30		Interna	al corrosion of hous al corrosion of hous deposits	•			•	
Lead (ppb)  SECONDARY SU SUBSTANCE	2009	15 ES YEAR	0.2	NI PHG	AMOUNT	1/30	No	Interna natural	al corrosion of hous al corrosion of hous deposits	sehold water	plumbing sys	tems; discha	•	
Lead (ppb)  SECONDARY SU SUBSTANCE (UNIT OF MEASURE)	2009 BSTANC	ES  YEAR SAMPLED 2010	0.2 SMCL	PHG (MCLG)	AMOUNT DETECTED	1/30  RANGE LOW-HIGH	No	Interna natural  TYPICAL SO  Runoff/le	al corrosion of house al corrosion of house deposits OURCE	ral deposits; s	plumbing syst	tems; discha	•	
Lead (ppb)  SECONDARY SU SUBSTANCE (UNIT OF MEASURE) Chloride (ppm)	2009 BSTANC	ES  YEAR SAMPLED 2010	0.2 SMCL 500	PHG (MCLG)	AMOUNT DETECTED 7.73	1/30  RANGE LOW-HIGH 3.5–22	VIOLATION No	TYPICAL So Runoff/le Substance	al corrosion of house al corrosion of house deposits OURCE eaching from natur	ral deposits; s	plumbing system eawater influ	ence	•	
Lead (ppb)  SECONDARY SU SUBSTANCE (UNIT OF MEASURE) Chloride (ppm) Specific Conductance	2009 BSTANC	15  YEAR SAMPLEE  2010 2010	0.2 SMCL 500 1,600	PHG (MCLG) NS NS	AMOUNT DETECTED 7.73 416.67	1/30  RANGE LOW-HIGH  3.5–22  350–580	VIOLATION No No	TYPICAL SE Runoff/le Substance Runoff/le	al corrosion of house deposits  OURCE  Eaching from natures that form ions v	ral deposits; s when in water	plumbing system eawater influ	ence	•	
Lead (ppb)  SECONDARY SU SUBSTANCE (UNIT OF MEASURE) Chloride (ppm) Specific Conductance Sulfate (ppm)	2009 BSTANC	T5  YEAR SAMPLEE  2010 2010 2010	0.2 SMCL 500 1,600 500	PHG (MCLG) NS NS	AMOUNT DETECTED 7.73 416.67 23.24	1/30  RANGE LOW-HIGH  3.5–22  350–580  8.3–63	VIOLATION  No No No	TYPICAL SE Runoff/le Substance Runoff/le	ol corrosion of house deposits  OURCE  Eaching from nature	ral deposits; s when in water	plumbing system eawater influ	ence	•	
Lead (ppb)  SECONDARY SU SUBSTANCE (UNIT OF MEASURE) Chloride (ppm) Specific Conductance Sulfate (ppm) Total Dissolved Soli	2009  BSTANC  ce (μS/cm)  ds (ppm)	YEAR SAMPLEE 2010 2010 2010 2010 2010	0.2 SMCL 500 1,600 500 1,000 5	PHG (MCLG) NS NS NS NS	AMOUNT DETECTED 7.73 416.67 23.24 231	1/30  RANGE LOW-HIGH  3.5–22  350–580  8.3–63  170–340	VIOLATION  No  No  No  No	TYPICAL SO Runoff/le Substance Runoff/le Runoff/le	ol corrosion of house deposits  OURCE  Eaching from nature	ral deposits; s when in water	plumbing system eawater influ	ence	•	
Lead (ppb)  SECONDARY SU SUBSTANCE (UNIT OF MEASURE) Chloride (ppm) Specific Conductance Sulfate (ppm) Total Dissolved Solitate Turbidity (NTU)	2009  BSTANC  ce (μS/cm)  ds (ppm)  AND OT	YEAR SAMPLED 2010 2010 2010 2010 2010 YEAR YEAR	0.2 SMCL 500 1,600 500 1,000 5	PHG (MCLG) NS NS NS NS NS NS NA	AMOUNT DETECTED 7.73 416.67 23.24 231 ND	1/30  RANGE LOW-HIGH  3.5–22  350–580  8.3–63  170–340	VIOLATION  No  No  No  No  No	TYPICAL SO Runoff/le Substance Runoff/le Runoff/le	ol corrosion of house deposits  OURCE  Eaching from nature	ral deposits; s when in water	plumbing system eawater influ	ence	•	

#### 180-230 Bicarbonate (ppm) 2010 210 Generally found in ground & surface water 2010 43 29-55 Calcium (ppm) 14 8.3-19 Generally found in ground & surface water Magnesium (ppm) 2010 Potassium (ppm) 2010 1.5 1.1 - 2.0NA 18 Generally found in ground & surface water Sodium (ppm) 2010 11-37 170 140-190 Total Alkalinity (ppm) 2010 NA 165 110-210 Total Hardness (ppm) 2010 Generally found in ground & surface water

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