



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, July 10th, 2013
Regular Session 7:00 p.m.**

Call to Order, President Woll

Pledge of Allegiance, Director Slawson

Invocation, Director Ball

Roll Call

Public Input

PUBLIC COMMENT: At this time, any person may address the Board of Directors on matters within its jurisdiction which is not on the agenda. However, any non-agenda matters that require action will be referred to Staff for a report and possible action at a subsequent meeting. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the Board meeting. Please limit your comments to three minutes. Sharing or passing time to another speaker is not permitted.

ACTION ITEMS

1. **Adoption of the Agenda** (pages 1-3)
2. **Consent Calendar:** All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the Board considers the motion unless members of the Board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar.
 - a. May 2013 Budget Variance Report Review** (pages 4-12)
 - b. May 31st, 2013 Cash/Investment Balance Report** (page 13)
 - c. June 2013 Check Register Review** (pages 14-26)
 - d. June 2013 Invoices Pending Approval** (pages 27-30)
 - e. Minutes of the Regular Meeting of June 12th, 2013** (pages 31-34)
 - f. Denial of Claim presented by the City of Beaumont Related to Replacement of Pipeline During the Construction of the Brookside Bridge** (pages 35-52)
3. **Consideration of 2012 Audit by Vavrinek, Trine, Day & Co., LLP** (pages 53-108)**

4. Public Hearing and Consideration of Adoption of the District's 2013 Urban Water Management Plan Update(pages 109-113)**

- a. Open the Public Hearing for consideration of the 2013 Urban Water Management Plan Update;
- b. Consider the final draft 2013 Urban Water Management Plan Update and any related public comments thereon;
- c. Close the public hearing; and
- d. Consider the resolution of the Board of Directors of the Beaumont Cherry Valley Water District Adopting the 2013 Urban Water Management Plan Update and associated staff actions.

5. Consider Retirement of Bank of America Recycled Water Facilities Loan(page 114)**

6. Reports For Discussion

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

7. Announcements

- Finance & Audit Committee meeting, August 1st, 2013 at 3:00 p.m.
- Beaumont Basin Watermaster meeting, August 7th, 2013 at 10:00 a.m.
- Regular Board meeting, August 14th, 2013 at 7:00 p.m.
- District offices will be closed Monday September 2nd, 2013 in observation of Labor Day

8. Action List for Future Meetings

- Schedule a workshop to discuss the landscape for the Noble Creek Recharge Phase II Project with the public
- Consideration of Annexation of Parcels for Hidden Canyon II Development tabled in the December 2012 meeting.

9. Adjournment

** Information included in the agenda packet

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

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

REQUIREMENTS RE: DISABLED ACCESS - In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Board Secretary, Dawn Jorge, at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Ms. Jorge may be contacted by telephone at (951) 845-9581, Ext. 21, email at dawn.jorge@bcvwd.org or in writing at the Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, California 92223.

General Ledger
Budget Variance Revenue

User: melissa
Printed: 06/25/13 14:56:18
Period 05 - 05
Fiscal Year 2013

Beaumont-Cherry Valley Water District

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



Please be advised that your account number has changed

Account Number	Description	Budget	Period Amt	End Bal	Variance	Encumbered	% AvailUncollect
50	GENERAL						
01-50-510-419051	Grant Revenue	75,000.00	0.00	0.00	75,000.00	0.00	100.00
	Grant Rev	75,000.00	0.00	0.00	75,000.00	0.00	100.00
01-50-510-481001	Fac Fees-Wells	5,000.00	0.00	5,633.76	-633.76	0.00	-12.68
01-50-510-481006	Fac Fees-Water Rights (SWP)	3,300.00	0.00	3,564.75	-264.75	0.00	-8.02
01-50-510-481012	Fac Fees-Water Treatment Plant	2,400.00	0.00	2,680.11	-280.11	0.00	-11.67
01-50-510-481018	Fac Fees-Local Water Resources	1,200.00	0.00	1,411.35	-211.35	0.00	-17.61
01-50-510-481024	Fac Fees-Recycld Wtr Facilities	3,700.00	0.00	15,520.14	-11,820.14	0.00	-319.46
01-50-510-481030	Fac Fees-Transmission (16')	4,000.00	0.00	4,562.88	-562.88	0.00	-14.07
01-50-510-481036	Fac Fees-Storage	5,400.00	0.00	5,843.28	-443.28	0.00	-8.21
01-50-510-481042	Fac Fees-Booster	300.00	0.00	404.49	-104.49	0.00	-34.83
01-50-510-481048	Fac Fees-Pressure Reducng Stns	200.00	0.00	206.61	-6.61	0.00	-3.31
01-50-510-481054	Fac Fees-Misc Projects	200.00	0.00	180.42	19.58	0.00	9.79
01-50-510-481060	Fac Fees-Financing Costs	1,000.00	0.00	305.00	695.00	0.00	69.50
01-50-510-485001	Front Footage Fees	0.00	0.00	11,515.00	-11,515.00	0.00	0.00
	Non-Operating Revenue	26,700.00	0.00	51,827.79	-25,127.79	0.00	-94.11
01-50-510-410100	SALES	4,935,480.00	580,959.71	826,141.36	4,109,338.64	0.00	83.26
01-50-510-410151	Agricultural Irrigation Sales	30,000.00	0.00	1,640.24	28,359.76	0.00	94.53
01-50-510-410171	Construction Sales	38,000.00	8,508.85	10,789.30	27,210.70	0.00	71.61
01-50-510-413001	Backflow Admin Charges	24,000.00	1,778.18	3,618.72	20,381.28	0.00	84.92
01-50-510-413011	Fixed Meter Charges	2,279,345.00	67,726.31	252,784.63	2,026,560.37	0.00	88.91
01-50-510-413021	Meter Fees	75,000.00	13,320.00	61,154.00	13,846.00	0.00	18.46
01-50-510-415001	SGPWA Importation Charges	2,176,000.00	161,174.27	276,440.25	1,899,559.75	0.00	87.30

<u>Account Number</u>	<u>Description</u>	<u>Budget</u>	<u>Period Amt</u>	<u>End Bal</u>	<u>Variance</u>	<u>Encumbered</u>	<u>% AvailUncollect</u>
01-50-510-415011	SCE Power Charges	1,600,000.00	369.27	83,060.00	1,516,940.00	0.00	94.81
01-50-510-417001	2nd Notice Penalties	100,000.00	7,940.00	16,685.00	83,315.00	0.00	83.32
01-50-510-417011	3rd Notice Charges	45,000.00	4,460.00	11,350.00	33,650.00	0.00	74.78
01-50-510-417021	Account Reinstatement Fees	65,000.00	400.00	9,700.00	55,300.00	0.00	85.08
01-50-510-417031	Lien Processing Fees	0.00	0.00	1,200.00	-1,200.00	0.00	0.00
01-50-510-417041	Credit Check Processing Fees	5,500.00	1,385.00	3,680.00	1,820.00	0.00	33.09
01-50-510-417051	Returned Check Fees	2,000.00	150.00	310.00	1,690.00	0.00	84.50
01-50-510-417061	Custmr DamagesUpgrade Charges	7,500.00	0.00	6,339.18	1,160.82	0.00	15.48
01-50-510-417071	After Hours Call Out Charges	600.00	0.00	0.00	600.00	0.00	100.00
01-50-510-417081	Bench Test Fees	360.00	0.00	30.00	330.00	0.00	91.67
01-50-510-417091	Credit Card Processing Fees	18,000.00	1,365.00	5,990.25	12,009.75	0.00	66.72
01-50-510-419011	Development Income	60,875.00	0.00	3,752.87	57,122.13	0.00	93.84
01-50-510-419021	Recharge Income	67,254.00	18,342.00	24,456.00	42,798.00	0.00	63.64
	Operating Revenue	11,529,914.00	867,878.59	1,599,121.80	9,930,792.20	0.00	86.13
Revenue Total		<u>11,631,614.00</u>	<u>867,878.59</u>	<u>1,650,949.59</u>	<u>9,980,664.41</u>	<u>0.00</u>	<u>0.86</u>
Revenue Total		<u>11,631,614.00</u>	<u>867,878.59</u>	<u>1,650,949.59</u>	<u>9,980,664.41</u>	<u>0.00</u>	<u>0.86</u>

General Ledger
Budget Variance Expense

User: melissa
Printed: 06/25/13 14:55:25
Period 05 - 05
Fiscal Year 2013

Beaumont-Cherry Valley Water District

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10	BOARD OF DIRECTORS						
01-10-110-500101	Board of Directors Fees	30,800.00	2,242.38	9,542.24	21,257.76	0.00	69.02
01-10-110-500115	Social Security	3,100.00	173.60	637.05	2,462.95	0.00	79.45
01-10-110-500120	Medicare	700.00	40.60	148.99	551.01	0.00	78.72
01-10-110-500145	Workers' Compensation	400.00	43.99	150.91	249.09	0.00	62.27
01-10-110-500175	Seminar & Travel Expenses	5,000.00	40.00	815.00	4,185.00	0.00	83.70
	Personnel	40,000.00	2,540.57	11,294.19	28,705.81	0.00	71.76
Expense Total		40,000.00	2,540.57	11,294.19	28,705.81	0.00	0.72
20	ENGINEERING						
01-20-210-500105	Labor	159,457.00	10,383.70	51,158.82	108,298.18	0.00	67.92
01-20-210-500115	Social Security	9,890.00	826.10	4,893.52	4,996.48	0.00	50.52
01-20-210-500120	Medicare	2,320.00	193.20	1,144.44	1,175.56	0.00	50.67
01-20-210-500125	Health Insurance	20,100.00	1,674.22	7,507.78	12,592.22	0.00	62.65
01-20-210-500140	Life Insurance	720.00	62.92	374.06	345.94	0.00	48.05
01-20-210-500145	Workers' Compensation	1,510.00	240.37	1,149.49	360.51	0.00	23.87
01-20-210-500155	RetirementCalPERS	40,230.00	3,074.62	15,180.94	25,049.06	0.00	62.26
01-20-210-500165	Uniforms & Employee Benefits	50.00	0.00	0.00	50.00	0.00	100.00
01-20-210-500170	Education Expenses	2,500.00	0.00	0.00	2,500.00	0.00	100.00
01-20-210-500175	Seminar & Travel Expenses	500.00	0.00	0.00	500.00	0.00	100.00
01-20-210-500180	Accrued Sick Leave Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-20-210-500185	Accrued Vacation Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-20-210-500195	CIP Related Labor	-47,809.00	2,933.55	6,402.79	-54,211.79	0.00	113.39
	Personnel	189,468.00	19,388.68	87,811.84	101,656.16	0.00	53.65
01-20-210-540048	Permits, Fees & Licensing	4,000.00	0.00	0.00	4,000.00	0.00	100.00
	Materials & Supplies	4,000.00	0.00	0.00	4,000.00	0.00	100.00

<u>Account Number</u>	<u>Description</u>	<u>Budget</u>	<u>Period Amt</u>	<u>End Bal</u>	<u>Variance</u>	<u>Encumbered</u>	<u>% AvailUncollect</u>
01-20-210-540012	Dev Reimbursable Engineering	10,000.00	0.00	0.00	10,000.00	0.00	100.00
01-20-210-550068	Software Maintenance	11,000.00	9,000.00	15,000.00	-4,000.00	0.00	-36.36
01-20-210-580031	Outside Engineering	50,000.00	0.00	390.00	49,610.00	0.00	99.22
01-20-210-580032	CIP Related Outside Engineering	-25,000.00	0.00	0.00	-25,000.00	0.00	100.00
	Services	46,000.00	9,000.00	15,390.00	30,610.00	0.00	66.54
Expense Total		<u>239,468.00</u>	<u>28,388.68</u>	<u>103,201.84</u>	<u>136,266.16</u>	<u>0.00</u>	<u>0.57</u>
30	FINANCE & ADMIN SERVICES						
01-30-310-500105	Labor	963,400.00	62,325.16	302,348.37	661,051.63	0.00	68.62
01-30-310-500110	Overtime	3,000.00	730.12	1,300.53	1,699.47	0.00	56.65
01-30-310-500115	Social Security	59,800.00	3,929.59	19,011.98	40,788.02	0.00	68.21
01-30-310-500120	Medicare	13,969.00	918.99	4,446.27	9,522.73	0.00	68.17
01-30-310-500125	Health Insurance	190,000.00	87,546.85	124,442.61	65,557.39	0.00	34.50
01-30-310-500130	CalPERS Health Admin Costs	1,800.00	0.00	381.56	1,418.44	0.00	78.80
01-30-310-500140	Life Insurance	5,600.00	408.07	2,431.62	3,168.38	0.00	56.58
01-30-310-500145	Workers' Compensation	14,520.00	1,046.98	4,857.50	9,662.50	0.00	66.55
01-30-310-500150	Unemployment Insurance	32,760.00	1,937.90	1,937.90	30,822.10	0.00	94.08
01-30-310-500155	RetirementCalPERS	285,800.00	17,837.04	87,801.22	197,998.78	0.00	69.28
01-30-310-500160	Post-Employmnt Health Expenses	7,000.00	0.00	2,654.40	4,345.60	0.00	62.08
01-30-310-500165	Uniforms & Employee Benefits	1,000.00	0.00	0.00	1,000.00	0.00	100.00
01-30-310-500170	Education Expenses	500.00	172.50	172.50	327.50	0.00	65.50
01-30-310-500175	Seminar & Travel Expenses	10,000.00	0.00	957.92	9,042.08	0.00	90.42
01-30-310-500180	Accrued Sick Leave Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-30-310-500185	Accrued Vacation Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-30-310-500195	CIP Related Labor	-114,916.00	0.00	-43,313.90	-71,602.10	0.00	62.31
01-30-310-500196	CIP Related Overtime	-3,000.00	291.76	606.06	-3,606.06	0.00	120.20
01-30-310-550024	Employment Testing	300.00	0.00	0.00	300.00	0.00	100.00
	Personnel	1,471,533.00	177,144.96	510,036.54	961,496.46	0.00	65.34
01-30-310-520001	Maint & Rpr-Office Equipment	2,800.00	0.00	1,811.99	988.01	0.00	35.29
01-30-310-550006	Cashiering ShortagesOverages	50.00	-0.73	3.64	46.36	0.00	92.72
01-30-310-550018	Employee MedicalFirst Aid	500.00	80.00	80.00	420.00	0.00	84.00
01-30-310-550042	Office Supplies	38,000.00	5,256.66	14,919.13	23,080.87	0.00	60.74

<u>Account Number</u>	<u>Description</u>	<u>Budget</u>	<u>Period Amt</u>	<u>End Bal</u>	<u>Variance</u>	<u>Encumbered</u>	<u>% AvailUncollect</u>
01-30-310-550046	Office Equipment	82,000.00	4,575.99	33,732.67	48,267.33	0.00	58.86
01-30-310-550048	Postage	49,000.00	200.00	16,251.26	32,748.74	0.00	66.83
01-30-310-550066	Subscriptions	5,000.00	2,019.00	3,029.70	1,970.30	0.00	39.41
01-30-310-550072	Misc Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-30-310-550078	Bad Debt Expenses	0.00	0.00	-277.22	277.22	0.00	0.00
01-30-310-550084	Depreciation	2,100,000.00	166,281.45	1,176,756.81	923,243.19	0.00	43.96
	Materials & Supplies	2,277,350.00	178,412.37	1,246,307.98	1,031,042.02	0.00	45.27
01-30-310-500190	Temporary Labor	20,000.00	5,406.18	26,479.10	-6,479.10	0.00	-32.40
01-30-310-550001	Bank Charges	30,000.00	0.00	5,440.35	24,559.65	0.00	81.87
01-30-310-550030	Membership Dues	28,500.00	14,604.58	19,547.90	8,952.10	0.00	31.41
01-30-310-550036	Notary & Lien Fees	2,000.00	343.00	1,032.50	967.50	0.00	48.38
01-30-310-550054	Property, Auto& Gen Liab Insur	95,000.00	6,544.25	61,961.10	33,038.90	0.00	34.78
01-30-310-550090	Principal Repayment	1,015,000.00	0.00	0.00	1,015,000.00	0.00	100.00
01-30-310-580001	Accounting & Audit	28,000.00	0.00	0.00	28,000.00	0.00	100.00
01-30-310-580011	General Legal	150,000.00	0.00	47,375.31	102,624.69	0.00	68.42
01-30-310-580021	ITSoftware Support	5,000.00	0.00	700.00	4,300.00	0.00	86.00
01-30-310-590001	Interest Expense	87,880.00	5,915.00	33,800.00	54,080.00	0.00	61.54
01-30-310-590011	Cost of Issuance Amortization	18,322.00	1,526.84	7,634.20	10,687.80	0.00	58.33
	Services	1,479,702.00	34,339.85	203,970.46	1,275,731.54	0.00	86.22
Expense Total		<u>5,228,585.00</u>	<u>389,897.18</u>	<u>1,960,314.98</u>	<u>3,268,270.02</u>	<u>0.00</u>	<u>0.63</u>
40	OPERATIONS						
01-40-410-500105	Labor	213,800.00	13,373.04	66,665.34	147,134.66	0.00	68.82
01-40-410-500110	Overtime	15,000.00	933.87	2,171.84	12,828.16	0.00	85.52
01-40-410-500115	Social Security	13,300.00	887.12	4,268.41	9,031.59	0.00	67.91
01-40-410-500120	Medicare	3,100.00	207.47	998.27	2,101.73	0.00	67.80
01-40-410-500125	Health Insurance	69,400.00	5,038.61	22,152.69	47,247.31	0.00	68.08
01-40-410-500140	Life Insurance	1,300.00	94.94	562.39	737.61	0.00	56.74
01-40-410-500145	Workers' Compensation	15,500.00	1,099.86	5,496.84	10,003.16	0.00	64.54
01-40-410-500150	Unemployment Insurance	0.00	0.00	0.00	0.00	0.00	0.00
01-40-410-500155	RetirementCalPERS	73,500.00	4,563.95	22,296.85	51,203.15	0.00	69.66
01-40-410-500165	Uniforms & Employee Benefits	1,000.00	0.00	0.00	1,000.00	0.00	100.00
01-40-410-500170	Education Expenses	3,500.00	0.00	55.00	3,445.00	0.00	98.43
01-40-410-500175	Seminar & Travel Expenses	500.00	0.00	0.00	500.00	0.00	100.00
01-40-410-500180	Accrued Sick Leave Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-40-410-500185	Accrued Vacation Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-40-410-550024	Employment Testing	200.00	0.00	0.00	200.00	0.00	100.00
01-40-440-500105	Labor	509,700.00	26,931.09	126,937.75	382,762.25	0.00	75.10
01-40-440-500110	Overtime	16,900.00	506.01	1,552.76	15,347.24	0.00	90.81

<u>Account Number</u>	<u>Description</u>	<u>Budget</u>	<u>Period Amt</u>	<u>End Bal</u>	<u>Variance</u>	<u>Encumbered</u>	<u>% AvailUncollect</u>
01-40-440-500111	Double time	0.00	0.00	67.24	-67.24	0.00	0.00
01-40-440-500115	Social Security	31,600.00	1,762.71	10,236.15	21,363.85	0.00	67.61
01-40-440-500120	Medicare	7,400.00	412.22	2,393.77	5,006.23	0.00	67.65
01-40-440-500125	Health Insurance	193,900.00	10,450.66	56,276.61	137,623.39	0.00	70.98
01-40-440-500140	Life Insurance	2,500.00	171.18	1,409.25	1,090.75	0.00	43.63
01-40-440-500145	Workers' Compensation	46,300.00	2,029.94	11,916.09	34,383.91	0.00	74.26
01-40-440-500155	RetirementCalPERS	141,100.00	8,563.81	51,153.04	89,946.96	0.00	63.75
01-40-440-500165	Uniforms & Employee Benefits	3,000.00	130.00	627.68	2,372.32	0.00	79.08
01-40-440-500170	Education Expenses	1,000.00	0.00	55.00	945.00	0.00	94.50
01-40-440-500175	Seminar & Travel Expenses	800.00	0.00	0.00	800.00	0.00	100.00
01-40-440-500180	Accrued Sick Leave Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-40-440-500185	Accrued Vacation Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-40-440-500195	CIP Related Labor	-87,555.00	983.27	32,281.00	-119,836.00	0.00	136.87
01-40-440-550024	Employment Testing	200.00	80.00	80.00	120.00	0.00	60.00
01-40-450-500105	Labor	23,400.00	1,416.80	5,036.53	18,363.47	0.00	78.48
01-40-450-500110	Overtime	0.00	338.10	1,135.05	-1,135.05	0.00	0.00
01-40-450-500115	Social Security	1,500.00	108.84	380.77	1,119.23	0.00	74.62
01-40-450-500120	Medicare	300.00	25.46	89.06	210.94	0.00	70.31
01-40-450-500125	Health Insurance	7,000.00	459.29	1,317.69	5,682.31	0.00	81.18
01-40-450-500140	Life Insurance	100.00	21.79	50.79	49.21	0.00	49.21
01-40-450-500145	Workers' Compensation	2,100.00	139.27	491.94	1,608.06	0.00	76.57
01-40-450-500155	RetirementCalPERS	7,000.00	532.85	1,894.23	5,105.77	0.00	72.94
01-40-450-500165	Uniforms & Employee Benefits	300.00	0.00	0.00	300.00	0.00	100.00
01-40-460-500105	Labor	138,200.00	10,771.81	53,026.04	85,173.96	0.00	61.63
01-40-460-500110	Overtime	3,700.00	44.63	245.33	3,454.67	0.00	93.37
01-40-460-500111	Double time	0.00	0.00	0.00	0.00	0.00	0.00
01-40-460-500115	Social Security	8,600.00	670.64	3,302.89	5,297.11	0.00	61.59
01-40-460-500120	Medicare	2,100.00	156.84	772.39	1,327.61	0.00	63.22
01-40-460-500125	Health Insurance	60,300.00	4,434.16	21,062.80	39,237.20	0.00	65.07
01-40-460-500140	Life Insurance	900.00	86.96	505.41	394.59	0.00	43.84
01-40-460-500145	Workers' Compensation	12,600.00	858.39	4,185.22	8,414.78	0.00	66.78
01-40-460-500155	RetirementCalPERS	46,100.00	3,422.11	17,165.56	28,934.44	0.00	62.76
01-40-460-500165	Uniforms & Employee Benefits	750.00	0.00	0.00	750.00	0.00	100.00
01-40-460-500170	Education Expenses	400.00	0.00	0.00	400.00	0.00	100.00
01-40-460-500175	Seminar & Travel Expenses	300.00	0.00	0.00	300.00	0.00	100.00
01-40-460-500180	Accrued Sick Leave Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-40-460-500185	Accrued Vacation Expenses	0.00	0.00	0.00	0.00	0.00	0.00
01-40-460-550024	Employment Testing	300.00	0.00	0.00	300.00	0.00	100.00
01-40-470-500105	Labor	7,000.00	8,072.78	13,320.14	-6,320.14	0.00	-90.29
01-40-470-500115	Social Security	500.00	500.52	849.32	-349.32	0.00	-69.86

Account Number	Description	Budget	Period Amt	End Bal	Variance	Encumbered	% AvailUncollect
01-40-470-500120	Medicare	100.00	117.04	198.62	-98.62	0.00	-98.62
01-40-470-500125	Health Insurance	2,500.00	3,359.39	5,497.56	-2,997.56	0.00	-119.90
01-40-470-500140	Life Insurance	50.00	73.19	108.96	-58.96	0.00	-117.92
01-40-470-500145	Workers' Compensation	500.00	640.65	1,083.58	-583.58	0.00	-116.72
01-40-470-500155	RetirementCalPERS	2,200.00	2,609.96	4,334.36	-2,134.36	0.00	-97.02
	Personnel	1,605,745.00	117,081.22	555,708.21	1,050,036.79	0.00	65.39
01-40-410-501101	Electricity - Wells	1,493,500.00	115,758.36	346,888.06	1,146,611.94	0.00	76.77
01-40-410-501201	Gas - Wells	200.00	29.59	60.77	139.23	0.00	69.62
01-40-410-510011	Treatment & Chemicals	75,000.00	4,506.14	50,164.38	24,835.62	0.00	33.11
01-40-410-510021	Lab Testing	55,000.00	3,160.00	12,770.00	42,230.00	0.00	76.78
01-40-410-510031	Small Tools, Parts & Maint	100.00	0.00	0.00	100.00	0.00	100.00
01-40-410-520021	Maint & Rpr-Telemetry Equip	6,000.00	0.00	0.00	6,000.00	0.00	100.00
01-40-410-520031	Maint & Rpr-General Equipment	100.00	0.00	0.00	100.00	0.00	100.00
01-40-410-520061	Maint & Rpr-Pumping Equipment	100,000.00	452.41	19,330.63	80,669.37	0.00	80.67
01-40-410-540048	Permits, Fees & Licensing	0.00	0.00	0.00	0.00	0.00	0.00
01-40-410-550066	Subscriptions	600.00	0.00	177.00	423.00	0.00	70.50
01-40-440-510031	Small Tools, Parts & Maint	100.00	0.00	0.00	100.00	0.00	100.00
01-40-440-520071	Maint & Rpr-Pipelines&Hydrants	85,000.00	3,872.20	11,679.69	73,320.31	0.00	86.26
01-40-440-520081	Maint & Rpr-Pressure Regulatrs	9,000.00	0.00	160.70	8,839.30	0.00	98.21
01-40-440-540001	Backflow Devices	1,500.00	0.00	0.00	1,500.00	0.00	100.00
01-40-440-540024	Inventry Adjustments	3,000.00	0.00	0.00	3,000.00	0.00	100.00
01-40-440-540026	Inventry Purchase Discounts	-2,200.00	-1,044.30	-1,536.02	-663.98	0.00	30.18
01-40-440-540036	Line Locates	2,500.00	106.50	1,201.63	1,298.37	0.00	51.93
01-40-440-540042	Meters Maintenance & Services	120,000.00	5,090.64	21,525.72	98,474.28	0.00	82.06
01-40-440-540066	Property Damages & Theft	0.00	0.00	235.58	-235.58	0.00	0.00
01-40-440-540078	Reservoirs Maintenance	12,000.00	760.27	764.64	11,235.36	0.00	93.63
01-40-470-501111	Electricity - 560 Magnolia	21,630.00	1,644.77	5,374.89	16,255.11	0.00	75.15
01-40-470-501121	Electricity - 12303 Oak Glen	3,000.00	370.12	1,296.56	1,703.44	0.00	56.78
01-40-470-501131	Electricity - 13695 Oak Glen	1,000.00	69.41	296.40	703.60	0.00	70.36
01-40-470-501141	Electricity - 13697 Oak Glen	2,500.00	158.76	865.45	1,634.55	0.00	65.38
01-40-470-501151	Elec - 9781 Avenida Miravilla	2,000.00	28.57	63.55	1,936.45	0.00	96.82
01-40-470-501161	Electricity - 815 E. 12th	6,695.00	459.32	1,953.42	4,741.58	0.00	70.82

Account Number	Description	Budget	Period Amt	End Bal	Variance	Encumbered	% AvailUncollect
01-40-470-501321	Propane - 12303 Oak Glen	100.00	0.00	0.00	100.00	0.00	100.00
01-40-470-501331	Propane - 13695 Oak Glen	2,000.00	0.00	781.21	1,218.79	0.00	60.94
01-40-470-501341	Propane - 13697 Oak Glen	2,000.00	0.00	822.89	1,177.11	0.00	58.86
01-40-470-501351	Propane-9781 Avenida Miravilla	1,200.00	0.00	0.00	1,200.00	0.00	100.00
01-40-470-501411	Sanitation - 560 Magnolia	1,800.00	172.54	767.62	1,032.38	0.00	57.35
01-40-470-501461	Sanitation - 815 E. 12th	3,000.00	249.42	1,247.10	1,752.90	0.00	58.43
01-40-470-501471	Sanitation - 11083 Cherry Ave	3,200.00	235.63	1,178.15	2,021.85	0.00	63.18
01-40-470-501511	Phones - 560 Magnolia	25,000.00	1,639.32	7,437.90	17,562.10	0.00	70.25
01-40-470-501561	Phones - 815 E. 12th	1,000.00	302.47	878.01	121.99	0.00	12.20
01-40-470-501600	PROPERTY MAINTENANCE & REPAIRS	5,000.00	0.00	0.00	5,000.00	0.00	100.00
01-40-470-501611	Maint & Repair- 560 Magnolia	15,494.00	1,328.77	6,909.71	8,584.29	0.00	55.40
01-40-470-501621	Maint & Repair- 12303 Oak Glen	1,200.00	0.00	0.00	1,200.00	0.00	100.00
01-40-470-501631	Maint & Repair- 13695 Oak Glen	1,000.00	0.00	0.00	1,000.00	0.00	100.00
01-40-470-501641	Maint & Repair- 13697 Oak Glen	500.00	0.00	0.00	500.00	0.00	100.00
01-40-470-501651	Maint & Rpr-9781 Ave Miravilla	1,500.00	0.00	2,000.00	-500.00	0.00	-33.33
01-40-470-501661	Maint & Repair- 815 E. 12th	5,000.00	104.90	1,088.11	3,911.89	0.00	78.24
01-40-470-501691	Maint & Rpr- Buildgs (General)	14,000.00	0.00	0.00	14,000.00	0.00	100.00
01-40-470-510001	AutoFuel	100,000.00	7,372.58	30,387.59	69,612.41	0.00	69.61
01-40-470-510002	CIP Related Fuel	-15,000.00	1,716.18	2,401.24	-17,401.24	0.00	116.01
01-40-470-520011	Maint & Rpr-Safety Equipment	5,500.00	0.00	310.05	5,189.95	0.00	94.36
01-40-470-520031	Maint & Rpr-General Equipment	45,000.00	1,863.16	8,385.92	36,614.08	0.00	81.36
01-40-470-520041	Maint & Rpr-Fleet	26,200.00	6,577.02	26,520.91	-320.91	0.00	-1.22
01-40-470-520091	Maint & Rpr-Communicatn Equip	2,500.00	0.00	0.00	2,500.00	0.00	100.00
01-40-510-510031	Small Tools, Parts & Maint Materials & Supplies	6,500.00	320.90	2,635.09	3,864.91	0.00	59.46
	Materials & Supplies	2,251,919.00	157,305.65	567,024.55	1,684,894.45	0.00	74.82
01-40-410-500501	State Project Water Purchases	2,176,000.00	142,333.00	579,476.00	1,596,524.00	0.00	73.37
01-40-410-500511	Ground Water Purchases	0.00	0.00	0.00	0.00	0.00	0.00
01-40-410-540084	State Mandates & Tariffs	32,000.00	1,123.22	4,853.90	27,146.10	0.00	84.83

<u>Account Number</u>	<u>Description</u>	<u>Budget</u>	<u>Period Amt</u>	<u>End Bal</u>	<u>Variance</u>	<u>Encumbered</u>	<u>% AvailUncollect</u>
01-40-470-540030	Landscape Maintenance	2,500.00	645.78	1,851.15	648.85	0.00	25.95
01-40-470-540072	Rechrg Facs, Cnyns&Ponds Maint Services	35,000.00	1,110.00	8,859.82	26,140.18	0.00	74.69
		2,245,500.00	145,212.00	595,040.87	1,650,459.13	0.00	73.50
Expense Total		<u>6,103,164.00</u>	<u>419,598.87</u>	<u>1,717,773.63</u>	<u>4,385,390.37</u>	<u>0.00</u>	<u>0.72</u>
50	GENERAL						
01-50-510-540066	Property Damages & Theft	2,000.00	0.00	0.00	2,000.00	0.00	100.00
01-50-510-550040	General Supplies	7,700.00	966.67	3,779.53	3,920.47	0.00	50.92
01-50-510-550060	Public Education	10,000.00	0.00	0.00	10,000.00	0.00	100.00
01-50-510-550072	Misc Operating Expenses	4,500.00	2,606.51	2,558.97	1,941.03	0.00	43.13
01-50-510-550999	Prior period adjustments	0.00	0.00	0.00	0.00	0.00	0.00
	Materials & Supplies	24,200.00	3,573.18	6,338.50	17,861.50	0.00	73.81
01-50-510-550096	Beaumont Basin Watermaster Services	21,000.00	0.00	0.00	21,000.00	0.00	100.00
		21,000.00	0.00	0.00	21,000.00	0.00	100.00
Expense Total		<u>45,200.00</u>	<u>3,573.18</u>	<u>6,338.50</u>	<u>38,861.50</u>	<u>0.00</u>	<u>0.86</u>
Expense Total		<u>11,656,417.00</u>	<u>843,998.48</u>	<u>3,798,923.14</u>	<u>7,857,493.86</u>	<u>0.00</u>	<u>0.67</u>



**Beaumont-Cherry Valley Water District
Cash Balance & Investment Report
As of May 31st, 2013**

Account Name	Account Ending #	<u>Cash Balance Per Account</u>	
		Balance	Prior Month Balance
Bank Of Hemet			
Accounts Payable	8701	\$ 66,092.23	\$ 64,508.25
Customer Refunds	2501	\$ 2,794.61	\$ 6,557.39
Payroll	9101	\$ 115,524.08	\$ 97,336.94
General Fund	9501	\$ 3,111,046.36	\$ 3,274,069.21
Total Cash		\$ 3,295,457.28	\$ 3,442,471.79

<u>Investment Summary</u>										
Account Name	Market Value	Prior Month Balance	Actual % of Total	Policy % Limit	Maturity	Par Amount	Rate	Interest to Date		
Bank of Hemet: Local Agency Money Market Account	\$ 251,967.58	\$ 251,929.07	5%	No Limit	Liquid	N/A	0.2	\$ 204.92		
Ca. State Treasurer's Office: Local Agency Investment Fund	\$ 4,537,679.32	\$ 4,537,679.32	95%	No Limit	Liquid	N/A	0.285	\$ 3,157.66		
Total Investments	\$ 4,789,646.90	\$ 4,789,608.39						\$ 3,362.58		
Total Cash & Investments	\$ 8,085,104.18	\$ 8,232,080.18								

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

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

Accounts Payable

Checks by Date - Detail by Check Date

User: melissa
 Printed: 6/25/2013 1:34 PM

Beaumont-Cherry Valley Water District

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



Please be advised that your account number has changed

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
ACH	10085	Calpers Retirement System Existing Calpers Pepra	06/04/2013 PR Batch 00001.06.2013 CalF PR Batch 00001.06.2013 CalF		5,163.83 160.35
Total for this ACH Check for Vendor 10085:				0.00	5,324.18
ACH	10087	Edd State Of California PR Batch 00001.06.2013 CA SDI PR Batch 00001.06.2013 State Income Tax	06/04/2013 PR Batch 00001.06.2013 CA : PR Batch 00001.06.2013 Stat		708.77 2,315.07
Total for this ACH Check for Vendor 10087:				0.00	3,023.84
ACH	10094	U.S. Treasury PR Batch 00001.06.2013 Federal Income Tax PR Batch 00001.06.2013 FICA Employee Portio PR Batch 00001.06.2013 FICA Employer Portio PR Batch 00001.06.2013 Medicare Employee Pc PR Batch 00001.06.2013 Medicare Employer Po	06/04/2013 PR Batch 00001.06.2013 Fede PR Batch 00001.06.2013 FIC. PR Batch 00001.06.2013 FIC. PR Batch 00001.06.2013 Med PR Batch 00001.06.2013 Med		7,335.58 4,458.06 4,458.06 1,042.58 1,042.58
Total for this ACH Check for Vendor 10094:				0.00	18,336.86
ACH	10203	Ing Life Insurance PR Batch 00001.06.2013 Deferred Comp	06/04/2013 PR Batch 00001.06.2013 Def		485.00
Total for this ACH Check for Vendor 10203:				0.00	485.00
ACH	10264	Calpers Supplemental Income Plans PR Batch 00001.06.2013 CalPERS 457	06/04/2013 PR Batch 00001.06.2013 CalF		1,733.08
Total for this ACH Check for Vendor 10264:				0.00	1,733.08
12804	10141	Ca State Disbursement Unit PR Batch 00001.06.2013 Garnishment PR Batch 00001.06.2013 Garnishment	06/04/2013 PR Batch 00001.06.2013 Garr PR Batch 00001.06.2013 Garr		191.53 360.57
Total for Check Number 12804:				0.00	552.10
12805	10169	[REDACTED] PR Batch 00001.06.2013 Garnishment	06/04/2013 PR Batch 00001.06.2013 Garr		575.54
Total for Check Number 12805:				0.00	575.54
12806	10205	Levying Officer 2013201274 Riverside Cot PR Batch 00001.06.2013 Garnishment	06/04/2013 VOID PR Batch 00001.06.2013 Garr	281.78	
Total for Check Number 12806:				281.78	0.00
12807	10276 ..6100763052013	Standard Insurance Company June 2013 insurance (life & Ad&d) premiums	06/04/2013		863.42
Total for Check Number 12807:				0.00	863.42

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for 6/4/2013:	281.78	30,894.02
44206	10216 38046349	Accountemps Temp services for the week ended 05/31/13, C. C	06/10/2013		896.10
			Total for Check Number 44206:	0.00	896.10
44207	10001	Action True Value Hardware	06/10/2013		
	41576	Foe Well #22 C12			19.32
	41576	Pipe joint, gloves, carb cleaners, parts for hydro			97.53
	41576	Pliers, drill set and wire brush			108.70
	41576	PVC & couplings for High St. job			5.78
	41576	Pro measure & parts for Highland Springs Hydr			134.97
	41576	Parts for sprinkler repair at Well #3			28.59
	41624	Pipe compound, latex gloves and cutting oil.			48.81
	41624	Parts to repair sprinklers on Winesap			23.15
	41624	Misc. saw blades and chains			153.30
	41624	Safety glasses			7.54
	41624	Plastic cement (roofing seal) for Well #1			40.47
			Total for Check Number 44207:	0.00	668.16
44208	10003 14636	All Purpose Rentals 28' ext. ladder to remove water tower @ NCR II	06/10/2013		19.80
			Total for Check Number 44208:	0.00	19.80
44209	10144 LYUM740139 LYUM740142	Alsco	06/10/2013		26.25 35.24
			Total for Check Number 44209:	0.00	61.49
44210	10272 BE32845-0034 BE3825-0034	Babcock Laboratories Inc 12 water samples 4 nitrate samples	06/10/2013		480.00 60.00
			Total for Check Number 44210:	0.00	540.00
44211	10287 0017-0286-0513 0017-0286-0513 0017-0286-0513	Bankcard Center Mailing of 2010 Draft UWMP S. Molina-CSMFO Govt Acctg (Beg & Inter) 4 tickets to State of the City 05/16/13	06/10/2013		42.42 501.58 120.00
			Total for Check Number 44211:	0.00	664.00
44212	10271 372044 372088 372101 372161 372326 372458 372791	Beaumont Do It Best Home Center Insect spray, nozzles and hose for 560 Magnolia Couplings for leak on Dutton & Winesap Water coolers for Units # 8 & 13 Cement and plywood Well #1 Rubber gloves for meter room Sprinklers and spray nozzle for 560 Magnolia Replace roof at Well #1	06/10/2013		87.04 18.35 75.58 178.64 36.70 26.58 145.43
			Total for Check Number 44212:	0.00	568.32
44213	10060 2614 2616	Beaumont Lawnmower Upper & lower blade for lawn mower Trimmer head & cover	06/10/2013		31.30 51.72

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 44213:	0.00	83.02
44214	UB*00000	Joseph Blaustein	06/10/2013 VOID		
		Refund Check		18.51	
		Refund Check		61.75	
		Refund Check		28.84	
		Refund Check		20.69	
			Total for Check Number 44214:	129.79	0.00
44215	10015 218373	Cherry Valley Nursery Island sod replacement from leak	06/10/2013		40.50
			Total for Check Number 44215:	0.00	40.50
44216	10303 9153415113	Grainger 2 XL Chaps (Vadim PO 20130057)	06/10/2013		338.63
			Total for Check Number 44216:	0.00	338.63
44217	10273 252389 252389 252390 252390 252586 252586 252618 252618 252626 252654 252654	Inland Water Works Supply Co. Parts for inventory, vadim po 20130051 2% discount for early payment Parts for inventory, Vadim po 20130052 2% discount for early payment 2% discount for early payment Parts for inventory, Vadim po 20130052 Vadim PO 20130056 2% Discount Credit memo Parts for NCR II 2% Discount	06/10/2013		226.80 -4.54 9,446.00 -188.92 -38.19 1,909.44 680.40 -13.61 -1,229.31 86,043.04 -1,720.86
			Total for Check Number 44217:	0.00	95,110.25
44218	10281 33158 33174	Luther's Truck & Equipment Diagnose and fix Unit#8, 04 Freightliner & vacu Tre and service on CAT Backhoe	06/10/2013		1,549.25 1,818.75
			Total for Check Number 44218:	0.00	3,368.00
44219	10028 812833 813422 813422 813423	Napa Auto Parts Battery for Unit #20 Motor oil for work trucks Replace fan belts at well buildings Replace fan belts at Well buildings	06/10/2013		41.19 4.31 64.72 42.08
			Total for Check Number 44219:	0.00	152.30
44220	10045 R94396	Pacific Alarm Alarm rent, service & monitor for June 2013	06/10/2013		233.00
			Total for Check Number 44220:	0.00	233.00
44221	10275 060313	Tommy Sersaw Prestige Mobile Detail 16 vehicles @ \$16 on 6/1 & 6/3/13 (16,10,11,20,	06/10/2013		256.00
			Total for Check Number 44221:	0.00	256.00
44222	10056 R11129	Rdo Equipment Co. Trust# 80-5800 Loader rentl for NCR II (retd 05/20/13)	06/10/2013		4,365.90

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 44222:	0.00	4,365.90
44223	10253 86455	Redlands Auto Electric Test for fuel in oil on Unit#5	06/10/2013		95.00
			Total for Check Number 44223:	0.00	95.00
44224	10095 04131793	Riverside County Waste Management Well # 1 roof disposal	06/10/2013		22.83
			Total for Check Number 44224:	0.00	22.83
44225	10290 13-00044	San Gorgonio Pass Water Agency 811 AF @ \$317 May 2013	06/10/2013		257,087.00
			Total for Check Number 44225:	0.00	257,087.00
44226	10030 2-03-937-4889-05241: 2-03-937-4889-05241: 2-03-937-4889-05241: 2-03-937-4889-05241: 2-03-937-4889-05241: 2-03-937-4889-05241: 2-03-937-4889-05241:	Southern California Edison 12303 Oak Glen Rd Source of Supply 9781 Avenida Miravilla 560 Magnolia Ave 815 E. 12th St. 13697 Oak Glen Rd 13695 Oak Glen Rd	06/10/2013		299.91 109,480.80 22.98 1,339.57 420.75 115.94 72.55
			Total for Check Number 44226:	0.00	111,752.50
44227	10265 5360018-006	Sunstate Equipment Co Watr truck for NCR II	06/10/2013		2,143.64
			Total for Check Number 44227:	0.00	2,143.64
44228	10042 35000_060413	The Gas Company 04/29-05/29/13 Cherry Yard Gas	06/10/2013		14.79
			Total for Check Number 44228:	0.00	14.79
44229	10063 00436143	The Record Gazette Advertising for NCR II	06/10/2013		195.50
			Total for Check Number 44229:	0.00	195.50
44230	10255 0208476-IN 0208477-IN	Unlimited Services Building Maintenance June 2013 janitorial srv at 815 . 12th	06/10/2013		150.00 845.00
			Total for Check Number 44230:	0.00	995.00
44231	10034 2037_063013	Us Postal Service Annual PO Box renewal	06/10/2013		474.00
			Total for Check Number 44231:	0.00	474.00
44232	10035 970340 970801	Usa Blue Book / Customer #911392 Heavy duty wire grip Pulling sock	06/10/2013		305.47 162.31
			Total for Check Number 44232:	0.00	467.78
44233	10044 9518450159_0612	Verizon Fax machine @ 560 Magnolia -2 months	06/10/2013		248.29

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	9781_052513	Fios 05/25-06/24/13 @ 815 E. 12th St			134.99
			Total for Check Number 44233:	0.00	383.28
44234	10151 661381305	Verizon Business Monthly phone @ 560 Magnolia	06/10/2013		1,083.80
			Total for Check Number 44234:	0.00	1,083.80
44235	10037 0960982-2371-0 0960983-2371-8	Waste Management Of Inland Empire Monthly trash pick-up at Cherry Yd. Monthlytrash pick-up @ 560 Magolia	06/10/2013		249.42 58.20
			Total for Check Number 44235:	0.00	307.62
44236	10057 068366261	Xerox Corporation Xerox rental and usage 04/21 to 05/21/13	06/10/2013		1,334.65
			Total for Check Number 44236:	0.00	1,334.65
			Total for 6/10/2013:	129.79	483,722.86
44237	10216 38091645 38091646	Accountemps Temp labor for the week ended 06/07/13 (D. Stei Temp labor for the week ended 06/07/13 (C. Chu	06/13/2013		1,185.30 1,194.80
			Total for Check Number 44237:	0.00	2,380.10
44238	10272 BF30719-0034	Babcock Laboratories Inc 12 water samples	06/13/2013		480.00
			Total for Check Number 44238:	0.00	480.00
44239	10305 B-143	Beaumont Basin Watermaster Authorized studies and costs for the 2012/13 yea	06/13/2013		119,700.77
			Total for Check Number 44239:	0.00	119,700.77
44240	10271 372279 372779 372779 372806 372835	Beaumont Do It Best Home Center Repair sprinklers @ NCR 1 O-rings for CLA-Valves at Highland Springs Ant spray for 815 E. 12th St. Repair leak on Well #24 chlorinator Misc. rollers for roof repair @ Well #1	06/13/2013		27.49 3.20 15.75 43.72 31.29
			Total for Check Number 44240:	0.00	121.45
44241	10010 2776	Beaumont Tire Flat repair unit #3	06/13/2013		20.00
			Total for Check Number 44241:	0.00	20.00
44242	10135 05/07/13 05/07/13 05/07/13	Big Time Design Uniforms for Source of Supply employees Uniforms for T&D employees Uniforms for Customer Service/Meter Reading e	06/13/2013		200.88 1,383.48 106.92
			Total for Check Number 44242:	0.00	1,691.28
44243	10014 5683	Cherry Valley Automotive Unit #22, diagnose & replace fuel cut-off switch	06/13/2013		173.48

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 44243:	0.00	173.48
44244	10019 0069108	Cr&R Inc Monthly trash service at 11083 Cherry Ave	06/13/2013		235.63
			Total for Check Number 44244:	0.00	235.63
44245	10291 509533-0 509533-1 509533-2	J.R. Freeman Co., Inc. Toner for bill printer Toner for bill printer Toner for bill printer	06/13/2013		494.14 1,647.16 494.14
			Total for Check Number 44245:	0.00	2,635.44
44246	10121 65421	Jack Henry And Associates Inc Remit modification for Springbrook interface	06/13/2013		500.00
			Total for Check Number 44246:	0.00	500.00
44247	10028 814663	Napa Auto Parts Change battery for Unit # 11	06/13/2013		4.30
			Total for Check Number 44247:	0.00	4.30
44248	10143 12926	Nobel Systems Additional GIS updates (Vadim PO 20120132)	06/13/2013		3,600.00
			Total for Check Number 44248:	0.00	3,600.00
44249	10147 316.20	Online Information Services 106 utility exchange reports @\$2.70 plus web ac	06/13/2013		316.20
			Total for Check Number 44249:	0.00	316.20
44250	10223 189874 189875	Richards Watson & Gershon May 16th invoice approved by BOD 06/12/13, ir May 16th invoice approved by BOD 06/12/13, ir	06/13/2013		12,324.46 5,761.49
			Total for Check Number 44250:	0.00	18,085.95
44251	10050 028896082	Safeguard 15k remit envelopes, 15k window envelopes and	06/13/2013		1,761.88
			Total for Check Number 44251:	0.00	1,761.88
44252	10269 INV25324 INV25325	Springbrook Travel expenses for 03/25-29/13 finance & payrc Travel expenses for 04/01-5/13 finance & payroll	06/13/2013		2,257.00 2,115.45
			Total for Check Number 44252:	0.00	4,372.45
44253	10304 0097237-IN	Vavrinek, Trine, Day & Co. Professional services during April 2013	06/13/2013		7,870.00
			Total for Check Number 44253:	0.00	7,870.00
44254	10044 -955509-0513	Verizon May phone service at 815 12th	06/13/2013		40.20
			Total for Check Number 44254:	0.00	40.20

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for 6/13/2013:	0.00	163,989.13
1478	UB*00001	Erika & Howard Johnson Refund Check	06/17/2013		87.61
			Total for Check Number 1478:	0.00	87.61
1479	UB*00003	Lorena Patton Refund Check Refund Check Refund Check Refund Check	06/17/2013		59.88 40.85 19.58 14.04
			Total for Check Number 1479:	0.00	134.35
1480	UB*00004	Heather Rowell Refund Check Refund Check Refund Check Refund Check	06/17/2013		101.39 43.25 20.73 14.87
			Total for Check Number 1480:	0.00	180.24
1481	UB*00002	Celest Winfrey Refund Check	06/17/2013		184.11
			Total for Check Number 1481:	0.00	184.11
			Total for 6/17/2013:	0.00	586.31
12810	10205	Levying Officer 2013201274 Riverside Cot	06/20/2013		
	042513Payroll	Case # BAC1200717			281.78
	050913Payroll	Case # BAC1200717			281.78
	052113Payroll	Case # BAC1200717			281.78
	060413Payroll	Case # BAC1200717			281.78
			Total for Check Number 12810:	0.00	1,127.12
			Total for 6/20/2013:	0.00	1,127.12
ACH	10085	Calpers Retirement System PR Batch 00002.06.2013 CalPERS PEPRA PR Batch 00002.06.2013 CalPERS 7% Deducti	06/21/2013 PR Batch 00002.06.2013 CalF PR Batch 00002.06.2013 CalF		160.35 5,250.36
			Total for this ACH Check for Vendor 10085:	0.00	5,410.71
ACH	10087	Edd State Of California PR Batch 00002.06.2013 CA SDI PR Batch 00002.06.2013 State Income Tax	06/21/2013 PR Batch 00002.06.2013 CA ; PR Batch 00002.06.2013 Stat		705.98 2,311.31
			Total for this ACH Check for Vendor 10087:	0.00	3,017.29
ACH	10094	U.S. Treasury PR Batch 00002.06.2013 Federal Income Tax PR Batch 00002.06.2013 FICA Employee Portio PR Batch 00002.06.2013 FICA Employer Portio PR Batch 00002.06.2013 Medicare Employee Pc	06/21/2013 PR Batch 00002.06.2013 Fed PR Batch 00002.06.2013 FIC. PR Batch 00002.06.2013 FIC. PR Batch 00002.06.2013 Med		7,408.46 4,589.58 4,589.58 1,073.35

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
		PR Batch 00002.06.2013 Medicare Employer Po	PR Batch 00002.06.2013 Med		1,073.35
		Total for this ACH Check for Vendor 10094:		0.00	18,734.32
ACH	10203	Ing Life Insurance	06/21/2013		
		PR Batch 00002.06.2013 Deferred Comp	PR Batch 00002.06.2013 Defi		485.00
		Total for this ACH Check for Vendor 10203:		0.00	485.00
ACH	10264	Calpers Supplemental Income Plans	06/21/2013		
		PR Batch 00002.06.2013 CalPERS 457	PR Batch 00002.06.2013 CalP		1,733.08
		Total for this ACH Check for Vendor 10264:		0.00	1,733.08
ACH	10288	CalPERS Health Fiscal Services Division	06/21/2013		
		July 2013 Health Premiums			38,404.93
		Total for this ACH Check for Vendor 10288:		0.00	38,404.93
12811	10141	Ca State Disbursement Unit	06/21/2013		
		PR Batch 00002.06.2013 Garnishment	PR Batch 00002.06.2013 Garr		191.53
		PR Batch 00002.06.2013 Garnishment	PR Batch 00002.06.2013 Garr		360.57
		Total for Check Number 12811:		0.00	552.10
12812	10169	XXXXXXXXXX	06/21/2013		
		PR Batch 00002.06.2013 Garnishment	PR Batch 00002.06.2013 Garr		575.54
		Total for Check Number 12812:		0.00	575.54
12813	10224 0101129_061513	Legal Shield	06/21/2013		
		Total for Check Number 12813:		0.00	254.05
12814	10205	Levying Officer 2013201274 Riverside Cot	06/21/2013		
		PR Batch 00002.06.2013 Garnishment	PR Batch 00002.06.2013 Garr		281.78
		Total for Check Number 12814:		0.00	281.78
12815	10293 7009	Western Dental Services Inc.	06/21/2013		
		Total for Check Number 12815:		0.00	152.40
44255	10216 38139261 38139262	Accountemps	06/21/2013		
		Temp services for the week ended 06/14/13 (C. C			1,194.80
		Temp. services for the week ended 06/14/13 (D.			1,580.40
		Total for Check Number 44255:		0.00	2,775.20
44256	10144 LYUM744854	Alsco	06/21/2013		
		Mats for the 560 Magnolia Ave.			26.25
		Total for Check Number 44256:		0.00	26.25
44257	10138 HW201_061213	Arco Business Solutions	06/21/2013		
		Mid May to Mid June 2013 gas purchases			7,631.03
		Total for Check Number 44257:		0.00	7,631.03
44258	10038 2732609750	Avaya Inc	06/21/2013		
		Monthly maintenance phone			151.15

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 44258:	0.00	151.15
44259	10272 BF31340-0034 BF31539	Babcock Laboratories Inc 11 Water samples on 6/11/13 1 water sample on 6/13/13	06/21/2013		440.00 40.00
			Total for Check Number 44259:	0.00	480.00
44260	10283 06/20/13 BCVWD 06/20/13 BCVWD 06/20/13 BCVWD 06/20/13 BCVWD 06/20/13 BCVWD	BCVWD Petty Cash Bank fees for cust acct and notary 7 Notary fees for liens (\$10 each) Mailing fees for Draft UWMP Extra p.o. box key UB customer refund	06/21/2013		45.00 70.00 6.06 9.00 129.79
			Total for Check Number 44260:	0.00	259.85
44261	10060 66310 66311	Beaumont Lawnmower Primer bulb, spark plug, fuel filter, A/C filter for Upper trigger for Echo on 06/3/13	06/21/2013		71.05 78.56
			Total for Check Number 44261:	0.00	149.61
44262	10285 D00760	California Tool & Welding Supply Oxygen and acetylene	06/21/2013		46.80
			Total for Check Number 44262:	0.00	46.80
44263	10306 2105	Elections Office of the Registrar of Voters C Minimum elections fee for Divisions 2 & 3	06/21/2013		300.00
			Total for Check Number 44263:	0.00	300.00
44264	10052 6184_0513	Home Depot Credit Services	06/21/2013		161.91
			Total for Check Number 44264:	0.00	161.91
44265	10273 252780 252780 252810 252810 253003 253003 253004 253004 253005 253005	Inland Water Works Supply Co. Parts for inventory (Vadim po 20130056) 2% discount for early payment Parts for inventory (Vadim po 20130054) 2% discount for early payment Parts purchased on 06/06/2013 2% discount for early payment Parts for inventory (Vadim po 20130056) 2% discount for early payment Parts for NCR II 2 % discount on purchase for early payment	06/21/2013		653.40 -13.07 68,244.58 -1,364.89 18,961.78 -379.24 249.80 -5.00 21,810.28 -436.21
			Total for Check Number 44265:	0.00	107,721.43
44266	10067 TR 33096-7 Refu TR 33096-7 Refu TR 33096-7 Refu TR 33096-7 Refu TR 33096-7 Refu TR 33096-7 Refu TR 33096-7 Refu TR 33096-7 Refu	K Hovnanian Homes Refund remaining FF paid @ \$8944 Refund remaining FF paid @ \$8944 Refund remaining FF paid @ \$8944 Refund remaining FF paid @ \$8944 Refund remaining FF paid @ \$8944 Refund remaining FF paid @ \$8944 Refund remaining FF paid @ \$8944 Refund remaining FF paid @ \$8944	06/21/2013		1,129.64 1,004.12 627.58 313.79 690.33 941.36 1,192.39 125.52

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	TR 33096-7 Refu	Refund remaining FF paid @ \$8944			31.38
	TR 33096-7 Refu	Refund remaining FF paid @ \$8944			31.38
	TR 33096-7 Refu	Refund remaining FF paid @ \$8944			188.27
					<hr/>
				Total for Check Number 44266:	0.00 6,275.76
44267	10102	Pat's Pots	06/21/2013		
	13393	5/7/13 to 06/03/13 1 reg & 2 hdcp w/weekly serv			310.00
	13394	6/4/13 to 7/1/13 1 reg & 2 hdcp w/weekly service			310.00
					<hr/>
				Total for Check Number 44267:	0.00 620.00
44268	10275	Tommy Sersaw Prestige Mobile Detail	06/21/2013		
	06/17/13	6/17/13, \$16@4, (Unit 1, 2, 16,3)			64.00
					<hr/>
				Total for Check Number 44268:	0.00 64.00
44269	10297	Rain For Rent	06/21/2013		
	036035782	Temp for Brookside			1,937.52
					<hr/>
				Total for Check Number 44269:	0.00 1,937.52
44270	10302	So Cal Sandbags Inc.	06/21/2013		
	74173	May 2013 Shaker plate rental for NCR II			108.00
					<hr/>
				Total for Check Number 44270:	0.00 108.00
44271	10031	Staples Advantage	06/21/2013		
	8025989712	Ink, pads, mousepad, glue stick, folders, clip, etc			402.36
					<hr/>
				Total for Check Number 44271:	0.00 402.36
44272	10307	Technique Data Systems	06/21/2013		
	038350	Renewal of ann. maint. agreement for remit mac			605.00
					<hr/>
				Total for Check Number 44272:	0.00 605.00
44273	10284	Underground Service Alert of Southern Cal	06/21/2013		
	520130045	82 new tickets for May 2013 @ \$1.50			123.00
					<hr/>
				Total for Check Number 44273:	0.00 123.00
44274	10036	Usa Mobility Wireless Inc.	06/21/2013		
	WO152081F	Monthly pager service			67.78
					<hr/>
				Total for Check Number 44274:	0.00 67.78
44275	10181	Verizon Credit Inc.	06/21/2013		
	106117	Monthly router rental			138.32
					<hr/>
				Total for Check Number 44275:	0.00 138.32
44276	10116	Verizon Wireless	06/21/2013		
	970612370	Monthly cell phone 05/08-06/17/13			281.81
					<hr/>
				Total for Check Number 44276:	0.00 281.81
44277	10051	Wells Fargo Remittance Center	06/21/2013		
	3720_06052013	Online b/u of data and email subscription			2,060.07
	3720_06052013	Credit for GFOA conference			-285.00
					<hr/>
				Total for Check Number 44277:	0.00 1,775.07

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for 6/21/2013:	0.00	201,703.05
ACH	10030	Southern California Edison	06/25/2013		
	2-03-937-4889-0613	12303 Oak Glen Rd			311.65
	2-03-937-4889-0613	Source of Supply			163,889.15
	2-03-937-4889-0613	9781 Avenida Miravilla			25.73
	2-03-937-4889-0613	13697 Oak Glen Rd			173.08
	2-03-937-4889-0613	560 Magnolia Ave			1,915.70
	2-03-937-4889-0613	13695 Oak Glen Rd			99.13
	2-03-937-4889-0613	815 E. 12th St.			575.41
			Total for this ACH Check for Vendor 10030:	0.00	166,989.85
1482	UB*00025	All American Asphalt Refund Check	06/25/2013		302.66
			Total for Check Number 1482:	0.00	302.66
1483	UB*00020	Marilyn Barrett Refund Check	06/25/2013		107.28
			Total for Check Number 1483:	0.00	107.28
1484	UB*00021	Beaumont Oak Valley Lp Refund Check	06/25/2013		738.91
			Total for Check Number 1484:	0.00	738.91
1485	UB*00012	Christina Chevalier Refund Check	06/25/2013		105.58
			Total for Check Number 1485:	0.00	105.58
1486	UB*00013	Dennis Cisterna Refund Check	06/25/2013		8.49
			Total for Check Number 1486:	0.00	8.49
1487	UB*00014	Jeffrey Duggan Refund Check	06/25/2013		18.32
			Total for Check Number 1487:	0.00	18.32
1488	UB*00011	Eb Investments Refund Check	06/25/2013		6.29
			Total for Check Number 1488:	0.00	6.29
1489	UB*00023	Jenny Gonzalez Refund Check	06/25/2013		87.82
			Total for Check Number 1489:	0.00	87.82
1490	UB*00016	Lara Hanousek Refund Check	06/25/2013		19.76
			Total for Check Number 1490:	0.00	19.76
1491	UB*00015	Humberto & Linda Badillo Refund Check	06/25/2013		27.06

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 1491:	0.00	27.06
1492	UB*00018	C/O Pioneer Realty James Metzger Refund Check	06/25/2013		1.00
			Total for Check Number 1492:	0.00	1.00
1493	UB*00005	Kohl's Dept Store #11186 Refund Check	06/25/2013		9,126.97
			Total for Check Number 1493:	0.00	9,126.97
1494	UB*00006	Kohl's Dept Store #11186 Refund Check	06/25/2013		7,766.69
			Total for Check Number 1494:	0.00	7,766.69
1495	UB*00017	Mark Feather Refund Check	06/25/2013		33.11
			Total for Check Number 1495:	0.00	33.11
1496	UB*00019	Daniel C. Mckinley Refund Check	06/25/2013		36.98
			Total for Check Number 1496:	0.00	36.98
1497	UB*00009	Richard Novak Refund Check	06/25/2013		31.55
			Total for Check Number 1497:	0.00	31.55
1498	UB*00007	Randy Gordon (Agent) Refund Check	06/25/2013		151.16
			Total for Check Number 1498:	0.00	151.16
1499	UB*00008	Remax Results C/O M. Deco Refund Check	06/25/2013		73.41
			Total for Check Number 1499:	0.00	73.41
1500	UB*00024	Jennifer Rothgeb Refund Check	06/25/2013		93.06
			Total for Check Number 1500:	0.00	93.06
1501	UB*00010	Aziz Said Refund Check	06/25/2013		214.47
			Total for Check Number 1501:	0.00	214.47
1502	UB*00022	Sunrise Church Of California C/O Doug St Refund Check	06/25/2013		54.51
			Total for Check Number 1502:	0.00	54.51
44278	10216 38185390 38185391	Accountemps Temp services for the week ended 06/21/2013 (C Temp services for the week ended 06/21/13 (D. S	06/25/2013		1,194.80 1,580.40

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 44278:	0.00	2,775.20
44279	10272 BF32048-0034 BF32278-0034	Babcock Laboratories Inc 12 Water samples on 6/17/13 4 water samples on 6/24/13	06/25/2013		480.00 60.00
			Total for Check Number 44279:	0.00	540.00
44280	10308 604-13	Byrd Industrial Electronics Srv Ord 604-13, CHanged TOU time on wells us	06/25/2013		391.24
			Total for Check Number 44280:	0.00	391.24
44281	10273 253217 253218 253218	Inland Water Works Supply Co. Parts for NCR II Parts for inventory (Vadim PO 20130060) 2% discount for early payment	06/25/2013		10,879.29 2,390.09 -47.80
			Total for Check Number 44281:	0.00	13,221.58
44282	10296 SW000173835	Johnson Machinery Co. Troubleshoot CAT (engine will not start)	06/25/2013		550.75
			Total for Check Number 44282:	0.00	550.75
44283	10028 814658 814811 814812	Napa Auto Parts 43 piece tool set for Unit #4 Parts for Unit #4 Fuse and cable tie for Unit #4	06/25/2013		86.39 56.64 14.02
			Total for Check Number 44283:	0.00	157.05
44284	10202	Guy Thomas Repair safety lock mechanism on Backhoe and j	06/25/2013		525.00
			Total for Check Number 44284:	0.00	525.00
44285	10043	Trench Shoring Gas detector calibration on 6/13/13	06/25/2013		100.00
			Total for Check Number 44285:	0.00	100.00
44286	10044 060920-0613	Verizon Monthly phone bill for 815 E. 12th St.	06/25/2013		194.49
			Total for Check Number 44286:	0.00	194.49
			Total for 6/25/2013:	0.00	204,450.24
			Report Total (128 checks):	411.57	1,086,472.73



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 10th, 2013**

DATE: July 2nd, 2013
TO: Regular Board Meeting
FROM: Melissa Bender, Director of Finance & Administrative Services
SUBJECT: Approval of Pending Invoices

Recommendation

Staff recommends that the Board of Directors approve the pending invoices totaling \$19,312.56.

Background

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

Fiscal Impact

There is a \$19,312.56 impact to the District.

Attachments:

- Richards Watson Gershon Invoice #190422
- Richards Watson Gershon Invoice #190423
- VTD Invoice #0098280-IN



RICHARDS | WATSON | GERSHON

ATTORNEYS AT LAW – A PROFESSIONAL CORPORATION

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

Telephone 213.626.8484 Facsimile 213.626.0078

Fed. I.D. No. 95-3292015

ERIC FRASER
Beaumont- Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

June 17, 2013
Invoice # 190422

Re: 12788-0001 GENERAL COUNSEL SERVICES

Current Legal Fees	\$6,102.50
Current Client Costs Advanced	<u>\$70.06</u>
TOTAL CURRENT FEES AND COSTS.....	<u>\$6,172.56</u>
Balance Due From Previous Statement.....	\$12,324.46
TOTAL BALANCE DUE FOR THIS MATTER.....	<u>\$18,497.02</u>

TERMS: PAYMENT DUE UPON RECEIPT

PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE



RICHARDS | WATSON | GERSHON

ATTORNEYS AT LAW – A PROFESSIONAL CORPORATION

355 South Grand Avenue, 40th Floor, Los Angeles, California 90071-3101
Telephone 213.626.8484 Facsimile 213.626.0078
Fed. I.D. No. 95-3292015

ERIC FRASER
Beaumont- Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223-2258

June 17, 2013
Invoice # 190423

Re: [REDACTED]

Current Legal Fees	\$5,140.00
Current Client Costs Advanced	<u>\$0.00</u>
TOTAL CURRENT FEES AND COSTS.....	<u>\$5,140.00</u>
Balance Due From Previous Statement.....	\$5,761.49
TOTAL BALANCE DUE FOR THIS MATTER.....	<u>\$10,901.49</u>

TERMS: PAYMENT DUE UPON RECEIPT

PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE



Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants

VALUE THE DIFFERENCE

Beaumont-Cherry Valley Water District

560 Magnolia Avenue
Beaumont, CA 92223

CLIENT ID: 2000275
OWNER: RA
INVOICE NUMBER: 0098280-IN
DATE: 05/31/2013

Please return top portion with remittance.

Amount enclosed \$ _____



Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants

VALUE THE DIFFERENCE

Beaumont-Cherry Valley Water

Professional services rendered during May 2013

\$8,000.00

INVOICE TOTAL: \$8,000.00

CLIENT ID: 2000275
INVOICE NUMBER: 0098280-IN
DATE: 05/31/2013



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, June 12th, 2013**

Call to Order, President Woll

President Woll began the meeting at 7:00 p.m.

Pledge of Allegiance, Director Ross

Director Ross led the pledge.

Invocation, Director Guldseth

Director Guldseth led the invocation.

Roll Call

Present at the meeting were President Woll, Directors Ball, Guldseth, Ross, and Slawson. Legal Counsel: James Markman. District Staff: General Manager: Eric Fraser, Director of Operations: Tony Lara, Director of Engineering: Dan Jaggars, and Director of Finance and Administrative Services: Melissa Bender. Public that registered their attendance were: John M. Halliwill, Patsy Reeley, Minnie Birchard, Fran Flanders, Barbara Brown, Jorge Ruiz, Mary Ann Melleby, Lloyd White and Barbara Voigt.

Public Comment

John Halliwill wanted to bring to the Board's attention that there is a consumer confidence report posted in the lobby for 2012 that has a July 2013 date on it.

General Manager Eric Fraser stated that due to a change in the law the report is no longer required to be mailed but is made available upon request and is available on the District's website resulting in a cost savings of approximately \$10,000 annually.

ACTION ITEMS

1. Adoption of the Agenda (pages 1-3)

General Manager Eric Fraser advised the Board that there were no changes to the Agenda.

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

- a. April 2013 Budget Variance Report Review** (pages 4-19)
- b. April 30th, 2013 Cash/Investment Balance Report** (page 20)
- c. May 2013 Cheque Register Review** (pages 21-34)
- d. May 2013 Invoices Pending Approval** (pages 35-39)
- e. Minutes of the Regular Meeting of May 8th, 2013** (pages 40-42)

Director Guldseth motioned to approve the items of the consent calendar. Director Ross seconded the motion. The motion passed 5-0.

3. Consideration of Resolution 2013-03: A Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District Establishing Authorized Agents to Act on Behalf of the District for Cost Recovery from the 2013 Summit Fire(pages 43-46)**

General Manager Eric Fraser provided an overview of the resolution in order to seek cost reimbursement related to the 2013 Summit Fire.

Public Comment on Item: *John Halliwill wishes for it to be clarified that we are seeking cost recovery for the total charges incurred by the District.*

Director of Finance and Administrative Services Melissa Bender advised the Board that the cost was revised after the last meeting when the amount of water actually used was verified and found to be less than previously reported.

General Manager Eric Fraser stated that full reimbursement was to be pursued.

President Woll motioned to authorize the General Manager to act of behalf of the District for cost recovery for the 2013 Summit Fire in the amount of the actual costs; the motion was seconded by Director Ball and passed 5-0.

4. Consider a One-Time Deviation from District Policy Regarding Service Credit for a Previously Employed Staff Member(page 47)**

Public Comment on Item: *John Halliwill inquired as to how increasing funding into the retirement system with no contribution could have no direct financial impact considering the unfunded liability of the retirement benefits.*

General Manager Fraser explained that this is for leave accrual only prior to the District's participation in PERS. This consideration is to formally approve a practice that was put in place from a verbal approval given by the prior general manager at the time but never placed in writing.

After discussion, Director Ball motioned to approve the additional service credit. The motion was seconded by Director Guldseth and passed 5-0.

5. Discussion of Topics to Be Addressed by Supervisor Marion Ashley's Water Task Force

Director Ball provided an overview of the Water Task Force formed by Supervisor Marion Ashley, including who was involved and tasks requested of the participants. The Task Force will meet the 3rd Monday of each month in Banning at the City Hall. The Board discussed topics that they would like to be discussed by the Water Task Force.

6. Discussion and Possible Action Regarding the Application for Groundwater Storage Agreement from the Morongo Band of Mission Indians with the Beaumont Basin Watermaster(pages 48-51)**

Public Comment on Item: *Judy Bingham inquired as to whether the District could go to the Court on the decision that had been made. John Halliwill asked whether the Morongo Band of Mission Indians acquired water rights when they purchased the land from Oak Valley Partners, and how if they own the water and are an appropriator, how can they be defined as a non-appropriator.*

General Manager Fraser explained the difference between an overlyer and an appropriator, as defined by the judgment for the Beaumont Basin. General Manager Fraser gave a recap of what happened at the Watermaster meeting.

After discussion, Director Ball motioned to allow General Manager Eric Fraser to take the action necessary to address the needs of the District and the ratepayers and to support the requirements of Watermaster Resolution 2005-01. The motion was seconded by Director Ross and passed 5-0.

7. Consider an Agreement with the City of Banning and the Yucaipa Valley Water District for the Joint Utilization of the Noble Creek Recharge Facility (pages 52-55)**

General Manager Fraser provided an overview of the Agreement presented to the Board for consideration. After discussion, Director Ball motioned to approve the agreement. The motion was seconded by Director Ross and passed 5-0.

8. Reports For Discussion

a. Ad Hoc Committees

No reports were made.

b. General Manager

General Manager Fraser advised the Board that the District has been working on water conservation efforts. Mr. Lara then provided the Board with an overview of some of the water conservation events that the District has participated in. General Manger Fraser then advised the Board on progress of the Noble Creek Recharge Phase II Project. Mr. Fraser then advised the Board of some Pass Agency activities and their possible impact on rates. General Manager Fraser then advised the Board of the status of the GIS project and the software conversion.

c. Directors Reports

Director Ross reported that he attended the State of the City meeting and provided a description of some of items that were discussed at the meeting. Director Ross also attended the Regional Water Alliance meeting where they discussed an update of the North San Diego Water Project.

Director Guldseth noted his attendance to both meetings previously mentioned by Director Ross and then proceeded to thank the staff for their work.

Director Ball reported that he also attended the State of the City meeting and reported on the goals of the City of Beaumont. Director Ball then thanked Director Slawson for putting together the tour of the EMWD Water Reclamation Plant. Director Ball also attended several Pass Agency meetings and expanded on the Pass Agency information provided by General Manager Fraser and reported on a reserve fund that they have established. Director Ball also reported the draft EIR is now available for review and comment.

Director Slawson reported that he also attended the State of the City. Director Slawson also reported on the tour of the EMWD Water Reclamation Plant. In addition, Director Slawson also attended the Regional Water Alliance meeting and reported the successful use of a lobbyist for the joint efforts of the North San Diego Water Project.

President Woll then expressed his concern with the Pass Agency's meeting times, and some of the other agencies, as they are not easily accessible for the public when they are held during the day.

d. Legal Counsel Report

Mr. Markman wished to comment on the closed session items. The potential litigation involves the City of Beaumont and the Beaumont High School bridge (Brookside) and water lines project. The existing litigation is in regards to Performance Meter Inc. and their bankruptcy hearing.

9. Announcements

- Finance & Audit Committee meeting, July 3rd, 2013 at 3:00 p.m.
- District offices will be closed Thursday July 4th, 2013 in observation of 4th of July
- Regular Board meeting, July 10th, 2013 at 7:00 p.m.

President Woll made the announcements above.

10. Action List for Future Meetings

- Schedule a workshop to discuss the landscape for the Noble Creek Recharge Phase II Project with the public.
- Consideration of Annexation of Parcels for Hidden Canyon II Development tabled in the December 2012 meeting.

Public Comment on Item: *Judy Bingham inquired if the annexation item would be considered at the July 10th meeting.*

General Manager Fraser stated that the Board has not yet decided and this is a rolling list of items for future consideration by the Board.

11. Recess to Closed Session

- a. Conference with legal counsel regarding potential litigation (1 case) pursuant to Government Code 54956.9(c).
- b. Conference with legal counsel regarding existing litigation (1 case) pursuant to Government Code 54956.9.
- c. General Manager performance review pursuant to Government Code 54957(b).

The Board recessed to closed session at 9:00 p.m. No reportable action was taken.

12. Adjournment

President Woll adjourned the meeting at 11:05 p.m.

Attest:

 Director Ryan Woll, President of the
 Board of Directors of the
 Beaumont-Cherry Valley Water District

 Director Blair Ball, Secretary to the
 Board of Directors of the
 Beaumont-Cherry Valley Water District

** Information included in the agenda packet



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 10th, 2013**

DATE: July 2nd, 2013
TO: Board of Directors
FROM: Eric Fraser, General Manager
SUBJECT: Denial of Claim by the City of Beaumont Related to Replacement of Pipeline during the Construction of the Brookside Bridge

Recommendation

Staff recommends denial of the claim as presented by the City of Beaumont.

Background

In 2011 the City of Beaumont chose to construct a bridge on Brookside Avenue over Noble Creek. The District previously constructed a 24-inch reclaimed water and a 16-inch potable water line in Brookside Ave. Segments of these water lines were removed by the City's contractor during construction of the bridge. The District incurred significant costs associated with providing temporary service to the area during the construction of the bridge.

The City subsequently advertised and awarded a contract to construct a pedestrian bridge adjacent to the newly constructed Brookside Bridge. Included in the bid documents and associated construction were the tasks to replace the pipelines previously removed by the City (City Staff Report Attached). Transportation Funds were identified in the staff report as the sole mechanism of funding for the project. No reimbursement or joint funding agreement was entered into by the District for the restoration of District facilities damaged by the City during the Bridge Construction.

The City of Beaumont has completed the construction of the Pedestrian Bridge, Sidewalks, Waterline re-connections, and Trails in accordance with the contract. On June 19, 2013, the City filed a claim (Attached) against the District seeking reimbursement for the cost of re-connecting the waterlines previously removed by the City during the construction of the Brookside Bridge.

Staff recommends denial of the claim.

Financial Impact

Any legal action by the City against the District will result in costs being borne by both parties who share much of the same constituency. In essence, the people of the community would be suing themselves by this action with the parties engaged to provide legal services benefiting from the process.

STAFF REPORT

TO: Mayor and Council Members
FROM: City Manager
DATE: November 6, 2012

SUBJECT: Award Construction Contract for a Pedestrian Bridge, Sidewalks and Pedestrian Trails along Brookside Avenue

Background and Analysis:

The City requested sealed bids from qualified contractors for constructing a pedestrian bridge adjacent to the south side of the recently completed bridge on Brookside Avenue as part of the Beaumont High School Expansion. Also included were asphalt sidewalk improvements along the south side of the street from Beaumont Avenue to Brookside Elementary School and a walking trail from Oak Valley Park to Brookside Elementary School. The pedestrian bridge improvements include concrete abutments, retaining walls, grading and reconnecting the existing 24" reclaimed water line and the 16" potable water line in Brookside Avenue which belong to Beaumont-Cherry Valley Water District. Also included are storm drain improvements east of Beaumont Avenue to convey storm water from the north side to the south side of Brookside Avenue.

Three companies participated in the bidding process. Attached is a spreadsheet which shows the bid prices of the three bidders. The apparent lowest responsible bidder is Mamco Inc. in the amount of \$500,000.

Fiscal Impact:

There is no impact on the General Fund. The project will be funded from transportation funds and \$80,000 which will be paid by the Riverside County Transportation Department towards the improvements in accordance with a cost sharing agreement.

Recommendation:

Staff recommends AWARD of a construction contract to Mamco Inc. subject to the final review and approval of the contract documents by the City Attorney, APPROVAL of the Project Progress Report and authorization of the Mayor to execute the Project Progress Report.

Respectfully submitted;
CITY OF BEAUMONT



Alan C. Kapanigas
City Manager

**CITY OF BEAUMONT
PROJECT PROGRESS REPORT**

Source of Funds:	Transportation Funds and Riverside County Transportation Department	Project Name: Pedestrian Bridge, Waterline Reconnections, Sidewalk & Trail Improvement Project along Brookside Avenue
Contract Date:	November 6, 2012	Contractors: Mamco Inc.
Const. Budget:	\$500,000	
A&E Budget:	As per Approved Contractors	Project Start Date: September 2012 Report Period: October 2012
Work Completed During Report Period: Prepared plans, specifications and contract documents, bid analyses		
Problems or Delays During Report Period: • No delays		
Change Orders: • No Change Orders		
Recommendation(s) for City Council Action: Approve and execute the construction contract, inspect the work and manage construction		
Approved and authorized by:		
Mayor Signature		Date of City Council Approval

AGREEMENT

THIS AGREEMENT is entered into at Beaumont, California as of the date set forth below is between City of Beaumont hereafter called "City" and Mamco, Inc. dba Alabbasi hereafter called "Contractor".

WITNESSETH

RECITALS:

1. Contractor has submitted to City his Contractor's Proposal for the construction of City Project **PEDESTRIAN BRIDGE, WATERLINE RE-CONNECTIONS, SIDEWALK IMPROVEMENT along BROOKSIDE AVENUE Between Oak View Drive and Beaumont Avenue & TRAIL IMPROVEMENT PROJECT (File No. 1921)** in strict accordance with the Contract Documents identified below and City has accepted said Proposal.
2. Contractor states that he has reexamined his Contractor's Proposal and found it to be correct, has ascertained that his subcontractors are properly licensed and possess the requisite skill and forces, has reexamined the site and Contract Documents and is of the opinion that he can presently do the work in accordance with the Contract Documents for the money set forth in his Proposal to be paid as provided in the Contract Documents.

AGREEMENT:

IT IS AGREED BY THE PARTIES AS FOLLOWS:

3. **Contract Documents.** The entire contract consists of the following:
 - (a) The Agreement,
 - (b) The Notice Inviting Bids,
 - (c) The Instruction to Bidders,
 - (d) The Contractor's Proposal,
 - (e) The Bid Bond,
 - (f) The Payment Bond,
 - (g) The Performance Bond,
 - (h) The General Conditions,
 - (i) The Special Provisions,
 - (j) The Standard Specifications of the State of California Department of Transportation edition of May 2006 as modified in other portions of the Contract Documents,
 - (k) The Standard Plans of the Department of Transportation identified on the plans or in the Special Provisions,
 - (l) The Plans, **File Number 1921**
 - (m) Addenda No. **1&2**,
 - (n) The Determination of Prevailing Wage Rates for Public Work,
 - (o) Any Change Orders issued, and
 - (p) Any additional or supplemental specifications, notice, instructions and drawings issued in accordance with the provisions of the Contract Documents.

PEDESTRIAN BRIDGE, WATERLINE RE-CONNECTIONS, SIDEWALK IMPROVEMENT along BROOKSIDE AVENUE
Between Oak View Drive and Beaumont Avenue & TRAIL IMPROVEMENT PROJECT (File No. 1921)

All of said Documents presently in existence are herein incorporated by reference with like effect as if here set forth in full and upon the proper issuance of other documents they shall likewise be deemed incorporated. The Bid Bond is exonerated upon execution of this Agreement and the Payment Bond and Faithful Performance Bond.

4. The Work. Contractor shall do all things necessary to construct the work generally described in Recital No. 1 in accordance with the Contract Documents. *Contractor will also perform OPTION works that were bid but not part of the signed contract. Contractor's payment shall be per original bid proposal.*
5. Liquidated Damages and Time of Completion. Attention is directed to the provisions in Section 8-1.06, "Time of Completion", and in Section 8-1.10, "Liquidated Damages", of the Standard Specifications and these Special Provisions.

The Contractor shall begin work within 2 days of the date stated within the written "Notice to Proceed." Contractor shall complete this project within **TWENTY FIVE (25) WORK DAYS.**

The Contractor shall notify the Engineer, in writing, of his intent to begin work at least 72 hours before work is begun. The notice shall be delivered to the Public Works Department's Construction Manager and shall specify the date the Contractor intends to start. If the project has more than one location of work, a separate notice shall be given for each location.

Should the Contractor begin work in advance of receiving a written "Notice to Proceed", any work performed by him in advance of the date stated in the "Notice to Proceed" shall be considered as having been done by him at his own risk and as a volunteer and subject to the following:

- (a) The Contractor shall, on commencing operations, take all precautions required for public safety and shall observe all the provisions in the Specifications and the Special Provisions.
 - (b) All work done according to the contract prior to the issuance of the "Notice to Proceed", will be considered authorized work and will be paid for as provided in the contract.
 - (c) The Contractor shall not be entitled to any additional compensation or an extension of time for any delay, hindrance or interference caused by or attributable to commencement of work prior to the issuance of the "Notice to Proceed".
6. Compensation. Contractor shall be paid in the manner set forth in the Contract Documents the amount of his Proposal as accepted by City, the above rates, subject to additions and deductions as provided in the Contract Documents. Said Proposal is on file in the Office of the City Clerk of the City of Beaumont.
 7. **CONTRACTOR'S RESPONSIBILITIES FOR REMOVAL, RELOCATION AND PROTECTION OF PUBLIC UTILITIES.** Because existing main or trunkline utility facilities at the construction site have been identified in the plans and specifications which are a part of the invitation for bids, contractor is contractually and financially responsible and liable for the timely removal, relocation and protection of the existing main or trunkline utility facilities and contractor is further responsible and liable for the coordination of such removal, relocation and protection of the existing main or trunkline utility facilities with the utility or utilities owning or operating such main or trunkline utility facilities.

Because the location of the existing utility service laterals and appurtenances can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes on or adjacent to the public works construction site, contractor is contractually and financially responsible and liable for the timely removal, relocation and protection of such utility service laterals and appurtenances and contractor is further responsible and liable for the coordination of such timely removal, relocation and protection of such utility service laterals and appurtenances with the owner and/or operator of such utility service laterals and appurtenances.

The City shall not be responsible or liable for any delay or costs associated with the removal, relocation and protection of any main or trunkline utility facilities or any utility service laterals and appurtenances.

8. **CONTRACTOR'S RESPONSIBILITIES FOR WASTEWATER AND STORMWATER RUNOFF PREVENTION AND MITIGATION:**

Contractor shall be solely responsible for the prevention of, and mitigation against, wastewater and stormwater runoff from the construction site which is the subject matter of this Agreement. Contractor shall ensure that no wastewater and stormwater runoff flows are released or escape from the construction site. Any wastewater and stormwater runoff that accumulates at the construction site shall be contained by the Contractor at the site, and, if necessary, shall be disposed of by the Contractor in accordance with all applicable laws governing the discharge and disposal of wastewater and stormwater runoff. To the extent that any such flows do escape or are released from the construction site Contractor shall be responsible and liable for all claims, lawsuits, damages, fines and penalties that may be sought or assessed against the City or the Contractor and the Contractor shall indemnify and hold harmless the City from any and all such damages, fines, penalties and attorneys' fees that may be assessed or incurred by the City in connection with such wastewater and stormwater runoff flows.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date set forth below.

CITY OF BEAUMONT

CONTRACTOR

BY _____
City Mayor

BY  _____

Dated _____

TITLE: Marwan AlAbbasi- Secretary
(If Corporation, Affix Seal)

ATTEST:

ATTEST:  _____

City Clerk

BY _____
Deputy

TITLE: Rumzi AlAbbasi- Vice President



"City"
(Seal)

"Corporation"
(Seal)

PEDESTRIAN BRIDGE, WATERLINE RE-CONNECTIONS, SIDEWALK IMPROVEMENT along BROOKSIDE AVENUE
Between Oak View Drive and Beaumont Avenue & TRAIL IMPROVEMENT PROJECT (File No. 1921)



alabbasi

CONSTRUCTION AND ENGINEERING
Lic. No. 883649

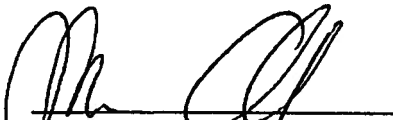
Mamco, Inc. dba Alabbasi Corporate Resolution to Execute Contracts

At a meeting of the corporation today, after considerable discussion, the following resolution was moved, seconded, and unanimously adopted;

Resolved that any of the following persons, Marwan Alabbasi, Elizabeth Alabbasi, or Rumzi M. Alabbasi be; and they hereby are, authorized without further authorization of the board of directors to enter into and execute on behalf of the corporation any and all contracts to do corporate business for Mamco, Inc.

In witness whereof, I have hereunto set my hand as such secretary and affixed the corporate seal of said corporation this 1st day of October, 2012.

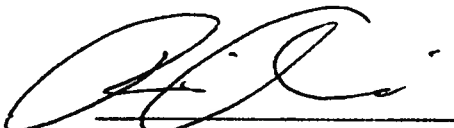
AUTHORIZED SIGNATURES




Marwan S. Alabbasi



Elizabeth Alabbasi



Rumzi M. Alabbasi



Marwan S. Alabbasi- Secretary





City of Beaumont

550 E. 6th Street
Beaumont, CA 92223
(951) 769-8520

FAX (951) 769-8526

Email: cityhall@ci.beaumont.ca.us

www.ci.beaumont.ca.us

June 19, 2013

Mr. Eric Fraser, General Manager
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, California 92223

Re: Government Claim Against Public Entity (BCVWD)
(Government Code Section 900 et seq.)
Demand for Reimbursement of Pipeline Relocation Expense

Dear Mr. Fraser:

Please take notice that the City of Beaumont hereby submits the following claim against the Beaumont-Cherry Valley Water District (BCVWD), as follows:

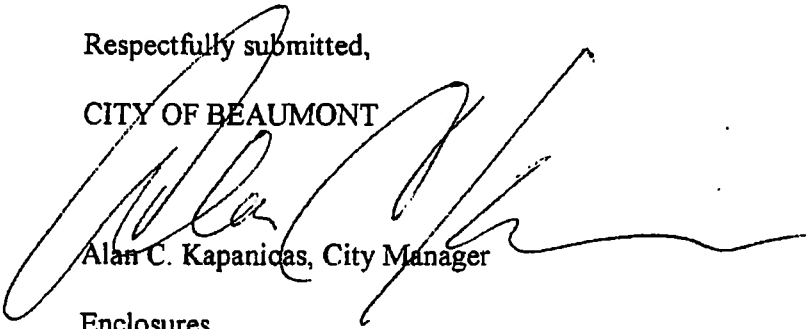
1. Date of Claim: June 19, 2013.
2. Name of Claimant: City of Beaumont.
3. Mailing Address of Claimant: City of Beaumont
550 East 6th Street
Beaumont, California 92223.
4. Mailing Address to which Claimant desires notices to be sent:
Mr. Alan C. Kapanicas, City Manager
City of Beaumont
550 East 6th Street
Beaumont, California 92223.
5. Date of the occurrence or transaction which gave rise to the Claim: April 3, 2013.
6. The place of the occurrence or transaction which gave rise to the Claim:
Noble Creek at its intersection with
Brookside Avenue.

Mr. Eric Fraser, General Manager
Beaumont-Cherry Valley Water District
Page 2
June 19, 2013

7. General description of the basis of the Claim: beginning in or about September, 2012, and ending in or about December, 2012, the City of Beaumont constructed motor vehicle and pedestrian bridges in Brookside Avenue at its intersection with Noble Creek. The construction entailed the relocation of two BCVWD-owned water pipelines. The relocation was necessary in order to construct the bridges. The pipelines were restored to working order in December, 2012. On April 3, 2013, Claimant submitted a documented invoice to BCVWD in the amount of \$377,053.05. BCVWD did not respond.
8. The names of employees having knowledge of the subject matter of this Claim: Eric Fraser, and Dan Jagers.
9. The amount of the Claim: \$377,053.05.
10. Attached are invoices supporting this Claim.

Respectfully submitted,

CITY OF BEAUMONT


Alan C. Kapanicas, City Manager

Enclosures

cc: City Council

G702 APPLICATION and CERTIFICATE for PAYMENT

To: City of Beaumont
550 East 6th Street
Beaumont, CA 92223

Project: Bridge and Street Improvement
along Brookside Avenue
Beaumont, CA 92223

Application No: 7

Distribution to:

- OWNER
- CONSTRUCTION MGR.
- ARCHITECT
- CONTRACTOR
- OTHER

From: Christensen Brothers
P.O. Box 1288
Apple Valley, CA 92307

Contract For: General

App. Date: September 24, 2012

Period to: September 30, 2012

Project Nos: 331

Food

Contract Date: 3/25/12

3250-4060

YES NO

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that no amount is due or payable from the Owner.

APPLICATION FOR PAYMENT
Application is made for payment, as shown below, in connection with the Contract, Freight
Total \$ 1,388,508.47

3.75% Sales Tax	1,388,508.47
115,217.43	
1,503,726.90	
1,713,687.07	

1. ORIGINAL CONTRACT SUM
2. Net Change By Change Orders
3. CONTRACT SUM TO DATE
4. TOTAL COMPLETED AND STORED TO DATE
5. RETAINAGE:

a. 05% of Completed Work	85,684.34
b. of Stored Material	0.00

TOTAL RETAINAGE	85,684.34
6. TOTAL EARNED LESS RETAINAGE	1,628,002.73
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT	1,618,318.66
8. CURRENT PAYMENT DUE	9,684.07
9. BALANCE TO FINISH, INCLUDING RETAINAGE	-124,275.83

Subscribed and sworn before me this _____ day of _____
Leona Christensen
State of CA
County of: San Bernardino

My Commission expires:

CERTIFICATE FOR PAYMENT

I, according with the Contract Documents, based on on-site observations and the data comprising this application, the Contractor and Agency certify to the Owner that to the best of their knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	115,217.43	0.00
Total approved this Month	0.00	0.00
TOTALS	\$ 115,217.43	\$ 0.00
NET CHANGES by Change Order	\$ 115,217.43	

05-12
03-12
P.R. Fisher
Public Works
10/24/12
100%

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

APPLICATION NUMBER: 7

APPLICATION DATE: September 24, 2012

Use Column I on Contracts where variable retainage for line items may apply.

PERIOD TO: September 30, 2012

PROJECT NUMBER: 331

A Item #	B Description of Work	C Schedule of Values	D Work Completed From Previous Application(s)	E Work Completed This Period	F Materials Stored & Used Prior + Current	G Total Completed and Stored To Date	H Balance to Finish	I Retainage			
									Unit Cost	Unit Type	Amount
1	MOBILIZATION	26,960.83	26,960.83	0.00		26,960.83	0.00	1,347.54			
		1.00	1.00	0.00		1.00	0.00				
2	TRAFFIC CONTROL	27,049.07	27,049.07	0.00		27,049.07	0.00	1,362.45			
		1.00	1.00	0.00		1.00	0.00				
3	DUST ABATEMENT & WATER POLLUTION CONTROL	19,804.87	19,804.87	0.00		19,804.87	0.00	995.25			
		1.00	1.00	0.00		1.00	0.00				
4	ROADWAY EXCAVATION	145,035.90	197,803.54	10,193.76		198,097.30	-53,092.30	9,904.87			
		9,900.00	12,826.18	986.82		13,813.00	-3,922.00				
4A	WATER ROADWAY EXCAVATION	36,258.76	36,258.76	0.00		36,258.76	0.00	1,812.94			
		2,475.00	2,475.00	0.00		2,475.00	0.00				
6	ASPHALT CONCRETE (0.40')	260,980.00	387,548.80	0.00		387,548.80	-126,866.80	18,377.34			
		3,200.00	4,762.26	0.00		4,762.26	-1,552.26				
8	AGGREGATE BASE CLASS II (0.80')	71,825.40	79,208.08	0.00		79,208.08	-1,980.68	3,896.30			
		2,180.00	2,180.00	0.00		2,180.00	-50.00				
7	CONST 2-24"X10' ARCH CROSSING	375,047.82	375,047.82	0.00		375,047.82	0.00	18,752.39			
		1.00	1.00	0.00		1.00	0.00				
9	COLD PLANE (0.1' MIN.) EX FVMT & 0.18' PRECASTER CONCRETE RETAINING WALL	39,269.00	60,865.05	0.00		60,865.05	-20,798.05	3,003.25			
		30,230.00	46,203.88	0.00		46,203.88	-15,973.88				
		136,713.60	136,713.60	0.00		136,713.60	0.00	6,836.86			
		2,880.00	2,880.00	0.00		2,880.00	0.00				
10	CONST METAL BEAM GUARD RAILING PER LOCAL STANDARD	33,563.70	33,563.70	0.00		33,563.70	0.00	1,676.19			
		465.00	465.00	0.00		465.00	0.00				
PAGE 1 TOTAL:			1,172,368.14	1,384,210.21	10,193.76	1,374,403.97	117.24	68,720.20			

A=Line Item Number B=Brief Item Description C=Total Value of Item D=Total of D and E From Previous Application(s) (If Any) E=Total Work Completed For This Application
 F=Materials Purchased and Stored for Project G=Total of All Work Completed and Materials Stored for Project H=Remaining Balance of Amount to Finish I=Amount Withheld from G

Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

APPLICATION NUMBER: 7

APPLICATION DATE: September 24, 2012

Use Column I on Contracts where variable retainage for line items may apply.

PERIOD TO: September 30, 2012

PROJECT NUMBER: 331

A Item #	B Description of Work	C Unit Cost Unit Type	C Schedule of Values		D Work Completed From Previous Application(s)	E Work Completed This Period	F Materials Stored & Used Prior + Current	G Total Completed and Stored To Date	H Balance to Finish	I Retainage
			Amount	Quantity						
11	CONST TYPE A-B CURB & GUTTER PER CITY STD	16.33 LF	41,641.50 2,550.00		32,398.72 1,984.00	0.00 0.00		32,398.72 1,984.00	9,242.78 566.00	1,619.94
12	CONST 6" AC DIKE PER CITY STD 212	10.78 LF	808.50 75.00		25,397.68 2,358.00	0.00 0.00		25,397.68 2,358.00	-24,688.16 -2,281.00	1,269.88
14	INST CONCRETE BARRIER TYPE 28A PER CITY STD 401	128.29 LF	11,902.55 95.00		11,902.55 95.00	0.00 0.00		11,902.55 95.00	0.00 0.00	595.13
15	CONST 4" PCC SIDEWALK PER STD 401	3.04 SF	25,636.00 8,400.00		27,824.48 9,067.00	0.00 0.00		27,824.48 9,067.00	-2,088.48 -687.00	1,381.22
16	CONST PCC DRIVEWAY APPROACH PER STD 207	3.51 SF	6,889.00 1,900.00		10,985.24 3,124.00	0.00 0.00		10,985.24 3,124.00	-4,286.24 -1,224.00	548.20
17	INST AC DIKE PER STD A87 B TYPE E	9.01 LF	21,804.20 2,420.00		1,795.24 189.25	0.00 0.00		1,795.24 189.25	20,008.96 2,220.75	89.76
18	CONST MODIFIED BUS TURNOUT PER STD 814	17.49 SF	22,737.00 1,300.00		29,505.69 1,887.00	0.00 0.00		29,505.69 1,887.00	-6,788.03 -987.00	1,475.25
19	ADJUST TO GRADE (SEWER MANHOLE)	1,304.29 EA	10,433.84 8.00		10,433.84 8.00	0.00 0.00		10,433.84 8.00	0.00 0.00	521.67
20	CONST MODIFIED CURB OUTLET PER STD 308	7,578.44 EA	7,578.44 1.00		7,578.44 1.00	0.00 0.00		7,578.44 1.00	0.00 0.00	378.92
21	3" AC PAVING OVER NATIVE	2.24 SF	4,082.00 1,800.00		4,082.00 1,800.00	0.00 0.00		4,082.00 1,800.00	0.00 0.00	201.60
22	THERMOPLASTIC PAINT MARKINGS & ST SIGNAGE PER STD 401	1.00 LS	16,725.85 16,725.85		16,725.85 16,725.85	0.00 0.00		16,725.85 16,725.85	0.00 0.00	836.29
PAGE 2 TOTAL:			169,898.88		178,359.67	0.00		178,359.67	-8,490.79	8,917.97

A=Line Item Number B=Brief Item Description C=Total Value of Item D=Total of D and E From Previous Applications (If Any) E=Total Work Completed For This Application F=Materials Purchased and Stored for Project G=Total of All Work Completed and Materials Stored for Project H=Remaining Balance of Amount to Finish I=Amount Withheld from G

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APPLICATION NUMBER: 7

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Use Column I on Contracts where variable retainage for line items may apply.

PERIOD TO: September 30, 2012

PROJECT NUMBER: 331

A Item #	B Description of Work	C Schedule of Values	D Work Completed From Previous Application(s)		E Work Completed This Period	F Materials Stored & Used Prior + Current	G Total Completed and Stored To Date	H Balance to Finish	I Retainage
			Amt	Qty					
23	STREET LIGHTING		61,978.65		0.00		61,978.65	0.00	3,083.83
			EA		0.00		61,978.65	0.00	
28	INST MODIFIED CONCRETE BARRIER		11,802.55		0.00		11,278.10	828.45	563.81
			LF		0.00		80.00	5.00	
29	INST CONCRETE SCOUR WALL PER PLANS		9,012.00		0.00		9,012.00	0.00	450.80
			SF		0.00		600.00	0.00	
30	C/O #1 WATERLINE REMOVAL 16" AND 24"		12,137.88		0.00		12,137.88	0.00	609.89
			LS		0.00		1.00	0.00	
31	C/O #2 SATURDAY WORK FOR 4/21/2012		5,848.64		0.00		5,848.64	0.00	292.33
			LS		0.00		1.00	0.00	
32	C/O #3 WATERLINE STUBS TO RIGHT OF WAY		52,116.25		0.00		52,116.25	0.00	2,605.81
			LS		0.00		1.00	0.00	
33	C/O #4 (1/2) RIP-RAP		5,858.00		0.00		5,858.00	0.00	292.60
			SF		0.00		100.00	0.00	
34	C/O #4 (2/2) HYDROSEED		3,000.00		0.00		3,000.00	0.00	160.00
			SF		0.00		10,000.00	0.00	
PAGE 3 TOTAL:			161,549.88		0.00		160,923.43	628.45	6,046.17
GRAND TOTAL:			1,603,728.90	1,703,493.31	10,189.76		1,713,687.07	-209,980.17	85,984.34

A=Line Item Number B=Brief Item Description C=Total Value of Item D=Total of D and E From Previous Application(s) (if Any) E=Total Work Completed For This Application
 F=Materials Purchased and Stored for Project G=Total of All Work Completed and Materials Stored for Project H=Remaining Balance of Amount to Finish I=Amount Withheld from G



alabbasi
CONSTRUCTION AND ENGINEERING
 Lic. No. 883649

Progress Billing

Application: 3
 Period: 03/25/2013

Owner: City of Beaumont
 550 E. 6th St.
 Beaumont CA 92223

Job Location: Ped Bridge, Waterline, Sidewlk
 Beaumont Ave. &
 Brookside Ave.
 Beaumont CA

Application For Payment On Contract

Contract Sum to Date	500,000.00
Total Complete to Date	490,445.40
Total Retained	24,522.28
Total Earned Less Retained	465,923.12
Less Previous Billings	390,856.60
Current Payment Due	75,066.52
Balance on Contract	9,554.60

Contractor's Certification of Work

The undersigned contractor certifies that, to the best of the contractor's knowledge, the work on the above named job has been completed in accordance with the plans and specifications to the level of completion indicated on the attached schedule of completion.

Contractor: M. M. M. M. Date: 4/4/2013

Terms: Invoices are due and payable 30DY from the date of invoice. All overdue amounts will be charged a service charge of 0.00 % per annum.

Thank you for your prompt payment.

*Please make checks payable to: Mamco, Inc.
 16810 Van Buren Blvd. Ste. 200
 Riverside CA 92504
 (951) 778-9300*

Progress Billing

Application: 3

Period: 03/25/2013

Schedule of Work Completed

Bid Item Description	Price/Unit	Contract Plus Changes	Previous Units Billed	Current Units Complete	Total Units Complete	Previous Value	Current Value	Total Value
1 Mobilization	38,640.00	38,640.00	1.00		1.00	38,640.00		38,640.00
2 Traffic Control	5,000.00	5,000.00	0.90	0.10	1.00	4,500.00	500.00	5,000.00
3 Dust Abatement and Water	3,500.00	3,500.00	0.90	0.10	1.00	3,150.00	350.00	3,500.00
4 Reconnect 24" Waterline			1.00		1.00			
5 Construct Bridge Piers & A	38,000.00	38,000.00	1.00		1.00	38,000.00		38,000.00
6 Construct 12' High Masonr	325.00	13,000.00	40.00		40.00	13,000.00		13,000.00
7 Construct 10' High Masonr	275.00	11,000.00	40.00		40.00	11,000.00		11,000.00
8 Construct Concrete Scour	220.00	8,800.00	40.00		40.00	8,800.00		8,800.00
9 Construct 3" Asphalt Sidew	2.30	27,600.00		12,000.00	12,000.00		27,600.00	27,600.00
10 Construct 3" Thick x 6' Wi	1.80	45,000.00	13,860.00	7,793.00	21,653.00	24,948.00	14,027.40	38,975.40
11 Construct 12' High Concr	600.00	8,400.00	14.00		14.00	8,400.00		8,400.00
12 Grade Horse Path	6,000.00	6,000.00	0.75	0.25	1.00	4,500.00	1,500.00	6,000.00
13 Remove and Relocate Sig	50.00	550.00	11.00		11.00	550.00		550.00
101 Connect 18" CMLC Pipe	190.00	13,870.00	73.00	64.00	137.00	13,870.00	12,160.00	26,030.00
102 Connect 23" CMLC Pipe	240.00	28,080.00	117.00		117.00	28,080.00		28,080.00
103 Place/ Hang 16" CMLC	240.00	40,080.00	92.00	18.00	110.00	22,080.00	4,320.00	26,400.00
104 Place/ Hang 24" CMLC	315.00	28,980.00	92.00		92.00	28,980.00		28,980.00
105 16" Fittings	2,000.00	12,000.00	6.00		6.00	12,000.00		12,000.00
106 24" Fittings	3,000.00	24,000.00	8.00		8.00	24,000.00		24,000.00
107 16" Flexible Restaint Co	1,800.00	1,800.00	1.00		1.00	1,800.00		1,800.00
108 24" Flexible Retaint Cou	2,500.00	2,500.00	1.00		1.00	2,500.00		2,500.00
109 8" Air Vac Release Asse	12,000.00	12,000.00	1.00		1.00	12,000.00		12,000.00
110 6" Air Vac Release Asse	9,000.00	9,000.00	1.00		1.00	9,000.00		9,000.00
111 Thrust Blocks	800.00	9,600.00	12.00		12.00	9,600.00		9,600.00
112 Hydrostatic Testing and	4,100.00	4,100.00	1.00		1.00	4,100.00		4,100.00
113 Backfill and Compact	3,500.00	3,500.00	1.00		1.00	3,500.00		3,500.00
114 Install 16" Mega-Lug/ DI	4,000.00	8,000.00	2.00		2.00	8,000.00		8,000.00
115 Install 24" Mega-Lug/ DI	11,000.00	22,000.00	2.00		2.00	22,000.00		22,000.00
201 Construct 5' 3" Thick AC	2.30	10,350.00		3,525.00	3,525.00		8,107.50	8,107.50

Progress Billing

Application: 3

Period: 03/25/2013

Schedule of Work Completed

Bid Item	Description	Price/Unit	Contract Plus Changes	Previous Units Billed	Current Units Complete	Total Units Complete	Previous Value	Current Value	Total Value
202	Construct 8" White Stripe	3.00	1,350.00		337.50	337.50		1,012.50	1,012.50
203	Construct Drainage Stru	50,390.00	50,390.00	1.00	1.00	1.00	50,390.00	950.00	50,390.00
204	Restore Striping	950.00	950.00		1.00	1.00		950.00	950.00
205	Variable Thickness AC o	6.50	5,460.00		840.00	840.00		5,460.00	5,460.00
206	6" AC Dike	7.50	4,500.00	472.00	204.00	676.00	3,540.00	1,530.00	5,070.00
207	Adjust to Grade	500.00	500.00	1.00		1.00	500.00		500.00
208	Install 4- 4" PVC Pipe un	1,500.00	1,500.00		1.00	1.00		1,500.00	1,500.00
Totals:			500,000.00	14,894.55	24,783.95	39,678.50	411,428.00	79,017.40	490,445.40

Vendor ID: TREN001 TRENCH PLATE RENTAL CO

Ranges: From: To:
 Document Number First Last
 Document Date First Last
 Type First Last

Sorted By: Document Date/Type Include: Work, Open, History

* Voided

Origin	Document Number	IC	Type	Doc Date	Original Amount	Unapplied Amount
Voucher/Payment Number		Due Date	Disc Date	Transaction Description	Currency ID	
History	21-04699-12 0000000000079274	NO	INV	09/28/2012	\$5,360.00	\$0.00
				09/28/2012	SERVICE	
History	080829 0000000000041279	NO	PMT	09/28/2012	\$5,360.00	\$0.00
History	21-05130-12 0000000000079949	NO	INV	10/26/2012	\$1,700.00	\$0.00
				10/26/2012	SERVICE	
History	081093 0000000000041612	NO	PMT	10/26/2012	\$1,700.00	\$0.00
History	21-05573-12 0000000000080404	NO	INV	11/19/2012	\$1,700.00	\$0.00
				11/19/2012	SERVICE	
History	081307 0000000000041873	NO	PMT	11/19/2012	\$1,700.00	\$0.00
History	21-06053-12 0000000000081018	NO	INV	12/17/2012	\$1,700.00	\$0.00
				12/17/2012	SERVICE	
History	081506 0000000000042132	NO	PMT	12/17/2012	\$1,700.00	\$0.00
History	21-06529-12 0000000000081437	NO	INV	01/14/2013	\$1,700.00	\$0.00
				01/14/2013	SERVICE	
History	081674 0000000000042334	NO	PMT	01/15/2013	\$1,700.00	\$0.00

Total Documents: 10

+ 2401.38 (Pending)

Total = \$ 14,561.38

Vendor ID: RAIN001 RAIN FOR RENT

Ranges: From: To:
 Document Number First Last
 Document Date First Last
 Type First Last

Sorted By: Document Date/Type Include: Work, Open, History

* Voided

Origin	Document Number	IC	Type	Doc Date	Original Amount	Unapplied Amount
Voucher/Payment Number	Due Date	Disc Date	Transaction Description	Currency ID		
History 00000000000078738	036033696	NO	INV	08/31/2012	\$1,669.50	\$0.00
				08/31/2012	SERVICE	
History 00000000000040991	080588	NO	PMT	08/31/2012	\$1,669.50	\$0.00
History 00000000000079072	036033901	NO	INV	09/21/2012	\$2,787.10	\$0.00
				09/21/2012	GOODS	
History 00000000000041188	080758	NO	PMT	09/21/2012	\$2,787.10	\$0.00
History 00000000000079942	036034133	NO	INV	10/26/2012	\$2,552.82	\$0.00
				10/26/2012	SERVICE	
History 00000000000079943	036034134	NO	INV	10/26/2012	\$17,529.87	\$0.00
				10/26/2012	SERVICE	
History 00000000000041604	081085	NO	PMT	10/26/2012	\$20,082.69	\$0.00

Total Documents: 7

Total = \$ 7,009.42



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 10th, 2013**

DATE: July 2nd, 2013
TO: Board of Directors
FROM: Eric Fraser, General Manager
SUBJECT: Consideration of 2012 Audit by Vavrinek, Trine, Day & Co., LLP

Recommendation

It is recommended the Board of Directors receive and accept the 2012 audit by Vavrinek, Trine, Day & Co., LLP.

Background

On March 13th, 2013, the Board of Directors authorized a three-year contract with Vavrinek, Trine, Day & Co., LLP. for professional auditing services for the fiscal years ending December 31, 2012, 2013 and 2014. These services included an audit of the District's financial statements.

The financial statements have been prepared for the period ending December 31, 2012. An opinion has been expressed by Vavrinek, Trine, Day & Co., LLP which states:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of December 31, 2012, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America."

The Annual Financial Report for the year ending December 31, 2012 is attached. Based on the financial information for the year ended December 31, 2012, the following financial highlights are noted for the Beaumont-Cherry Valley Water District:

- The assets of the District exceeded its liabilities at year end by \$104,619,219 (net position). Of this amount, \$5,827,344 represents unrestricted net position, which may be used to meet the District's ongoing obligations to customers and creditors.
- The District's total net position increased \$376,396 in comparison with the prior year primarily due to increased revenues from a Board approved rate increase which was based on a study conducted by an outside party in 2010, combined with a decrease in State Project Water purchases.

Fiscal Impact

There is no fiscal impact associated with the receipt and acceptance the Annual Financial Report for the year ended December 31, 2012.



Report prepared by: Melissa Bender, Director of Finance & Administrative Services

Annual Financial Report

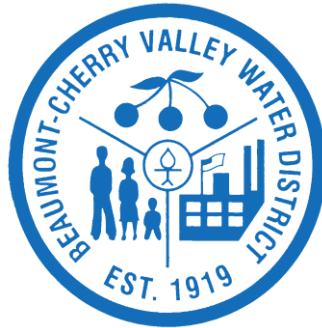
For the Fiscal Year Ended December 31, 2012

Beaumont-Cherry Valley Water District



Beaumont-Cherry Valley Water District

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



Board of Directors as of December 31, 2012

Director	Title	Division	Current Term
Ryan Woll	President	1	12/2012 – 12/2016
Ken Ross	Vice-President	2	12/2012 – 12/2016
John Guldseth	Treasurer	4	12/2010 – 12/2014
Dr. Blair Ball	Secretary	5	12/2010 – 12/2014
Daniel Slawson	Director	3	12/2012 – 12/2014

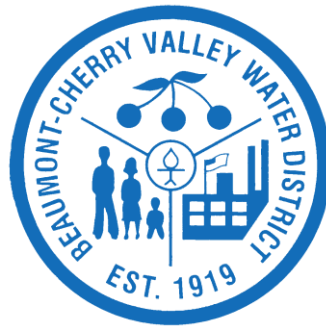
Eric Fraser, P.E.
General Manager

Beaumont-Cherry Valley Water District
Annual Financial Report
For the Year Ended December 31, 2012

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Introductory

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www.bcvwd.org

Beaumont-Cherry Valley Water District

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

Board of Directors

Dr. Blair Ball
Division 5

John Guldseth
Division 4

Daniel Slawson
Division 3

Kenneth Ross
Division 2

Ryan Woll
Division 1

July 10, 2013

Honorable Board of Directors
Beaumont-Cherry Valley Water District

Introduction

It is our pleasure to submit the Annual Financial Report for the Beaumont-Cherry Valley Water District for the year ended December 31, 2012, following guidelines set forth by the Government Accounting Standards Board. District staff prepared this financial report. District management is ultimately responsible for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures in this financial report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's financial statements have been audited by Vavrinek, Trine, Day and Co., a firm of licensed certified public accountants. The purpose of their independent audit was to provide reasonable assurance that the financial statements of the District, for the year ended December 31, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The audit included obtaining an understanding of the District and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the year ended December 31, 2012, are fairly presented, in all material respects, in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report, beginning on page 6.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor, beginning on page 8.



www.bcvwd.org

Beaumont-Cherry Valley Water District

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

Board of Directors

Dr. Blair Ball
Division 5

John Guldseth
Division 4

Daniel Slawson
Division 3

Kenneth Ross
Division 2

Ryan Woll
Division 1

District Profile

The goal of the District is to provide for a healthy, safe and enriched quality of life throughout the District boundaries through watershed stewardship and thorough management of water resources in a practical, cost-effective and environmentally sensitive manner for current and future generations.

The origin of the Beaumont-Cherry Valley Water District dates back to the latter part of the 1800's when the Southern California Investment Company was the owner of the land that currently is the City of Beaumont and the community of Cherry Valley. The Company intended to build a system of water lines for the purpose of developing subdivisions throughout the Beaumont and Cherry Valley areas.

Over many decades, the water system of the Beaumont-Cherry Valley Water District has evolved from a small privately owned company that was started to support development in the District's service area, to the system today that serves over 40,000 people in both the City of Beaumont and the community of Cherry Valley.

The District's present service area covers approximately 28 square miles, virtually all of which is in Riverside County, and includes the City of Beaumont, the community of Cherry Valley and some small areas of Calimesa. The District does, however, own 539 acres of watershed land in Edgar Canyon in San Bernardino County located just north of the Riverside-San Bernardino County line where the District operates a number of wells and several reservoirs.

The District has both a potable and non-potable water distribution system. At the end of 2012, the District had a total of 15,128 connections. Approximately 300 of these total connections are landscape irrigation connections to the non-potable (recycled) water system and approximately 45 of these total connections are for agricultural irrigation which is connected to the potable water system. The number of connections increased from 5,600 in the year 2000 before the housing market boom that encompassed Western Riverside County and particularly Beaumont.

The District has a total of 24 wells and 14 reservoirs ranging in size from 0.5 million gallons (MG) to 5 MG. Total storage is approximately 22 MG.

Today, the Beaumont-Cherry Valley Water District continues to develop programs and policies that ensure a supply of water for the area's growing population and include recharge of local area storm water and imported water from the State Water Project.

Of significance to its programs and goals, the District's Board purchased 78.8 acres of land and eventually constructed the Noble Creek Recharge Facility for the recharge of imported water from the State Water Project. In the future, storm runoff and possibly highly treated recycled water will be recharged at the facility. These water sources are in the untreated state which means the water will be naturally treated as it recharges the groundwater much like rain and runoff are naturally treated as they seep into the ground to become groundwater.



www.bcvwd.org

Beaumont-Cherry Valley Water District

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

Board of Directors

Dr. Blair Ball
Division 5

John Guldseth
Division 4

Daniel Slawson
Division 3

Kenneth Ross
Division 2

Ryan Woll
Division 1

The District is governed by a five-member Board of Directors representing five divisions. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District currently employs thirty-three employees. The District's Board of Directors meets on the second Wednesday of each month. Meetings are publically noticed and citizens are encouraged to attend.

Local Economy (see acknowledgements note on page 5)

The City of Beaumont experienced very rapid growth from the year 2000 to 2010 and about two-thirds of this growth occurred between 2000 and 2005. The high rate of growth continued until mid-2008 when development slowed markedly following the economic downturn in the US and California.

The historic growth of the local economy is set forth by the recent population and household data for the District's service area are as follows:

City of Beaumont	1980	1990	2000	2010
Population	6,818	9,685	11,407	36,837
Households	2,852	3,718	3,887	12,950
People/Household	2.39	2.60	2.93	2.84

The population in Cherry Valley has remained relatively constant since 1980.

The future growth anticipated for the local economy is reflected in the planned construction by area land developers of approximately 10,500 housing units. Approximately 7,600 of these planned housing units are approved and these developments were commencing construction prior to the economic downturn that commenced in the mid to late calendar year of 2006.

The following comments and data are offered as economic trend indicators for Southern California's Inland Empire which encompasses the District's service area. The majority of the comments and data were either quoted or paraphrased from the noted economist, Dr. John Husing, through his Quarterly Reports that are available on his website noted in the Acknowledgement Section at the end of this letter.

From 2000-2010, the Inland Empire, which includes the District service area, "added 1,035,970 people to reach 4,291,496, up 31.8% including 21,846 people from 2011-2012." The area had four of the State's 20 fastest growth rates including Beaumont (2.1%, 14th).

"Taxable sales are a major revenue source for cities" and a good economic indicator for the region. "Sales are beginning to recover from the steep downturn. In the calendar year 2011, Riverside County's sales increased 10.1%. Inland Empire growth was well above California's growth of 8.7%. During the first six months of 2012, Inland Empire sales expanded by another 9.5% versus 8.0% for the State."



www.bcwwd.org

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The District is seeing improving trends in the local economy, consistent with the trends of the Inland Empire. Most staff agrees that a slow recovery is in process and will continue over the next several years. The District has experienced an increased interest from developers in completing tract developments that have been on hold during the slowdown. The interest is continuing to escalate in 2013.

The District staff anticipates that in 2013 the Inland Empire's growth will again increase incrementally. "In 2013 The Inland Empire economy should gain 28,300 jobs (2.4%) after adding 23,025 in 2012 and 4,633 in 2011. The inland area's population serving sectors will grow again in 2013 but modestly."

Relevant Financial Policies

Budgetary Controls

The District maintains budgetary controls, the objectives of which are to ensure compliance with legal provisions, embodied in the annually appropriated budget approved by the Board of Directors.

During the budget year ending December 31, 2012, there were no significant amendments made to the original budget, although some appropriations were reallocated to other expense classifications. The year 2012 was a transitional year for the District in many regards and resulted in operating revenues being in line with operating expenses, a balanced budget, and the ending of employee furloughs.

Major Initiatives

Major goals for the District include supporting future area growth, providing the means to meet increasing demands for water and provide accurate accounting of all business operations. The following three paragraphs set forth the District's major initiatives to meet those goals and are as follows:

Comprehensive water planning for future District area growth was performed as part of the District's Urban Water Management planning effort as required by the California Water Code. Specifically, the Code requires all urban water suppliers within the State to complete urban water management plans and update them every five years. A draft update was recently completed and is available as the "2013 Draft Update". Staff anticipates the Urban Water Management Plan will be adopted in mid-2013. The 2013 Urban Water Management Plan update includes plans: for conservation and effective use of urban water supplies; for long-term, reliable supplies of water; to ensure the appropriate level of reliability of the District's water service; and plans to manage urban water demands and efficient use of water that will be a guiding criterion in public decisions.



www.bcwwd.org

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Providing additional facilities to provide water for future growth was also necessary, therefore District staff commenced expansion of the District's Noble Creek Recharge Facility. Specifically, in the year 2000, the District began investigating a 78.8 acre site as a location for a facility to recharge captured storm flow and other water sources. The District eventually purchased the site and developed Phase 1 of the recharge facility which enabled importing water from the State Water Project. Phase 1 facilities were completed and went on line in late summer of 2006. Part of the District's major initiatives, Phase 2 of the Recharge Facility, is to provide for additional water supply via groundwater recharge. Phase 2 construction has commenced with anticipated completion in 2013.

Providing the ability for District staff to provide an accurate accounting and reporting of all business operations now and going forward is the third major initiative implemented by the District. Specifically, the District recognized the need to upgrade its main accounting system in order to improve the efficiency of day-to-day operations and provide an accurate accounting of all business operations. The District solicited proposals with the objective of finding an accounting system that is more user-friendly, has enhanced reporting capabilities, has efficient run times to improve billing sequence times and a system backed with an effective support group. The District's current or legacy accounting system does not have effective support which leads to decreased efficiency. The District evaluated alternatives in the last quarter of 2012 and is currently implementing the new accounting system. Deployment of the new system will be completed by the third quarter of 2013.

Acknowledgements

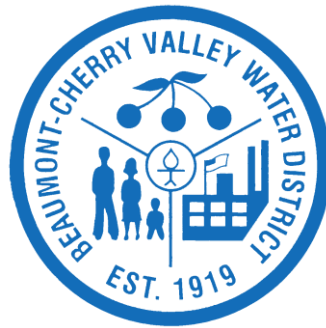
Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in planning and the implementation of the Beaumont-Cherry Valley Water District's financial and operating policies.

The majority of the comments and data included in the Local Economy section above were either quoted from or paraphrased from Dr. John Husing's Quarterly Reports for October 2011 and April 2013 available on his website, www.johnhusing.com. Mr. Husing is a noted economist with vast knowledge of the Inland Empire and whose reliable expertise is recognized throughout the region.

Eric Fraser
General Manager

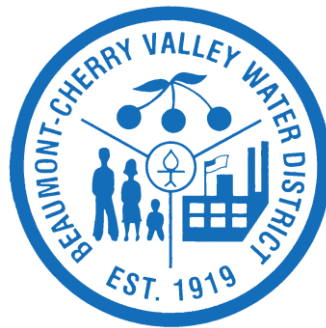
Melissa Bender
Director of Finance &
Administrative Services

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Financial

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Independent Auditors' Report

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INDEPENDENT AUDITORS' 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 year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of December 31, 2012, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1(K) to the financial statements, in 2012 the District adopted new accounting guidance, Statement of Governmental Accounting Standard (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding status on pages 8–12 and 31, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

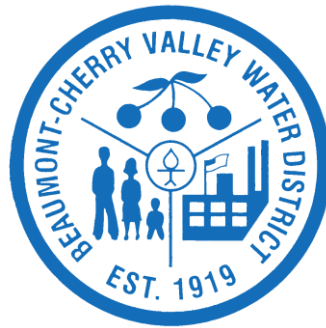
Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Riverside, California
June 28, 2013



Management's Discussion & Analysis

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Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2012

As management of the Beaumont-Cherry Valley Water District, we offer readers of the Beaumont-Cherry Valley Water District's financial statements this narrative overview and analysis of the financial activities of the Beaumont-Cherry Valley Water District for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter which can be found on pages 1-5.

Financial Highlights

Based on the financial information for the year ended December 31, 2012, the following financial highlights are noted for the Beaumont-Cherry Valley Water District:

- The assets of the District exceeded its liabilities at year end by \$104,619,219 (net position). Of this amount, \$5,827,344 represents unrestricted net position, which may be used to meet the District's ongoing obligations to customers and creditors.
- The District's total net position increased \$376,396 in comparison with the prior year primarily due to increased revenues from a Board approved rate increase which was based on a study conducted by an outside party in 2010, combined with a decrease in State Project Water purchases.

Overview of Required Financial Statements

This discussion and analysis is intended to serve as an introduction to the Beaumont-Cherry Valley Water District's annual financial report. The annual financial report is comprised of the following:

- Transmittal Letter;
- Independent Auditors' Report;
- Management's Discussion and Analysis;
- Basic Financial Statements:
 - Statement of Net Position;
 - Statement of Revenues, Expenses and Changes in Net Position;
 - Statement of Cash Flows;
- Notes to the Basic Financial Statements;
- Required Supplementary Information; and
- Report on Internal Controls & Compliance.

The *Statement of Net Position* presents financial information on all of the Beaumont-Cherry Valley Water District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Beaumont-Cherry Valley Water District is improving or deteriorating. Beaumont-Cherry Valley Water District's net position as of December 31, 2012 was \$104,619,219 an increase of \$141,702 from the \$104,477,517 reported in 2011. The *Statement of Net Position* can be found on page 14.

Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2012

The *Statement of Revenues, Expenses and Changes in Net Position* presents information illustrating how net position changed during the fiscal year. This *Statement* measures the success of the District's operations over the past 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 *Statement of Revenues, Expenses & Changes in Net Position* can be found on page 15.

The *Statement of Cash Flows* presents information relating to the District's cash receipts and cash payments for the year. When used with related disclosures and information in other financial statements, the information in this *Statement* should help readers assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects of the District's financial position of its cash and non-cash investing for capital and related transactions during the year. This *Statement* answers questions such as where did cash come from, what was cash used for and what was the change in cash balance during the reporting period. The *Statement of Cash Flows* can be found on page 16.

Notes to the Financial Statements. The notes provide additional information that is necessary to understand all of the data provided in the basic financial statements. The notes to the financial statements are included immediately following the financial statements and can be found on pages 17-31 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents *Required Supplementary Information* concerning the Beaumont-Cherry Valley Water District's progress in funding its obligation to provide pension and Other Post-Employment Benefits (OPEB) to its employees. *Required Supplementary Information* can be found on page 32 of this report.

Financial Analysis

The following condensed schedules contain a summary of financial information that was taken from the basic financial statements to assist readers in assessing the District's overall financial position and operating results as discussed in this MD&A.

Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2012

Statement of Net Position

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. Beaumont-Cherry Valley Water District's assets exceeded liabilities by \$104,619,219 for the fiscal year ending December 31, 2012.

	<u>2012</u>	<u>2011</u>
Current assets	\$ 11,536,381	\$ 9,227,871
Non-current assets	810,342	1,051,969
Capital assets	101,350,650	102,779,309
Total assets	<u>113,697,373</u>	<u>113,059,149</u>
Current liabilities	3,923,322	3,460,175
Non-current liabilities	5,154,832	5,121,457
Total liabilities	<u>9,078,154</u>	<u>8,581,632</u>
Net investment in capital assets	98,791,875	99,194,309
Unrestricted	5,827,344	5,283,208
Total Net Position	<u>\$ 104,619,219</u>	<u>\$ 104,477,517</u>

The largest portion of the Beaumont-Cherry Valley Water District's net position (94.4%) reflects its investment in capital assets (e.g., land, transmission and distributions systems, reservoirs, tanks, pumps, buildings and structures, equipment and vehicles) net of related outstanding debt used to acquire those assets. Beaumont-Cherry Valley Water District uses its capital assets to provide water service to the residents of Beaumont, Cherry Valley and some portions of Calimesa. As such, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the debt.

The remaining net position of \$5,827,344 (5.6%) is unrestricted and may be used at the Board's discretion to continue meeting the needs of the District. See Note 14 on pages 28-29 for more details on the District's net position.

The District's net position increased \$141,702 from the prior fiscal year. The increase is a result of the combined effects of increased revenues from a Board approved rate increase, decreased State Project Water expenses, and a restatement of the prior year's unearned revenues liability. See Note 15 on page 29 for more details on the restatement. State Project Water expenses were decreased due to limited deliveries because of the extended State Water Project system shut-down for maintenance, repairs and modifications.

Statement of Revenues, Expenses and Changes in Net Position

The increase in operating revenue was primarily attributable to an increase in water consumption (11,040 acre feet sold in 2011 versus 11,599 acre feet sold in 2012), as well as a Board approved rate increase. Furthermore, there was an increase in overall customers served by the District (from 14,944 active customers in 2011 to 15,128 active customers in 2012).

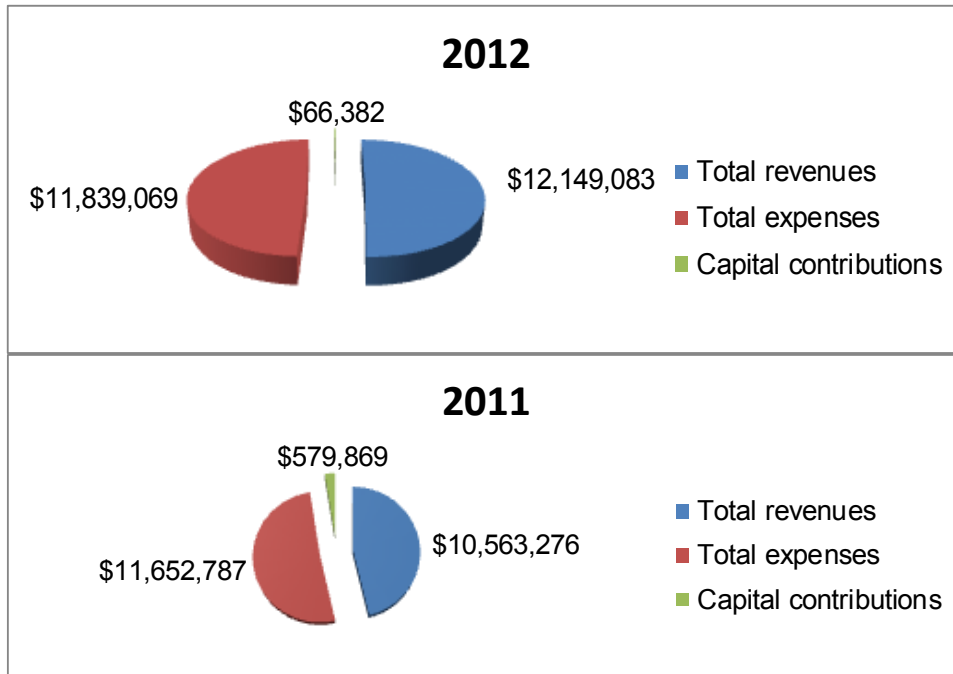
Beaumont-Cherry Valley Water District

Management's Discussion and Analysis
For the Year Ended December 31, 2012

Operating expenses are comparable to 2011 expenses. District staff returned to a regular work schedule on January 1, 2012, after being furloughed since April 12, 2010.

Capital contributions of \$66,382 decreased significantly from \$579,869 in 2011 due to a decrease in facilities fees paid by developers. Capital contributions from developers are expected to remain flat during 2013.

	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 11,972,596	\$ 10,313,481
Non-operating revenues	<u>176,487</u>	<u>249,795</u>
Total revenues	<u>12,149,083</u>	<u>10,563,276</u>
Operating expenses	11,716,094	11,497,194
Non-operating expenses	<u>122,975</u>	<u>155,593</u>
Total expenses	<u>11,839,069</u>	<u>11,652,787</u>
Income (loss) before contributions	310,014	(1,089,511)
Capital contributions	66,382	579,869
Net position - beginning as restated	<u>104,242,823</u>	<u>104,987,159</u>
Net position - ending	<u>\$ 104,619,219</u>	<u>\$ 104,477,517</u>



Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2012

Capital Assets & Debt Administration

BCVWD's Capital Assets (Net of Depreciation)

	Balance December 31, 2012	Balance December 31, 2011
Land	\$ 7,721,730	\$ 7,721,730
Transmission and Distribution System	50,772,810	51,419,122
Structures and Improvements	14,516,192	14,888,709
Reservoirs and Tanks	16,846,225	17,315,812
Pumping and Telemetry Equipment	10,297,124	10,540,090
Construction in Progress	537,474	76,273
Vehicles and Equipment	<u>659,095</u>	<u>817,573</u>
Capital assets, net of depreciation	<u>\$ 101,350,650</u>	<u>\$ 102,779,309</u>

Beaumont-Cherry Valley Water District's investment in capital assets as of December 31, 2012 was \$101,350,650, net of accumulated depreciation. This investment in capital assets includes land, transmission and distributions systems, reservoirs, tanks, pumps, buildings and structures, equipment and vehicles. Construction in progress increased by \$461,201 due to work performed on the following projects: Water Masterplan Update, Urban Water Management Plan, Recycled Water Connection, Recycled Water Planning Grant, BM2 Anti-degradation Project, Noble Creek Recharge Facility Phase II, Brookside Pipeline Relocation, Lower Edgar Canyon Stormwater Project and Financial Software Conversion Project.

Capital assets additions of \$182,542 were due to new meter installations. New meter installations include the cost of employee labor, as well as meter parts. Meters are currently replaced every 10-12 years as part of the District's meter change out program.

Information on the District's capital assets activity for the year ending December 31, 2012 can be found in Note 6 on page 24 of this report.

Beaumont-Cherry Valley Water District

Management's Discussion and Analysis

For the Year Ended December 31, 2012

Long-term Debt

At December 31, 2012, the District had long-term debt, excluding pension related debt, totaling \$2,600,000. The debt decreased by \$985,000 as a result of the payments made during 2012. The District did not issue any new debt during fiscal year 2012. See Note 10 on page 25 for further details.

<u>Balance</u> <u>December 31,</u> <u>2011</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>	<u>Current</u> <u>Portion</u>	<u>Non-current</u> <u>Portion</u>
<u>\$ 3,585,000</u>	<u>\$ (985,000)</u>	<u>\$ 2,600,000</u>	<u>\$1,015,000</u>	<u>\$1,585,000</u>

Economic Factors and Next Year's Budgets & Rates

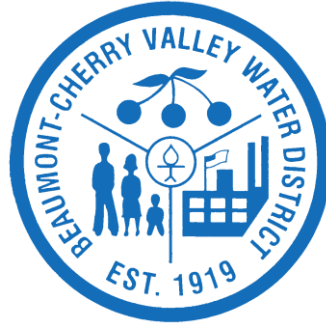
One of the District's largest expenses is the purchase of water from the State Water Project. Legally the District is required to replenish the water used which results in the need to purchase water from the State Water Project. There are additional costs as a result of purchasing water which makes it more costly than that of other sources of groundwater. Costs include electricity for pumping the imported water throughout the system.

Recognizing the need for long-term financial planning, the Board of Directors adopted the District's reserves policy in July 2010 to provide the foundation for strengthening the financial position of the District. The policy identifies and quantifies the working capital and contingency needs required to mitigate the costs associated with emergencies and disasters, as well as provide for expected future capital needs.

There were no rate increases planned for 2013. The Board of Director's approved a balanced budget for 2013.

Requests for Information

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



Basic Financial Statements

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Beaumont-Cherry Valley Water District

Statement of Net Position

December 31, 2012

ASSETS

Current Assets:

Cash and investments (Note 2)	\$	8,379,689
Restricted cash and investments - customer deposits (Note 2)		181,066
Interest receivable		43,977
Accounts receivable, net of allowance for uncollectibles (Note 3)		1,834,624
Notes receivable, net of allowance for uncollectibles (Note 4)		206,239
Inventories		532,012
Prepaid items		340,452
Deferred charges (Note 5)		18,322
Total Current Assets		11,536,381

Non-Current Assets:

Deferred charges (Note 5)		22,903
Notes receivable, net of allowance for uncollectibles (Note 4)		787,439
Capital assets, net of accumulated depreciation (Note 6)		101,350,650
Total Non-Current Assets		102,160,992
TOTAL ASSETS		113,697,373

LIABILITIES

Current Liabilities:

Accounts payable and other accrued liabilities (Note 7)		428,510
Accrued interest payable		21,970
Customer account credit balances (Note 8)		404,067
Customer deposits payable		181,066
Unearned revenues		1,622,188
Current portion of long-term liabilities:		
Compensated absences (Note 9)		131,379
Notes payable (Note 10)		1,015,000
Pension related debt (Note 12)		119,142
Total Current Liabilities		3,923,322

Non-Current Liabilities:

Compensated absences (Note 9)		112,952
Notes payable (Note 10)		1,585,000
Pension related debt (Note 12)		1,205,158
Other post-employment benefits obligations (Note 13)		2,251,722
Total Non-Current Liabilities		5,154,832
TOTAL LIABILITIES		9,078,154

NET POSITION

Net investment in capital assets (Note 14)		98,791,875
Unrestricted (Note 14)		5,827,344
TOTAL NET POSITION	\$	104,619,219

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

Beaumont-Cherry Valley Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2012

OPERATING REVENUES

Metered water sales	\$ 5,139,923
Water service charges	2,339,128
Water importation pass-through charges	2,318,837
Water pumping power pass-through charges	1,663,191
Development and installation charges	146,889
Other revenue	364,628
Total Operating Revenues	11,972,596

OPERATING EXPENSES

Salaries and employee benefits	4,040,757
Energy expenses	1,231,156
Water purchases	2,642,003
Administration	552,707
Operations	281,110
Maintenance and repairs	577,422
Depreciation	2,072,402
Insurance	95,208
Professional fees	211,580
Other expenses	11,749
Total Operating Expenses	11,716,094
Operating Income	256,502

NON-OPERATING REVENUES (EXPENSES)

Interest earnings	110,426
Rental income	22,969
Other revenue	43,092
Interest expense	(122,975)
Total Non-Operating Revenues, Net	53,512
Income Before Contributions	310,014

CONTRIBUTIONS

Capital contributions	66,382
Change in Net Assets	376,396
Net Assets, Beginning of Year	104,477,517
Prior Period Adjustments (Note 15)	(234,694)
Net Assets, End of Year	\$ 104,619,219

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

Beaumont-Cherry Valley Water District

Statement of Cash Flows

For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 12,327,793
Payments to suppliers and service providers	(7,262,246)
Payments to employees for salaries and benefits	(1,750,585)
Return of customer deposits	<u>(36,656)</u>
Net Cash Provided by Operating Activities	<u>3,278,306</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other receipts	<u>66,061</u>
Net Cash Provided by Non-Capital Financing Activities	<u>66,061</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(577,361)
Principal paid on capital debt	(985,000)
Interest paid on capital debt	<u>(112,976)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(1,675,337)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	<u>115,511</u>
Net Cash Provided by Investing Activities	<u>115,511</u>
Net Increase in Cash and Cash Equivalents	1,784,541
Balance, Beginning of Year	<u>6,776,214</u>
Balance, End of Year	<u>\$ 8,560,755</u>
Reconciliation to Statement of Net Assets:	
Cash and investments	\$ 8,379,689
Restricted cash and investments	<u>181,066</u>
Total Cash and Investments	<u>\$ 8,560,755</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating Income	\$ 256,502
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation expense	2,072,402
(Increase) decrease in accounts receivable	(168,599)
(Increase) decrease in notes receivable	186,924
(Increase) decrease in inventories	(70,975)
(Increase) decrease in prepaid items	(253,099)
Increase (decrease) in accounts payable and other accrued liabilities	(102,603)
Increase (decrease) in customer credits payable	3,813
Increase (decrease) in customer deposits payable	(36,656)
Increase (decrease) in unearned revenues	333,059
Increase (decrease) in compensated absences	24,049
Increase (decrease) in pension related debt	(102,200)
Increase (decrease) in other post-employment benefit obligations	<u>1,135,689</u>
Total Adjustments	<u>3,021,804</u>
Net Cash Provided by Operating Activities	<u>\$ 3,278,306</u>

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

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity and Basis of Presentation

The Beaumont-Cherry Valley Water District (the District) is a special-purpose government district supplying and distributing water to over 40,000 people in both the City of Beaumont and the community of Cherry Valley. The District is governed by a five-member Board of Directors who serve overlapping four-year terms. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly activities are reported in the District's proprietary fund.

B. Measurement Focus and Basis of Accounting

Proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, would include grants, entitlements and donations. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses include the costs of sales and services, the costs of employee benefits, maintenance of capital assets, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Cash and Cash Equivalents

The District's cash and investments are considered to be cash on hand, demand deposits and investments with maturities less than 90 days. Therefore, for purposes of the statement of cash flows, the District considers the cash and investment balance to be cash and cash equivalents.

D. Inventories and prepaid items

Inventories are stated at cost using the average-cost method, and consist of materials used in construction and maintenance of the water system.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The costs of the prepaid items are recorded as expenses when consumed rather than when purchased.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

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

E. Capital Assets

Capital assets purchased or constructed are carried at historical cost. Constructed costs include labor, materials and construction period interest expense (net of interest income, where applicable). Capitalization threshold is \$5,000. Contributed assets are stated at estimated fair market value at the time received by the District. Land and construction in progress are not depreciated. Depreciation on the other assets is calculated on the straight-line method over the following estimated useful lives of the assets:

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

F. Unearned Revenues

Unearned revenues arise when resources are received by the District before revenues are earned, as when developers pay in advance for services to be provided by the District at a later date. When the District has provided the services, the amounts will be recognized as revenue.

G. Compensated Absences

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from the District. The liability for such leave is reported as an expense when incurred.

Sick Leave

Employees who are part of the District's Employee Association not using any sick leave for twelve consecutive months can convert their twelve accrued 8-hour sick days to cash at the rate of two accrued days for 8 hours regular hourly pay-out. Upon retirement or death, all employees or their beneficiaries are entitled to receive a pay-out of 50% of all accumulated sick leave. Accumulated sick leave lapses when employees separate from the District in any other manner.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

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

I. Uncollectible Accounts

The District provides an allowance for doubtful accounts for all accounts deemed uncollectible.

J. Credit/Market Risk

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

K. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

L. New Accounting Pronouncements

Effective This Fiscal Year

GASB Statement No. 62 – In December 2010, GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates FASB and AICPA pronouncements into the GASB's authoritative literature containing certain accounting and financial reporting guidance. This Statement was implemented January 1, 2012.

GASB Statement No. 63 – In June 2011, GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance on deferred outflows of resources and deferred inflows of resources. This Statement was implemented January 1, 2012.

Effective in Future Fiscal Years

GASB Statement No. 65 – In March 2012, GASB issued Statement 65 *Items Previously Reported as Assets and Liabilities*. This Statement provides guidance on proper classification of certain items previously reported as assets and liabilities as deferred outflows or inflows of resources. This Statement also provides guidance on recognition of certain items that were previously reported as assets and liabilities as outflows or inflows of resources. This statement is effective for periods beginning after December 15, 2012. The District has not determined the effect on the financial statements.

GASB Statement No. 66 – In March 2012, GASB issued Statement 66 *Technical Corrections—2012—an Amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to resolve conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement is effective for periods beginning after December 15, 2012. The District has not determined the effect on the financial statements.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

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

K. New Accounting Pronouncements, (Continued)

GASB Statement No. 67 – In June 2012, GASB issued Statement 67, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 25*. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement also addresses accounting and financial reporting for the activities of pension plans that are administered through trusts. This Statement is effective for periods beginning after June 15, 2013. The District has not determined the effect on the financial statements.

GASB Statement No. 68 – In June 2012, GASB issued Statement 67, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement is effective for periods beginning after June 15, 2014. The District has not determined the effect on the financial statements.

GASB Statement No. 69 – In January 2013, GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement is effective for periods beginning after December 15, 2013. The District estimates that this Statement will not have a material effect on the financial statements.

GASB Statement No. 70 – In April 2013, GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for periods beginning after June 15, 2013. The District has not determined the effect on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

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

Cash and investments	\$ 8,379,689
Restricted cash and investments - customer deposits	<u>181,066</u>
Total Cash and Investments	<u><u>\$ 8,560,755</u></u>

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 2 – CASH AND INVESTMENTS, (Continued)

Cash and investments consist of the following:

Cash on hand (petty cash and change drawers)	\$ 1,400
Demand deposits (cash in bank)	3,776,746
Investments	<u>4,782,609</u>
Total Cash and Investments	<u><u>\$ 8,560,755</u></u>

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code and the District's policy, where more restrictive. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Money Market Mutual Accounts	5 years	15%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity 12 Months or Less</u>
LAIF	\$ 4,530,846	\$ 4,530,846
Money Market Account	251,763	251,763
Total	<u><u>\$ 4,782,609</u></u>	<u><u>\$ 4,782,609</u></u>

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 2 – CASH AND INVESTMENTS, (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the rating as of year-end for each investment type:

	Fair Value	Rating at December 31, 2012
LAIF	\$ 4,530,846	Unrated
Money Market Account	251,763	Unrated
Total	\$ 4,782,609	

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. 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.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The District is a voluntary participant in the investment pool.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 3 – ACCOUNTS RECEIVABLE

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) amount on the financial statements. Below is the detail of the receivables, including applicable allowances for uncollectible amounts:

	Water Sales and Services	Other	Developer	Totals
Receivables	\$ 1,759,915	\$ 25,179	\$ 334,614	\$ 2,119,708
Less: Allowance for Uncollectible Accounts	(60,811)	(16,671)	(207,602)	(285,084)
Net Receivables	\$ 1,699,104	\$ 8,508	\$ 127,012	\$ 1,834,624

Water sales and services are reported net of uncollectible amounts based on actual collections as of the preparation date of the statements. Other Receivables, those billings outside of the normal water sales and services billings, include items such as damages to District property and rental of District property. Amounts not expected to be collected within the next year have been included in the allowance for uncollectible amounts. Developer Receivables are those receivables due from developers for development activity that has exceeded deposits collected to-date. The amount included in the allowance for uncollectible accounts is an estimate based on other refundable accounts held for the developer that the District feels they can use to negotiate settlement on balances due to the District.

NOTE 4 – NOTES RECEIVABLE

Amounts are aggregated into a single notes receivable (net of allowance for uncollectibles) amount on the financial statements. Below is the detail of the receivables, including applicable allowances for uncollectible amounts:

	Bonita Vista	Fairway Canyon	Totals
Receivables			
Current	\$ 14,711	\$ 192,112	\$ 206,823
Non-current	180,815	610,786	791,601
Total Receivables	195,526	802,898	998,424
Less: Allowance for Uncollectible Amounts			
Current	(584)	-	(584)
Non-current	(4,162)	-	(4,162)
Total Allowance for Uncollectible Amounts	(4,746)	-	(4,746)
Net Receivables			
Current	14,127	192,112	206,239
Non-current	176,653	610,786	787,439
Total Net Receivables	\$ 190,780	\$ 802,898	\$ 993,678

In 2003, the Bonita Vista Mutual Water Company started the annexation process to join the District. The annexation agreement called for the District to install a new water delivery system. The property owners/shareholders in the Bonita Vista Mutual Water Company were responsible for 1/100th of the costs of construction of the new system, at \$5,500 per meter. The notes are payable over 20 years at a

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 4 – NOTES RECEIVABLE, (Continued)

variable interest rate calculated annually at 1.5% above the LAIF interest rate. The notes are due to mature as of February 15, 2028.

The District has entered into various agreements with the developers of the Fairway Canyon Community Association for payment of water main extension and facilities construction fees. The notes are payable over 10 years at an annual interest rate of 10%.

NOTE 5 – DEFERRED CHARGES

Deferred charges consist of the amortization of the costs of issuance of the notes payable over the life of the note. The following schedules show the activity for the year:

Balance December 31, 2011	Decreases	Balance December 31, 2012	Current Portion	Non-current Portion
\$ 59,547	\$ (18,322)	\$ 41,225	\$ 18,322	\$ 22,903

NOTE 6 – CAPITAL ASSETS

The following table summarizes capital asset activity during the year:

	Balance December 31, 2011	Increases	Decreases	Balance December 31, 2012
Capital assets not being depreciated:				
Land	\$ 7,721,730	\$ -	\$ -	\$ 7,721,730
Construction in progress	76,273	643,743	(182,542)	537,474
Total capital assets not being depreciated	7,798,003	643,743	(182,542)	8,259,204
Capital assets being depreciated:				
Transmission and distribution system	58,704,802	182,542	-	58,887,344
Structures and improvements	16,393,296	-	-	16,393,296
Reservoirs and tanks	19,986,690	-	-	19,986,690
Pumping and telemetry equipment	12,642,605	-	-	12,642,605
Vehicles and equipment	1,819,580	-	-	1,819,580
Total capital assets being depreciated	109,546,973	182,542	-	109,729,515
Less accumulated depreciation for:				
Transmission and distribution system	(7,285,680)	(828,854)	-	(8,114,534)
Structures and improvements	(1,504,587)	(372,517)	-	(1,877,104)
Reservoirs and tanks	(2,670,878)	(469,587)	-	(3,140,465)
Pumping and telemetry equipment	(2,102,515)	(242,966)	-	(2,345,481)
Vehicles and equipment	(1,002,007)	(158,478)	-	(1,160,485)
Total accumulated depreciation	(14,565,667)	(2,072,402)	-	(16,638,069)
Total capital assets being depreciated, net	94,981,306	(1,889,860)	-	93,091,446
Capital assets, net of depreciation	\$ 102,779,309	\$ (1,246,117)	\$ (182,542)	\$ 101,350,650

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 7 – ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

Accounts payable and other accrued liabilities were as follows:

Accounts Payable	\$	343,224
Salaries and Employee Benefits		84,076
Other		1,210
		<u>428,510</u>
	\$	<u>428,510</u>

NOTE 8 – CUSTOMER ACCOUNT CREDIT BALANCES

Customer credits identified were applied to customer utility accounts in 2013 to be used against future billings or refunded upon request.

NOTE 9 – COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation, sick and administrative leave which is accrued as earned. The liability for compensated absences is determined annually. The activity for the year was as follows:

Balance December 31, 2011	Increases	Decreases	Balance December 31, 2012	Current Portion	Non-current Portion
<u>\$ 220,282</u>	<u>\$ 147,042</u>	<u>\$ (122,993)</u>	<u>\$ 244,331</u>	<u>\$ 131,379</u>	<u>\$ 112,952</u>

NOTE 10 – NOTES PAYABLE

On March 26, 2010, the Board of Directors approved a \$5.0 million loan payable at a 3.380% interest rate from 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 1st and April 1st of each year. Debt service requirements are as follows:

Year	Principal	Interest	Total
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
	<u>\$2,600,000</u>	<u>\$ 133,341</u>	<u>\$2,733,341</u>

Changes in Notes Payable for the year were as follows:

Balance December 31, 2011	Decreases	Balance December 31, 2012	Current Portion	Non-current Portion
<u>\$ 3,585,000</u>	<u>\$ (985,000)</u>	<u>\$ 2,600,000</u>	<u>\$ 1,015,000</u>	<u>\$ 1,585,000</u>

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 11 – PLEDGED REVENUES

The District has pledged future revenues, along with existing unencumbered cash and cash equivalents, equal to 115% of the aggregate principal and interest to repay the Bank of America Notes Payable issued in March 2010 as disclosed in Note 10. Net revenues are defined in the loan agreement as all gross income and revenue received less maintenance and operation expenses, excluding debt service payments and depreciation. Principal and interest paid during the current year and net revenues were \$1,097,976 and \$2,571,773, respectively.

NOTE 12 - PENSION RELATED DEBT

As of June 30, 2003, CalPERS implemented risk-pooling for the District's agent multiple-employer public employee defined benefit pension plan. As a result, the District's defined benefit pension plan with CalPERS converted from an agent multiple-employer plan to a cost sharing multiple-employer plan. This change in the type of plan created the CalPERS Side Fund, which CalPERS financed at a 7.75% interest rate. CalPERS actuarially calculated the amount needed to bring the District into the cost sharing multiple-employer plan on an equal basis with other governmental agencies that all had less than 100 active and retired employees combined.

A portion of the District's annual required contributions to CalPERS are actuarially determined and shared by all governmental agencies within the cost sharing risk pool. In addition, the District is required to make annual payments to pay down the CalPERS Side Fund. The responsibility for paying down the District's CalPERS Side Fund is specific to the District and is not shared by all governmental agencies within the cost sharing risk pool. Therefore, the Side Fund falls under the definition of pension related debt, as described in GASB Statement No. 27 and is recorded as a liability on the District's financial statements.

The debt service requirements are as follows:

Period	Principal	Interest	Total
01/2013 - 06/2013	\$ 56,410	\$ 47,900	\$ 104,310
07/2013 - 06/2014	125,464	87,259	212,723
07/2014 - 06/2015	141,491	77,614	219,105
07/2015 - 06/2016	158,917	66,761	225,678
07/2016 - 06/2017	177,856	54,592	232,448
07/2017 - 06/2018	198,426	40,996	239,422
07/2018 - 06/2019	220,754	25,850	246,604
07/2019 - 06/2020	244,982	9,020	254,002
	<u>\$ 1,324,300</u>	<u>\$ 409,992</u>	<u>\$ 1,734,292</u>

Changes in Pension Related Debt during the year were as follows:

Balance December 31, 2011	Decreases	Balance December 31, 2012	Current Portion	Non-current Portion
<u>\$ 1,426,500</u>	<u>\$ (102,200)</u>	<u>\$ 1,324,300</u>	<u>\$ 119,142</u>	<u>\$ 1,205,158</u>

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS

Plan Description

The District pays a portion of the cost of health insurance (including prescription drug benefits) as post-employment medical benefits to retired employees who satisfy the eligibility rules as required by CalPERS Health Care enrollment. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any medical plan available through the District's CalPERS Health Program, a cost-sharing multiple-employer medical coverage plan. The contribution requirements of eligible retired employees and the District are established and may be amended by the Board of Directors.

Funding Policy

The District is required to contribute the Annual Required Contribution (ARC) of the Employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The District has elected to calculate the ARC and related information using the alternative measurement method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District will pay a fixed contribution towards the cost of the post-employment benefit plan for those employees who meet the required service years for retirement from the District. The District funds the plan on a pay-as-you-go basis and records a liability for the difference between pay-as-you-go and the actuarially determined ARC cost.

Annual Cost

The District's ARC for the year was \$1,170,015. The District's net OPEB payable obligation amounted to \$1,135,689 for the year. The District paid \$7,394 for current retiree OPEB premiums for the year, which was age adjusted to a contribution amount of \$17,037.

Annual Required Contribution	\$ 1,170,015
Interest on Net OPEB Obligation	5,524
Adjustment to Annual Required Contribution	<u>(22,813)</u>
Annual OPEB Expense	1,152,726
Age Adjusted Contributions Made	<u>(17,037)</u>
Change in Net OPEB Obligation	1,135,689
Net OPEB Obligation - Beginning of Year	<u>1,116,033</u>
Net OPEB Obligation - End of Year	<u><u>\$ 2,251,722</u></u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for year and the two preceding years were as follows:

Fiscal Year Ending	Annual OPEB Cost	Annual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	*	*	*	*
12/31/2011	\$1,130,449	14,416	1.28%	\$1,116,033
12/31/2012	\$1,152,726	17,037	1.50%	\$2,251,722

* The information for this year is unavailable. GASB No. 45 was first implemented during fiscal year 2011.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS, (*Continued*)

Funded Status and Funding Progress of the Plan

The most recent valuation dated December 31, 2011 includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$5,908,180. The covered payroll (annual payroll of active employees covered by the plan) for the year was estimated at \$1,645,835. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 358.98%.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date	December 31, 2011
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll amortization
Remaining amortization period	30 Years as of the valuation date
Asset Valuation method	30 Years smoothed market
Actuarial assumptions:	
Discount rate	0.50%
Projected salary increase	3.50%
Inflation – discount rate	3.00%

NOTE 14 – NET POSITION

Calculation of the net investment in capital assets was as follows:

Investment in capital assets, net of related debt:

Capital assets, net of accumulated depreciation	\$ 101,350,650
Add: Deferred charge on issuance of debt	41,225
Less: Current Notes Payable	(1,015,000)
Less: Non-current Notes Payable	(1,585,000)
	<u>\$ 98,791,875</u>

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 14 – NET POSITION, (Continued)

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

NET POSITION

Unrestricted Net Position	<u>\$ 5,827,344</u>
Non-spendable assets:	
Inventories	\$ 532,012
Prepaid items	340,452
Non-current portion of deferred charges	22,903
Non-current portion of notes receivable	787,439
Total Non-spendable assets	<u>1,682,806</u>
Board of Directors' designations:	
Debt service reserve	271,970
Capital replacement reserve	1,000,000
Operating reserve	2,872,568
Total Designations	<u>4,144,538</u>
Total Unrestricted Net Position	<u>\$ 5,827,344</u>

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

During the year, the District discovered that the unearned revenues in the amount of \$234,694 were previously understated. To correct this error, an adjustment was made to increase the amount of unearned revenues and reduce the beginning net position of the District.

NOTE 16 – DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. State statutes, within the Public Employees' Retirement Law, establish benefit provisions and other requirements. The Board of Directors selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through a Board Resolution. Benefit provisions selected may be amended or modified by the District's Board of Directors. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, California, 95814.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 16 – DEFINED BENEFIT PENSION PLAN, (Continued)

Funding Policy

An employee contribution of 8 percent of annual covered salary is required for each active plan member. For employees hired prior to January 1, 2001, the District pays the contribution required of the employees on their behalf. For employees hired between January 1, 2001 and June 30, 2011, the District pays 1% of the contribution required of the employees on their behalf. Employees hired between July 1, 2011 and December 31, 2012 do not receive a contribution amount from the District. During the year, the District contributed \$31,029 on behalf of its employees.

Additionally, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for FY 2011-2012 and FY 2012-2013 were 29.398 and 29.610 percent, respectively, of annual covered payroll. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established on an actuarially determined basis and may be amended by CalPERS.

Annual Pension Cost

During the year, the District's annual pension cost of \$481,401 was equal to the District's required contributions.

Three Year Trend Information for the Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 426,103	100%	\$ -
12/31/2011	\$ 391,706	100%	\$ -
12/31/2012	\$ 481,401	100%	\$ -

The funded status of the pooled plan may be obtained from CalPERS.

NOTE 17 – COMMITMENTS

In 2004, the Beaumont Basin Watermaster (Watermaster) was created to manage the groundwater excavations, replenishment thereof, and storage of supplemental water within the Beaumont Basin. The Watermaster consists of representatives from the Beaumont-Cherry Valley Water District, the City of Banning, the City of Beaumont, the South Mesa Water Company, and the Yucaipa Valley Water District. The District is a member agency of the Watermaster and contributes a varied annual amount to the Watermaster to fund its operations. The District contributed \$15,161 during the year 2012.

Beaumont-Cherry Valley Water District

Notes to the Basic Financial Statements

For the Year Ended December 31, 2012

NOTE 18 – CONTINGENCIES

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not have a material adverse effect on the financial position of the District.

NOTE 19 – 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, 2012, 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 coverages.
- 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 deductible 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 years ending December 31, 2012, 2011 and 2010. 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, 2012, 2011 and 2010, respectively.



Required Supplementary Information

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Beaumont-Cherry Valley Water District
 Schedule of Funding Status – Other Post-Employment Benefits Obligations
 For the Year Ended December 31, 2012

Funded Status and Funding Progress of the Plan

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
12/31/2011	\$ -	\$ 5,908,180	\$ 5,908,180	0.00%	\$ 1,214,966	486.28%

Funding progress is presented for the year(s) that an actuarial study has been prepared since the effective date of GASB Statement 45. The District implemented GASB 45 during fiscal year 2011. Actuarial review and analysis of the post-employment benefits liability and funding status is performed every three years or annually if there are significant changes in the plan. The next scheduled actuarial review and analysis of the post-employment benefits liability and funding status will be performed in calendar year 2014 based on the year ending December 31, 2013.

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Report on Internal Controls and Compliance

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INDEPENDENT AUDITORS' 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

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

We have audited, in accordance with the 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, the financial statements of the Beaumont-Cherry Valley Water District (District) as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 28, 2013. Our report included an emphasis of matter regarding the District's adoption of Statement of Governmental Accounting Standard (GASB) Statement No. 62, and GASB Statement No. 63 effective January 1, 2012.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 grant agreements, 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Riverside, California
June 28, 2013



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 10th, 2013**

DATE: July 2nd, 2013
TO: Board of Directors
FROM: Eric Fraser, General Manager
SUBJECT: Public Hearing and Consideration of Adoption of the District's 2013 Urban Water Management Plan Update

Recommendation

Staff recommends that subsequent to the Public Hearing regarding the District's 2013 Urban Water Management Plan Update and receipt of public comment, the Board of Directors, by Resolution:

1. Adopt the Beaumont-Cherry Valley Water District's 2013 Urban Water Management Plan (UWMP) Update as modified following the Public Hearing held at this July 10, 2013 Board of Directors Meeting;
2. Authorize the General Manager to file the 2013 UWMP Update with the California Department of Water Resources (DWR) and other agencies; and
3. Authorize the General Manager to take such necessary actions to implement and administer the UWMP.

Background

Pursuant to the requirements of the California Urban Water Management Act of 1984 (Act), the Beaumont-Cherry Valley Water District (District) Board of Directors is holding, at this regular meeting of July 10, 2013, a public hearing regarding the District's draft 2013 UWMP Update. Staff recommends that the Board of Directors, by Resolution, adopt District's 2013 UWMP Update as modified by the General Manager or his designee following the Public Hearing and receipt of public comment.

The District provided an overview of the draft 2013 UWMP Update at a special workshop subsequent to the regularly scheduled District Board of Directors' Meeting of April 10, 2013. In accordance with California Government Code (§10642), the District also circulated copies of the plan and notification of the July 10, 2013 Public Hearing to local affected cities, counties, agencies, and interested parties on May 9, 2013. The District also published notice of the July 10, 2013 public hearing regarding the District's 2013 UWMP Update within the local area newspaper (the Record Gazette) on June 21, 2013 and June 28, 2013 in accordance with §6066 of the California Government Code.

To date, the District has received no formal written comments regarding the Draft 2013 UWMP Update.



The UWMP is a long-term planning document that does not commit the District to any particular course of action or investment. The UWMP is used by the District and the District's wholesale water provider, the San Geronio Pass Water Agency (SGPWA) to ensure adequate future water supplies, and by the State Department of Water Resources to update the comprehensive California Water Plan.

The District's 2013 UWMP Update identifies existing and future water demands and supplies through the year 2035, including the evaluation of worst-case scenarios for dry weather periods. It further describes water supply reliability and water conservation measures to reduce long-term water demand, as well as District's water use reduction targets for meeting the statewide mandate to achieve a 20 percent reduction in urban per capita water use by 2020. Overall, the 2013 UWMP Update demonstrates that District must continue to develop imported water opportunities and local recycled water and storm water opportunities to ensure that the District will have sufficient and reliable water supplies to meet its demands through 2035.

Upon adoption of District's 2013 UWMP Update by the Board of Directors, the plan will be filed with the DWR and will be made available to other agencies and public, in accordance with the Act. The adoption and filing of the 2013 UWMP with DWR is required for the District to be eligible for any state grants and loans, and for drought assistance.

The UWMP Act requires all California water agencies, except those generally serving fewer than 3,000 customers, to prepare, adopt, and submit an UWMP to DWR every five years. The UWMP is required under state law to ensure that water agencies across the state are planning for adequate water supplies to meet existing and future water demands in their service areas. The District's 2013 UWMP Update is intended to provide for the District's 2010 UWMP Update requirement.

The UWMP will serve as the basis for managing water supplies in the future by addressing population growth and new developments. Since the Act's inception, the District has adopted an UWMP every five years with the last plan completed in 2005. Since 2005, there have been some changes in local area development as well as the UWMP requirements. A significant UWMP change is the inclusion of water conservation targets to achieve a 20 percent reduction in per capita water use by the year 2020 as set forth by the Water Conservation Act of 2009, also known as Senate Bill x7-7.

2013 UWMP Update Overview

The 2013 UWMP Update demonstrates that the District will have to continue to develop imported water supplies, local recycled water supplies, and storm water capture and recharge supplies to provide sufficient and reliable water supplies to meet its demands through 2035. The District's 2013 UWMP Update includes projections of water supplies and demands, water sources and uses, and demand management measures in its service area. Important elements of the plan include a demonstration of supply reliability under extended dry weather conditions, water shortage contingency planning in the event of prolonged drought or catastrophic events, and descriptions of current and proposed water recycling projects available from the City of Beaumont and Yucaipa Valley Water District. Moreover, supply reliability information is included for both groundwater and imported water, managed by the District and the San Geronio Pass Water Agency, respectively.



Also, to provide regional coordination and consistency in preparation of the UWMP Update, the District participated in coordination efforts with most of the pass area's retail water agencies and the San Geronio Pass Water Agency related to imported water supplies and groundwater storage and managements. As a result, the District's 2013 UWMP Update includes an analysis and discussion of regional water supply availability and reliability – a critical part of the UWMP – that is consistent with other pass area water agencies.

Post Hearing Modifications

The final 2013 UWMP Update may be modified to account for comments received at the public hearing regarding the Draft 2013 UWMP Update, in addition, the final 2013 UWMP updated may include de minimis modifications related to grammar and formatting.

Financial Impact

The fiscal impact to the District will be minimal and will include reproduction and mailing costs associated with transmitting copies of the District's Final 2013 UWMP Update to the Department of Water Resources and appropriate agencies.

Attachment:

1. Resolution regarding adoption of 2013 Urban Water Management Plan Update, authorizing the General Manager to file the 2013 UWMP Update with the California Department of Water Resources, and authorizing the General Manager to take such other necessary actions to implement and administer the 2013 UWMP Update.

Report Prepared by: Daniel K. Jagers, Director of Engineering

RESOLUTION No. 2013-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT ADOPTING THE 2013 URBAN WATER MANAGEMENT PLAN AND AUTHORIZING THE GENERAL MANAGER TO FILE THE URBAN WATER MANAGEMENT PLAN AND TAKE SUCH OTHER NECESSARY ACTION TO IMPLEMENT AND ADMINISTER THE PLAN

WHEREAS, the California Legislature enacted Assembly Bill 797 (Water Code Section 10610 et seq., known as the Urban Water Management Planning Act) during the 1983-84 Regular Session, and as amended subsequently, which mandates that every water supplier providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually, prepare an Urban Water Management Plan and update it as required, the primary objective of which is to plan for the conservation and efficient use of water; and

WHEREAS, the California Water Conservation Bill of 2009, also known as the "20% by 2020" bill, requires that California achieve a 20 percent reduction in urban per-capita water use on or before December 31, 2020 and that the District's UWMP Update include a baseline per-capita water use, an interim urban water use per-capita target, and a compliance daily per-capita water use; and

WHEREAS, the District is an urban water supplier delivering over 11,000 acre-feet of water annually; and

WHEREAS, the Plan shall be periodically reviewed at least once every five years, and that the District shall make any amendments or changes to its plan which are indicated by the review; and

WHEREAS, the District has therefore, prepared and circulated for public review a draft 2013 Urban Water Management Plan Update, and a properly noticed public hearing regarding the Plan was held by the Board of Directors on July 10, 2013; and

WHEREAS, the District shall file the Plan with the California Department of Water Resources and the California State Library, Government Publications Section on or before August 9, 2013.

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

1. The 2013 Urban Water Management Plan is hereby adopted, including modifications to the 2013 Urban Water Management Plan made after the Public Hearing by the General Manager limited to (i) de minimis refinements, and (ii) such changes to address public input received (if any) at the Public Hearing.
2. The General Manager is hereby authorized and directed to file the 2013 Urban Water Management Plan within thirty (30) days after its adoption with the California Department of Water Resources, the California State Library - Government Publications Section, and any city or county within which the District provides water supplies,

RESOLUTION No. 2013-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BEAUMONT-CHERRY VALLEY WATER DISTRICT
ADOPTING THE 2013 URBAN WATER MANAGEMENT PLAN AND
AUTHORIZING THE GENERAL MANAGER TO FILE THE URBAN WATER
MANAGEMENT PLAN AND TAKE SUCH OTHER NECESSARY ACTION TO
IMPLEMENT AND ADMINISTER THE PLAN

3. The General Manager is hereby authorized and directed to take any necessary actions to implement and administer the 2013 Urban water Management Plan.

ADOPTED, SIGNED AND APPROVED, THIS 10th DAY OF JULY BY THE FOLLOWING VOTES:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Ryan Woll, President of the
Board of Directors of the
Beaumont-Cherry Valley Water District

(seal)

ATTEST:

Dr. Blair Ball, Secretary to the
Board of Directors of the
Beaumont-Cherry Valley Water District



**Beaumont-Cherry Valley Water District
Regular Board Meeting
July 10th, 2013**

DATE: July 2nd, 2013
TO: Board of Directors
FROM: Eric Fraser, General Manager
SUBJECT: Consider Retirement of Bank of America Recycled Water Facilities Loan

Recommendation

Staff recommends authorizing the General Manager to retire the 2010 Recycled Water Facilities Construction Loan with Bank of America.

Background

The District entered into a five-million dollar financial instrument with Bank of America in 2010 in order to construct a portion of the recycled water system. The terms and conditions of the loan included a prepayment penalty during the early part of the period. The loan can now be paid off without incurring a penalty. Early payoff would result in approximately \$80,000 in savings to the District. The current year budget includes the full principal and interest payment of \$1,092,276 and would be applied to the payoff without any budget change. Adequate funds are available in the District LAIF account to pay off the remaining portion without impacting the operational reserve. Since the LAIF account only earns about 0.25% interest and the loan is at a rate of 3.38%, the District will receive a net benefit.

Financial Impact

Elimination of the debt will result in an on-time cost savings of approximately \$80,000 in finance charges and move the District towards a debt free status.