

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS**

**REGULAR BOARD MEETING  
AGENDA**

**October 9, 2013 – 1:30 p.m.**

**Location--1630 West Redlands Boulevard, Suite A, Redlands, California**

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the District office and are available for public review during normal District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request at the District office and in the Agenda Package on the Districts website.

The Mission of the District is

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**CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
ROLL CALL**

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**1. PUBLIC PARTICIPATION**

*Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.*

**2. ADDITIONS/DELETIONS TO AGENDA**

*Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.*

**3. CONSENT CALENDAR**

- A. Approval of Board Minutes, September 11, 2013 .....5
- B. Approval of Expenditure Report, September 2013 .....15
- C. Groundwater Top Five Producers and Investigation List, September 2013.....20

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It is the intention of the San Bernardino Valley Water Conservation District to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Medina at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

4. ACTION ITEMS

- A. UNAUDITED FINANCIALS, SEPTEMBER 2013(M#1210)..... 22  
**Recommendation:** Review, discuss and approve the unaudited financials for September 2013.
- B. 2013 AUDIT REPORT PRESENTATION (M#1211).....48  
**Presenter:** Chis Brown (Charles Z. Fedak Company)  
**Recommendation:** The Ad Hoc Audit Committee (Committee) recommends the Board review and accept the 2013 Audit Report presented by Charles Fedak & Company; additionally thank them for the three years of service, direct staff to issue an RFP for Audit services in accordance with the Boards policy of triennial auditor rotation, and request the Ad Hoc Audit Committee review proposals and make a selection recommendation to the Board.
- C. LEASE AGREEMENT APPROVAL DELEGATION (M#1212).....103  
**Presenter:** Daniel Cozad  
**Recommendation:** Review and consider Approval of Resolution No. 500, delegating to the General Manager the authority to solicit, negotiate, and execute leases for Redlands Plaza commercial space not being utilized by the District under specific conditions.
- D. UPDATE INFORMATION FOR CITIZENS BUSINESS BANK (M#1213).....107  
**Presenter:** Daniel Cozad  
**Recommendation:** Review and consider adoption of Resolution No. 499 in accordance with approved Expenditure Processing and Approval Policy to add Jeff Beehler as authorized signatory on the District’s Institutional Bank Account at Citizen’s Business Bank..
- E. WASH PLAN AGREEMENTS AND PROGRESS RERPORT (M#1214).....110  
**Presenter:** Daniel Cozad/Jeff Beehler  
**Recommendation:** Review and consider approval of two actions supporting Wash Plan efforts. They are: 1) a three-party agreement between the US Fish and Wildlife Service (FWS), the US Bureau of Land Management (BLM) and the District/its Contractor delineating responsibilities and expectations in developing and implementing the Wash Plan; and; 2) a two-party MOU agreement between the BLM and the District allowing the implementation of cooperative land management projects. Staff will also provide a Wash Plan progress report.
- F. OVERHEAD RATE IMPLEMENTATION AND ADJUSTMENT (M#1201).....137  
**Presenter:** Daniel Cozad  
**Recommendation:** Review the development and consider approval of the new overhead rate as recommended by Administrative Committee.
- G. BOARD POLICY HANDBOOK (M#1207).....142  
**Presenter:** Daniel Cozad  
**Recommendation:** Review, recommend and consider revisions to the Board Policy Handbook as suggested by Administrative Committee.

- H. DISTRICTS OF DISTINCTION CERTIFICATION (M#1215).....148  
*Presenter: Daniel Cozad*  
*Recommendation:* Review the requirements, time commitment and estimated costs to consider seeking Districts of Distinction Certification through California Special Districts Association, if appropriate directing staff to schedule training and prepare materials for consideration.
  
- I. UPPER SANTA ANA RIVER WASH IRWMP UPDATE (M#1216).....154  
*Presenter: Jeff Beehler*  
*Recommendation:* Review and consider approval of the District’s involvement in the update of the Upper Santa Ana River Watershed Integrated Regional Water Management Plan (IRWMP).
  
- J. DISTRICT WEBSITE REDESIGN UPDATE (M#1217).....155  
*Presenter: Daniel Cozad*  
*Recommendation:* Review, provide any feedback and receive and file the staff report and presentation on the Website Redesign Update.
  
- K. DISTRICT PRIORITY TASKS UPDATE (M#1218).....157  
*Presenter: Daniel Cozad*  
*Recommendation:* Review, provide any feedback and receive and file the progress update and status for September 2013.
  
- L. CSDA COMMITTEE AND EXPERT FEEDBACK TEAM APPOINTMENTS FOR 2014 (M#1219).....159  
*Presenter: Daniel Cozad*  
*Recommendation:* Review and consider CSDA’s request for committee nominations to serve on the 2014 committees and feedback teams. The term of office is one year, January 1, 2014-December 31, 2014. All correspondence and forms must be in the CSDA office no later than October 18, 2013.

5. **INFORMATION ITEMS:**

- A. General Manager’s Report .....163
- B. Monthly Recharge Report (Handout)
- C. Future Agenda Items & Staff Task requests from Directors

6. **MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS**

7. **UPCOMING MEETINGS:**

- 1. October 10, 2013 Upper Santa Ana Water Resources Association,  
9:30 a.m. at District Office

2. October 14, 2013 Administrative Committee, 1:00 p.m. at District Office
3. October 15, 2013 Big Bear Watermaster Committee, 1:30 p.m. at District Office
4. October 15, 2013 San Bernardino Valley Municipal Water District, 2:30 p.m. at Valley District
5. October 21, 2013 Association of San Bernardino County Districts, 6:00 p.m., Location To Be Determined
6. October 31, 2013 Office Closed – Administrative Staff in Training
7. November 4, 2013 Basin Technical Advisory Committee
8. November 5, 2013 ACWA Communications Committee, 10:00 a.m. in Sacramento, CA
9. December 3-6, 2013 ACWA 2013 Fall Conference, held at JW Marriott LA Live in Los Angeles

8. **CLOSED SESSION**

1. The Board may convene in Closed Session to discuss pending litigation, under Government Code section 54956.9(a), City of Loma Linda vs. State of California, San Bernardino County Superior Court Case No. 34-2013-80001583 and City of Redlands vs. Ana J. Matosantos, et al, San Bernardino California Superior Case No. 34-2013-80001610.
2. Under authority of Government Code section 54956.9 (c), the Board may meet in Closed Session to decide whether to initiate litigation.

9. **ADJOURN MEETING.** The next regular Board meeting will be on November 13, 2013 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF September 11, 2013  
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the pledge of allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President  
Melody McDonald, Vice President  
Bob Glaubig, Director  
David E. Raley, Director  
Manuel Aranda, Director  
John Longville, Director (Departed at 3:42 p.m.)  
Clare Henry Day, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager  
Athena Medina, Administrative Services Specialist  
Jeff Beehler, Land Resource Manager

GUESTS PRESENT:

Charles Roberts, Highland Community News  
Don Lee, Tetra Tech  
Steve Montgomery, SJM Biological Consulting

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Steve Montgomery of SJM Biological Consulting brought in a San Bernardino Kangaroo Rat (SBKR) to show the Board. He gave a brief

presentation on the history and details about the species and his field activities supporting East Branch Extension 2 (EBX2) construction project. Mr. Montgomery is relocating SBKR through an Access Permit with the District for the Department of Water Resources EBX2 project. He has approximately 100 burrows built in the field to relocate the trapped SBKR. So far Mr. Montgomery has relocated 8 SBKR. He stated that the animals are tagged and relocated and some are found up to 2 years later.

## 2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions.

## 3. CONSENT CALENDAR

A. Approval of the Board Minutes from August 7, 2013

B. Approval of Check Register, August 2013

**It was moved by Vice President McDonald and seconded by Director Aranda to approve the Consent Calendar, Items A & B. The motion carried unanimously.**

C. Groundwater Assessment Report, GWA #40

President Corneille requested that item 3C be pulled for discussion. He noted that on the In-Process Collection Report that Staff is following up with emails and phone calls to those who have not reported their production in accordance with the Water Code requirements.

President Corneille requested that Staff plan to audit some groundwater wells within District boundaries. This could be done by going out for a field visit and identifying if a well is being used or if it is abandoned. Mr. Cozad stated that some producers have experienced staff turnover, and some are unaware of the process used to determine their production. President Corneille stated that the District needs to consider performing audits, particularly on those who have not filed a groundwater production statement or where the reported production may be inaccurate. Mr. Cosgrove stated that there are a series of tools the District may use including estimating production and up to installing meters. Director Raley asked about getting permission to access private property. Discussion ensued. Mr. Cozad stated that Staff will review the existing collections policy and if required propose revisions for expanding site audits or field inspections. The District should not expend significant funds to perform field visits where the amount of production and revenue is low. The Board was in concurrence regarding the performance of groundwater auditing.

**It was moved by Director Longville and seconded by Vice President McDonald to approve Consent Calendar, Item C. The motion carried unanimously.**

## 4. ACTION ITEMS

Action Items were not discussed in order.

A. UNAUDITED FINANCIALS, AUGUST 2013

Mr. Cozad noted that a budget amendment can be anticipated in November after the Administrative Committee reviews the budget in October. He also clarified that General Ledger (GL) 4036 is for aggregate access permits and monies received for purchase of aggregate materials. The GL 5080 for LAFCO Contribution includes the mandatory fees paid for the District's Sphere of Influence filing.

**It was moved by Director Raley and seconded by Director Aranda to approve the Unaudited Financials for August 2013. The motion carried unanimously.**

#### B. INVESTMENT STATUS AND CHANGES TO INVESTMENT DURATIONS

Mr. Cozad reviewed the status and amounts of District cash in CalTrust investments. He stated that previously the Medium-Term fund interest rate was over 1.25% and had dropped since last reported. Mr. Cozad reviewed the investment options available to the District in greater detail. The District has also invested some funds in CalTrust Short-Term fund. He reviewed the portfolio for both Short-Term and Medium-Term investment funds. The Medium-Term matures in an average of 18 months and Short-Term in an average of less than 12 months. The District has a term in its royalty agreement with Robertson's Ready Mix (Robertson's) requiring that their \$5 million prepaid royalty must be able to be repaid to Robertson's (if requested) within 12 months. If the District invested that money in Medium-Term they run the risk of having to cash out early and could incur a loss in capital investment. Mr. Cozad explained the Net Asset Value which combines the capital investment plus the earned interest. Discussion ensued. The Administrative Committee, which met on August 26<sup>th</sup>, recommends splitting investments into approximately equal shares between short and medium term investment funds.

**It was moved by Vice President McDonald and seconded by Director Raley to approve the approximately equal split of the money in the investments funds between short and medium term investment accounts. The motion carried unanimously.**

#### C. RESERVE POLICY YEAR END REPORT AND CHANGES FOR 2013-2014

Mr. Cozad reviewed revisions to the Reserve Policy (Policy) that were recommended by the Administrative Committee. He noted that one revision to the Policy is the consolidation of two separate groundwater recharge reserves for the groundwater enterprise. Another is a change in description to clarify that the Prepaid Royalty Reserve is specifically unearned Prepaid Royalties from Robertson's, not a reserve of funds that can be expended as needed until the Wash Plan is completed. The District has kept these funds separate as they are restricted funds by Board Practice. President Corneille thanked Director Raley for identifying the need to reclassify the Prepaid Royalty Reserve as it appears that the District has more cash reserves available than it actually can spend. The \$5 million is a restricted pre-payment by Robertson's which can be called at any time and if called, the District will need to make these funds available within 12 months. Discussion ensued. President Corneille stated that the CSDA Special District's Reserve Guidelines is a useful tool in helping establish proper reserves and is available to any of the Board members for review. He stated that the District has generally followed the Guidelines and has an excellent detailed reserve policy.

**It was moved by Director Longville and seconded by Director Day to approve the revisions to the Reserve Policy as recommended. The motion carried unanimously.**

Mr. Cozad reviewed the reserves, the balances, contributions, uses and loans in one spreadsheet. He indicated where a balance is left in the enterprise fund it was credited to the appropriate fund reserve. Mr. Cozad reviewed the balances in reserves noting that Redlands Plaza Enterprise Reserves shows a negative \$8,000 after depreciation is applied due to the building depreciation expense. Additionally the Land Resource Enterprise is overfunded and the General Fund Enterprise is underfunded compared to the target or maximum under policy. Therefore, Staff recommends moving \$400,000 from Land Resources Enterprise Reserve to the General Fund Enterprise Reserve to fall in line with the limits set in policy.

**It was moved by Director Longville and seconded by Director Aranda to approve the Reserve Balances, Contributions, Uses and Loans and the transfer of \$400,000 between the Land Resource Enterprise to the General Fund Enterprise. The motion carried unanimously.**

#### D. OVERHEAD RATE IMPLEMENTATION AND ADJUSTMENT

This item was tabled until the October 9, 2013 Board of Directors meeting.

**It was moved by Vice President McDonald and seconded by Director Aranda to table this item until the next board meeting to be held October 9, 2013. The motion carried unanimously.**

#### E. EXPENDITURE PROCESSING AND APPROVAL POLICY

The Administrative Committee presented the proposed expenditure processing and approval policy. This change would streamline the process and reduce duplicative processing and time consuming work where it is not needed to safeguard District fiduciary responsibilities. President Corneille inquired as to why the \$5,000 threshold was selected for co-signature. The policy indicates that checks for expenditures under \$5,000 do not need a second signature. Mr. Cozad stated that this amount was suggested by the current CPA assisting the District. Director Raley stated that banks do not check for dual signatures and that by removing the requirement for a dual signature on small checks it streamlines the expenditure process. He also went on to state that since the Board reviews and approves all expenditures along with the expenditure/check detail report at monthly meetings that it does not take away anything from the internal controls process. Brief discussion ensued. President Corneille agreed with Director Raley that since those reports and expenditure sheets are brought to the Board for approval that \$5,000 is an acceptable amount. He complimented the Administrative Committee on their recommendations and efforts at their recent meeting.

**It was moved by Director Raley and seconded by Vice President McDonald to approve the Expenditure Processing and Approval**

**Policy with a \$5,000 threshold for dual signatures on checks. The motion carried unanimously.**

#### F. INTERIM BIOLOGICAL CONSULTING SERVICES SUPPORTING THE WASH PLAN

Mr. Cozad presented a brief PowerPoint presentation for this item. He noted that this contract is related to work performed for interim Wash Plan efforts to answer questions raised by the United States Fish & Wildlife Services (USFWS). Mr. Cozad reviewed the Wash Plan Covered Activities with the Board and the Schedule. He also indicated that the Covered Activities map is not in final format yet. The District has asked the Bureau of Land Management (BLM) and the USFWS to be the co-lead agencies on the NEPA requirements through an MOU. The proposed Wash Plan budget is at \$787,500 over two years and has added San Bernardino Valley Municipal Water District (SBVMWD) to the agreement. USFWS has given the District a 24 month schedule and the District is ready to move forward with permitting to prepare a Habitat Conservation Plan (HCP) and revise the EIS. Director Aranda asked when the 24 month schedule will begin. Mr. Cozad stated that will be determined at the next Task Force meeting planned for September after approvals of all Task Force Members of the Amendment to the Agreement. Director Aranda asked if we needed authorization for future activities. Mr. Cozad stated that for any activity not included in the Covered Activities map they would require authorization from the Task Force and that the impact that activity would have on the habitat would need to be identified prior to requesting approval. Discussion ensued.

Mr. Cozad reviewed the Federal Government sequestration that USFWS and BLM may experience. He also reviewed the additional funds that may need to be budgeted to cover the costs for these agencies due to sequestration. Mr. Cozad stated that funding regulatory agencies is becoming more common as they lose state and federal funding; you will see another example of this occurrence through the SBVMWD River HCP. Director Raley asked if any funds have been received to cover the costs for consultants. Mr. Cozad stated that once agreements are approved that partner agencies will be invoiced. President Corneille stated that part of the back costs will be covered by SBVMWD with their one-time fee included in the Amendment to Task Force agreement.

**It was moved by Vice President McDonald and seconded by Director Aranda to approve the Interim Biological Consulting Agreement with RBF Consulting subject to minor revisions by Legal Counsel in the amount not to exceed \$34,000. The motion carried unanimously.**

#### G. REINITIATING WASH PLAN ACTIVITIES

Mr. Beehler introduced this item for discussion. He indicated that the total cost for ICF Jones & Stokes for redrafting of the HCP is \$74,575. The District will only be responsible for their cost share with other Task Force members paying their shares. Director Raley voiced concern over the cost share breakout and collection of funds. He inquired as to what the District's remedy will be if any of the partners did not pay their cost share. Mr. Cosgrove stated that funds will be collected prior to paying the agreements. Mr. Beehler stated that another remedy is to remove the non-paying party from the covered activities and the mitigation measures. He went on to state that the ICF Jones & Stokes contract will get us to an HCP and this work will be completed within 90 days.

**It was moved by Director Raley and seconded by Director Longville to approve the agreement with ICF Jones & Stokes in the amount of \$74,575 for the redrafting of the HCP subject to minor revisions approved by Legal Counsel. The motion carried unanimously.**

Mr. Beehler presented the RBF Consulting contract that is to complete a draft EIS for the Task Force. This contract is for the environmental documentation needed to implement the HCP. He stated the EIS will be required for the Wash Plan and potentially for any CEQA or NEPA requirements. If the CEQA or EIR were to be revised this would be approved in a separate task order. Director Aranda asked when the EIS will be done. Mr. Beehler stated that the work will be completed within 90 days. He will be the Project Manager for this and Mr. Cozad will be the Contract Administrator. Mr. Cozad stated that in October he will bring back a detailed schedule on the Wash Plan. President Corneille and Vice President McDonald stated that they believe that Staff will coordinate and manage these tasks with the upmost efficiency.

**It was moved by Vice President McDonald and seconded by Director Aranda to approve the contract with RBF Consulting in an amount not to exceed \$250,000 related to HCP and EIS subject to minor revisions approved by Legal Counsel. The motion carried unanimously.**

#### H. CONTINUE MSR/LAFCO CONSULTANT SUPPORT

Mr. Cozad stated that the Sphere of Influence (SOI) application processing has taken longer than anticipated and indicated the need to extend the California Strategies contract. The additional funds of \$32,000 for 8 months of services are estimated to be the final amount needed to process the SOI. Director Raley stated that he is in support of the extension; however, if this item were to come up again, he is not inclined to support extending it further. Brief discussion ensued.

**It was moved by Director Raley and seconded by Vice President McDonald to approve the agreement extension with California Strategies for MSR/LAFCO support in an amount not to exceed \$32,000 with John Withers as primary consultant. The motion carried unanimously.**

#### I. RIVER HABITAT CONSERVATION PLAN PARTICIPATION

Mr. Cozad stated that the River HCP was discussed at the August 7<sup>th</sup> meeting in brief and that this is a follow-up from that discussion. There are eight agencies including SBVMWD and the District that would be involved in obtaining an HCP on the river. Mr. Cozad is requesting authorization to obligate \$20,000 to assist in covering the cost for the HCP scoping, payable to SBVMWD, with work to be performed by ICF Jones & Stokes. The total cost for the HCP scoping is

\$160,000. President Corneille confirmed the schedule that would take us through to summer 2014. Mr. Cozad stated that the actual schedule is to be determined. Director Raley asked if this is a budgeted item. Mr. Cozad stated that it does not exceed the Land Resource budget, but there is no specific line item for this HCP.

**It was moved by Director Longville and seconded by Vice President McDonald to obligate \$20,000 of District Funds for participation in the Habitat Conservation Plan for Santa Ana River. The motion carried 6-0 with Director Aranda noted absent from the vote.**

#### J. BOARD POLICY HANDBOOK

**It was moved by Vice President McDonald and seconded by Director Aranda to table this item until the next board meeting to be held October 9, 2013. The motion carried unanimously.**

#### K. ACWA STANDING COMMITTEE APPOINTMENTS FOR 2014-2015 TERM

President Corneille introduced this item for discussion noting that current ACWA Committee Members are as follows:

- Director Aranda-Communications Committee
- President Corneille-Groundwater Committee
- Vice President McDonald-State Legislative Committee and Water Management Committee
- Daniel Cozad-Aquatic Species Subcommittee

The estimated costs for Committee's are as follows:

- Communications Committee, \$3,788
- Groundwater Committee, \$988
- State Legislative Committee, \$11,364
- Water Management Committee, \$988
- Aquatic Species Committee, \$0 (teleconference)

Director Aranda said he encourages all Board Members to get involved in ACWA committees. He feels it is an educational tool that is beneficial to the District. Vice President McDonald spoke in reference to the State Legislative Committee (Leg Committee) stating that it is one of the most active committees, but it saves the District money. In previous years, the District paid up to \$96,000 for state and federal lobbyists. She stated that it keeps the District abreast of current legislative issues. Brief discussion ensued regarding the committees importance. President Corneille stated that he is active on the Groundwater Committee and is involved in the recharge element of that and it is directly pertaining to the District's primary function. Director Aranda is in support of Vice President McDonald continuing to serve on the Leg Committee. He also stated that he is on Communications Committee and that he would like to continue to serve.

**It was moved by Director Raley and seconded by Director Aranda to approve the nomination of Director Aranda to the Communications Committee, President Corneille to the Groundwater Management Committee, and Daniel Cozad to the Aquatic Species Subcommittee. The motion carried unanimously.**

Director Glaubig asked if the cost estimates presented are the same or similar to last year. Mr. Cozad stated they were, except for the air fare which has increased since the budget was approved. Director Glaubig confirmed that these costs were estimated within the budget. President Corneille expressed his appreciation towards Vice President McDonald for her willingness to serve on the Leg Committee, but from a financial viewpoint he does not see the value to the District and does not support the need to expend this amount of funds. Director Raley also noted his opposition to supporting Vice President McDonald's continuation on the Leg Committee noting the cost was about 10% of the entire Board of Director's budget.

**It was moved by Director Aranda and seconded by Director Longville to nominate Vice President McDonald to the State Legislative Committee. The motion was carried 4-3 with Director Raley, President Corneille and Director Day in opposition.**

#### L. EAST VALLEY WATER DISTRICT SHARED SERVICES AGREEMENT

Mr. Cozad stated that this agreement has been in the works for the past year. He indicated it's a permissive agreement; which is if the District has a need and they can fulfill it they will assist us with staff and equipment and vice versa. In the past EVWD has provided the District with Human Resources Manager assistance. Mr. Cosgrove noted that the revisions to the East Valley Water District (EVWD) Shared Services Agreement were primarily in the indemnification section. President Corneille requested that a line item be added to Exhibit A, 5. Cost Estimate for Services; except in the cases of emergencies. He stated that Staff should be aware of any estimated costs associated with this agreement, prior to approval. Mr. Cozad stated that for any large issues, anything over \$25,000, or any policy related issues they would come back to the Board. Director Raley asked if Exhibit A would be filled out every time the District wanted to borrow equipment or staff. Mr. Cozad stated that only if the District were to borrow; for example, a loader to perform work, that is where the form would come in to play. If the requested activity is not a significant cost the form would not be filled out. Mr. Cosgrove said that the agreement is a legal structure to cover any potential liability issues and provides staff a mechanism for recording shared activities if needed. Brief discussion ensued.

**It was moved by Director Raley and seconded by Director Aranda to approve the East Valley Water District Shared Services Agreement with nonsubstantive changes including an addition to Exhibit A by President Corneille. The motion carried unanimously.**

#### 5. INFORMATION ITEMS

##### A. GENERAL MANAGER'S REPORT

Mr. Cozad presented the Board with a short video on the field activities during the storms that were recently experienced. The water that came through during the storm was poor quality and

the District was unable to capture it. Field Staff were diligent in keeping the debris from building up at the diversion points. They returned to the creek between 110-115 CFS. Mr. Cozad stated that another issue that will need to be discussed is the evasive plant species known as Tamarisk and the potential removal of it. The year continues to be a dry year despite short thunderstorms.

#### B. MONTHLY RECHARGE REPORT

This item was covered within the General Manager's report.

#### C. FUTURE AGENDA ITEMS & STAFF TASK REQUEST FROM DIRECTORS

Director Raley expressed his intent to write a paper on additional stormwater capture. He discussed the process. Director Raley also asked District staff to investigate the possibility of using solar panels and/or wind mills to operate its facilities in the field and at the office. Mr. Cozad stated that the District did participate in a SANBAG survey regarding solar for the office facility and will bring this item back when complete. Director Glaubig asked for the Wash Plan Enterprise budget to be brought back to the Board for review at the November meeting Mr. Cozad stated that Staff is working with the CPA to extract the Wash Plan GL's from the Land Resource Enterprise. He stated that a rough draft may be presented to the Admin Committee in October and later for Board review. President Corneille asked for a status update on the District Website, District Priorities and Districts of Distinction Certification. He reviewed the requirements to obtain the Districts of Distinction Certification. Discussion ensued.

#### 6. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS

- A. Association of California Water Agencies Fall Conference meeting attendance request for approval

President Corneille introduced this item for discussion noting that the requests for approval are as follows:

- President Corneille, \$1,183.71
- Vice President McDonald, \$1,768.75
- Director Aranda, \$2,284.75

**It was moved by Vice President McDonald and seconded by Director Aranda to approve the requests to attend the ACWA Fall Conference. The motion carried 6-0 with Director Longville noted absent from the vote.**

The Board discussed their monthly Board Member activities as follows:

Director Day attended the Administrative Committee meeting on August 26<sup>th</sup>.

Director Glaubig attended the Ad Hoc Audit Committee meeting.

Vice President McDonald attended the Administrative Committee meeting, ACWA State Legislative Committee, SBVMWD Board of Directors meeting, and SBVMWD Board Workshop.

Director Raley attended the Highland City Council meeting, Ad Hoc Audit Committee, SBC Water Conference and the Advisory Commission on Water. He commended Mr. Cozad on his presentation on the Wash Plan to Highland City Council.

Director Aranda made a presentation to the Loma Linda Chamber of Commerce on “The Crisis of Water”. He has another upcoming presentation at the San Bernardino Area Chamber of Commerce. Director Aranda attended the Eagle Scout Project Dedication as Chair of the Outreach Committee and presented Devin McGloin a Certificate of Appreciation for his efforts on the project noting the event was shown in most local newspapers. He also attended the ACWA Regulatory Summit and SBC Water Conference.

President Corneille said the next Advisory Commission meeting will be held on October 3<sup>rd</sup>. He attended the Groundbreaking Ceremony for East Valley Water District’s new headquarters. Additionally, President Corneille attended the ACWA Groundwater Committee meeting, ACWA Regulatory Summit and SBC Water Conference. He complimented Mr. Cozad on his Salt and Nutrient Management Planning presentation at the Regulatory Summit saying that it was the best presentation there. President Corneille also attended the Eagle Scout Project Dedication, the Ad Hoc Audit Committee meeting, and the Redlands City Council meeting for their approval of the Amendment to the Wash Plan Task Force Agreement.

7. UPCOMING MEETINGS

There were none discussed.

8. ADJOURN MEETING

At 4:24 p.m. the meeting adjourned to the next regular Board Meeting scheduled for October 9, 2013 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

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Daniel B. Cozad  
General Manager

8:20 AM

10/04/13

**San Bernardino Valley Water Conservation District**  
**Check Detail**  
 September 2013

| Type            | Num     | Date       | Name                 | Item | Account                 | Paid Amount | Original Amount |
|-----------------|---------|------------|----------------------|------|-------------------------|-------------|-----------------|
| Check           | ACH98b3 | 09/24/2013 | Melody McDonald      |      | 1012 - Citizens Bus...  |             | -1,407.25       |
|                 |         |            |                      |      | 6401 - Directors' Fees  | -1,379.00   | 1,379.00        |
|                 |         |            |                      |      | 6410 - Mileage          | -28.25      | 28.25           |
| TOTAL           |         |            |                      |      |                         | -1,407.25   | 1,407.25        |
| Check           | ADP0830 | 09/06/2013 | ADP                  |      | 1012 - Citizens Bus...  |             | -122.50         |
|                 |         |            |                      |      | 6042 - Payroll Proce... | -122.50     | 122.50          |
| TOTAL           |         |            |                      |      |                         | -122.50     | 122.50          |
| Check           | ADP0913 | 09/20/2013 | ADP                  |      | 1012 - Citizens Bus...  |             | -70.65          |
|                 |         |            |                      |      | 6042 - Payroll Proce... | -70.65      | 70.65           |
| TOTAL           |         |            |                      |      |                         | -70.65      | 70.65           |
| Bill Pmt -Check | 18679   | 09/10/2013 | ACWA/JPIA            |      | 1012 - Citizens Bus...  |             | -26,914.20      |
| Bill            |         | 08/19/2013 |                      |      | 6320 - General Liabi... | -960.46     | 960.46          |
|                 |         |            |                      |      | 6320 - General Liabi... | -14,406.98  | 14,406.98       |
|                 |         |            |                      |      | 6320 - General Liabi... | -2,881.40   | 2,881.40        |
|                 |         |            |                      |      | 6320 - General Liabi... | -960.46     | 960.46          |
| Bill            |         | 08/30/2013 |                      |      | 6110 - Vision Insura... | -68.07      | 68.07           |
|                 |         |            |                      |      | 6130 - Dental Insura... | -322.24     | 322.24          |
|                 |         |            |                      |      | 6150 - Medical Insur... | -3,512.21   | 3,512.21        |
|                 |         |            |                      |      | 6110 - Vision Insura... | -6.83       | 6.83            |
|                 |         |            |                      |      | 6130 - Dental Insura... | -32.32      | 32.32           |
|                 |         |            |                      |      | 6150 - Medical Insur... | -352.28     | 352.28          |
|                 |         |            |                      |      | 6110 - Vision Insura... | -38.73      | 38.73           |
|                 |         |            |                      |      | 6130 - Dental Insura... | -183.36     | 183.36          |
|                 |         |            |                      |      | 6150 - Medical Insur... | -1,998.45   | 1,998.45        |
|                 |         |            |                      |      | 6110 - Vision Insura... | -20.77      | 20.77           |
|                 |         |            |                      |      | 6130 - Dental Insura... | -98.30      | 98.30           |
|                 |         |            |                      |      | 6150 - Medical Insur... | -1,071.34   | 1,071.34        |
| TOTAL           |         |            |                      |      |                         | -26,914.20  | 26,914.20       |
| Bill Pmt -Check | 18680   | 09/10/2013 | Angie J. Quiroga     |      | 1012 - Citizens Bus...  |             | -38.20          |
| Bill            |         | 09/09/2013 |                      |      | 6510 - Mileage          | -38.20      | 38.20           |
| TOTAL           |         |            |                      |      |                         | -38.20      | 38.20           |
| Bill Pmt -Check | 18681   | 09/10/2013 | Aranda, Manuel       |      | 1012 - Citizens Bus...  |             | -256.61         |
| Bill            |         | 09/09/2013 |                      |      | 6401 - Directors' Fees  | -197.00     | 197.00          |
|                 |         |            |                      |      | 6425 - Meals            | -43.61      | 43.61           |
|                 |         |            |                      |      | 6420 - Other Travel     | -16.00      | 16.00           |
| TOTAL           |         |            |                      |      |                         | -256.61     | 256.61          |
| Bill Pmt -Check | 18682   | 09/10/2013 | Arrowhead            |      | 1012 - Citizens Bus...  |             | -65.41          |
| Bill            |         | 08/24/2013 |                      |      | 5460 - Water / Tras...  | -32.71      | 32.71           |
|                 |         |            |                      |      | 5460 - Water / Tras...  | -26.16      | 26.16           |
|                 |         |            |                      |      | 5460 - Water / Tras...  | -6.54       | 6.54            |
| TOTAL           |         |            |                      |      |                         | -65.41      | 65.41           |
| Bill Pmt -Check | 18683   | 09/10/2013 | Athena Medina        |      | 1012 - Citizens Bus...  |             | -1,135.00       |
| Bill            |         | 09/09/2013 |                      |      | 6087 - Educational ...  | -1,135.00   | 1,135.00        |
| TOTAL           |         |            |                      |      |                         | -1,135.00   | 1,135.00        |
| Bill Pmt -Check | 18684   | 09/10/2013 | Castro Landscapin... |      | 1012 - Citizens Bus...  |             | -500.00         |
| Bill            |         | 08/30/2013 |                      |      | 6016 - Redlands Pla...  | -200.00     | 200.00          |
|                 |         |            |                      |      | 6026 - Redlands Pla...  | -300.00     | 300.00          |
| TOTAL           |         |            |                      |      |                         | -500.00     | 500.00          |

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|------------------------|--------------|-------------------|-------------------------------|------|-------------------------------|-------------|------------------|
| <b>Bill Pmt -Check</b> | <b>18685</b> | <b>09/10/2013</b> | <b>Corneille, Richard</b>     |      | <b>1012 - Citizens Bus...</b> |             | <b>-1,380.89</b> |
| Bill                   |              | 09/03/2013        |                               |      | 6401 - Directors' Fees        | -1,182.00   | 1,182.00         |
|                        |              |                   |                               |      | 6410 - Mileage                | -198.89     | 198.89           |
| TOTAL                  |              |                   |                               |      |                               | -1,380.89   | 1,380.89         |
| <b>Bill Pmt -Check</b> | <b>18686</b> | <b>09/10/2013</b> | <b>Cozad, Daniel B</b>        |      | <b>1012 - Citizens Bus...</b> |             | <b>-342.96</b>   |
| Bill                   |              | 09/03/2013        |                               |      | 6510 - Mileage                | -154.81     | 154.81           |
|                        |              |                   |                               |      | 6510 - Mileage                | -148.03     | 148.03           |
|                        |              |                   |                               |      | 6510 - Mileage                | -40.12      | 40.12            |
| TOTAL                  |              |                   |                               |      |                               | -342.96     | 342.96           |
| <b>Bill Pmt -Check</b> | <b>18687</b> | <b>09/10/2013</b> | <b>Day Lite Maintenan...</b>  |      | <b>1012 - Citizens Bus...</b> |             | <b>-144.00</b>   |
| Bill                   |              | 09/01/2013        |                               |      | 6026 - Redlands Pla...        | -144.00     | 144.00           |
| TOTAL                  |              |                   |                               |      |                               | -144.00     | 144.00           |
| <b>Bill Pmt -Check</b> | <b>18688</b> | <b>09/10/2013</b> | <b>Edison - 8812</b>          |      | <b>1012 - Citizens Bus...</b> |             | <b>-433.60</b>   |
| Bill                   |              | 08/28/2013        |                               |      | 5420 - Electricity            | -121.41     | 121.41           |
|                        |              |                   |                               |      | 5420 - Electricity            | -86.72      | 86.72            |
|                        |              |                   |                               |      | 5420 - Electricity            | -225.47     | 225.47           |
| TOTAL                  |              |                   |                               |      |                               | -433.60     | 433.60           |
| <b>Bill Pmt -Check</b> | <b>18689</b> | <b>09/10/2013</b> | <b>Edison -5552</b>           |      | <b>1012 - Citizens Bus...</b> |             | <b>-409.51</b>   |
| Bill                   |              | 09/07/2013        |                               |      | 5420 - Electricity            | -97.36      | 97.36            |
|                        |              |                   |                               |      | 5420 - Electricity            | -69.54      | 69.54            |
|                        |              |                   |                               |      | 5420 - Electricity            | -180.81     | 180.81           |
|                        |              |                   |                               |      | 5420 - Electricity            | -61.80      | 61.80            |
| TOTAL                  |              |                   |                               |      |                               | -409.51     | 409.51           |
| <b>Bill Pmt -Check</b> | <b>18690</b> | <b>09/10/2013</b> | <b>Home Depot</b>             |      | <b>1012 - Citizens Bus...</b> |             | <b>-507.78</b>   |
| Bill                   |              | 08/28/2013        |                               |      | 5210 - Equipment M...         | -20.46      | 20.46            |
|                        |              |                   |                               |      | 5215 - Property Mai...        | -487.32     | 487.32           |
| TOTAL                  |              |                   |                               |      |                               | -507.78     | 507.78           |
| <b>Bill Pmt -Check</b> | <b>18691</b> | <b>09/10/2013</b> | <b>Jerry Herbert Roofi...</b> |      | <b>1012 - Citizens Bus...</b> |             | <b>-400.00</b>   |
| Bill                   |              | 09/03/2013        |                               |      | 6026 - Redlands Pla...        | -400.00     | 400.00           |
| TOTAL                  |              |                   |                               |      |                               | -400.00     | 400.00           |
| <b>Bill Pmt -Check</b> | <b>18692</b> | <b>09/10/2013</b> | <b>Netsteller</b>             |      | <b>1012 - Citizens Bus...</b> |             | <b>-659.63</b>   |
| Bill                   |              | 09/01/2013        |                               |      | 5160 - IT Support             | -214.52     | 214.52           |
|                        |              |                   |                               |      | 5160 - IT Support             | -311.98     | 311.98           |
|                        |              |                   |                               |      | 5160 - IT Support             | -58.50      | 58.50            |
|                        |              |                   |                               |      | 6027 - Computer Su...         | -52.24      | 52.24            |
|                        |              |                   |                               |      | 6027 - Computer Su...         | -14.93      | 14.93            |
|                        |              |                   |                               |      | 6027 - Computer Su...         | -7.46       | 7.46             |
| TOTAL                  |              |                   |                               |      |                               | -659.63     | 659.63           |
| <b>Bill Pmt -Check</b> | <b>18693</b> | <b>09/10/2013</b> | <b>Redlands Chamber...</b>    |      | <b>1012 - Citizens Bus...</b> |             | <b>0.00</b>      |
| TOTAL                  |              |                   |                               |      |                               | 0.00        | 0.00             |
| <b>Bill Pmt -Check</b> | <b>18694</b> | <b>09/10/2013</b> | <b>Rutan &amp; Tucker</b>     |      | <b>1012 - Citizens Bus...</b> |             | <b>-4,320.00</b> |
| Bill                   |              | 08/27/2013        |                               |      | 5180 - Legal                  | -2,250.00   | 2,250.00         |
|                        |              |                   |                               |      | 5180 - Legal                  | -60.00      | 60.00            |
|                        |              |                   |                               |      | 5175 - Legal - Wash...        | -1,380.00   | 1,380.00         |
|                        |              |                   |                               |      | 5175 - Legal - Wash...        | -630.00     | 630.00           |
| TOTAL                  |              |                   |                               |      |                               | -4,320.00   | 4,320.00         |

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| <b>Bill Pmt -Check</b> | <b>18695</b> | <b>09/10/2013</b> | <b>Smart &amp; Final</b>     |      | <b>1012 - Citizens Bus...</b> |             | <b>-134.97</b>   |
| Bill                   |              | 09/01/2013        |                              |      | 6019 - Janitorial Su...       | -20.93      | 20.93            |
|                        |              |                   |                              |      | 6019 - Janitorial Su...       | -13.96      | 13.96            |
|                        |              |                   |                              |      | 6004 - Meeting Exp...         | -75.06      | 75.06            |
|                        |              |                   |                              |      | 6004 - Meeting Exp...         | -25.02      | 25.02            |
| TOTAL                  |              |                   |                              |      |                               | -134.97     | 134.97           |
| <b>Bill Pmt -Check</b> | <b>18696</b> | <b>09/10/2013</b> | <b>Star Auto Parts</b>       |      | <b>1012 - Citizens Bus...</b> |             | <b>-17.43</b>    |
| Bill                   |              | 08/19/2013        |                              |      | 5210 - Equipment M...         | -17.43      | 17.43            |
| TOTAL                  |              |                   |                              |      |                               | -17.43      | 17.43            |
| <b>Bill Pmt -Check</b> | <b>18697</b> | <b>09/10/2013</b> | <b>Verizon California...</b> |      | <b>1012 - Citizens Bus...</b> |             | <b>-290.71</b>   |
| Bill                   |              | 08/19/2013        |                              |      | 5470 - Internet Servi...      | -145.35     | 145.35           |
|                        |              |                   |                              |      | 5470 - Internet Servi...      | -87.21      | 87.21            |
|                        |              |                   |                              |      | 5470 - Internet Servi...      | -14.54      | 14.54            |
|                        |              |                   |                              |      | 5470 - Internet Servi...      | -43.61      | 43.61            |
| TOTAL                  |              |                   |                              |      |                               | -290.71     | 290.71           |
| <b>Bill Pmt -Check</b> | <b>18698</b> | <b>09/10/2013</b> | <b>Verizon California...</b> |      | <b>1012 - Citizens Bus...</b> |             | <b>-179.16</b>   |
| Bill                   |              | 08/22/2013        |                              |      | 5410 - Alarm Service          | -89.58      | 89.58            |
|                        |              |                   |                              |      | 5410 - Alarm Service          | -89.58      | 89.58            |
| TOTAL                  |              |                   |                              |      |                               | -179.16     | 179.16           |
| <b>Bill Pmt -Check</b> | <b>18699</b> | <b>09/24/2013</b> | <b>Aranda, Manuel</b>        |      | <b>1012 - Citizens Bus...</b> |             | <b>-1,731.69</b> |
| Bill                   |              | 09/23/2013        |                              |      | 6401 - Directors' Fees        | -1,379.00   | 1,379.00         |
|                        |              |                   |                              |      | 6410 - Mileage                | -290.00     | 290.00           |
|                        |              |                   |                              |      | 6425 - Meals                  | -62.69      | 62.69            |
| TOTAL                  |              |                   |                              |      |                               | -1,731.69   | 1,731.69         |
| <b>Bill Pmt -Check</b> | <b>18700</b> | <b>09/24/2013</b> | <b>Beach Boyz Auto S...</b>  |      | <b>1012 - Citizens Bus...</b> |             | <b>-295.08</b>   |
| Bill                   |              | 08/26/2013        |                              |      | 5310 - Vehicle Maint...       | -295.08     | 295.08           |
| TOTAL                  |              |                   |                              |      |                               | -295.08     | 295.08           |
| <b>Bill Pmt -Check</b> | <b>18701</b> | <b>09/24/2013</b> | <b>Big O Tire</b>            |      | <b>1012 - Citizens Bus...</b> |             | <b>-1,552.83</b> |
| Bill                   |              | 09/10/2013        |                              |      | 5310 - Vehicle Maint...       | -794.56     | 794.56           |
|                        |              |                   |                              |      | 5310 - Vehicle Maint...       | -758.27     | 758.27           |
| TOTAL                  |              |                   |                              |      |                               | -1,552.83   | 1,552.83         |
| <b>Bill Pmt -Check</b> | <b>18702</b> | <b>09/24/2013</b> | <b>Citizens Business ...</b> |      | <b>1012 - Citizens Bus...</b> |             | <b>-2,944.44</b> |
| Bill                   |              | 09/13/2013        |                              |      | 5210 - Equipment M...         | -36.20      | 36.20            |
|                        |              |                   |                              |      | 5215 - Property Mai...        | -10.80      | 10.80            |
|                        |              |                   |                              |      | 6004 - Meeting Exp...         | -44.42      | 44.42            |
|                        |              |                   |                              |      | 6004 - Meeting Exp...         | -14.81      | 14.81            |
|                        |              |                   |                              |      | 6039 - Postage and ...        | -20.36      | 20.36            |
|                        |              |                   |                              |      | 6039 - Postage and ...        | -9.25       | 9.25             |
|                        |              |                   |                              |      | 6039 - Postage and ...        | -3.70       | 3.70             |
|                        |              |                   |                              |      | 6039 - Postage and ...        | -3.70       | 3.70             |
|                        |              |                   |                              |      | 6051 - Uniforms               | -169.58     | 169.58           |
|                        |              |                   |                              |      | 6051 - Uniforms               | -254.38     | 254.38           |
|                        |              |                   |                              |      | 6430 - Lodging                | -422.68     | 422.68           |
|                        |              |                   |                              |      | 6435 - Conf/Semina...         | -150.00     | 150.00           |
|                        |              |                   |                              |      | 6530 - Lodging                | -76.35      | 76.35            |
|                        |              |                   |                              |      | 6530 - Lodging                | -286.33     | 286.33           |
|                        |              |                   |                              |      | 6530 - Lodging                | -19.09      | 19.09            |
|                        |              |                   |                              |      | 6515 - Air Fare               | -140.10     | 140.10           |
|                        |              |                   |                              |      | 6515 - Air Fare               | -37.36      | 37.36            |
|                        |              |                   |                              |      | 6515 - Air Fare               | -9.34       | 9.34             |
|                        |              |                   |                              |      | 7240 - Office Equip...        | -1,235.99   | 1,235.99         |
| TOTAL                  |              |                   |                              |      |                               | -2,944.44   | 2,944.44         |

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| <b>Bill Pmt -Check</b> | <b>18703</b> | <b>09/24/2013</b> | <b>Clear Views Windo...</b>  |      | <b>1012 - Citizens Bus...</b> |             | <b>-35.00</b>   |
| Bill                   |              | 09/11/2013        |                              |      | 6018 - Janitorial Ser...      | -35.00      | 35.00           |
| TOTAL                  |              |                   |                              |      |                               | -35.00      | 35.00           |
| <b>Bill Pmt -Check</b> | <b>18704</b> | <b>09/24/2013</b> | <b>Day, Clare Henry</b>      |      | <b>1012 - Citizens Bus...</b> |             | <b>-788.00</b>  |
| Bill                   |              | 09/23/2013        |                              |      | 6401 - Directors' Fees        | -788.00     | 788.00          |
| TOTAL                  |              |                   |                              |      |                               | -788.00     | 788.00          |
| <b>Bill Pmt -Check</b> | <b>18705</b> | <b>09/24/2013</b> | <b>Edison - 7241</b>         |      | <b>1012 - Citizens Bus...</b> |             | <b>-63.40</b>   |
| Bill                   |              | 09/10/2013        |                              |      | 5420 - Electricity            | -17.75      | 17.75           |
|                        |              |                   |                              |      | 5420 - Electricity            | -12.68      | 12.68           |
|                        |              |                   |                              |      | 5420 - Electricity            | -32.97      | 32.97           |
| TOTAL                  |              |                   |                              |      |                               | -63.40      | 63.40           |
| <b>Bill Pmt -Check</b> | <b>18706</b> | <b>09/24/2013</b> | <b>Edison - Redlands ...</b> |      | <b>1012 - Citizens Bus...</b> |             | <b>-223.68</b>  |
| Bill                   |              | 08/29/2013        |                              |      | 6026 - Redlands Pla...        | -223.68     | 223.68          |
| TOTAL                  |              |                   |                              |      |                               | -223.68     | 223.68          |
| <b>Bill Pmt -Check</b> | <b>18707</b> | <b>09/24/2013</b> | <b>Glaubig, Bob</b>          |      | <b>1012 - Citizens Bus...</b> |             | <b>-591.00</b>  |
| Bill                   |              | 09/16/2013        |                              |      | 6401 - Directors' Fees        | -591.00     | 591.00          |
| TOTAL                  |              |                   |                              |      |                               | -591.00     | 591.00          |
| <b>Bill Pmt -Check</b> | <b>18708</b> | <b>09/24/2013</b> | <b>Image Source</b>          |      | <b>1012 - Citizens Bus...</b> |             | <b>-452.94</b>  |
| Bill                   |              | 09/14/2013        |                              |      | 6033 - Office Equip...        | -339.71     | 339.71          |
|                        |              |                   |                              |      | 6033 - Office Equip...        | -22.65      | 22.65           |
|                        |              |                   |                              |      | 6033 - Office Equip...        | -67.94      | 67.94           |
|                        |              |                   |                              |      | 6033 - Office Equip...        | -22.64      | 22.64           |
| TOTAL                  |              |                   |                              |      |                               | -452.94     | 452.94          |
| <b>Bill Pmt -Check</b> | <b>18709</b> | <b>09/24/2013</b> | <b>J. R. Freeman</b>         |      | <b>1012 - Citizens Bus...</b> |             | <b>-205.38</b>  |
| Bill                   |              | 09/11/2013        |                              |      | 6030 - Office Supplies        | -164.30     | 164.30          |
|                        |              |                   |                              |      | 6030 - Office Supplies        | -10.27      | 10.27           |
|                        |              |                   |                              |      | 6030 - Office Supplies        | -20.54      | 20.54           |
|                        |              |                   |                              |      | 6030 - Office Supplies        | -10.27      | 10.27           |
| TOTAL                  |              |                   |                              |      |                               | -205.38     | 205.38          |
| <b>Bill Pmt -Check</b> | <b>18710</b> | <b>09/24/2013</b> | <b>Lowe's Companies...</b>   |      | <b>1012 - Citizens Bus...</b> |             | <b>-52.21</b>   |
| Bill                   |              | 08/25/2013        |                              |      | 5215 - Property Mai...        | -25.60      | 25.60           |
|                        |              |                   |                              |      | 6015 - Mentone Hou...         | -26.61      | 26.61           |
| TOTAL                  |              |                   |                              |      |                               | -52.21      | 52.21           |
| <b>Bill Pmt -Check</b> | <b>18711</b> | <b>09/24/2013</b> | <b>Raley, David</b>          |      | <b>1012 - Citizens Bus...</b> |             | <b>-985.00</b>  |
| Bill                   |              | 09/17/2013        |                              |      | 6401 - Directors' Fees        | -985.00     | 985.00          |
| TOTAL                  |              |                   |                              |      |                               | -985.00     | 985.00          |
| <b>Bill Pmt -Check</b> | <b>18712</b> | <b>09/24/2013</b> | <b>Rogers, Anderson,...</b>  |      | <b>1012 - Citizens Bus...</b> |             | <b>-420.00</b>  |
| Bill                   |              | 08/31/2013        |                              |      | 5170 - Audit                  | -42.00      | 42.00           |
|                        |              |                   |                              |      | 5170 - Audit                  | -235.20     | 235.20          |
|                        |              |                   |                              |      | 5170 - Audit                  | -63.00      | 63.00           |
|                        |              |                   |                              |      | 5170 - Audit                  | -79.80      | 79.80           |
| TOTAL                  |              |                   |                              |      |                               | -420.00     | 420.00          |

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| <b>Bill Pmt -Check</b> | <b>18713</b>   | <b>09/24/2013</b> | <b>Telecomm</b>                  |      | <b>1012 - Citizens Bus...</b> |             | <b>-200.00</b>   |
| Bill                   |                | 09/11/2013        |                                  |      | 5440 - Telephone              | -140.00     | 140.00           |
|                        |                |                   |                                  |      | 5440 - Telephone              | -60.00      | 60.00            |
| TOTAL                  |                |                   |                                  |      |                               | -200.00     | 200.00           |
| <b>Bill Pmt -Check</b> | <b>18714</b>   | <b>09/24/2013</b> | <b>Valero Marketing &amp;...</b> |      | <b>1012 - Citizens Bus...</b> |             | <b>-727.77</b>   |
| Bill                   |                | 08/29/2013        |                                  |      | 5320 - Fuel                   | -727.77     | 727.77           |
| TOTAL                  |                |                   |                                  |      |                               | -727.77     | 727.77           |
| <b>Bill Pmt -Check</b> | <b>18715</b>   | <b>09/24/2013</b> | <b>Verizon California -...</b>   |      | <b>1012 - Citizens Bus...</b> |             | <b>-517.15</b>   |
| Bill                   |                | 09/07/2013        |                                  |      | 5440 - Telephone              | -222.01     | 222.01           |
|                        |                |                   |                                  |      | 5440 - Telephone              | -95.14      | 95.14            |
|                        |                |                   |                                  |      | 5470 - Internet Servi...      | -140.00     | 140.00           |
|                        |                |                   |                                  |      | 5470 - Internet Servi...      | -60.00      | 60.00            |
| TOTAL                  |                |                   |                                  |      |                               | -517.15     | 517.15           |
| <b>Bill Pmt -Check</b> | <b>18716</b>   | <b>09/24/2013</b> | <b>Verizon California -...</b>   |      | <b>1012 - Citizens Bus...</b> |             | <b>-150.33</b>   |
| Bill                   |                | 09/13/2013        |                                  |      | 5440 - Telephone              | -70.24      | 70.24            |
|                        |                |                   |                                  |      | 5440 - Telephone              | -30.10      | 30.10            |
|                        |                |                   |                                  |      | 5470 - Internet Servi...      | -25.00      | 25.00            |
|                        |                |                   |                                  |      | 5470 - Internet Servi...      | -15.00      | 15.00            |
|                        |                |                   |                                  |      | 5470 - Internet Servi...      | -2.50       | 2.50             |
|                        |                |                   |                                  |      | 5470 - Internet Servi...      | -7.49       | 7.49             |
| TOTAL                  |                |                   |                                  |      |                               | -150.33     | 150.33           |
| <b>Bill Pmt -Check</b> | <b>18717</b>   | <b>09/25/2013</b> | <b>Guy Darrow</b>                |      | <b>1012 - Citizens Bus...</b> |             | <b>-3,480.00</b> |
| Bill                   |                | 09/24/2013        |                                  |      | 7230 - Field Equipm...        | -3,480.00   | 3,480.00         |
| TOTAL                  |                |                   |                                  |      |                               | -3,480.00   | 3,480.00         |
| <b>Check</b>           | <b>100065N</b> | <b>09/26/2013</b> | <b>PERS</b>                      |      | <b>1012 - Citizens Bus...</b> |             | <b>-4,584.95</b> |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -627.04     | 627.04           |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -2,090.14   | 2,090.14         |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -209.02     | 209.02           |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -1,254.08   | 1,254.08         |
|                        |                |                   |                                  |      | 2102 - Pers Retirem...        | -404.67     | 404.67           |
| TOTAL                  |                |                   |                                  |      |                               | -4,584.95   | 4,584.95         |
| <b>Check</b>           | <b>100066N</b> | <b>09/30/2013</b> | <b>PERS</b>                      |      | <b>1012 - Citizens Bus...</b> |             | <b>-4,584.95</b> |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -627.04     | 627.04           |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -2,090.14   | 2,090.14         |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -209.02     | 209.02           |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -1,254.08   | 1,254.08         |
|                        |                |                   |                                  |      | 2102 - Pers Retirem...        | -404.67     | 404.67           |
| TOTAL                  |                |                   |                                  |      |                               | -4,584.95   | 4,584.95         |
| <b>Check</b>           | <b>100067N</b> | <b>09/30/2013</b> | <b>PERS</b>                      |      | <b>1012 - Citizens Bus...</b> |             | <b>-4,584.95</b> |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -627.04     | 627.04           |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -2,090.14   | 2,090.14         |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -209.02     | 209.02           |
|                        |                |                   |                                  |      | 6170 - PERS Retire...         | -1,254.08   | 1,254.08         |
|                        |                |                   |                                  |      | 2102 - Pers Retirem...        | -404.67     | 404.67           |
| TOTAL                  |                |                   |                                  |      |                               | -4,584.95   | 4,584.95         |

# Top 5 Groundwater Producers

| Owner                        | Assessment #40 | Assessment #39 | Assessment #38 |
|------------------------------|----------------|----------------|----------------|
|                              | Jan-Jun 2013   | July-Dec 2012  | Jan-Jun 2012   |
| <b>1. City of Redlands</b>   | \$ 106,069.30  | \$ 118,912.58  | \$ 64,422.52   |
| <b>2. EVWD</b>               | \$ 102,712.19  | \$ 108,761.31  | \$ 82,556.08   |
| <b>3. City of Riverside</b>  | \$ 88,139.66   | \$ 90,212.73   | \$ 78,850.01   |
| <b>4. Meeks and Daley</b>    | \$ 41,769.27   | \$ 33,502.06   | \$ 40,662.15   |
| <b>5. City of Loma Linda</b> | \$ 28,359.46   | \$ 35,376.92   | \$ 19,722.61   |

## Groundwater Reporting Investigation List 2013

Verify Well Owners and if wells are still operational

**AS OF 10/3/2013**

| Last Known Owner                  | Well Code | State Well No | Recordation No. | Local Name       |             |
|-----------------------------------|-----------|---------------|-----------------|------------------|-------------|
| Cram Patterson Well Co.           | 50        | 1S2W16C       | 3600188         | Cram-Patterson 2 |             |
|                                   | 51        | 1S2W16C       | 3602003         | Solano 3         |             |
| Eastwood Farms or possibly EVWD   | 508       | 1S4W01P01S    | 3602130         |                  |             |
| Greenspot Mutual Well Co          | 52        | 1S2W16C01S    | 3600266         | Greenspot Mutual |             |
| Langford Ranches/Redlands Farming | 92        | 1S3W17L01S    | 3600524         | Nevada St.       |             |
| Laranni Gunter Well               | 298       | 1S3W32G01S    | 3600160         | Gunter           |             |
| Previously Lucky Farms            | 100       | 1S3W19G       | 3600418         | Lugonia          |             |
|                                   | 246       | 1S3W19A01S    | 3603554         | California St.   |             |
| San Bernardino Avenue Water Co.   | 82        | 1S3W14P       | 3600125         | 1                | *see below  |
| Tennessee Water Company           | 363       | 1S3W16L       | 3600474         | 1                | **see below |
| Trojan Groves                     | 86        | 1S3W15M       | 3600451         |                  |             |

\*Per Ron Arnott, has been non operational for years. Verify if destroyed or abandoned.

\*\*This well has recorded zero usage or not filed at all. Per Steve Mains, in 2009, used 303 a/ft

### Contacted Unpaid Producers

|                                     | Recordation No. | Notes   |
|-------------------------------------|-----------------|---|
| General American Life Insurance Co. | 3601352         | 9/23/13 Contact Velia stated payment should be sent out soon    |
| Mentone Citrus Groves               | 3602280         | 9/06/13 Contact Chuck Hills stated wasn't sure how to calculate |
|                                     | 3600139         | usage. Sent information to help. Have not heard back.           |
| San Bernardino County               | 990003          | 9/05/13 Contact David Lovell stated he will send all past due   |
|                                     | 3601130         | statements. Only able to send payment if amount exceeds \$25.   |

### Miscellaneous

|             | Recordation No. | Notes   |
|-------------|-----------------|---|
| AHD Limited | 3601632         | see if we can verify usage-reported zero but stated in Jan 2013 is planning on using in near future |



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.dst.ca.us](mailto:info@sbvwcd.dst.ca.us)  
[www.sbvwcd.dst.ca.us](http://www.sbvwcd.dst.ca.us)

Memorandum No. 1210

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: October 9, 2013**

**Subject: Unaudited Financial Reports for September 2013**

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## **RECOMMENDATION**

Review, discuss and approve the unaudited financials for September 2013.

## **BACKGROUND**

The financials are attached for the Board review and approval. Staff is working on enterprise changes to support the Wash Plan by addition of a separate Enterprise. When complete all revenue and expenses for the Wash Plan will be in the separate enterprise. We expect to complete this work in the next two weeks and have it complete for the Draft Budget Amendment.

## **FISCAL IMPACT**

None.

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BOARD  
OF  
DIRECTORS

Richard W. Corneille  
Clare Henry Day

Bob Glaubig  
John Longville

David E. Raley  
Melody McDonald  
Manuel Aranda, Jr.

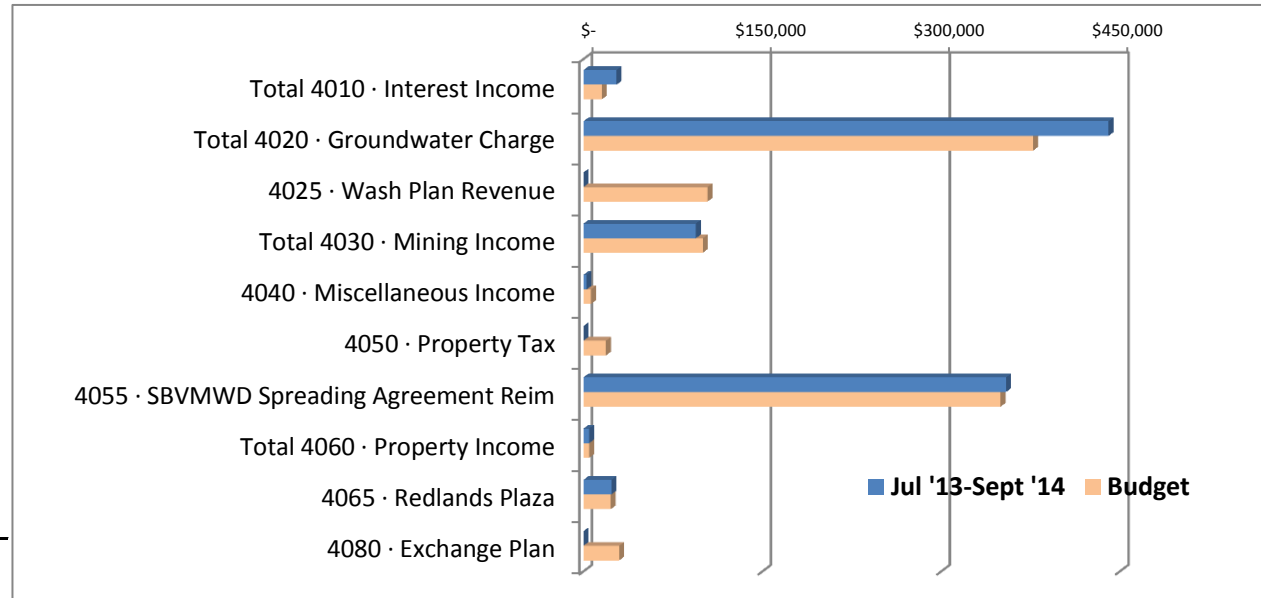
GENERAL  
MANAGER

Daniel B. Cozad

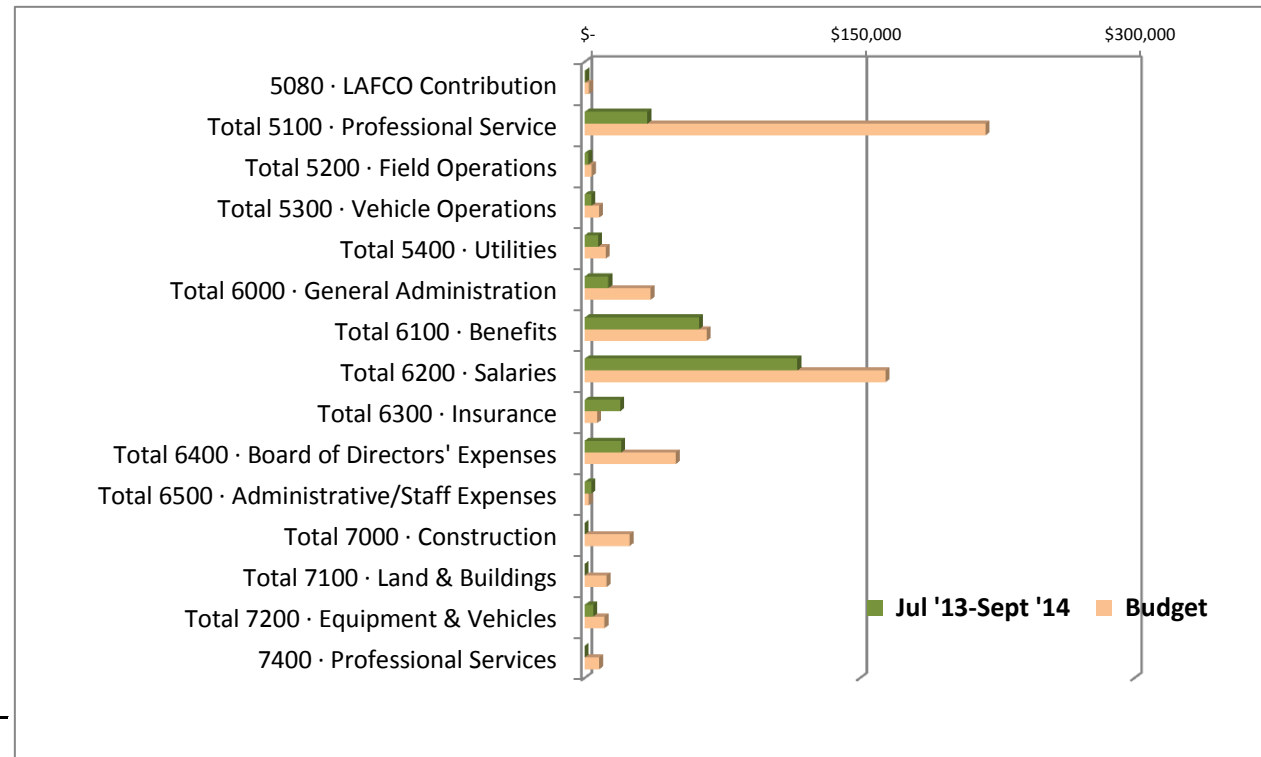
**SBVWCD - All Enterprises Budget and Actual**

**September 2013**

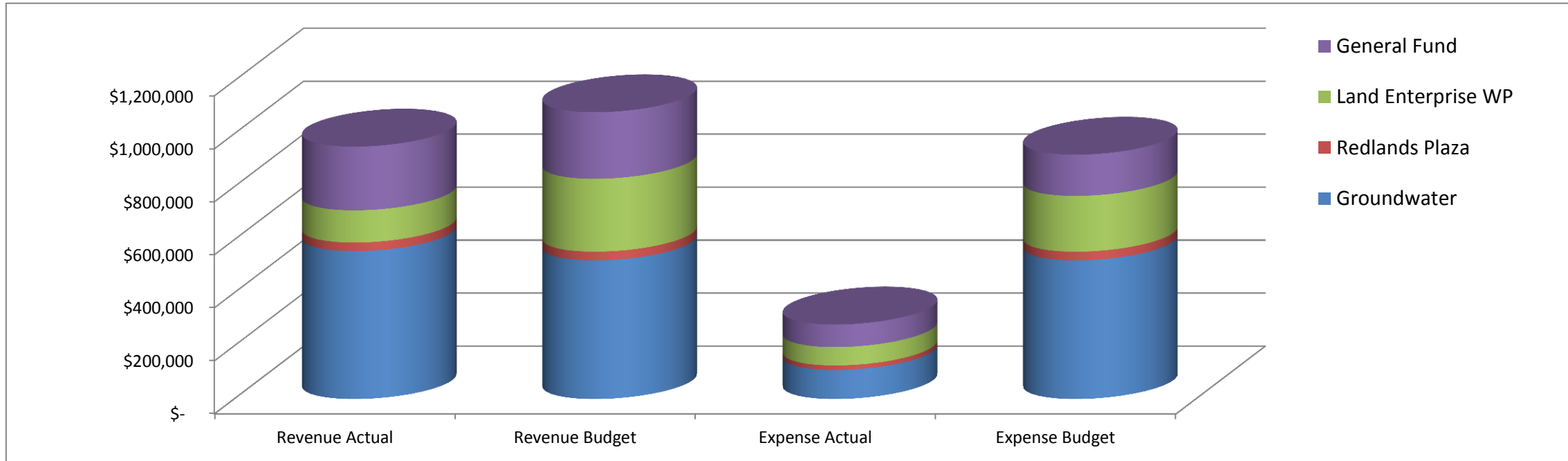
| <b>REVENUE</b>                         | <b>Jul '13-Sept '14</b> | <b>Budget</b>       |
|--|-------------------------|---------------------|
| Total 4010 · Interest Income           | \$ 27,754               | \$ 15,500           |
| Total 4020 · Groundwater Charge        | \$ 440,610              | \$ 377,373          |
| 4025 · Wash Plan Revenue               | \$ -                    | \$ 103,950          |
| Total 4030 · Mining Income             | \$ 94,206               | \$ 99,958           |
| 4040 · Miscellaneous Income            | \$ 2,649                | \$ 6,250            |
| 4050 · Property Tax                    | \$ 117                  | \$ 19,000           |
| 4055 · SBVMWD Spreading Agreement Reim | \$ 354,550              | \$ 350,000          |
| Total 4060 · Property Income           | \$ 4,725                | \$ 4,725            |
| 4065 · Redlands Plaza                  | \$ 23,373               | \$ 22,971           |
| 4080 · Exchange Plan                   | \$ -                    | \$ 30,000           |
| <b>Total Revenue without Wash Plan</b> | <b>\$ 947,985</b>       | <b>\$ 1,029,727</b> |



| <b>EXPENSES Operating and Capital</b>      | <b>Jul '13-Sept '14</b> | <b>Budget</b>     |
|--|-------------------------|-------------------|
| 5080 · LAFCO Contribution                  | \$ 327                  | \$ 2,336          |
| Total 5100 · Professional Service          | \$ 34,208               | \$ 218,584        |
| Total 5200 · Field Operations              | \$ 1,873                | \$ 3,877          |
| Total 5300 · Vehicle Operations            | \$ 3,691                | \$ 7,875          |
| Total 5400 · Utilities                     | \$ 7,166                | \$ 11,471         |
| Total 6000 · General Administration        | \$ 12,817               | \$ 35,844         |
| Total 6100 · Benefits                      | \$ 62,263               | \$ 66,353         |
| Total 6200 · Salaries                      | \$ 115,925              | \$ 163,975        |
| Total 6300 · Insurance                     | \$ 19,209               | \$ 6,762          |
| Total 6400 · Board of Directors' Expenses  | \$ 19,904               | \$ 49,568         |
| Total 6500 · Administrative/Staff Expenses | \$ 3,662                | \$ 2,308          |
| Total 7000 · Construction                  | \$ -                    | \$ 24,375         |
| Total 7100 · Land & Buildings              | \$ -                    | \$ 11,811         |
| Total 7200 · Equipment & Vehicles          | \$ 4,716                | \$ 10,750         |
| 7400 · Professional Services               | \$ -                    | \$ 7,938          |
| <b>Total Expense without Wash Plan</b>     | <b>\$ 285,761</b>       | <b>\$ 623,827</b> |



# Enterprises



| Enterprise                            | Actual     | Budget     | % of Budget |
|---------------------------------------|------------|------------|-------------|
| Groundwater Revenue                   | \$ 557,765 | \$ 522,873 | 107%        |
| Groundwater Expense                   | \$ 109,635 | \$ 177,240 | 62%         |
| Revenue -Expense                      | \$ 448,130 | \$ 345,633 |             |
| Redlands Plaza Revenue                | \$ 32,284  | \$ 32,697  | 99%         |
| Redlands Plaza Expense                | \$ 16,939  | \$ 32,544  | 52%         |
| Revenue -Expense                      | \$ 15,344  | \$ 153     |             |
| Land Enterprise and Wash Plan Revenue | \$ 121,484 | \$ 275,096 | 44%         |
| Land Enterprise and Wash Plan Expense | \$ 69,265  | \$ 210,668 | 33%         |
| Revenue -Expense                      | \$ 52,219  | \$ 64,427  |             |
| General Fund Revenue                  | \$ 240,638 | \$ 251,325 | 96%         |
| General Fund Expense                  | \$ 85,206  | \$ 155,657 | 55%         |
| Revenue -Expense                      | \$ 155,432 | \$ 95,668  |             |
| Total All Revenue - Expense           | \$ 671,125 | \$ 505,882 |             |

| Cash Status    | As of 7/1/2013         | As of 9/30/2013        |
|----------------|------------------------|------------------------|
| LAIF           | \$ 444,140.23          | \$ 444,409.91          |
| Cal Trust      | \$ 6,041,653.21        | \$ 6,819,437.62        |
| Citizens Bank  | \$ 992,497.69          | \$ 938,291.34          |
| *total         | \$ 6,193,926.82        | \$ 7,494,726.58        |
| Less Cal Trust | \$ (5,000,000.00)      | \$ (5,000,000.00)      |
| <b>Total</b>   | <b>\$ 1,193,926.82</b> | <b>\$ 2,494,726.58</b> |
|                | Increase of            | \$ 1,300,799.76        |

San Bernardino Valley Water Conservation District  
 Profit & Loss To Date vs. Annual Budget

|  | <u>Jul '13 - Jun 14</u> | <u>Budget</u>       | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|-------------------------|---------------------|-----------------------|--------------------|
| <b>Ordinary Income/Expense</b>         |                         |                     |                       |                    |
| <b>Income</b>                          |                         |                     |                       |                    |
| <b>4010 - Interest Income</b>          |                         |                     |                       |                    |
| 4012 - LAIF                            | -30.32                  | 2,000.00            | -2,030.32             | -1.52%             |
| 4013 - Caltrust Investment Income      | 27,784.41               | 60,000.00           | -32,215.59            | 46.31%             |
| 4010 - Interest Income - Other         | 0.00                    | 0.00                | 0.00                  | 0.0%               |
| <b>Total 4010 - Interest Income</b>    | <u>27,754.09</u>        | <u>62,000.00</u>    | <u>-34,245.91</u>     | <u>44.77%</u>      |
| <b>4020 - Groundwater Charge</b>       |                         |                     |                       |                    |
| 4021 - Assessments - Ag                | 23,383.77               | 38,465.00           | -15,081.23            | 60.79%             |
| 4023 - Assessments - Non-Ag            | 417,790.33              | 716,280.00          | -298,489.67           | 58.33%             |
| <b>Total 4020 - Groundwater Charge</b> | <u>441,174.10</u>       | <u>754,745.00</u>   | <u>-313,570.90</u>    | <u>58.45%</u>      |
| 4025 - Wash Plan Revenue               | 275,000.00              | 415,800.00          | -140,800.00           | 66.14%             |
| <b>4030 - Mining Income</b>            |                         |                     |                       |                    |
| 4031 - Plant Site - CEMEX              | 12,000.00               | 48,000.00           | -36,000.00            | 25.0%              |
| 4032 - Cemex - Royalty / Lease         | 62,499.99               | 308,333.33          | -245,833.34           | 20.27%             |
| 4034 - Redlands Aggregate 5% Royalty   | 9,000.00                | 36,000.00           | -27,000.00            | 25.0%              |
| 4036 - Aggregate Maintenance           | 6,583.30                | 23,500.00           | -16,916.70            | 28.01%             |
| 4030 - Mining Income - Other           | 4,122.43                |                     |                       |                    |
| <b>Total 4030 - Mining Income</b>      | <u>94,205.72</u>        | <u>415,833.33</u>   | <u>-321,627.61</u>    | <u>22.66%</u>      |
| 4040 - Miscellaneous Income            | 2,649.03                | 25,000.00           | -22,350.97            | 10.6%              |
| 4050 - Property Tax                    | 117.46                  | 76,000.00           | -75,882.54            | 0.16%              |
| 4055 - SBVMWD Spreading Agreement Reim | 354,550.00              | 350,000.00          | 4,550.00              | 101.3%             |
| <b>4060 - Property Income</b>          |                         |                     |                       |                    |
| 4062 - Mentone Property                | 6,300.00                | 18,900.00           | -12,600.00            | 33.33%             |
| <b>Total 4060 - Property Income</b>    | <u>6,300.00</u>         | <u>18,900.00</u>    | <u>-12,600.00</u>     | <u>33.33%</u>      |
| 4065 - Redlands Plaza                  | 25,569.48               | 91,883.56           | -66,314.08            | 27.83%             |
| 4066 - Redlands Plaza CAM              | 4,630.51                | 20,000.00           | -15,369.49            | 23.15%             |
| 4080 - Exchange Plan                   | 0.00                    | 30,000.00           | -30,000.00            | 0.0%               |
| 4086 - Plunge Creek IRWMP              | 0.00                    | 189,050.00          | -189,050.00           | 0.0%               |
| <b>Total Income</b>                    | <u>1,231,950.39</u>     | <u>2,449,211.89</u> | <u>-1,217,261.50</u>  | <u>50.3%</u>       |
| <b>Gross Profit</b>                    | 1,231,950.39            | 2,449,211.89        | -1,217,261.50         | 50.3%              |
| <b>Expense</b>                         |                         |                     |                       |                    |
| <b>5050 - Regional Programs</b>        |                         |                     |                       |                    |
| 5080 - LAFCO Contribution              | 327.07                  | 9,345.83            | -9,018.76             | 3.5%               |
| 5082 - Plunge Creek                    | 0.00                    | 8,617.03            | -8,617.03             | 0.0%               |
| <b>Total 5050 - Regional Programs</b>  | <u>327.07</u>           | <u>17,962.86</u>    | <u>-17,635.79</u>     | <u>1.82%</u>       |
| <b>5100 - Professional Service</b>     |                         |                     |                       |                    |
| 5120 - Misc. Professional Services     | 46.00                   | 120,000.00          | -119,954.00           | 0.04%              |
| 5122 - Wash Plan Professional Services | 5,738.56                | 127,000.00          | -121,261.44           | 4.52%              |
| 5124 - Plunge Creek Prof Services      | 0.00                    | 179,510.00          | -179,510.00           | 0.0%               |
| 5125 - Engineering Services            | 0.00                    | 15,000.00           | -15,000.00            | 0.0%               |

San Bernardino Valley Water Conservation District  
 Profit & Loss To Date vs. Annual Budget

|  | <u>Jul '13 - Jun 14</u> | <u>Budget</u>     | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|-------------------------|-------------------|-----------------------|--------------------|
| 5130 - Aerial Photography & Surveying    | 0.00                    | 1,000.00          | -1,000.00             | 0.0%               |
| 5145 - Environmental Services (WP)       | 0.00                    | 213,000.00        | -213,000.00           | 0.0%               |
| 5160 - IT Support                        | 1,035.00                | 7,500.00          | -6,465.00             | 13.8%              |
| 5170 - Audit                             | 13,590.00               | 19,000.00         | -5,410.00             | 71.53%             |
| 5175 - Legal - Wash Plan                 | 4,020.70                | 42,000.00         | -37,979.30            | 9.57%              |
| 5180 - Legal                             | 10,227.77               | 120,000.00        | -109,772.23           | 8.52%              |
| <b>Total 5100 - Professional Service</b> | <b>34,658.03</b>        | <b>844,010.00</b> | <b>-809,351.97</b>    | <b>4.11%</b>       |
| 5123 - Temp. Field Labor                 | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| 5175.01 - Legal Expense                  | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| 5200 - Field Operations                  |                         |                   |                       |                    |
| 5210 - Equipment Maintenance             | 269.64                  | 8,000.00          | -7,730.36             | 3.37%              |
| 5215 - Property Maintenance              | 1,602.88                | 7,500.00          | -5,897.12             | 21.37%             |
| <b>Total 5200 - Field Operations</b>     | <b>1,872.52</b>         | <b>15,500.00</b>  | <b>-13,627.48</b>     | <b>12.08%</b>      |
| 5300 - Vehicle Operations                |                         |                   |                       |                    |
| 5310 - Vehicle Maintenance               | 2,340.91                | 15,000.00         | -12,659.09            | 15.61%             |
| 5320 - Fuel                              | 1,349.91                | 16,500.00         | -15,150.09            | 8.18%              |
| <b>Total 5300 - Vehicle Operations</b>   | <b>3,690.82</b>         | <b>31,500.00</b>  | <b>-27,809.18</b>     | <b>11.72%</b>      |
| 5400 - Utilities                         |                         |                   |                       |                    |
| 5410 - Alarm Service                     | 697.94                  | 3,000.00          | -2,302.06             | 23.27%             |
| 5420 - Electricity                       | 2,807.55                | 14,000.00         | -11,192.45            | 20.05%             |
| 5430 - Mobile Phone                      | 367.50                  | 1,000.00          | -632.50               | 36.75%             |
| 5440 - Telephone                         | 1,387.79                | 7,400.00          | -6,012.21             | 18.75%             |
| 5450 - Natural Gas                       | 8.22                    | 1,500.00          | -1,491.78             | 0.55%              |
| 5460 - Water / Trash / Sewer             | 275.22                  | 11,660.00         | -11,384.78            | 2.36%              |
| 5470 - Internet Services                 | 1,622.25                | 7,500.00          | -5,877.75             | 21.63%             |
| <b>Total 5400 - Utilities</b>            | <b>7,166.47</b>         | <b>46,060.00</b>  | <b>-38,893.53</b>     | <b>15.56%</b>      |
| 6000 - General Administration            |                         |                   |                       |                    |
| 6001 - General Administration - Other    | 123.69                  | 7,500.00          | -7,376.31             | 1.65%              |
| 6002 - Website Administration            | 172.50                  | 3,100.00          | -2,927.50             | 5.57%              |
| 6003 - Property Tax                      | 0.00                    | 2,170.00          | -2,170.00             | 0.0%               |
| 6004 - Meeting Expenses                  |                         |                   |                       |                    |
| 6004.01 - Wash Plan Meeting expense      | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| 6004 - Meeting Expenses - Other          | 148.45                  | 5,200.00          | -5,051.55             | 2.86%              |
| <b>Total 6004 - Meeting Expenses</b>     | <b>148.45</b>           | <b>5,200.00</b>   | <b>-5,051.55</b>      | <b>2.86%</b>       |
| 6006 - Permits                           | 0.00                    | 1,648.00          | -1,648.00             | 0.0%               |
| 6007 - Inter District Costs              | 0.00                    | 10,000.00         | -10,000.00            | 0.0%               |
| 6009 - Licenses                          | 0.00                    | 1,300.00          | -1,300.00             | 0.0%               |
| 6010 - Surety Bond                       | 0.00                    | 2,000.00          | -2,000.00             | 0.0%               |
| 6012 - Office Maintenance                | 0.00                    | 3,000.00          | -3,000.00             | 0.0%               |
| 6015 - Mentone House Maintenance         | 266.61                  | 3,050.00          | -2,783.39             | 8.74%              |
| 6016 - Redlands Plaza Maintenance        | 200.00                  | 14,000.00         | -13,800.00            | 1.43%              |
| 6018 - Janitorial Services               | 2,577.00                | 8,343.00          | -5,766.00             | 30.89%             |
| 6019 - Janitorial Supplies               | 34.89                   | 315.00            | -280.11               | 11.08%             |

San Bernardino Valley Water Conservation District  
 Profit & Loss To Date vs. Annual Budget

|   | <u>Jul '13 - Jun 14</u> | <u>Budget</u>     | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|-------------------------|-------------------|-----------------------|--------------------|
| <b>6020 - Vacancy Marketing-Redlands Plaz</b> | 0.00                    | 5,817.00          | -5,817.00             | 0.0%               |
| <b>6024 - Computer Equip Maint.</b>           | 0.00                    | 200.00            | -200.00               | 0.0%               |
| <b>6026 - Redlands Plaza CAM expenses</b>     | 4,266.87                | 25,000.00         | -20,733.13            | 17.07%             |
| <b>6027 - Computer Supplies</b>               | 74.63                   | 650.00            | -575.37               | 11.48%             |
| <b>6030 - Office Supplies</b>                 | 1,250.67                | 3,675.00          | -2,424.33             | 34.03%             |
| <b>6032 - Small Office Equipment</b>          | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| <b>6033 - Office Equipment Rental</b>         | 1,301.52                | 8,240.00          | -6,938.48             | 15.8%              |
| <b>6036 - Printing</b>                        | 194.40                  | 1,000.00          | -805.60               | 19.44%             |
| <b>6039 - Postage and Overnight Delivery</b>  | 320.01                  | 1,600.00          | -1,279.99             | 20.0%              |
| <b>6042 - Payroll Processing</b>              | 528.40                  | 1,500.00          | -971.60               | 35.23%             |
| <b>6045 - Bank Service Charges</b>            | 215.78                  | 3,000.00          | -2,784.22             | 7.19%              |
| <b>6051 - Uniforms</b>                        | 423.96                  | 1,450.00          | -1,026.04             | 29.24%             |
| <b>6060 - Outreach</b>                        | 105.59                  | 5,000.00          | -4,894.41             | 2.11%              |
| <b>6087 - Educational Reimbursement</b>       | 1,135.00                | 2,000.00          | -865.00               | 56.75%             |
| <b>6090 - Subscriptions/Publications</b>      | 29.95                   | 1,500.00          | -1,470.05             | 2.0%               |
| <b>6091 - Public Notices</b>                  | 0.00                    | 2,000.00          | -2,000.00             | 0.0%               |
| <b>6093 - Memberships</b>                     | 65.00                   | 20,000.00         | -19,935.00            | 0.33%              |
| <b>Total 6000 - General Administration</b>    | <u>13,434.92</u>        | <u>144,258.00</u> | <u>-130,823.08</u>    | <u>9.31%</u>       |
| <b>6046 - Interest expense</b>                | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| <b>6100 - Benefits</b>                        |                         |                   |                       |                    |
| <b>6110 - Vision Insurance</b>                | 425.61                  | 1,612.80          | -1,187.19             | 26.39%             |
| <b>6115 - Maint/Rep. Rolling Maint. Equip</b> | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| <b>6120 - Workers' Comp. Insurance</b>        | 3,674.00                | 18,072.09         | -14,398.09            | 20.33%             |
| <b>6130 - Dental Insurance</b>                | 2,028.69                | 6,462.00          | -4,433.31             | 31.39%             |
| <b>6140 - State Unemployment Insurance</b>    | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| <b>6150 - Medical Insurance</b>               | 20,416.69               | 74,962.51         | -54,545.82            | 27.24%             |
| <b>6160 - Payroll Taxes-Employer</b>          | 8,689.15                | 45,521.63         | -36,832.48            | 19.09%             |
| <b>6170 - PERS Retirement</b>                 | 27,028.45               | 118,780.01        | -91,751.56            | 22.76%             |
| <b>6100 - Benefits - Other</b>                | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| <b>Total 6100 - Benefits</b>                  | <u>62,262.59</u>        | <u>265,411.04</u> | <u>-203,148.45</u>    | <u>23.46%</u>      |
| <b>6200 - Salaries</b>                        |                         |                   |                       |                    |
| <b>6230 - Regular Salaries</b>                | 115,925.36              | 655,900.87        | -539,975.51           | 17.67%             |
| <b>6231 - Salary Overhead Charge</b>          | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| <b>Total 6200 - Salaries</b>                  | <u>115,925.36</u>       | <u>655,900.87</u> | <u>-539,975.51</u>    | <u>17.67%</u>      |
| <b>6250 - Allocated Overhead</b>              | 0.00                    | 0.00              | 0.00                  | 0.0%               |
| <b>6300 - Insurance</b>                       |                         |                   |                       |                    |
| <b>6310 - Property/ Auto Insurance</b>        | 0.00                    | 6,924.00          | -6,924.00             | 0.0%               |
| <b>6320 - General Liability Insurance</b>     | 19,209.30               | 20,124.00         | -914.70               | 95.46%             |
| <b>Total 6300 - Insurance</b>                 | <u>19,209.30</u>        | <u>27,048.00</u>  | <u>-7,838.70</u>      | <u>71.02%</u>      |
| <b>6400 - Board of Directors' Expenses</b>    |                         |                   |                       |                    |
| <b>6401 - Directors' Fees</b>                 | 16,351.00               | 79,000.00         | -62,649.00            | 20.7%              |
| <b>6410 - Mileage</b>                         | 1,007.80                | 3,000.00          | -1,992.20             | 33.59%             |
| <b>6415 - Air Fare</b>                        | 449.30                  | 4,750.00          | -4,300.70             | 9.46%              |
| <b>6420 - Other Travel</b>                    | 45.50                   | 500.00            | -454.50               | 9.1%               |

San Bernardino Valley Water Conservation District  
 Profit & Loss To Date vs. Annual Budget

|   | <u>Jul '13 - Jun 14</u> | <u>Budget</u>       | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|-------------------------|---------------------|-----------------------|--------------------|
| 6425 - Meals                                      | 312.82                  | 2,930.37            | -2,617.55             | 10.68%             |
| 6430 - Lodging                                    | 422.68                  | 3,500.00            | -3,077.32             | 12.08%             |
| 6435 - Conf/Seminar Registrations                 | 1,315.00                | 4,590.00            | -3,275.00             | 28.65%             |
| 6440 - Election Fees / Re-Districting             | 0.00                    | 100,000.00          | -100,000.00           | 0.0%               |
| <b>Total 6400 - Board of Directors' Expenses</b>  | <b>19,904.10</b>        | <b>198,270.37</b>   | <b>-178,366.27</b>    | <b>10.04%</b>      |
| <b>6500 - Administrative/Staff Expenses</b>       |                         |                     |                       |                    |
| 6505 - Mtg. Support Expense (food, bev)           | 0.00                    | 0.00                | 0.00                  | 0.0%               |
| 6510 - Mileage                                    | 668.18                  | 1,900.00            | -1,231.82             | 35.17%             |
| 6515 - Air Fare                                   | 186.80                  | 1,500.00            | -1,313.20             | 12.45%             |
| 6520 - Travel, Other (rental car, taxi)           | 331.82                  | 500.00              | -168.18               | 66.36%             |
| 6525 - Meals                                      | 124.82                  | 1,500.00            | -1,375.18             | 8.32%              |
| 6530 - Lodging                                    | 1,064.25                | 1,200.00            | -135.75               | 88.69%             |
| 6535 - Conf/Seminar Registrations                 | 1,286.00                | 2,631.32            | -1,345.32             | 48.87%             |
| <b>Total 6500 - Administrative/Staff Expenses</b> | <b>3,661.87</b>         | <b>9,231.32</b>     | <b>-5,569.45</b>      | <b>39.67%</b>      |
| 6700 - Depreciation Expense                       | 0.00                    | 0.00                | 0.00                  | 0.0%               |
| 8010 - Capital Reserve GWE/Rate Stabil            | 0.00                    | 20,000.00           | -20,000.00            | 0.0%               |
| <b>Total Expense</b>                              | <b>282,113.05</b>       | <b>2,275,152.46</b> | <b>-1,993,039.41</b>  | <b>12.4%</b>       |
| <b>Net Ordinary Income</b>                        | <b>949,837.34</b>       | <b>174,059.43</b>   | <b>775,777.91</b>     | <b>545.7%</b>      |
| <b>Other Income/Expense</b>                       |                         |                     |                       |                    |
| <b>Other Expense</b>                              |                         |                     |                       |                    |
| <b>7000 - Construction</b>                        |                         |                     |                       |                    |
| 7010 - Materials                                  | 0.00                    | 7,500.00            | -7,500.00             | 0.0%               |
| 7050 - Basins- Capital Annual Repair              | 0.00                    | 60,000.00           | -60,000.00            | 0.0%               |
| 7055 - Plunge Creek Expansion                     | 0.00                    | 30,000.00           | -30,000.00            | 0.0%               |
| <b>Total 7000 - Construction</b>                  | <b>0.00</b>             | <b>97,500.00</b>    | <b>-97,500.00</b>     | <b>0.0%</b>        |
| <b>7100 - Land &amp; Buildings</b>                |                         |                     |                       |                    |
| 7110 - Property Capital Repairs                   | 0.00                    | 30,000.00           | -30,000.00            | 0.0%               |
| 7130 - Mentone Property (House)-CapRep            | 0.00                    | 1,746.00            | -1,746.00             | 0.0%               |
| 7140 - Mentone Property (Shop)-CapRep             | 0.00                    | 15,500.00           | -15,500.00            | 0.0%               |
| <b>Total 7100 - Land &amp; Buildings</b>          | <b>0.00</b>             | <b>47,246.00</b>    | <b>-47,246.00</b>     | <b>0.0%</b>        |
| <b>7200 - Equipment &amp; Vehicles</b>            |                         |                     |                       |                    |
| 7210 - Computer Hardware-Capital Purch            | 0.00                    | 4,500.00            | -4,500.00             | 0.0%               |
| 7220 - Computer Software                          | 0.00                    | 3,500.00            | -3,500.00             | 0.0%               |
| 7230 - Field Equipment / Vehicles                 | 3,480.00                | 35,000.00           | -31,520.00            | 9.94%              |
| 7240 - Office Equipment                           | 1,235.99                | 0.00                | 1,235.99              | 100.0%             |
| <b>Total 7200 - Equipment &amp; Vehicles</b>      | <b>4,715.99</b>         | <b>43,000.00</b>    | <b>-38,284.01</b>     | <b>10.97%</b>      |
| <b>7400 - Professional Services Capital</b>       |                         |                     |                       |                    |
| 7438 - Engineering Services-Other                 | 0.00                    | 31,750.00           | -31,750.00            | 0.0%               |
| <b>Total 7400 - Professional Services Capital</b> | <b>0.00</b>             | <b>31,750.00</b>    | <b>-31,750.00</b>     | <b>0.0%</b>        |
| <b>Total Other Expense</b>                        | <b>4,715.99</b>         | <b>219,496.00</b>   | <b>-214,780.01</b>    | <b>2.15%</b>       |

San Bernardino Valley Water Conservation District  
Profit & Loss To Date vs. Annual Budget

|                  | <u>Jul '13 - Jun 14</u>  | <u>Budget</u>            | <u>\$ Over Budget</u>    | <u>% of Budget</u>       |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Net Other Income | <u>-4,715.99</u>         | <u>-219,496.00</u>       | <u>214,780.01</u>        | <u>2.15%</u>             |
| Net Income       | <u><u>945,121.35</u></u> | <u><u>-45,436.57</u></u> | <u><u>990,557.92</u></u> | <u><u>-2,080.09%</u></u> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | 1-Groundwater Ent. |            |                |             |
|--|--------------------|------------|----------------|-------------|
|  | Jul - Sep 13       | Budget     | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>           |                    |            |                |             |
| <b>Income</b>                            |                    |            |                |             |
| <b>4010 - Interest Income</b>            |                    |            |                |             |
| 4012 - LAIF                              | 0.00               |            |                |             |
| 4013 - Caltrust Investment Income        | 0.00               |            |                |             |
| 4010 - Interest Income - Other           | 0.00               | 0.00       | 0.00           | 0.0%        |
| <b>Total 4010 - Interest Income</b>      | 0.00               | 0.00       | 0.00           | 0.0%        |
| <b>4020 - Groundwater Charge</b>         |                    |            |                |             |
| 4021 - Assessments - Ag                  | 23,357.64          | 19,232.50  | 4,125.14       | 121.4%      |
| 4023 - Assessments - Non-Ag              | 417,252.81         | 358,140.00 | 59,112.81      | 116.5%      |
| <b>Total 4020 - Groundwater Charge</b>   | 440,610.45         | 377,372.50 | 63,237.95      | 116.8%      |
| 4025 - Wash Plan Revenue                 | 0.00               |            |                |             |
| <b>4030 - Mining Income</b>              |                    |            |                |             |
| 4031 - Plant Site - CEMEX                | 0.00               |            |                |             |
| 4032 - Cemex - Royalty / Lease           | 0.00               |            |                |             |
| 4034 - Redlands Aggregate 5% Royalty     | 0.00               |            |                |             |
| 4036 - Aggregate Maintenance             | 0.00               |            |                |             |
| 4030 - Mining Income - Other             | 0.00               |            |                |             |
| <b>Total 4030 - Mining Income</b>        | 0.00               |            |                |             |
| 4040 - Miscellaneous Income              | 153.00             | 0.00       | 153.00         | 100.0%      |
| 4050 - Property Tax                      | 0.00               |            |                |             |
| 4055 - SBVMWD Spreading Agreement Reim   | 117,001.50         | 115,500.00 | 1,501.50       | 101.3%      |
| <b>4060 - Property Income</b>            |                    |            |                |             |
| 4062 - Mentone Property                  | 0.00               |            |                |             |
| <b>Total 4060 - Property Income</b>      | 0.00               |            |                |             |
| 4065 - Redlands Plaza                    | 0.00               |            |                |             |
| 4066 - Redlands Plaza CAM                | 0.00               |            |                |             |
| 4080 - Exchange Plan                     | 0.00               | 30,000.00  | -30,000.00     | 0.0%        |
| 4086 - Plunge Creek IRWMP                | 0.00               |            |                |             |
| <b>Total Income</b>                      | 557,764.95         | 522,872.50 | 34,892.45      | 106.7%      |
| <b>Gross Profit</b>                      | 557,764.95         | 522,872.50 | 34,892.45      | 106.7%      |
| <b>Expense</b>                           |                    |            |                |             |
| <b>5050 - Regional Programs</b>          |                    |            |                |             |
| 5080 - LAFCO Contribution                | 0.00               |            |                |             |
| 5082 - Plunge Creek                      | 0.00               |            |                |             |
| <b>Total 5050 - Regional Programs</b>    | 0.00               |            |                |             |
| <b>5100 - Professional Service</b>       |                    |            |                |             |
| 5120 - Misc. Professional Services       | 0.00               | 0.00       | 0.00           | 0.0%        |
| 5122 - Wash Plan Professional Services   | 0.00               |            |                |             |
| 5124 - Plunge Creek Prof Services        | 0.00               | 4,487.72   | -4,487.72      | 0.0%        |
| 5125 - Engineering Services              | 0.00               | 3,750.00   | -3,750.00      | 0.0%        |
| 5130 - Aerial Photography & Surveying    | 0.00               |            |                |             |
| 5145 - Environmental Services (WP)       | 0.00               |            |                |             |
| 5160 - IT Support                        | 311.98             | 1,000.03   | -688.05        | 31.2%       |
| 5170 - Audit                             | 7,610.40           | 6,843.62   | 766.78         | 111.2%      |
| 5175 - Legal - Wash Plan                 | 0.00               |            |                |             |
| 5180 - Legal                             | 0.00               | 15,000.00  | -15,000.00     | 0.0%        |
| <b>Total 5100 - Professional Service</b> | 7,922.38           | 31,081.37  | -23,158.99     | 25.5%       |
| <b>5200 - Field Operations</b>           |                    |            |                |             |
| 5210 - Equipment Maintenance             | 269.64             | 2,002.00   | -1,732.36      | 13.5%       |
| 5215 - Property Maintenance              | 1,622.88           | 1,875.00   | -252.12        | 86.6%       |
| <b>Total 5200 - Field Operations</b>     | 1,892.52           | 3,877.00   | -1,984.48      | 48.8%       |
| <b>5300 - Vehicle Operations</b>         |                    |            |                |             |
| 5310 - Vehicle Maintenance               | 2,340.91           | 3,750.00   | -1,409.09      | 62.4%       |
| 5320 - Fuel                              | 1,349.91           | 4,125.00   | -2,775.09      | 32.7%       |
| <b>Total 5300 - Vehicle Operations</b>   | 3,690.82           | 7,875.00   | -4,184.18      | 46.9%       |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | 1-Groundwater Ent. |                  |                   |               |
|--|--------------------|------------------|-------------------|---------------|
|  | Jul - Sep 13       | Budget           | \$ Over Budget    | % of Budget   |
| <b>5400 · Utilities</b>                    |                    |                  |                   |               |
| 5410 · Alarm Service                       | 348.97             | 375.00           | -26.03            | 93.1%         |
| 5420 · Electricity                         | 571.13             | 700.03           | -128.90           | 81.6%         |
| 5430 · Mobile Phone                        | 210.00             | 243.34           | -33.34            | 86.3%         |
| 5440 · Telephone                           | 483.44             | 555.00           | -71.56            | 87.1%         |
| 5450 · Natural Gas                         | 3.29               | 150.00           | -146.71           | 2.2%          |
| 5460 · Water / Trash / Sewer               | 191.33             | 1,165.97         | -974.64           | 16.4%         |
| 5470 · Internet Services                   | 496.66             | 562.50           | -65.84            | 88.3%         |
| <b>Total 5400 · Utilities</b>              | <b>2,304.82</b>    | <b>3,751.84</b>  | <b>-1,447.02</b>  | <b>61.4%</b>  |
| <b>6000 · General Administration</b>       |                    |                  |                   |               |
| 6001 · General Administration - Other      | 52.12              | 937.50           | -885.38           | 5.6%          |
| 6002 · Website Administration              | 0.00               |                  |                   |               |
| 6003 · Property Tax                        | 0.00               |                  |                   |               |
| 6004 · Meeting Expenses                    | 0.00               |                  |                   |               |
| 6006 · Permits                             | 0.00               | 205.97           | -205.97           | 0.0%          |
| 6007 · Inter District Costs                | 0.00               | 937.50           | -937.50           | 0.0%          |
| 6009 · Licenses                            | 0.00               | 259.97           | -259.97           | 0.0%          |
| 6010 · Surety Bond                         | 0.00               |                  |                   |               |
| 6012 · Office Maintenance                  | 0.00               |                  |                   |               |
| 6015 · Mentone House Maintenance           | 0.00               |                  |                   |               |
| 6016 · Redlands Plaza Maintenance          | 0.00               |                  |                   |               |
| 6018 · Janitorial Services                 | 0.00               |                  |                   |               |
| 6019 · Janitorial Supplies                 | 13.96              | 31.50            | -17.54            | 44.3%         |
| 6020 · Vacancy Marketing-Redlands Plaz     | 0.00               |                  |                   |               |
| 6024 · Computer Equip Maint.               | 0.00               | 31.22            | -31.22            | 0.0%          |
| 6026 · Redlands Plaza CAM expenses         | 0.00               |                  |                   |               |
| 6027 · Computer Supplies                   | 14.93              | 32.53            | -17.60            | 45.9%         |
| 6030 · Office Supplies                     | 62.53              | 45.96            | 16.57             | 136.1%        |
| 6032 · Small Office Equipment              | 0.00               |                  |                   |               |
| 6033 · Office Equipment Rental             | 65.08              | 103.03           | -37.95            | 63.2%         |
| 6036 · Printing                            | 58.32              | 100.03           | -41.71            | 58.3%         |
| 6039 · Postage and Overnight Delivery      | 80.00              | 100.03           | -20.03            | 80.0%         |
| 6042 · Payroll Processing                  | 0.00               |                  |                   |               |
| 6045 · Bank Service Charges                | 0.00               |                  |                   |               |
| 6051 · Uniforms                            | 254.38             | 290.00           | -35.62            | 87.7%         |
| 6060 · Outreach                            | 12.00              | 500.00           | -488.00           | 2.4%          |
| 6087 · Educational Reimbursement           | 0.00               |                  |                   |               |
| 6090 · Subscriptions/Publications          | 0.00               |                  |                   |               |
| 6091 · Public Notices                      | 0.00               | 0.00             | 0.00              | 0.0%          |
| 6093 · Memberships                         | 0.00               |                  |                   |               |
| <b>Total 6000 · General Administration</b> | <b>613.32</b>      | <b>3,575.24</b>  | <b>-2,961.92</b>  | <b>17.2%</b>  |
| <b>6100 · Benefits</b>                     |                    |                  |                   |               |
| 6110 · Vision Insurance                    | 215.56             | 204.27           | 11.29             | 105.5%        |
| 6120 · Workers' Comp. Insurance            | 1,860.88           | 2,288.69         | -427.81           | 81.3%         |
| 6130 · Dental Insurance                    | 1,027.52           | 818.33           | 209.19            | 125.6%        |
| 6150 · Medical Insurance                   | 10,341.05          | 9,493.39         | 847.66            | 108.9%        |
| 6160 · Payroll Taxes-Employer              | 1,802.16           | 5,764.96         | -3,962.80         | 31.3%         |
| 6170 · PERS Retirement                     | 13,577.00          | 15,042.54        | -1,465.54         | 90.3%         |
| <b>Total 6100 · Benefits</b>               | <b>28,824.17</b>   | <b>33,612.18</b> | <b>-4,788.01</b>  | <b>85.8%</b>  |
| <b>6200 · Salaries</b>                     |                    |                  |                   |               |
| 6230 · Regular Salaries                    | 49,399.63          | 83,064.57        | -33,664.94        | 59.5%         |
| <b>Total 6200 · Salaries</b>               | <b>49,399.63</b>   | <b>83,064.57</b> | <b>-33,664.94</b> | <b>59.5%</b>  |
| <b>6300 · Insurance</b>                    |                    |                  |                   |               |
| 6310 · Property/ Auto Insurance            | 0.00               | 1,298.25         | -1,298.25         | 0.0%          |
| 6320 · General Liability Insurance         | 14,406.98          | 3,773.25         | 10,633.73         | 381.8%        |
| <b>Total 6300 · Insurance</b>              | <b>14,406.98</b>   | <b>5,071.50</b>  | <b>9,335.48</b>   | <b>284.1%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|   | 1-Groundwater Ent. |                   |                   |               |
|---|--------------------|-------------------|-------------------|---------------|
|   | Jul - Sep 13       | Budget            | \$ Over Budget    | % of Budget   |
| <b>6400 · Board of Directors' Expenses</b>        |                    |                   |                   |               |
| 6401 · Directors' Fees                            | 0.00               |                   |                   |               |
| 6410 · Mileage                                    | 0.00               |                   |                   |               |
| 6415 · Air Fare                                   | 0.00               |                   |                   |               |
| 6420 · Other Travel                               | 0.00               |                   |                   |               |
| 6425 · Meals                                      | 0.00               |                   |                   |               |
| 6430 · Lodging                                    | 0.00               |                   |                   |               |
| 6435 · Conf/Seminar Registrations                 | 0.00               |                   |                   |               |
| 6440 · Election Fees / Re-Districting             | 0.00               |                   |                   |               |
| <b>Total 6400 · Board of Directors' Expenses</b>  | <b>0.00</b>        |                   |                   |               |
| <b>6500 · Administrative/Staff Expenses</b>       |                    |                   |                   |               |
| 6510 · Mileage                                    | 32.40              | 94.97             | -62.57            | 34.1%         |
| 6515 · Air Fare                                   | 37.36              | 75.00             | -37.64            | 49.8%         |
| 6520 · Travel, Other (rental car, taxi)           | 66.36              | 25.03             | 41.33             | 265.1%        |
| 6525 · Meals                                      | 21.23              | 75.00             | -53.77            | 28.3%         |
| 6530 · Lodging                                    | 422.83             | 60.00             | 362.83            | 704.7%        |
| 6535 · Conf/Seminar Registrations                 | 0.00               |                   |                   |               |
| <b>Total 6500 · Administrative/Staff Expenses</b> | <b>580.18</b>      | <b>330.00</b>     | <b>250.18</b>     | <b>175.8%</b> |
| <b>8010 · Capital Reserve GWE/Rate Stabil</b>     | <b>0.00</b>        | <b>5,001.00</b>   | <b>-5,001.00</b>  | <b>0.0%</b>   |
| <b>Total Expense</b>                              | <b>109,634.82</b>  | <b>177,239.70</b> | <b>-67,604.88</b> | <b>61.9%</b>  |
| <b>Net Ordinary Income</b>                        | <b>448,130.13</b>  | <b>345,632.80</b> | <b>102,497.33</b> | <b>129.7%</b> |
| <b>Other Income/Expense</b>                       |                    |                   |                   |               |
| <b>Other Expense</b>                              |                    |                   |                   |               |
| <b>7000 · Construction</b>                        |                    |                   |                   |               |
| 7010 · Materials                                  | 0.00               | 1,875.00          | -1,875.00         | 0.0%          |
| 7050 · Basins- Capital Annual Repair              | 0.00               | 15,000.00         | -15,000.00        | 0.0%          |
| 7055 · Plunge Creek Expansion                     | 0.00               | 7,500.00          | -7,500.00         | 0.0%          |
| <b>Total 7000 · Construction</b>                  | <b>0.00</b>        | <b>24,375.00</b>  | <b>-24,375.00</b> | <b>0.0%</b>   |
| <b>7100 · Land &amp; Buildings</b>                |                    |                   |                   |               |
| 7110 · Property Capital Repairs                   | 0.00               | 6,750.00          | -6,750.00         | 0.0%          |
| 7130 · Mentone Property (House)-CapRep            | 0.00               |                   |                   |               |
| 7140 · Mentone Property (Shop)-CapRep             | 0.00               | 3,874.97          | -3,874.97         | 0.0%          |
| <b>Total 7100 · Land &amp; Buildings</b>          | <b>0.00</b>        | <b>10,624.97</b>  | <b>-10,624.97</b> | <b>0.0%</b>   |
| <b>7200 · Equipment &amp; Vehicles</b>            |                    |                   |                   |               |
| 7210 · Computer Hardware-Capital Purch            | 0.00               | 112.50            | -112.50           | 0.0%          |
| 7220 · Computer Software                          | 0.00               | 262.50            | -262.50           | 0.0%          |
| 7230 · Field Equipment / Vehicles                 | 3,480.00           | 8,749.97          | -5,269.97         | 39.8%         |
| 7240 · Office Equipment                           | 0.00               |                   |                   |               |
| <b>Total 7200 · Equipment &amp; Vehicles</b>      | <b>3,480.00</b>    | <b>9,124.97</b>   | <b>-5,644.97</b>  | <b>38.1%</b>  |
| <b>7400 · Professional Services Capital</b>       |                    |                   |                   |               |
| 7438 · Engineering Services-Other                 | 0.00               | 7,937.53          | -7,937.53         | 0.0%          |
| <b>Total 7400 · Professional Services Capital</b> | <b>0.00</b>        | <b>7,937.53</b>   | <b>-7,937.53</b>  | <b>0.0%</b>   |
| <b>Total Other Expense</b>                        | <b>3,480.00</b>    | <b>52,062.47</b>  | <b>-48,582.47</b> | <b>6.7%</b>   |
| <b>Net Other Income</b>                           | <b>-3,480.00</b>   | <b>-52,062.47</b> | <b>48,582.47</b>  | <b>6.7%</b>   |
| <b>Net Income</b>                                 | <b>444,650.13</b>  | <b>293,570.33</b> | <b>151,079.80</b> | <b>151.5%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | 2-Redlands Plaza/Mentone Ent. |                  |                  |               |
|--|-------------------------------|------------------|------------------|---------------|
|  | Jul - Sep 13                  | Budget           | \$ Over Budget   | % of Budget   |
| <b>Ordinary Income/Expense</b>           |                               |                  |                  |               |
| <b>Income</b>                            |                               |                  |                  |               |
| 4010 · Interest Income                   |                               |                  |                  |               |
| 4012 · LAIF                              | 0.00                          |                  |                  |               |
| 4013 · Caltrust Investment Income        | 0.00                          |                  |                  |               |
| 4010 · Interest Income - Other           | 0.00                          |                  |                  |               |
| <b>Total 4010 · Interest Income</b>      | <b>0.00</b>                   |                  |                  |               |
| 4020 · Groundwater Charge                |                               |                  |                  |               |
| 4021 · Assessments - Ag                  | 0.00                          |                  |                  |               |
| 4023 · Assessments - Non-Ag              | 0.00                          |                  |                  |               |
| <b>Total 4020 · Groundwater Charge</b>   | <b>0.00</b>                   |                  |                  |               |
| 4025 · Wash Plan Revenue                 | 0.00                          |                  |                  |               |
| 4030 · Mining Income                     |                               |                  |                  |               |
| 4031 · Plant Site - CEMEX                | 0.00                          |                  |                  |               |
| 4032 · Cemex - Royalty / Lease           | 0.00                          |                  |                  |               |
| 4034 · Redlands Aggregate 5% Royalty     | 0.00                          |                  |                  |               |
| 4036 · Aggregate Maintenance             | 0.00                          |                  |                  |               |
| 4030 · Mining Income - Other             | 0.00                          |                  |                  |               |
| <b>Total 4030 · Mining Income</b>        | <b>0.00</b>                   |                  |                  |               |
| 4040 · Miscellaneous Income              | 0.00                          |                  |                  |               |
| 4050 · Property Tax                      | 0.00                          |                  |                  |               |
| 4055 · SBVMWD Spreading Agreement Reim   | 0.00                          |                  |                  |               |
| 4060 · Property Income                   |                               |                  |                  |               |
| 4062 · Mentone Property                  | 4,725.00                      | 4,725.00         | 0.00             | 100.0%        |
| <b>Total 4060 · Property Income</b>      | <b>4,725.00</b>               | <b>4,725.00</b>  | <b>0.00</b>      | <b>100.0%</b> |
| 4065 · Redlands Plaza                    | 23,373.26                     | 22,970.92        | 402.34           | 101.8%        |
| 4066 · Redlands Plaza CAM                | 4,185.37                      | 5,001.00         | -815.63          | 83.7%         |
| 4080 · Exchange Plan                     | 0.00                          |                  |                  |               |
| 4086 · Plunge Creek IRWMP                | 0.00                          |                  |                  |               |
| <b>Total Income</b>                      | <b>32,283.63</b>              | <b>32,696.92</b> | <b>-413.29</b>   | <b>98.7%</b>  |
| <b>Gross Profit</b>                      | <b>32,283.63</b>              | <b>32,696.92</b> | <b>-413.29</b>   | <b>98.7%</b>  |
| <b>Expense</b>                           |                               |                  |                  |               |
| 5050 · Regional Programs                 |                               |                  |                  |               |
| 5080 · LAFCO Contribution                | 0.00                          |                  |                  |               |
| 5082 · Plunge Creek                      | 0.00                          |                  |                  |               |
| <b>Total 5050 · Regional Programs</b>    | <b>0.00</b>                   |                  |                  |               |
| 5100 · Professional Service              |                               |                  |                  |               |
| 5120 · Misc. Professional Services       | 0.00                          |                  |                  |               |
| 5122 · Wash Plan Professional Services   | 0.00                          |                  |                  |               |
| 5124 · Plunge Creek Prof Services        | 0.00                          |                  |                  |               |
| 5125 · Engineering Services              | 0.00                          |                  |                  |               |
| 5130 · Aerial Photography & Surveying    | 0.00                          |                  |                  |               |
| 5145 · Environmental Services (WP)       | 0.00                          |                  |                  |               |
| 5160 · IT Support                        | 0.00                          |                  |                  |               |
| 5170 · Audit                             | 2,038.50                      | 2,031.82         | 6.68             | 100.3%        |
| 5175 · Legal - Wash Plan                 | 0.00                          |                  |                  |               |
| 5180 · Legal                             | 0.00                          | 3,000.00         | -3,000.00        | 0.0%          |
| <b>Total 5100 · Professional Service</b> | <b>2,038.50</b>               | <b>5,031.82</b>  | <b>-2,993.32</b> | <b>40.5%</b>  |
| 5200 · Field Operations                  |                               |                  |                  |               |
| 5210 · Equipment Maintenance             | 0.00                          |                  |                  |               |
| 5215 · Property Maintenance              | 0.00                          | 0.00             | 0.00             | 0.0%          |
| <b>Total 5200 · Field Operations</b>     | <b>0.00</b>                   | <b>0.00</b>      | <b>0.00</b>      | <b>0.0%</b>   |
| 5300 · Vehicle Operations                |                               |                  |                  |               |
| 5310 · Vehicle Maintenance               | 0.00                          |                  |                  |               |
| 5320 · Fuel                              | 0.00                          |                  |                  |               |
| <b>Total 5300 · Vehicle Operations</b>   | <b>0.00</b>                   |                  |                  |               |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | 2-Redlands Plaza/Mentone Ent. |                  |                  |               |
|--|-------------------------------|------------------|------------------|---------------|
|  | Jul - Sep 13                  | Budget           | \$ Over Budget   | % of Budget   |
| <b>5400 - Utilities</b>                    |                               |                  |                  |               |
| 5410 - Alarm Service                       | 0.00                          |                  |                  |               |
| 5420 - Electricity                         | 1,340.97                      | 1,821.00         | -480.03          | 73.6%         |
| 5430 - Mobile Phone                        | 0.00                          |                  |                  |               |
| 5440 - Telephone                           | 0.00                          |                  |                  |               |
| 5450 - Natural Gas                         | 0.00                          |                  |                  |               |
| 5460 - Water / Trash / Sewer               | 0.00                          | 0.00             | 0.00             | 0.0%          |
| 5470 - Internet Services                   | 46.12                         | 93.75            | -47.63           | 49.2%         |
| <b>Total 5400 - Utilities</b>              | <b>1,387.09</b>               | <b>1,914.75</b>  | <b>-527.66</b>   | <b>72.4%</b>  |
| <b>6000 - General Administration</b>       |                               |                  |                  |               |
| 6001 - General Administration - Other      | 0.00                          |                  |                  |               |
| 6002 - Website Administration              | 0.00                          |                  |                  |               |
| 6003 - Property Tax                        | 0.00                          |                  |                  |               |
| 6004 - Meeting Expenses                    | 0.00                          |                  |                  |               |
| 6006 - Permits                             | 0.00                          |                  |                  |               |
| 6007 - Inter District Costs                | 0.00                          |                  |                  |               |
| 6009 - Licenses                            | 0.00                          |                  |                  |               |
| 6010 - Surety Bond                         | 0.00                          |                  |                  |               |
| 6012 - Office Maintenance                  | 0.00                          | 450.00           | -450.00          | 0.0%          |
| 6015 - Mentone House Maintenance           | 266.61                        | 762.47           | -495.86          | 35.0%         |
| 6016 - Redlands Plaza Maintenance          | 200.00                        | 3,501.00         | -3,301.00        | 5.7%          |
| 6018 - Janitorial Services                 | 0.00                          |                  |                  |               |
| 6019 - Janitorial Supplies                 | 0.00                          |                  |                  |               |
| 6020 - Vacancy Marketing-Redlands Plaz     | 0.00                          | 1,454.25         | -1,454.25        | 0.0%          |
| 6024 - Computer Equip Maint.               | 0.00                          | 4.97             | -4.97            | 0.0%          |
| 6026 - Redlands Plaza CAM expenses         | 4,266.87                      | 6,250.03         | -1,983.16        | 68.3%         |
| 6027 - Computer Supplies                   | 7.46                          | 16.22            | -8.76            | 46.0%         |
| 6030 - Office Supplies                     | 125.08                        | 91.83            | 33.25            | 136.2%        |
| 6032 - Small Office Equipment              | 0.00                          |                  |                  |               |
| 6033 - Office Equipment Rental             | 195.23                        | 309.00           | -113.77          | 63.2%         |
| 6036 - Printing                            | 0.00                          |                  |                  |               |
| 6039 - Postage and Overnight Delivery      | 32.01                         | 40.03            | -8.02            | 80.0%         |
| 6042 - Payroll Processing                  | 0.00                          |                  |                  |               |
| 6045 - Bank Service Charges                | 0.00                          |                  |                  |               |
| 6051 - Uniforms                            | 0.00                          |                  |                  |               |
| 6060 - Outreach                            | 0.00                          |                  |                  |               |
| 6087 - Educational Reimbursement           | 0.00                          |                  |                  |               |
| 6090 - Subscriptions/Publications          | 0.00                          |                  |                  |               |
| 6091 - Public Notices                      | 0.00                          |                  |                  |               |
| 6093 - Memberships                         | 0.00                          |                  |                  |               |
| <b>Total 6000 - General Administration</b> | <b>5,093.26</b>               | <b>12,879.80</b> | <b>-7,786.54</b> | <b>39.5%</b>  |
| <b>6100 - Benefits</b>                     |                               |                  |                  |               |
| 6110 - Vision Insurance                    | 21.63                         | 20.48            | 1.15             | 105.6%        |
| 6120 - Workers' Comp. Insurance            | 186.64                        | 229.56           | -42.92           | 81.3%         |
| 6130 - Dental Insurance                    | 103.06                        | 82.09            | 20.97            | 125.5%        |
| 6150 - Medical Insurance                   | 1,037.19                      | 952.22           | 84.97            | 108.9%        |
| 6160 - Payroll Taxes-Employer              | 0.00                          | 578.19           | -578.19          | 0.0%          |
| 6170 - PERS Retirement                     | 1,407.72                      | 1,508.81         | -101.09          | 93.3%         |
| <b>Total 6100 - Benefits</b>               | <b>2,756.24</b>               | <b>3,371.35</b>  | <b>-615.11</b>   | <b>81.8%</b>  |
| <b>6200 - Salaries</b>                     |                               |                  |                  |               |
| 6230 - Regular Salaries                    | 2,782.87                      | 8,331.52         | -5,548.65        | 33.4%         |
| <b>Total 6200 - Salaries</b>               | <b>2,782.87</b>               | <b>8,331.52</b>  | <b>-5,548.65</b> | <b>33.4%</b>  |
| <b>6300 - Insurance</b>                    |                               |                  |                  |               |
| 6310 - Property/ Auto Insurance            | 0.00                          | 259.65           | -259.65          | 0.0%          |
| 6320 - General Liability Insurance         | 2,881.40                      | 754.65           | 2,126.75         | 381.8%        |
| <b>Total 6300 - Insurance</b>              | <b>2,881.40</b>               | <b>1,014.30</b>  | <b>1,867.10</b>  | <b>284.1%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|   | 2-Redlands Plaza/Mentone Ent. |                  |                   |                  |
|---|-------------------------------|------------------|-------------------|------------------|
|   | Jul - Sep 13                  | Budget           | \$ Over Budget    | % of Budget      |
| <b>6400 · Board of Directors' Expenses</b>        |                               |                  |                   |                  |
| 6401 · Directors' Fees                            | 0.00                          |                  |                   |                  |
| 6410 · Mileage                                    | 0.00                          |                  |                   |                  |
| 6415 · Air Fare                                   | 0.00                          |                  |                   |                  |
| 6420 · Other Travel                               | 0.00                          |                  |                   |                  |
| 6425 · Meals                                      | 0.00                          |                  |                   |                  |
| 6430 · Lodging                                    | 0.00                          |                  |                   |                  |
| 6435 · Conf/Seminar Registrations                 | 0.00                          |                  |                   |                  |
| 6440 · Election Fees / Re-Districting             | 0.00                          |                  |                   |                  |
| <b>Total 6400 · Board of Directors' Expenses</b>  | <b>0.00</b>                   |                  |                   |                  |
| <b>6500 · Administrative/Staff Expenses</b>       |                               |                  |                   |                  |
| 6510 · Mileage                                    | 0.00                          |                  |                   |                  |
| 6515 · Air Fare                                   | 0.00                          |                  |                   |                  |
| 6520 · Travel, Other (rental car, taxi            | 0.00                          |                  |                   |                  |
| 6525 · Meals                                      | 0.00                          |                  |                   |                  |
| 6530 · Lodging                                    | 0.00                          |                  |                   |                  |
| 6535 · Conf/Seminar Registrations                 | 0.00                          |                  |                   |                  |
| <b>Total 6500 · Administrative/Staff Expenses</b> | <b>0.00</b>                   |                  |                   |                  |
| <b>8010 · Capital Reserve GWE/Rate Stabil</b>     | <b>0.00</b>                   |                  |                   |                  |
| <b>Total Expense</b>                              | <b>16,939.36</b>              | <b>32,543.54</b> | <b>-15,604.18</b> | <b>52.1%</b>     |
| <b>Net Ordinary Income</b>                        | <b>15,344.27</b>              | <b>153.38</b>    | <b>15,190.89</b>  | <b>10,004.1%</b> |
| <b>Other Income/Expense</b>                       |                               |                  |                   |                  |
| <b>Other Expense</b>                              |                               |                  |                   |                  |
| <b>7000 · Construction</b>                        |                               |                  |                   |                  |
| 7010 · Materials                                  | 0.00                          |                  |                   |                  |
| 7050 · Basins- Capital Annual Repair              | 0.00                          |                  |                   |                  |
| 7055 · Plunge Creek Expansion                     | 0.00                          |                  |                   |                  |
| <b>Total 7000 · Construction</b>                  | <b>0.00</b>                   |                  |                   |                  |
| <b>7100 · Land &amp; Buildings</b>                |                               |                  |                   |                  |
| 7110 · Property Capital Repairs                   | 0.00                          |                  |                   |                  |
| 7130 · Mentone Property (House)-CapRep            | 0.00                          | 436.50           | -436.50           | 0.0%             |
| 7140 · Mentone Property (Shop)-CapRep             | 0.00                          |                  |                   |                  |
| <b>Total 7100 · Land &amp; Buildings</b>          | <b>0.00</b>                   | <b>436.50</b>    | <b>-436.50</b>    | <b>0.0%</b>      |
| <b>7200 · Equipment &amp; Vehicles</b>            |                               |                  |                   |                  |
| 7210 · Computer Hardware-Capital Purch            | 0.00                          |                  |                   |                  |
| 7220 · Computer Software                          | 0.00                          |                  |                   |                  |
| 7230 · Field Equipment / Vehicles                 | 0.00                          |                  |                   |                  |
| 7240 · Office Equipment                           | 0.00                          |                  |                   |                  |
| <b>Total 7200 · Equipment &amp; Vehicles</b>      | <b>0.00</b>                   |                  |                   |                  |
| <b>7400 · Professional Services Capital</b>       |                               |                  |                   |                  |
| 7438 · Engineering Services-Other                 | 0.00                          |                  |                   |                  |
| <b>Total 7400 · Professional Services Capital</b> | <b>0.00</b>                   |                  |                   |                  |
| <b>Total Other Expense</b>                        | <b>0.00</b>                   | <b>436.50</b>    | <b>-436.50</b>    | <b>0.0%</b>      |
| <b>Net Other Income</b>                           | <b>0.00</b>                   | <b>-436.50</b>   | <b>436.50</b>     | <b>0.0%</b>      |
| <b>Net Income</b>                                 | <b>15,344.27</b>              | <b>-283.12</b>   | <b>15,627.39</b>  | <b>-5,419.7%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|   | 3-Land Resources |            |                |             |
|---|------------------|------------|----------------|-------------|
|   | Jul - Sep 13     | Budget     | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>                |                  |            |                |             |
| <b>Income</b>                                 |                  |            |                |             |
| <b>4010 - Interest Income</b>                 |                  |            |                |             |
| 4012 - LAIF                                   | 0.00             |            |                |             |
| 4013 - Caltrust Investment Income             | 0.00             |            |                |             |
| 4010 - Interest Income - Other                | 0.00             |            |                |             |
| <b>Total 4010 - Interest Income</b>           | 0.00             |            |                |             |
| <b>4020 - Groundwater Charge</b>              |                  |            |                |             |
| 4021 - Assessments - Ag                       | 0.00             |            |                |             |
| 4023 - Assessments - Non-Ag                   | 0.00             |            |                |             |
| <b>Total 4020 - Groundwater Charge</b>        | 0.00             |            |                |             |
| <b>4025 - Wash Plan Revenue</b>               | 0.00             | 0.00       | 0.00           | 0.0%        |
| <b>4030 - Mining Income</b>                   |                  |            |                |             |
| 4031 - Plant Site - CEMEX                     | 12,000.00        | 8,000.00   | 4,000.00       | 150.0%      |
| 4032 - Cemex - Royalty / Lease                | 62,499.99        | 77,083.37  | -14,583.38     | 81.1%       |
| 4034 - Redlands Aggregate 5% Royalty          | 9,000.00         | 9,000.00   | 0.00           | 100.0%      |
| 4036 - Aggregate Maintenance                  | 6,583.30         | 5,875.03   | 708.27         | 112.1%      |
| 4030 - Mining Income - Other                  | 4,122.43         |            |                |             |
| <b>Total 4030 - Mining Income</b>             | 94,205.72        | 99,958.40  | -5,752.68      | 94.2%       |
| <b>4040 - Miscellaneous Income</b>            | 2,460.00         | 1,562.53   | 897.47         | 157.4%      |
| <b>4050 - Property Tax</b>                    | 0.00             |            |                |             |
| <b>4055 - SBVMWD Spreading Agreement Reim</b> | 24,818.50        | 24,500.00  | 318.50         | 101.3%      |
| <b>4060 - Property Income</b>                 |                  |            |                |             |
| 4062 - Mentone Property                       | 0.00             |            |                |             |
| <b>Total 4060 - Property Income</b>           | 0.00             |            |                |             |
| <b>4065 - Redlands Plaza</b>                  | 0.00             |            |                |             |
| <b>4066 - Redlands Plaza CAM</b>              | 0.00             |            |                |             |
| <b>4080 - Exchange Plan</b>                   | 0.00             |            |                |             |
| <b>4086 - Plunge Creek IRWMP</b>              | 0.00             | 45,124.97  | -45,124.97     | 0.0%        |
| <b>Total Income</b>                           | 121,484.22       | 171,145.90 | -49,661.68     | 71.0%       |
| <b>Gross Profit</b>                           | 121,484.22       | 171,145.90 | -49,661.68     | 71.0%       |
| <b>Expense</b>                                |                  |            |                |             |
| <b>5050 - Regional Programs</b>               |                  |            |                |             |
| 5080 - LAFCO Contribution                     | 0.00             |            |                |             |
| 5082 - Plunge Creek                           | 0.00             | 2,154.22   | -2,154.22      | 0.0%        |
| <b>Total 5050 - Regional Programs</b>         | 0.00             | 2,154.22   | -2,154.22      | 0.0%        |
| <b>5100 - Professional Service</b>            |                  |            |                |             |
| 5120 - Misc. Professional Services            | 0.00             | 0.00       | 0.00           | 0.0%        |
| 5122 - Wash Plan Professional Services        | 5,738.56         | 0.00       | 5,738.56       | 100.0%      |
| 5124 - Plunge Creek Prof Services             | 0.00             | 40,389.75  | -40,389.75     | 0.0%        |
| 5125 - Engineering Services                   | 0.00             | 0.00       | 0.00           | 0.0%        |
| 5130 - Aerial Photography & Surveying         | 0.00             | 250.03     | -250.03        | 0.0%        |
| 5145 - Environmental Services (WP)            | 0.00             | 0.00       | 0.00           | 0.0%        |
| 5160 - IT Support                             | 58.50            | 187.50     | -129.00        | 31.2%       |
| 5170 - Audit                                  | 2,582.10         | 2,292.76   | 289.34         | 112.6%      |
| 5175 - Legal - Wash Plan                      | 4,020.70         | 0.00       | 4,020.70       | 100.0%      |
| 5180 - Legal                                  | 180.00           | 0.00       | 180.00         | 100.0%      |
| <b>Total 5100 - Professional Service</b>      | 12,579.86        | 43,120.04  | -30,540.18     | 29.2%       |
| <b>5200 - Field Operations</b>                |                  |            |                |             |
| 5210 - Equipment Maintenance                  | 0.00             |            |                |             |
| 5215 - Property Maintenance                   | 0.00             |            |                |             |
| <b>Total 5200 - Field Operations</b>          | 0.00             |            |                |             |
| <b>5300 - Vehicle Operations</b>              |                  |            |                |             |
| 5310 - Vehicle Maintenance                    | 0.00             |            |                |             |
| 5320 - Fuel                                   | 0.00             |            |                |             |
| <b>Total 5300 - Vehicle Operations</b>        | 0.00             |            |                |             |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | 3-Land Resources |                  |                   |               |
|--|------------------|------------------|-------------------|---------------|
|  | Jul - Sep 13     | Budget           | \$ Over Budget    | % of Budget   |
| <b>5400 · Utilities</b>                    |                  |                  |                   |               |
| 5410 · Alarm Service                       | 0.00             |                  |                   |               |
| 5420 · Electricity                         | 0.00             |                  |                   |               |
| 5430 · Mobile Phone                        | 52.50            |                  |                   |               |
| 5440 · Telephone                           | 0.00             |                  |                   |               |
| 5450 · Natural Gas                         | 0.00             |                  |                   |               |
| 5460 · Water / Trash / Sewer               | 13.98            | 291.47           | -277.49           | 4.8%          |
| 5470 · Internet Services                   | 138.33           | 281.25           | -142.92           | 49.2%         |
| <b>Total 5400 · Utilities</b>              | <b>204.81</b>    | <b>572.72</b>    | <b>-367.91</b>    | <b>35.8%</b>  |
| <b>6000 · General Administration</b>       |                  |                  |                   |               |
| 6001 · General Administration - Other      | 0.00             |                  |                   |               |
| 6002 · Website Administration              | 0.00             |                  |                   |               |
| 6003 · Property Tax                        | 0.00             |                  |                   |               |
| 6004 · Meeting Expenses                    | 52.40            | 325.03           | -272.63           | 16.1%         |
| 6006 · Permits                             | 0.00             |                  |                   |               |
| 6007 · Inter District Costs                | 0.00             | 1,312.50         | -1,312.50         | 0.0%          |
| 6009 · Licenses                            | 0.00             |                  |                   |               |
| 6010 · Surety Bond                         | 0.00             | 501.00           | -501.00           | 0.0%          |
| 6012 · Office Maintenance                  | 0.00             |                  |                   |               |
| 6015 · Mentone House Maintenance           | 0.00             |                  |                   |               |
| 6016 · Redlands Plaza Maintenance          | 0.00             |                  |                   |               |
| 6018 · Janitorial Services                 | 0.00             |                  |                   |               |
| 6019 · Janitorial Supplies                 | 0.00             |                  |                   |               |
| 6020 · Vacancy Marketing-Redlands Plaz     | 0.00             |                  |                   |               |
| 6024 · Computer Equip Maint.               | 0.00             |                  |                   |               |
| 6026 · Redlands Plaza CAM expenses         | 0.00             |                  |                   |               |
| 6027 · Computer Supplies                   | 0.00             |                  |                   |               |
| 6030 · Office Supplies                     | 62.53            | 45.96            | 16.57             | 136.1%        |
| 6032 · Small Office Equipment              | 0.00             |                  |                   |               |
| 6033 · Office Equipment Rental             | 65.07            | 103.03           | -37.96            | 63.2%         |
| 6036 · Printing                            | 63.18            | 25.03            | 38.15             | 252.4%        |
| 6039 · Postage and Overnight Delivery      | 32.00            | 40.03            | -8.03             | 79.9%         |
| 6042 · Payroll Processing                  | 0.00             |                  |                   |               |
| 6045 · Bank Service Charges                | 0.00             |                  |                   |               |
| 6051 · Uniforms                            | 0.00             |                  |                   |               |
| 6060 · Outreach                            | 3.00             | 124.97           | -121.97           | 2.4%          |
| 6087 · Educational Reimbursement           | 0.00             |                  |                   |               |
| 6090 · Subscriptions/Publications          | 0.00             |                  |                   |               |
| 6091 · Public Notices                      | 0.00             | 49.97            | -49.97            | 0.0%          |
| 6093 · Memberships                         | 0.00             |                  |                   |               |
| <b>Total 6000 · General Administration</b> | <b>278.18</b>    | <b>2,527.52</b>  | <b>-2,249.34</b>  | <b>11.0%</b>  |
| <b>6100 · Benefits</b>                     |                  |                  |                   |               |
| 6110 · Vision Insurance                    | 122.65           | 116.19           | 6.46              | 105.6%        |
| 6120 · Workers' Comp. Insurance            | 1,058.85         | 1,301.99         | -243.14           | 81.3%         |
| 6130 · Dental Insurance                    | 584.67           | 465.53           | 119.14            | 125.6%        |
| 6150 · Medical Insurance                   | 5,884.08         | 5,400.49         | 483.59            | 109.0%        |
| 6160 · Payroll Taxes-Employer              | 2,787.20         | 3,279.46         | -492.26           | 85.0%         |
| 6170 · PERS Retirement                     | 8,226.78         | 8,557.16         | -330.38           | 96.1%         |
| <b>Total 6100 · Benefits</b>               | <b>18,664.23</b> | <b>19,120.82</b> | <b>-456.59</b>    | <b>97.6%</b>  |
| <b>6200 · Salaries</b>                     |                  |                  |                   |               |
| 6230 · Regular Salaries                    | 36,484.96        | 47,252.47        | -10,767.51        | 77.2%         |
| <b>Total 6200 · Salaries</b>               | <b>36,484.96</b> | <b>47,252.47</b> | <b>-10,767.51</b> | <b>77.2%</b>  |
| <b>6300 · Insurance</b>                    |                  |                  |                   |               |
| 6310 · Property/ Auto Insurance            | 0.00             | 86.55            | -86.55            | 0.0%          |
| 6320 · General Liability Insurance         | 960.46           | 251.55           | 708.91            | 381.8%        |
| <b>Total 6300 · Insurance</b>              | <b>960.46</b>    | <b>338.10</b>    | <b>622.36</b>     | <b>284.1%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|   | 3-Land Resources |                   |                   |               |
|---|------------------|-------------------|-------------------|---------------|
|   | Jul - Sep 13     | Budget            | \$ Over Budget    | % of Budget   |
| <b>6400 · Board of Directors' Expenses</b>        |                  |                   |                   |               |
| 6401 · Directors' Fees                            | 0.00             |                   |                   |               |
| 6410 · Mileage                                    | 0.00             |                   |                   |               |
| 6415 · Air Fare                                   | 0.00             |                   |                   |               |
| 6420 · Other Travel                               | 0.00             |                   |                   |               |
| 6425 · Meals                                      | 0.00             |                   |                   |               |
| 6430 · Lodging                                    | 0.00             |                   |                   |               |
| 6435 · Conf/Seminar Registrations                 | 0.00             |                   |                   |               |
| 6440 · Election Fees / Re-Districting             | 0.00             |                   |                   |               |
| <b>Total 6400 · Board of Directors' Expenses</b>  | <b>0.00</b>      |                   |                   |               |
| <b>6500 · Administrative/Staff Expenses</b>       |                  |                   |                   |               |
| 6510 · Mileage                                    | 8.10             | 23.72             | -15.62            | 34.1%         |
| 6515 · Air Fare                                   | 9.34             | 18.75             | -9.41             | 49.8%         |
| 6520 · Travel, Other (rental car, taxi)           | 16.59            | 6.28              | 10.31             | 264.2%        |
| 6525 · Meals                                      | 5.31             | 18.75             | -13.44            | 28.3%         |
| 6530 · Lodging                                    | 53.21            | 15.00             | 38.21             | 354.7%        |
| 6535 · Conf/Seminar Registrations                 | 0.00             |                   |                   |               |
| <b>Total 6500 · Administrative/Staff Expenses</b> | <b>92.55</b>     | <b>82.50</b>      | <b>10.05</b>      | <b>112.2%</b> |
| <b>8010 · Capital Reserve GWE/Rate Stabil</b>     | <b>0.00</b>      |                   |                   |               |
| <b>Total Expense</b>                              | <b>69,265.05</b> | <b>115,168.39</b> | <b>-45,903.34</b> | <b>60.1%</b>  |
| <b>Net Ordinary Income</b>                        | <b>52,219.17</b> | <b>55,977.51</b>  | <b>-3,758.34</b>  | <b>93.3%</b>  |
| <b>Other Income/Expense</b>                       |                  |                   |                   |               |
| <b>Other Expense</b>                              |                  |                   |                   |               |
| <b>7000 · Construction</b>                        |                  |                   |                   |               |
| 7010 · Materials                                  | 0.00             |                   |                   |               |
| 7050 · Basins- Capital Annual Repair              | 0.00             |                   |                   |               |
| 7055 · Plunge Creek Expansion                     | 0.00             |                   |                   |               |
| <b>Total 7000 · Construction</b>                  | <b>0.00</b>      |                   |                   |               |
| <b>7100 · Land &amp; Buildings</b>                |                  |                   |                   |               |
| 7110 · Property Capital Repairs                   | 0.00             | 750.00            | -750.00           | 0.0%          |
| 7130 · Mentone Property (House)-CapRep            | 0.00             |                   |                   |               |
| 7140 · Mentone Property (Shop)-CapRep             | 0.00             |                   |                   |               |
| <b>Total 7100 · Land &amp; Buildings</b>          | <b>0.00</b>      | <b>750.00</b>     | <b>-750.00</b>    | <b>0.0%</b>   |
| <b>7200 · Equipment &amp; Vehicles</b>            |                  |                   |                   |               |
| 7210 · Computer Hardware-Capital Purch            | 0.00             |                   |                   |               |
| 7220 · Computer Software                          | 0.00             | 306.28            | -306.28           | 0.0%          |
| 7230 · Field Equipment / Vehicles                 | 0.00             |                   |                   |               |
| 7240 · Office Equipment                           | 0.00             |                   |                   |               |
| <b>Total 7200 · Equipment &amp; Vehicles</b>      | <b>0.00</b>      | <b>306.28</b>     | <b>-306.28</b>    | <b>0.0%</b>   |
| <b>7400 · Professional Services Capital</b>       |                  |                   |                   |               |
| 7438 · Engineering Services-Other                 | 0.00             |                   |                   |               |
| <b>Total 7400 · Professional Services Capital</b> | <b>0.00</b>      |                   |                   |               |
| <b>Total Other Expense</b>                        | <b>0.00</b>      | <b>1,056.28</b>   | <b>-1,056.28</b>  | <b>0.0%</b>   |
| <b>Net Other Income</b>                           | <b>0.00</b>      | <b>-1,056.28</b>  | <b>1,056.28</b>   | <b>0.0%</b>   |
| <b>Net Income</b>                                 | <b>52,219.17</b> | <b>54,921.23</b>  | <b>-2,702.06</b>  | <b>95.1%</b>  |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|   | 4-General Fund Ent. |            |                |             |
|---|---------------------|------------|----------------|-------------|
|   | Jul - Sep 13        | Budget     | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>                |                     |            |                |             |
| <b>Income</b>                                 |                     |            |                |             |
| <b>4010 · Interest Income</b>                 |                     |            |                |             |
| 4012 · LAIF                                   | -30.32              | 500.00     | -530.32        | -6.1%       |
| 4013 · Caltrust Investment Income             | 27,784.41           | 15,000.00  | 12,784.41      | 185.2%      |
| 4010 · Interest Income - Other                | 0.00                |            |                |             |
| <b>Total 4010 · Interest Income</b>           | 27,754.09           | 15,500.00  | 12,254.09      | 179.1%      |
| <b>4020 · Groundwater Charge</b>              |                     |            |                |             |
| 4021 · Assessments - Ag                       | 0.00                |            |                |             |
| 4023 · Assessments - Non-Ag                   | 0.00                |            |                |             |
| <b>Total 4020 · Groundwater Charge</b>        | 0.00                |            |                |             |
| <b>4025 · Wash Plan Revenue</b>               | 0.00                |            |                |             |
| <b>4030 · Mining Income</b>                   |                     |            |                |             |
| 4031 · Plant Site - CEMEX                     | 0.00                |            |                |             |
| 4032 · Cemex - Royalty / Lease                | 0.00                |            |                |             |
| 4034 · Redlands Aggregate 5% Royalty          | 0.00                |            |                |             |
| 4036 · Aggregate Maintenance                  | 0.00                |            |                |             |
| 4030 · Mining Income - Other                  | 0.00                |            |                |             |
| <b>Total 4030 · Mining Income</b>             | 0.00                |            |                |             |
| <b>4040 · Miscellaneous Income</b>            | 36.03               | 4,687.50   | -4,651.47      | 0.8%        |
| <b>4050 · Property Tax</b>                    | 117.46              | 19,000.02  | -18,882.56     | 0.6%        |
| <b>4055 · SBVMWD Spreading Agreement Reim</b> | 212,730.00          | 210,000.00 | 2,730.00       | 101.3%      |
| <b>4060 · Property Income</b>                 |                     |            |                |             |
| 4062 · Mentone Property                       | 0.00                |            |                |             |
| <b>Total 4060 · Property Income</b>           | 0.00                |            |                |             |
| <b>4065 · Redlands Plaza</b>                  | 0.00                |            |                |             |
| <b>4066 · Redlands Plaza CAM</b>              | 0.00                |            |                |             |
| <b>4080 · Exchange Plan</b>                   | 0.00                |            |                |             |
| <b>4086 · Plunge Creek IRWMP</b>              | 0.00                | 2,137.50   | -2,137.50      | 0.0%        |
| <b>Total Income</b>                           | 240,637.58          | 251,325.02 | -10,687.44     | 95.7%       |
| <b>Gross Profit</b>                           | 240,637.58          | 251,325.02 | -10,687.44     | 95.7%       |
| <b>Expense</b>                                |                     |            |                |             |
| <b>5050 · Regional Programs</b>               |                     |            |                |             |
| 5080 · LAFCO Contribution                     | 327.07              | 2,336.46   | -2,009.39      | 14.0%       |
| 5082 · Plunge Creek                           | 0.00                |            |                |             |
| <b>Total 5050 · Regional Programs</b>         | 327.07              | 2,336.46   | -2,009.39      | 14.0%       |
| <b>5100 · Professional Service</b>            |                     |            |                |             |
| 5120 · Misc. Professional Services            | 46.00               | 30,000.00  | -29,954.00     | 0.2%        |
| 5122 · Wash Plan Professional Services        | 0.00                |            |                |             |
| 5124 · Plunge Creek Prof Services             | 0.00                |            |                |             |
| 5125 · Engineering Services                   | 0.00                |            |                |             |
| 5130 · Aerial Photography & Surveying         | 0.00                |            |                |             |
| 5145 · Environmental Services (WP)            | 0.00                |            |                |             |
| 5160 · IT Support                             | 214.52              | 687.48     | -472.96        | 31.2%       |
| 5170 · Audit                                  | 1,359.00            | 1,163.64   | 195.36         | 116.8%      |
| 5175 · Legal - Wash Plan                      | 0.00                |            |                |             |
| 5180 · Legal                                  | 10,047.77           | 12,000.00  | -1,952.23      | 83.7%       |
| <b>Total 5100 · Professional Service</b>      | 11,667.29           | 43,851.12  | -32,183.83     | 26.6%       |
| <b>5200 · Field Operations</b>                |                     |            |                |             |
| 5210 · Equipment Maintenance                  | 0.00                |            |                |             |
| 5215 · Property Maintenance                   | -20.00              |            |                |             |
| <b>Total 5200 · Field Operations</b>          | -20.00              |            |                |             |
| <b>5300 · Vehicle Operations</b>              |                     |            |                |             |
| 5310 · Vehicle Maintenance                    | 0.00                |            |                |             |
| 5320 · Fuel                                   | 0.00                |            |                |             |
| <b>Total 5300 · Vehicle Operations</b>        | 0.00                |            |                |             |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | 4-General Fund Ent. |                  |                   |               |
|--|---------------------|------------------|-------------------|---------------|
|  | Jul - Sep 13        | Budget           | \$ Over Budget    | % of Budget   |
| <b>5400 - Utilities</b>                    |                     |                  |                   |               |
| 5410 - Alarm Service                       | 348.97              | 375.00           | -26.03            | 93.1%         |
| 5420 - Electricity                         | 895.45              | 979.98           | -84.53            | 91.4%         |
| 5430 - Mobile Phone                        | 105.00              | 6.69             | 98.31             | 1,569.5%      |
| 5440 - Telephone                           | 904.35              | 1,294.98         | -390.63           | 69.8%         |
| 5450 - Natural Gas                         | 4.93                | 180.00           | -175.07           | 2.7%          |
| 5460 - Water / Trash / Sewer               | 69.91               | 1,457.52         | -1,387.61         | 4.8%          |
| 5470 - Internet Services                   | 941.14              | 937.50           | 3.64              | 100.4%        |
| <b>Total 5400 - Utilities</b>              | <b>3,269.75</b>     | <b>5,231.67</b>  | <b>-1,961.92</b>  | <b>62.5%</b>  |
| <b>6000 - General Administration</b>       |                     |                  |                   |               |
| 6001 - General Administration - Other      | 71.57               | 937.50           | -865.93           | 7.6%          |
| 6002 - Website Administration              | 172.50              | 775.02           | -602.52           | 22.3%         |
| 6003 - Property Tax                        | 0.00                | 542.53           | -542.53           | 0.0%          |
| 6004 - Meeting Expenses                    | 96.05               | 975.00           | -878.95           | 9.9%          |
| 6006 - Permits                             | 0.00                | 205.97           | -205.97           | 0.0%          |
| 6007 - Inter District Costs                | 0.00                | 250.03           | -250.03           | 0.0%          |
| 6009 - Licenses                            | 0.00                | 64.97            | -64.97            | 0.0%          |
| 6010 - Surety Bond                         | 0.00                |                  |                   |               |
| 6012 - Office Maintenance                  | 0.00                | 300.00           | -300.00           | 0.0%          |
| 6015 - Mentone House Maintenance           | 0.00                |                  |                   |               |
| 6016 - Redlands Plaza Maintenance          | 0.00                |                  |                   |               |
| 6018 - Janitorial Services                 | 1,959.00            | 2,085.75         | -126.75           | 93.9%         |
| 6019 - Janitorial Supplies                 | 20.93               | 47.25            | -26.32            | 44.3%         |
| 6020 - Vacancy Marketing-Redlands Plaz     | 0.00                |                  |                   |               |
| 6024 - Computer Equip Maint.               | 0.00                | 13.78            | -13.78            | 0.0%          |
| 6026 - Redlands Plaza CAM expenses         | 0.00                |                  |                   |               |
| 6027 - Computer Supplies                   | 52.24               | 113.72           | -61.48            | 45.9%         |
| 6030 - Office Supplies                     | 1,000.53            | 735.00           | 265.53            | 136.1%        |
| 6032 - Small Office Equipment              | 0.00                | 0.00             | 0.00              | 0.0%          |
| 6033 - Office Equipment Rental             | 976.14              | 1,545.00         | -568.86           | 63.2%         |
| 6036 - Printing                            | 72.90               | 124.97           | -52.07            | 58.3%         |
| 6039 - Postage and Overnight Delivery      | 176.00              | 220.03           | -44.03            | 80.0%         |
| 6042 - Payroll Processing                  | 528.40              | 375.00           | 153.40            | 140.9%        |
| 6045 - Bank Service Charges                | 215.78              | 750.00           | -534.22           | 28.8%         |
| 6051 - Uniforms                            | 169.58              | 300.00           | -130.42           | 56.5%         |
| 6060 - Outreach                            | 90.59               | 625.03           | -534.44           | 14.5%         |
| 6087 - Educational Reimbursement           | 1,135.00            | 499.97           | 635.03            | 227.0%        |
| 6090 - Subscriptions/Publications          | 29.95               | 375.00           | -345.05           | 8.0%          |
| 6091 - Public Notices                      | 0.00                | 0.00             | 0.00              | 0.0%          |
| 6093 - Memberships                         | 65.00               | 4,999.97         | -4,934.97         | 1.3%          |
| <b>Total 6000 - General Administration</b> | <b>6,832.16</b>     | <b>16,861.49</b> | <b>-10,029.33</b> | <b>40.5%</b>  |
| <b>6100 - Benefits</b>                     |                     |                  |                   |               |
| 6110 - Vision Insurance                    | 65.77               | 62.26            | 3.51              | 105.6%        |
| 6120 - Workers' Comp. Insurance            | 567.63              | 697.81           | -130.18           | 81.3%         |
| 6130 - Dental Insurance                    | 313.44              | 249.55           | 63.89             | 125.6%        |
| 6150 - Medical Insurance                   | 3,154.37            | 2,894.58         | 259.79            | 109.0%        |
| 6160 - Payroll Taxes-Employer              | 4,099.79            | 1,757.70         | 2,342.09          | 233.2%        |
| 6170 - PERS Retirement                     | 3,816.95            | 4,586.53         | -769.58           | 83.2%         |
| <b>Total 6100 - Benefits</b>               | <b>12,017.95</b>    | <b>10,248.43</b> | <b>1,769.52</b>   | <b>117.3%</b> |
| <b>6200 - Salaries</b>                     |                     |                  |                   |               |
| 6230 - Regular Salaries                    | 27,257.90           | 25,326.53        | 1,931.37          | 107.6%        |
| <b>Total 6200 - Salaries</b>               | <b>27,257.90</b>    | <b>25,326.53</b> | <b>1,931.37</b>   | <b>107.6%</b> |
| <b>6300 - Insurance</b>                    |                     |                  |                   |               |
| 6310 - Property/ Auto Insurance            | 0.00                | 86.55            | -86.55            | 0.0%          |
| 6320 - General Liability Insurance         | 960.46              | 251.55           | 708.91            | 381.8%        |
| <b>Total 6300 - Insurance</b>              | <b>960.46</b>       | <b>338.10</b>    | <b>622.36</b>     | <b>284.1%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|   | 4-General Fund Ent. |                   |                   |               |
|---|---------------------|-------------------|-------------------|---------------|
|   | Jul - Sep 13        | Budget            | \$ Over Budget    | % of Budget   |
| <b>6400 · Board of Directors' Expenses</b>        |                     |                   |                   |               |
| 6401 · Directors' Fees                            | 16,351.00           | 19,750.03         | -3,399.03         | 82.8%         |
| 6410 · Mileage                                    | 1,007.80            | 750.00            | 257.80            | 134.4%        |
| 6415 · Air Fare                                   | 449.30              | 1,187.53          | -738.23           | 37.8%         |
| 6420 · Other Travel                               | 45.50               | 124.97            | -79.47            | 36.4%         |
| 6425 · Meals                                      | 312.82              | 732.57            | -419.75           | 42.7%         |
| 6430 · Lodging                                    | 422.68              | 874.97            | -452.29           | 48.3%         |
| 6435 · Conf/Seminar Registrations                 | 1,315.00            | 1,147.50          | 167.50            | 114.6%        |
| 6440 · Election Fees / Re-Districting             | 0.00                | 25,000.03         | -25,000.03        | 0.0%          |
| <b>Total 6400 · Board of Directors' Expenses</b>  | <b>19,904.10</b>    | <b>49,567.60</b>  | <b>-29,663.50</b> | <b>40.2%</b>  |
| <b>6500 · Administrative/Staff Expenses</b>       |                     |                   |                   |               |
| 6510 · Mileage                                    | 627.68              | 356.25            | 271.43            | 176.2%        |
| 6515 · Air Fare                                   | 140.10              | 281.25            | -141.15           | 49.8%         |
| 6520 · Travel, Other (rental car, taxi)           | 248.87              | 93.75             | 155.12            | 265.5%        |
| 6525 · Meals                                      | 98.28               | 281.25            | -182.97           | 34.9%         |
| 6530 · Lodging                                    | 588.21              | 225.00            | 363.21            | 261.4%        |
| 6535 · Conf/Seminar Registrations                 | 1,286.00            | 657.80            | 628.20            | 195.5%        |
| <b>Total 6500 · Administrative/Staff Expenses</b> | <b>2,989.14</b>     | <b>1,895.30</b>   | <b>1,093.84</b>   | <b>157.7%</b> |
| <b>8010 · Capital Reserve GWE/Rate Stabil</b>     | <b>0.00</b>         |                   |                   |               |
| <b>Total Expense</b>                              | <b>85,205.82</b>    | <b>155,656.70</b> | <b>-70,450.88</b> | <b>54.7%</b>  |
| <b>Net Ordinary Income</b>                        | <b>155,431.76</b>   | <b>95,668.32</b>  | <b>59,763.44</b>  | <b>162.5%</b> |
| <b>Other Income/Expense</b>                       |                     |                   |                   |               |
| <b>Other Expense</b>                              |                     |                   |                   |               |
| <b>7000 · Construction</b>                        |                     |                   |                   |               |
| 7010 · Materials                                  | 0.00                |                   |                   |               |
| 7050 · Basins- Capital Annual Repair              | 0.00                |                   |                   |               |
| 7055 · Plunge Creek Expansion                     | 0.00                |                   |                   |               |
| <b>Total 7000 · Construction</b>                  | <b>0.00</b>         |                   |                   |               |
| <b>7100 · Land &amp; Buildings</b>                |                     |                   |                   |               |
| 7110 · Property Capital Repairs                   | 0.00                |                   |                   |               |
| 7130 · Mentone Property (House)-CapRep            | 0.00                |                   |                   |               |
| 7140 · Mentone Property (Shop)-CapRep             | 0.00                |                   |                   |               |
| <b>Total 7100 · Land &amp; Buildings</b>          | <b>0.00</b>         |                   |                   |               |
| <b>7200 · Equipment &amp; Vehicles</b>            |                     |                   |                   |               |
| 7210 · Computer Hardware-Capital Purch            | 0.00                | 1,012.50          | -1,012.50         | 0.0%          |
| 7220 · Computer Software                          | 0.00                | 306.28            | -306.28           | 0.0%          |
| 7230 · Field Equipment / Vehicles                 | 0.00                |                   |                   |               |
| 7240 · Office Equipment                           | 1,235.99            | 0.00              | 1,235.99          | 100.0%        |
| <b>Total 7200 · Equipment &amp; Vehicles</b>      | <b>1,235.99</b>     | <b>1,318.78</b>   | <b>-82.79</b>     | <b>93.7%</b>  |
| <b>7400 · Professional Services Capital</b>       |                     |                   |                   |               |
| 7438 · Engineering Services-Other                 | 0.00                |                   |                   |               |
| <b>Total 7400 · Professional Services Capital</b> | <b>0.00</b>         |                   |                   |               |
| <b>Total Other Expense</b>                        | <b>1,235.99</b>     | <b>1,318.78</b>   | <b>-82.79</b>     | <b>93.7%</b>  |
| <b>Net Other Income</b>                           | <b>-1,235.99</b>    | <b>-1,318.78</b>  | <b>82.79</b>      | <b>93.7%</b>  |
| <b>Net Income</b>                                 | <b>154,195.77</b>   | <b>94,349.54</b>  | <b>59,846.23</b>  | <b>163.4%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | 5-Wash Plan  |            |                |             |
|--|--------------|------------|----------------|-------------|
|  | Jul - Sep 13 | Budget     | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>           |              |            |                |             |
| <b>Income</b>                            |              |            |                |             |
| 4010 · Interest Income                   |              |            |                |             |
| 4012 · LAIF                              | 0.00         |            |                |             |
| 4013 · Caltrust Investment Income        | 0.00         |            |                |             |
| 4010 · Interest Income - Other           | 0.00         |            |                |             |
| <b>Total 4010 · Interest Income</b>      | 0.00         |            |                |             |
| 4020 · Groundwater Charge                |              |            |                |             |
| 4021 · Assessments - Ag                  | 0.00         |            |                |             |
| 4023 · Assessments - Non-Ag              | 0.00         |            |                |             |
| <b>Total 4020 · Groundwater Charge</b>   | 0.00         |            |                |             |
| 4025 · Wash Plan Revenue                 | 0.00         | 103,950.00 | -103,950.00    | 0.0%        |
| 4030 · Mining Income                     |              |            |                |             |
| 4031 · Plant Site - CEMEX                | 0.00         |            |                |             |
| 4032 · Cemex - Royalty / Lease           | 0.00         |            |                |             |
| 4034 · Redlands Aggregate 5% Royalty     | 0.00         |            |                |             |
| 4036 · Aggregate Maintenance             | 0.00         |            |                |             |
| 4030 · Mining Income - Other             | 0.00         |            |                |             |
| <b>Total 4030 · Mining Income</b>        | 0.00         |            |                |             |
| 4040 · Miscellaneous Income              | 0.00         |            |                |             |
| 4050 · Property Tax                      | 0.00         |            |                |             |
| 4055 · SBVMWD Spreading Agreement Reim   | 0.00         |            |                |             |
| 4060 · Property Income                   |              |            |                |             |
| 4062 · Mentone Property                  | 0.00         |            |                |             |
| <b>Total 4060 · Property Income</b>      | 0.00         |            |                |             |
| 4065 · Redlands Plaza                    | 0.00         |            |                |             |
| 4066 · Redlands Plaza CAM                | 0.00         |            |                |             |
| 4080 · Exchange Plan                     | 0.00         |            |                |             |
| 4086 · Plunge Creek IRWMP                | 0.00         |            |                |             |
| <b>Total Income</b>                      | 0.00         | 103,950.00 | -103,950.00    | 0.0%        |
| <b>Gross Profit</b>                      | 0.00         | 103,950.00 | -103,950.00    | 0.0%        |
| <b>Expense</b>                           |              |            |                |             |
| 5050 · Regional Programs                 |              |            |                |             |
| 5080 · LAFCO Contribution                | 0.00         |            |                |             |
| 5082 · Plunge Creek                      | 0.00         |            |                |             |
| <b>Total 5050 · Regional Programs</b>    | 0.00         |            |                |             |
| 5100 · Professional Service              |              |            |                |             |
| 5120 · Misc. Professional Services       | 0.00         |            |                |             |
| 5122 · Wash Plan Professional Services   | 0.00         | 31,750.03  | -31,750.03     | 0.0%        |
| 5124 · Plunge Creek Prof Services        | 0.00         |            |                |             |
| 5125 · Engineering Services              | 0.00         |            |                |             |
| 5130 · Aerial Photography & Surveying    | 0.00         |            |                |             |
| 5145 · Environmental Services (WP)       | 0.00         | 53,250.00  | -53,250.00     | 0.0%        |
| 5160 · IT Support                        | 0.00         |            |                |             |
| 5170 · Audit                             | 0.00         |            |                |             |
| 5175 · Legal - Wash Plan                 | 0.00         | 10,500.00  | -10,500.00     | 0.0%        |
| 5180 · Legal                             | 0.00         |            |                |             |
| <b>Total 5100 · Professional Service</b> | 0.00         | 95,500.03  | -95,500.03     | 0.0%        |
| 5200 · Field Operations                  |              |            |                |             |
| 5210 · Equipment Maintenance             | 0.00         |            |                |             |
| 5215 · Property Maintenance              | 0.00         |            |                |             |
| <b>Total 5200 · Field Operations</b>     | 0.00         |            |                |             |
| 5300 · Vehicle Operations                |              |            |                |             |
| 5310 · Vehicle Maintenance               | 0.00         |            |                |             |
| 5320 · Fuel                              | 0.00         |            |                |             |
| <b>Total 5300 · Vehicle Operations</b>   | 0.00         |            |                |             |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | 5-Wash Plan  |        |                |             |
|--|--------------|--------|----------------|-------------|
|  | Jul - Sep 13 | Budget | \$ Over Budget | % of Budget |
| <b>5400 · Utilities</b>                    |              |        |                |             |
| 5410 · Alarm Service                       | 0.00         |        |                |             |
| 5420 · Electricity                         | 0.00         |        |                |             |
| 5430 · Mobile Phone                        | 0.00         |        |                |             |
| 5440 · Telephone                           | 0.00         |        |                |             |
| 5450 · Natural Gas                         | 0.00         |        |                |             |
| 5460 · Water / Trash / Sewer               | 0.00         |        |                |             |
| 5470 · Internet Services                   | 0.00         |        |                |             |
| <b>Total 5400 · Utilities</b>              | 0.00         |        |                |             |
| <b>6000 · General Administration</b>       |              |        |                |             |
| 6001 · General Administration - Other      | 0.00         |        |                |             |
| 6002 · Website Administration              | 0.00         |        |                |             |
| 6003 · Property Tax                        | 0.00         |        |                |             |
| 6004 · Meeting Expenses                    | 0.00         |        |                |             |
| 6006 · Permits                             | 0.00         |        |                |             |
| 6007 · Inter District Costs                | 0.00         |        |                |             |
| 6009 · Licenses                            | 0.00         |        |                |             |
| 6010 · Surety Bond                         | 0.00         |        |                |             |
| 6012 · Office Maintenance                  | 0.00         |        |                |             |
| 6015 · Mentone House Maintenance           | 0.00         |        |                |             |
| 6016 · Redlands Plaza Maintenance          | 0.00         |        |                |             |
| 6018 · Janitorial Services                 | 0.00         |        |                |             |
| 6019 · Janitorial Supplies                 | 0.00         |        |                |             |
| 6020 · Vacancy Marketing-Redlands Plaz     | 0.00         |        |                |             |
| 6024 · Computer Equip Maint.               | 0.00         |        |                |             |
| 6026 · Redlands Plaza CAM expenses         | 0.00         |        |                |             |
| 6027 · Computer Supplies                   | 0.00         |        |                |             |
| 6030 · Office Supplies                     | 0.00         |        |                |             |
| 6032 · Small Office Equipment              | 0.00         |        |                |             |
| 6033 · Office Equipment Rental             | 0.00         |        |                |             |
| 6036 · Printing                            | 0.00         |        |                |             |
| 6039 · Postage and Overnight Delivery      | 0.00         |        |                |             |
| 6042 · Payroll Processing                  | 0.00         |        |                |             |
| 6045 · Bank Service Charges                | 0.00         |        |                |             |
| 6051 · Uniforms                            | 0.00         |        |                |             |
| 6060 · Outreach                            | 0.00         |        |                |             |
| 6087 · Educational Reimbursement           | 0.00         |        |                |             |
| 6090 · Subscriptions/Publications          | 0.00         |        |                |             |
| 6091 · Public Notices                      | 0.00         |        |                |             |
| 6093 · Memberships                         | 0.00         |        |                |             |
| <b>Total 6000 · General Administration</b> | 0.00         |        |                |             |
| <b>6100 · Benefits</b>                     |              |        |                |             |
| 6110 · Vision Insurance                    | 0.00         |        |                |             |
| 6120 · Workers' Comp. Insurance            | 0.00         |        |                |             |
| 6130 · Dental Insurance                    | 0.00         |        |                |             |
| 6150 · Medical Insurance                   | 0.00         |        |                |             |
| 6160 · Payroll Taxes-Employer              | 0.00         |        |                |             |
| 6170 · PERS Retirement                     | 0.00         |        |                |             |
| <b>Total 6100 · Benefits</b>               | 0.00         |        |                |             |
| <b>6200 · Salaries</b>                     |              |        |                |             |
| 6230 · Regular Salaries                    | 0.00         |        |                |             |
| <b>Total 6200 · Salaries</b>               | 0.00         |        |                |             |
| <b>6300 · Insurance</b>                    |              |        |                |             |
| 6310 · Property/ Auto Insurance            | 0.00         |        |                |             |
| 6320 · General Liability Insurance         | 0.00         |        |                |             |
| <b>Total 6300 · Insurance</b>              | 0.00         |        |                |             |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|   | 5-Wash Plan  |                  |                   |             |
|---|--------------|------------------|-------------------|-------------|
|   | Jul - Sep 13 | Budget           | \$ Over Budget    | % of Budget |
| <b>6400 · Board of Directors' Expenses</b>        |              |                  |                   |             |
| 6401 · Directors' Fees                            | 0.00         |                  |                   |             |
| 6410 · Mileage                                    | 0.00         |                  |                   |             |
| 6415 · Air Fare                                   | 0.00         |                  |                   |             |
| 6420 · Other Travel                               | 0.00         |                  |                   |             |
| 6425 · Meals                                      | 0.00         |                  |                   |             |
| 6430 · Lodging                                    | 0.00         |                  |                   |             |
| 6435 · Conf/Seminar Registrations                 | 0.00         |                  |                   |             |
| 6440 · Election Fees / Re-Districting             | 0.00         |                  |                   |             |
| <b>Total 6400 · Board of Directors' Expenses</b>  | <b>0.00</b>  |                  |                   |             |
| <b>6500 · Administrative/Staff Expenses</b>       |              |                  |                   |             |
| 6510 · Mileage                                    | 0.00         |                  |                   |             |
| 6515 · Air Fare                                   | 0.00         |                  |                   |             |
| 6520 · Travel, Other (rental car, taxi            | 0.00         |                  |                   |             |
| 6525 · Meals                                      | 0.00         |                  |                   |             |
| 6530 · Lodging                                    | 0.00         |                  |                   |             |
| 6535 · Conf/Seminar Registrations                 | 0.00         |                  |                   |             |
| <b>Total 6500 · Administrative/Staff Expenses</b> | <b>0.00</b>  |                  |                   |             |
| <b>8010 · Capital Reserve GWE/Rate Stabil</b>     | <b>0.00</b>  |                  |                   |             |
| <b>Total Expense</b>                              | <b>0.00</b>  | <b>95,500.03</b> | <b>-95,500.03</b> | <b>0.0%</b> |
| <b>Net Ordinary Income</b>                        | <b>0.00</b>  | <b>8,449.97</b>  | <b>-8,449.97</b>  | <b>0.0%</b> |
| <b>Other Income/Expense</b>                       |              |                  |                   |             |
| <b>Other Expense</b>                              |              |                  |                   |             |
| <b>7000 · Construction</b>                        |              |                  |                   |             |
| 7010 · Materials                                  | 0.00         |                  |                   |             |
| 7050 · Basins- Capital Annual Repair              | 0.00         |                  |                   |             |
| 7055 · Plunge Creek Expansion                     | 0.00         |                  |                   |             |
| <b>Total 7000 · Construction</b>                  | <b>0.00</b>  |                  |                   |             |
| <b>7100 · Land &amp; Buildings</b>                |              |                  |                   |             |
| 7110 · Property Capital Repairs                   | 0.00         |                  |                   |             |
| 7130 · Mentone Property (House)-CapRep            | 0.00         |                  |                   |             |
| 7140 · Mentone Property (Shop)-CapRep             | 0.00         |                  |                   |             |
| <b>Total 7100 · Land &amp; Buildings</b>          | <b>0.00</b>  |                  |                   |             |
| <b>7200 · Equipment &amp; Vehicles</b>            |              |                  |                   |             |
| 7210 · Computer Hardware-Capital Purch            | 0.00         |                  |                   |             |
| 7220 · Computer Software                          | 0.00         |                  |                   |             |
| 7230 · Field Equipment / Vehicles                 | 0.00         |                  |                   |             |
| 7240 · Office Equipment                           | 0.00         |                  |                   |             |
| <b>Total 7200 · Equipment &amp; Vehicles</b>      | <b>0.00</b>  |                  |                   |             |
| <b>7400 · Professional Services Capital</b>       |              |                  |                   |             |
| 7438 · Engineering Services-Other                 | 0.00         |                  |                   |             |
| <b>Total 7400 · Professional Services Capital</b> | <b>0.00</b>  |                  |                   |             |
| <b>Total Other Expense</b>                        | <b>0.00</b>  |                  |                   |             |
| <b>Net Other Income</b>                           | <b>0.00</b>  |                  |                   |             |
| <b>Net Income</b>                                 | <b>0.00</b>  | <b>8,449.97</b>  | <b>-8,449.97</b>  | <b>0.0%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | TOTAL        |              |                |             |
|--|--------------|--------------|----------------|-------------|
|  | Jul - Sep 13 | Budget       | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>           |              |              |                |             |
| <b>Income</b>                            |              |              |                |             |
| <b>4010 - Interest Income</b>            |              |              |                |             |
| 4012 - LAIF                              | -30.32       | 500.00       | -530.32        | -6.1%       |
| 4013 - Caltrust Investment Income        | 27,784.41    | 15,000.00    | 12,784.41      | 185.2%      |
| 4010 - Interest Income - Other           | 0.00         | 0.00         | 0.00           | 0.0%        |
| <b>Total 4010 - Interest Income</b>      | 27,754.09    | 15,500.00    | 12,254.09      | 179.1%      |
| <b>4020 - Groundwater Charge</b>         |              |              |                |             |
| 4021 - Assessments - Ag                  | 23,357.64    | 19,232.50    | 4,125.14       | 121.4%      |
| 4023 - Assessments - Non-Ag              | 417,252.81   | 358,140.00   | 59,112.81      | 116.5%      |
| <b>Total 4020 - Groundwater Charge</b>   | 440,610.45   | 377,372.50   | 63,237.95      | 116.8%      |
| 4025 - Wash Plan Revenue                 | 0.00         | 103,950.00   | -103,950.00    | 0.0%        |
| <b>4030 - Mining Income</b>              |              |              |                |             |
| 4031 - Plant Site - CEMEX                | 12,000.00    | 8,000.00     | 4,000.00       | 150.0%      |
| 4032 - Cemex - Royalty / Lease           | 62,499.99    | 77,083.37    | -14,583.38     | 81.1%       |
| 4034 - Redlands Aggregate 5% Royalty     | 9,000.00     | 9,000.00     | 0.00           | 100.0%      |
| 4036 - Aggregate Maintenance             | 6,583.30     | 5,875.03     | 708.27         | 112.1%      |
| 4030 - Mining Income - Other             | 4,122.43     | 0.00         | 4,122.43       | 100.0%      |
| <b>Total 4030 - Mining Income</b>        | 94,205.72    | 99,958.40    | -5,752.68      | 94.2%       |
| 4040 - Miscellaneous Income              | 2,649.03     | 6,250.03     | -3,601.00      | 42.4%       |
| 4050 - Property Tax                      | 117.46       | 19,000.02    | -18,882.56     | 0.6%        |
| 4055 - SBVMWD Spreading Agreement Reim   | 354,550.00   | 350,000.00   | 4,550.00       | 101.3%      |
| <b>4060 - Property Income</b>            |              |              |                |             |
| 4062 - Mentone Property                  | 4,725.00     | 4,725.00     | 0.00           | 100.0%      |
| <b>Total 4060 - Property Income</b>      | 4,725.00     | 4,725.00     | 0.00           | 100.0%      |
| 4065 - Redlands Plaza                    | 23,373.26    | 22,970.92    | 402.34         | 101.8%      |
| 4066 - Redlands Plaza CAM                | 4,185.37     | 5,001.00     | -815.63        | 83.7%       |
| 4080 - Exchange Plan                     | 0.00         | 30,000.00    | -30,000.00     | 0.0%        |
| 4086 - Plunge Creek IRWMP                | 0.00         | 47,262.47    | -47,262.47     | 0.0%        |
| <b>Total Income</b>                      | 952,170.38   | 1,081,990.34 | -129,819.96    | 88.0%       |
| <b>Gross Profit</b>                      | 952,170.38   | 1,081,990.34 | -129,819.96    | 88.0%       |
| <b>Expense</b>                           |              |              |                |             |
| <b>5050 - Regional Programs</b>          |              |              |                |             |
| 5080 - LAFCO Contribution                | 327.07       | 2,336.46     | -2,009.39      | 14.0%       |
| 5082 - Plunge Creek                      | 0.00         | 2,154.22     | -2,154.22      | 0.0%        |
| <b>Total 5050 - Regional Programs</b>    | 327.07       | 4,490.68     | -4,163.61      | 7.3%        |
| <b>5100 - Professional Service</b>       |              |              |                |             |
| 5120 - Misc. Professional Services       | 46.00        | 30,000.00    | -29,954.00     | 0.2%        |
| 5122 - Wash Plan Professional Services   | 5,738.56     | 31,750.03    | -26,011.47     | 18.1%       |
| 5124 - Plunge Creek Prof Services        | 0.00         | 44,877.47    | -44,877.47     | 0.0%        |
| 5125 - Engineering Services              | 0.00         | 3,750.00     | -3,750.00      | 0.0%        |
| 5130 - Aerial Photography & Surveying    | 0.00         | 250.03       | -250.03        | 0.0%        |
| 5145 - Environmental Services (WP)       | 0.00         | 53,250.00    | -53,250.00     | 0.0%        |
| 5160 - IT Support                        | 585.00       | 1,875.01     | -1,290.01      | 31.2%       |
| 5170 - Audit                             | 13,590.00    | 12,331.84    | 1,258.16       | 110.2%      |
| 5175 - Legal - Wash Plan                 | 4,020.70     | 10,500.00    | -6,479.30      | 38.3%       |
| 5180 - Legal                             | 10,227.77    | 30,000.00    | -19,772.23     | 34.1%       |
| <b>Total 5100 - Professional Service</b> | 34,208.03    | 218,584.38   | -184,376.35    | 15.6%       |
| <b>5200 - Field Operations</b>           |              |              |                |             |
| 5210 - Equipment Maintenance             | 269.64       | 2,002.00     | -1,732.36      | 13.5%       |
| 5215 - Property Maintenance              | 1,602.88     | 1,875.00     | -272.12        | 85.5%       |
| <b>Total 5200 - Field Operations</b>     | 1,872.52     | 3,877.00     | -2,004.48      | 48.3%       |
| <b>5300 - Vehicle Operations</b>         |              |              |                |             |
| 5310 - Vehicle Maintenance               | 2,340.91     | 3,750.00     | -1,409.09      | 62.4%       |
| 5320 - Fuel                              | 1,349.91     | 4,125.00     | -2,775.09      | 32.7%       |
| <b>Total 5300 - Vehicle Operations</b>   | 3,690.82     | 7,875.00     | -4,184.18      | 46.9%       |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|  | TOTAL             |                   |                   |               |
|--|-------------------|-------------------|-------------------|---------------|
|  | Jul - Sep 13      | Budget            | \$ Over Budget    | % of Budget   |
| <b>5400 · Utilities</b>                    |                   |                   |                   |               |
| 5410 · Alarm Service                       | 697.94            | 750.00            | -52.06            | 93.1%         |
| 5420 · Electricity                         | 2,807.55          | 3,501.01          | -693.46           | 80.2%         |
| 5430 · Mobile Phone                        | 367.50            | 250.03            | 117.47            | 147.0%        |
| 5440 · Telephone                           | 1,387.79          | 1,849.98          | -462.19           | 75.0%         |
| 5450 · Natural Gas                         | 8.22              | 330.00            | -321.78           | 2.5%          |
| 5460 · Water / Trash / Sewer               | 275.22            | 2,914.96          | -2,639.74         | 9.4%          |
| 5470 · Internet Services                   | 1,622.25          | 1,875.00          | -252.75           | 86.5%         |
| <b>Total 5400 · Utilities</b>              | <b>7,166.47</b>   | <b>11,470.98</b>  | <b>-4,304.51</b>  | <b>62.5%</b>  |
| <b>6000 · General Administration</b>       |                   |                   |                   |               |
| 6001 · General Administration - Other      | 123.69            | 1,875.00          | -1,751.31         | 6.6%          |
| 6002 · Website Administration              | 172.50            | 775.02            | -602.52           | 22.3%         |
| 6003 · Property Tax                        | 0.00              | 542.53            | -542.53           | 0.0%          |
| 6004 · Meeting Expenses                    | 148.45            | 1,300.03          | -1,151.58         | 11.4%         |
| 6006 · Permits                             | 0.00              | 411.94            | -411.94           | 0.0%          |
| 6007 · Inter District Costs                | 0.00              | 2,500.03          | -2,500.03         | 0.0%          |
| 6009 · Licenses                            | 0.00              | 324.94            | -324.94           | 0.0%          |
| 6010 · Surety Bond                         | 0.00              | 501.00            | -501.00           | 0.0%          |
| 6012 · Office Maintenance                  | 0.00              | 750.00            | -750.00           | 0.0%          |
| 6015 · Mentone House Maintenance           | 266.61            | 762.47            | -495.86           | 35.0%         |
| 6016 · Redlands Plaza Maintenance          | 200.00            | 3,501.00          | -3,301.00         | 5.7%          |
| 6018 · Janitorial Services                 | 1,959.00          | 2,085.75          | -126.75           | 93.9%         |
| 6019 · Janitorial Supplies                 | 34.89             | 78.75             | -43.86            | 44.3%         |
| 6020 · Vacancy Marketing-Redlands Plaz     | 0.00              | 1,454.25          | -1,454.25         | 0.0%          |
| 6024 · Computer Equip Maint.               | 0.00              | 49.97             | -49.97            | 0.0%          |
| 6026 · Redlands Plaza CAM expenses         | 4,266.87          | 6,250.03          | -1,983.16         | 68.3%         |
| 6027 · Computer Supplies                   | 74.63             | 162.47            | -87.84            | 45.9%         |
| 6030 · Office Supplies                     | 1,250.67          | 918.75            | 331.92            | 136.1%        |
| 6032 · Small Office Equipment              | 0.00              | 0.00              | 0.00              | 0.0%          |
| 6033 · Office Equipment Rental             | 1,301.52          | 2,060.06          | -758.54           | 63.2%         |
| 6036 · Printing                            | 194.40            | 250.03            | -55.63            | 77.8%         |
| 6039 · Postage and Overnight Delivery      | 320.01            | 400.12            | -80.11            | 80.0%         |
| 6042 · Payroll Processing                  | 528.40            | 375.00            | 153.40            | 140.9%        |
| 6045 · Bank Service Charges                | 215.78            | 750.00            | -534.22           | 28.8%         |
| 6051 · Uniforms                            | 423.96            | 590.00            | -166.04           | 71.9%         |
| 6060 · Outreach                            | 105.59            | 1,250.00          | -1,144.41         | 8.4%          |
| 6087 · Educational Reimbursement           | 1,135.00          | 499.97            | 635.03            | 227.0%        |
| 6090 · Subscriptions/Publications          | 29.95             | 375.00            | -345.05           | 8.0%          |
| 6091 · Public Notices                      | 0.00              | 49.97             | -49.97            | 0.0%          |
| 6093 · Memberships                         | 65.00             | 4,999.97          | -4,934.97         | 1.3%          |
| <b>Total 6000 · General Administration</b> | <b>12,816.92</b>  | <b>35,844.05</b>  | <b>-23,027.13</b> | <b>35.8%</b>  |
| <b>6100 · Benefits</b>                     |                   |                   |                   |               |
| 6110 · Vision Insurance                    | 425.61            | 403.20            | 22.41             | 105.6%        |
| 6120 · Workers' Comp. Insurance            | 3,674.00          | 4,518.05          | -844.05           | 81.3%         |
| 6130 · Dental Insurance                    | 2,028.69          | 1,615.50          | 413.19            | 125.6%        |
| 6150 · Medical Insurance                   | 20,416.69         | 18,740.68         | 1,676.01          | 108.9%        |
| 6160 · Payroll Taxes-Employer              | 8,689.15          | 11,380.31         | -2,691.16         | 76.4%         |
| 6170 · PERS Retirement                     | 27,028.45         | 29,695.04         | -2,666.59         | 91.0%         |
| <b>Total 6100 · Benefits</b>               | <b>62,262.59</b>  | <b>66,352.78</b>  | <b>-4,090.19</b>  | <b>93.8%</b>  |
| <b>6200 · Salaries</b>                     |                   |                   |                   |               |
| 6230 · Regular Salaries                    | 115,925.36        | 163,975.09        | -48,049.73        | 70.7%         |
| <b>Total 6200 · Salaries</b>               | <b>115,925.36</b> | <b>163,975.09</b> | <b>-48,049.73</b> | <b>70.7%</b>  |
| <b>6300 · Insurance</b>                    |                   |                   |                   |               |
| 6310 · Property/ Auto Insurance            | 0.00              | 1,731.00          | -1,731.00         | 0.0%          |
| 6320 · General Liability Insurance         | 19,209.30         | 5,031.00          | 14,178.30         | 381.8%        |
| <b>Total 6300 · Insurance</b>              | <b>19,209.30</b>  | <b>6,762.00</b>   | <b>12,447.30</b>  | <b>284.1%</b> |

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
 July through September 2013

|   | TOTAL             |                   |                    |               |
|---|-------------------|-------------------|--------------------|---------------|
|   | Jul - Sep 13      | Budget            | \$ Over Budget     | % of Budget   |
| <b>6400 · Board of Directors' Expenses</b>        |                   |                   |                    |               |
| 6401 · Directors' Fees                            | 16,351.00         | 19,750.03         | -3,399.03          | 82.8%         |
| 6410 · Mileage                                    | 1,007.80          | 750.00            | 257.80             | 134.4%        |
| 6415 · Air Fare                                   | 449.30            | 1,187.53          | -738.23            | 37.8%         |
| 6420 · Other Travel                               | 45.50             | 124.97            | -79.47             | 36.4%         |
| 6425 · Meals                                      | 312.82            | 732.57            | -419.75            | 42.7%         |
| 6430 · Lodging                                    | 422.68            | 874.97            | -452.29            | 48.3%         |
| 6435 · Conf/Seminar Registrations                 | 1,315.00          | 1,147.50          | 167.50             | 114.6%        |
| 6440 · Election Fees / Re-Districting             | 0.00              | 25,000.03         | -25,000.03         | 0.0%          |
| <b>Total 6400 · Board of Directors' Expenses</b>  | <b>19,904.10</b>  | <b>49,567.60</b>  | <b>-29,663.50</b>  | <b>40.2%</b>  |
| <b>6500 · Administrative/Staff Expenses</b>       |                   |                   |                    |               |
| 6510 · Mileage                                    | 668.18            | 474.94            | 193.24             | 140.7%        |
| 6515 · Air Fare                                   | 186.80            | 375.00            | -188.20            | 49.8%         |
| 6520 · Travel, Other (rental car, taxi)           | 331.82            | 125.06            | 206.76             | 265.3%        |
| 6525 · Meals                                      | 124.82            | 375.00            | -250.18            | 33.3%         |
| 6530 · Lodging                                    | 1,064.25          | 300.00            | 764.25             | 354.8%        |
| 6535 · Conf/Seminar Registrations                 | 1,286.00          | 657.80            | 628.20             | 195.5%        |
| <b>Total 6500 · Administrative/Staff Expenses</b> | <b>3,661.87</b>   | <b>2,307.80</b>   | <b>1,354.07</b>    | <b>158.7%</b> |
| <b>8010 · Capital Reserve GWE/Rate Stabil</b>     | <b>0.00</b>       | <b>5,001.00</b>   | <b>-5,001.00</b>   | <b>0.0%</b>   |
| <b>Total Expense</b>                              | <b>281,045.05</b> | <b>576,108.36</b> | <b>-295,063.31</b> | <b>48.8%</b>  |
| <b>Net Ordinary Income</b>                        | <b>671,125.33</b> | <b>505,881.98</b> | <b>165,243.35</b>  | <b>132.7%</b> |
| <b>Other Income/Expense</b>                       |                   |                   |                    |               |
| <b>Other Expense</b>                              |                   |                   |                    |               |
| <b>7000 · Construction</b>                        |                   |                   |                    |               |
| 7010 · Materials                                  | 0.00              | 1,875.00          | -1,875.00          | 0.0%          |
| 7050 · Basins- Capital Annual Repair              | 0.00              | 15,000.00         | -15,000.00         | 0.0%          |
| 7055 · Plunge Creek Expansion                     | 0.00              | 7,500.00          | -7,500.00          | 0.0%          |
| <b>Total 7000 · Construction</b>                  | <b>0.00</b>       | <b>24,375.00</b>  | <b>-24,375.00</b>  | <b>0.0%</b>   |
| <b>7100 · Land &amp; Buildings</b>                |                   |                   |                    |               |
| 7110 · Property Capital Repairs                   | 0.00              | 7,500.00          | -7,500.00          | 0.0%          |
| 7130 · Mentone Property (House)-CapRep            | 0.00              | 436.50            | -436.50            | 0.0%          |
| 7140 · Mentone Property (Shop)-CapRep             | 0.00              | 3,874.97          | -3,874.97          | 0.0%          |
| <b>Total 7100 · Land &amp; Buildings</b>          | <b>0.00</b>       | <b>11,811.47</b>  | <b>-11,811.47</b>  | <b>0.0%</b>   |
| <b>7200 · Equipment &amp; Vehicles</b>            |                   |                   |                    |               |
| 7210 · Computer Hardware-Capital Purch            | 0.00              | 1,125.00          | -1,125.00          | 0.0%          |
| 7220 · Computer Software                          | 0.00              | 875.06            | -875.06            | 0.0%          |
| 7230 · Field Equipment / Vehicles                 | 3,480.00          | 8,749.97          | -5,269.97          | 39.8%         |
| 7240 · Office Equipment                           | 1,235.99          | 0.00              | 1,235.99           | 100.0%        |
| <b>Total 7200 · Equipment &amp; Vehicles</b>      | <b>4,715.99</b>   | <b>10,750.03</b>  | <b>-6,034.04</b>   | <b>43.9%</b>  |
| <b>7400 · Professional Services Capital</b>       |                   |                   |                    |               |
| 7438 · Engineering Services-Other                 | 0.00              | 7,937.53          | -7,937.53          | 0.0%          |
| <b>Total 7400 · Professional Services Capital</b> | <b>0.00</b>       | <b>7,937.53</b>   | <b>-7,937.53</b>   | <b>0.0%</b>   |
| <b>Total Other Expense</b>                        | <b>4,715.99</b>   | <b>54,874.03</b>  | <b>-50,158.04</b>  | <b>8.6%</b>   |
| <b>Net Other Income</b>                           | <b>-4,715.99</b>  | <b>-54,874.03</b> | <b>50,158.04</b>   | <b>8.6%</b>   |
| <b>Net Income</b>                                 | <b>666,409.34</b> | <b>451,007.95</b> | <b>215,401.39</b>  | <b>147.8%</b> |



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.dst.ca.us](mailto:info@sbvwcd.dst.ca.us)  
[www.sbvwcd.dst.ca.us](http://www.sbvwcd.dst.ca.us)

Memorandum No. 1211

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: October 9, 2013**

**Subject: 2013 Audit Report Presentation**

## **RECOMMENDATION**

The Ad Hoc Audit Committee (Committee) recommends the Board review and accept the 2013 Audit Report presented by Charles Fedak & Company; additionally thank them for the three years of service, direct staff to issue an RFP for Audit services in accordance with the Boards policy of triennial auditor rotation, and request the Ad Hoc Audit Committee review proposals and make a selection recommendation to the Board.

## **BACKGROUND**

Charles Fedak and Company was selected by the Board and performed the 2011 fiscal year audit. The auditor contract is a one year agreement with two, one year extensions subject to evaluation of performance. Staff working with the Committee recommended performing the 2013 audit under the same contract in its second extension. The Committee met on July 19, 2013 to discuss the audit and planned schedule. Staff and support contract worked together produce materials. The auditor reviewed and prepared a preliminary draft report and presented it to the Committee on September 10, 2013. The Auditor made the requested clarifications and updates and prepared the report and management letter attached to this memo for presentation and approval. As indicated by the management letter the audit is a “clean” audit and staff addressed all recommendations from the 2011 management letter, the last year any recommendations were made.

## **DISCUSSION**

Chris Brown, CPA will present the Audit and Management Reports and respond to any questions the Board may have.

## **FISCAL IMPACT**

The audit was conducted in accordance with the approved 2013-2014 budget.

BOARD  
OF  
DIRECTORS

Richard W. Corneille  
Clare Henry Day

Bob Glaubig  
John Longville

David E. Raley  
Melody McDonald  
Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad



**San Bernardino Valley Water Conservation District**  
**Annual Financial Report**  
**For the Fiscal Years Ended June 30, 2013 and 2012**



# *Service Since 1932*

## **San Bernardino Valley Water Conservation District Board of Directors as of June 30, 2013**

| <u>Name</u>               | <u>Division</u> | <u>Title</u>   | <u>Current<br/>Term Ending</u> |
|---------------------------|-----------------|----------------|--------------------------------|
| Richard Corneille         | 1               | President      | December 14, 2015              |
| Melody Henriques-McDonald | 5               | Vice-President | December 04, 2013              |
| Clare Henry Day           | 2               | Director       | December 04, 2013              |
| Bob Glaubig               | 1               | Director       | December 17, 2015              |
| John Longville            | 4               | Director       | December 04, 2013              |
| David E. Raley            | 2               | Director       | December 04, 2013              |
| Manuel Aranda Jr.         | 3               | Director       | December 14, 2015              |

**San Bernardino Valley Water Conservation District  
Daniel B. Cozad, General Manager  
1630 West Redlands Blvd., Suite A  
PO Box 1839  
Redlands, California 92373  
(909) 793-2503 – [www.sbvwd.org](http://www.sbvwd.org)**

**San Bernardino Valley Water Conservation District**  
**Annual Financial Report**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

DRAFT

**San Bernardino Valley Water Conservation District  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2013 and 2012**

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# Introductory Section

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# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

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[www.sbvwcd.dst.ca.us](http://www.sbvwcd.dst.ca.us)

October 9, 2013

Board of Directors  
San Bernardino Valley Water Conservation District

## Introduction

It is our pleasure to submit the Annual Financial Report for the San Bernardino Valley Water Conservation District (District) for the fiscal year ended June 30, 2013 following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance the Board and public understanding of the District's financial position and activities.

This report is organized into two sections: (1) Introductory and (2) Financial. The Introductory section offers general information about the District's organization and current District activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditors' Report, Management's Discussion and Analysis of the District's basic financial statements, and the District's audited basic financial statements with accompanying Notes.

Generally Accepted Accounting Principles (GAAP) requires that District management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. 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 after the Independent Auditor's Report.

## District Structure and Leadership

The San Bernardino Valley Water Conservation District is an independent special district, which operates under the authority of Division 21 of the California Water Code. The origin of the District dates from 1909 when the Water Conservation Association was voluntarily formed to conserve water in the region. The District was formed in 1932 as the successor agency to the Water Conservation Association by a vote of the people. The District is currently governed by a seven-member Board of Directors, elected by division from within the District's service area. The District reduced the number of Divisions to five and will be transitioning to a five member Board between 2013 and 2015.

The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. For most of FY 2013 the District employed six regular employees, three in the field and three in the office. The District's Board of Directors generally meets once each month. Meetings are publicly noticed and the public and the press frequently attend its Board meetings and workshops.

In 2013, the Board approved a Community Strategic Plan which was developed with input from the water, mining and other partners and the communities the District serves. This Strategic Plan focused on the District's services, efforts and strategic direction in support of the needs of the District's communities, rate payers and partners

## **District Services**

The San Bernardino Valley Water Conservation District recharges the groundwater basin protecting the safe yield of the San Bernardino Bunker Hill Basin and benefits of the cities, districts and agricultural and non-agricultural groundwater producers within the District's boundaries.

To accomplish the recharge, the District maintains 71 water percolation basins in the Mill Creek and Santa Ana River spreading grounds. The District also plans for, maintains or leases over 3600 acres in the Santa Ana River Wash at and below the confluence of the Santa Ana River and Mill Creek. Water year 2013 has been a dry year. The District recharged all water that was available; 7,946 acre feet of water successfully recharged into the groundwater basin for the water year ending September 30, 2013.

## **Significant Initiatives**

The District has several significant initiatives ongoing that are organizationally and financially significant.

**Santa Ana River Wash Plan** – The Wash Plan is a long term environmental and infrastructure planning effort that the District has led for many years. In 2012 and 2013 the District was able to work with the USFWS to refocus efforts and increase progress toward completion of the Wash Plan Habitat Conservation Plan. This plan will contribute the significant environmental improvements to habitat for several endangered species including the San Bernardino Kangaroo Rat and the Santa Ana River Woolly Star plant in the wash. The plan also allows expanded water conservation facilities, mining, transportation and trails. The communities served by the District are very involved in the effort through the Wash Plan Task Force.

**Plunge Creek Water and Habitat Conservation** – This project was developed and competed with over 100 projects within the Santa Ana Watershed for Proposition 84 Integrated Regional Water Management Planning funding. The District will receive an allocation of \$500,000 in grant funding if approved by the Department of Water Resources in the fall of 2013 for the project. This significant project planned with the US Fish and Wildlife Service will ultimately develop about 100 acres of new high quality SBKR habitat and create an additional 1,600 AF of groundwater recharge per year on District owned lands.

**Enhanced Recharge Project with SBVMWD** – The Enhanced Recharge Project is significant to the District because it is a cooperative project with San Bernardino Valley Municipal Water District (SBVMWD). The project will improve and construct additional facilities; basins, canals and related structures on District lands to increase the capacity to recharge water from the Santa Ana River in the years when it is plentiful. This cooperative joint project also allows more effective use of the existing facilities for the benefit of the groundwater basin.

**Policy and Practice Documentation** – Staff continues to work to better document the policy, practices and procedures used by the District. Many of these good practices and procedures were in place and followed by staff but some were not well documented. In the past the District had benefited from long time staff which passed down practices and procedures. It is important to ensure this knowledge is captured and documented with retirements and other changes in staffing. Examples include the Operations and Maintenance Manual and expanded District policies for budget and reserves. These are important because for the first time in several years contributions to reserves can be made due to savings, one time revenue, and repayment of reimbursements due to the District.

## Economic Condition and Outlook

The District is located at a strategic point in the watershed in the East end of the San Bernardino Valley. The Valley has experienced significant economic growth within the Inland Empire over the past few years however, the downturn in building and the larger economy in general greatly impacted the District's revenues. The downturn in building caused the District to experience reductions in mining royalties collected on aggregate mined from District leased properties. A 2011 land lease and mining agreement with CEMEX now provides for minimum annual guaranteed revenue. This has shown to be a significant improvement and will help to mitigate revenue variability.

The broader economic outlook for the Inland Empire is now improving from the real estate recession. Housing prices are rising and some development activities are being initiated. Historically, the Inland Empire recovers somewhat slower than Los Angeles and coastal Southern California. The ongoing financial crisis that has impacted the District's mining royalties is likely to impact the District revenue for the next few years. The California State budget deficit may also impact the District due to reductions in grants and reduced property tax revenues.

## Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met with the limited staff at the District. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The District is better documenting its controls and practices and adding efforts to allow the highest level of control possible with its minimal staffing.

## Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget prior to the beginning of the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

In 2011 the District's Board of Directors adopted an enterprise model for financial management and reporting purposes as well as reserve and other pertinent policies to implement the enterprise model. These changes were intended to provide better internal accountability and provide greater public transparency. In 2012 and 2013, District policies were updated to revisit reserve levels and provide for implementation when revenue was available. The table below shows designated cash and cash equivalent balances after full implementation of these policies.

| <b>Fund</b>                                 | <b>2013 Balance</b> |
|---|---------------------|
| Groundwater Recharge Enterprise             | \$1,229,001         |
| Groundwater ER Maintenance Reserve          | \$50,000            |
| Land Resources Reserve                      | \$679,206           |
| Post-employment Expense/CalPERS             | \$3,118             |
| Self-Insurance Reserve                      | \$10,000            |
| General Operating Reserves                  | <u>\$510,027</u>    |
| Total                                       | \$2,511,352         |
| Prepaid Aggregate Royalty (1 year callable) | \$5,000,000         |

## **Investment Policy**

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the “prudent person” standards. The objective of the Investment Policy is safety, liquidity and yield. District funds are invested in the State Treasurer’s Local Agency Investment Fund, the CalTrust Joint Powers Authority, and institutional checking accounts.

## **District Revenues**

State law and District policy ensure that all revenues from groundwater charges generated from District groundwater production support District operations. Groundwater Charge rates are set in accordance with section 75500 of the California Water Code. Groundwater charges are levied on all groundwater producing agricultural and non-agricultural facilities within the District boundaries. This is the primary component of the District’s revenue. The District has agreements with other entities for payment or reimbursement for recharge of water on their behalf. In 2012 a cooperative agreement for the implementation of the Enhanced Recharge facilities was implemented and this agreement provides land lease funding as well as groundwater operations funding, which replaces a component of reimbursement revenue from SBVMWD. Revenue from royalties on aggregate mining, property leases, easements, and interest on reserves complete the non-rate revenue. In 2013, easements to allow the Department of Water Resources to build an extension to the State Water Project, EBX-2, contributed significant one time revenue to the District.

## **Audit and Financial Reporting**

State Laws require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Charles Z. Fedak & Company, CPAs has conducted the audit of the District’s financial statements for the past few years. Their unmodified Independent Auditor’s Report appears in the Financial Section.

## **Other References**

More information is contained in the Management’s Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

## **Acknowledgements**

Preparation of this report was accomplished by the combined efforts of District staff as well as support and oversight by the firm of Rogers, Anderson, Malody, and Scott. We appreciate the dedicated efforts and professionalism of the staff of the District. We would also like to thank the members of the Ad Hoc Audit Committee and the Board of Directors for their continued support in planning and implementation of the San Bernardino Valley Water Conservation District’s fiscal policies.

Respectfully submitted,

---

Daniel B. Cozad  
General Manager

# Financial Section

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Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

## Charles Z. Fedak & Company

Certified Public Accountants  
An Accountancy Corporation

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Cypress, California 90630  
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### Independent Auditor's Report

Board of Directors  
San Bernardino Valley Water Conservation District  
Redlands, California

#### Report on the Financial Statements

We have audited the accompanying financial statements of the San Bernardino Valley Water Conservation District (District) as of and for the years ended June 30, 2013 and 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.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2013 and 2012, and the respective changes in financial position, and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Independent Auditor's Report, continued**

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 12 and schedule of funding progress on page 30 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, schedules of operating revenues and expenses, and schedules of Wash Plan revenues and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of operating revenues and expenses, and schedules of Wash Plan revenues and expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating revenues and expenses, and schedules of Wash Plan revenues and expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section 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.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 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. This report can be found on pages 33 and 34.

**Charles Z. Fedak & Company, CPA's – An Accountancy Corporation**

Cypress, California

October 9, 2013

**San Bernardino Valley Water Conservation District**  
*Management's Discussion and Analysis*  
**For the Fiscal Years Ended June 30, 2013 and 2012**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Bernardino Valley Water Conservation District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2013 and 2012. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- The District's net position increased 45.7% or \$1,353,055 to \$4,311,944 in fiscal year 2013 as the result of operations. In 2012, The District's net position increased 2.7% or \$76,259 to \$2,958,889 as the result of operations.
- The District's operating revenues increased 84.00% or \$721,048 in 2013 primarily due to a \$224,958 increase in groundwater assessments and a one-time repayment \$496,090 related to water spreading activities. In 2012, the District's operating revenues increased 36.0% or \$227,024 primarily due to a \$69,726 increase in groundwater assessments and a \$157,298 increase in water spreading revenues.
- The District's non-operating revenues increase by 83.00% or \$422,788 in 2013 due primarily to a \$52,876 increase in property tax revenues, a \$63,848 increase in royalty revenues, and a \$311,818 increase in other non-operating revenues related to a one-time payment for the East Branch Extension II Easement Condemnation. In 2012, the District's non-operating revenues increase by 12.0% or \$54,720 due primarily to a \$153,958 increase in royalty revenues and a \$38,858 increase in rental income that was offset by a \$160,343 decrease in other non-operating revenues.
- The District's operating expenses decreased 14.1% or \$152,844 in 2013 primarily due to decreases in maintenance expenses of \$73,110, professional services of \$28,591, and employee benefits costs of \$16,747. In 2012, the District's operating expenses increased 1.3% or \$13,469 primarily due to increases in staff salaries of \$41,894, equipment costs of \$56,255, and election related Director's fees and expenses of \$31,490, which was offset by a decrease in professional services expense in the amount of \$113,636.
- The District's non-operating expenses increased 10.0% or \$11,361 in 2013 primarily due to a \$16,368 decrease the fair-market value of investments at year-end, a \$6,702 increase in rental property expense which was offset by an \$11,709 decrease in interest expense. In 2012, the District's non-operating expenses increased 84.3% or \$52,119 in 2012 primarily due to a \$34,198 increase in rental property expense and a \$20,222 decrease in the fair-market value of investments at fiscal year-end.

**Required Financial Statements**

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

The Statement of Net Position includes all of the District's investments in resources (assets and deferred outflows) and the obligations to creditors (liabilities and deferred inflows). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. 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.

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Required Financial Statements, Continued**

The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period.

The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

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

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 17 through 29.

**Statements of Net Position**

**Condensed Statements of Net Position**

|                                  | <b>2013</b>         | <b>2012</b>      | <b>Change</b>    |
|----------------------------------|---------------------|------------------|------------------|
| <b>Assets:</b>                   |                     |                  |                  |
| Current assets                   | \$ 8,143,031        | 6,688,131        | 1,454,900        |
| Capital assets, net              | 1,283,635           | 1,373,408        | (89,773)         |
| <b>Total assets</b>              | <b>9,426,666</b>    | <b>8,061,539</b> | <b>1,365,127</b> |
| <b>Liabilities:</b>              |                     |                  |                  |
| Current liabilities              | 52,289              | 54,840           | (2,551)          |
| Non-current liabilities          | 5,062,433           | 5,050,810        | 11,623           |
| <b>Total liabilities</b>         | <b>5,114,722</b>    | <b>5,105,650</b> | <b>9,072</b>     |
| <b>Net position:</b>             |                     |                  |                  |
| Net investment in capital assets | 1,283,635           | 1,373,408        | (89,773)         |
| Unrestricted                     | 3,028,309           | 1,585,481        | 1,442,828        |
| <b>Total net position</b>        | <b>\$ 4,311,944</b> | <b>2,958,889</b> | <b>1,353,055</b> |

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Statements of Net Position, Continued**

As noted earlier, the total net position of the District may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of the District exceeded liabilities plus deferred inflows \$4,311,944 and \$2,958,889 as of June 30, 2013 and 2012, respectively.

By far the largest portion of the District's net position, 29.8% as of June 30, 2013 and 46.4% as of June 30, 2012, reflects the District's investment in capital assets (net of accumulated depreciation). The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2013 and 2012, the District showed a positive balance in its unrestricted net Position of \$3,028,309 and \$1,585,481, respectively, which may be utilized in future years.

**Statements of Revenues, Expenses and Changes in Net Position**

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

|  | <u>2013</u>         | <u>2012</u>      | <u>Change</u>    |
|--|---------------------|------------------|------------------|
| <b>Revenues:</b>                               |                     |                  |                  |
| Operating revenues                             | \$ 1,579,538        | 858,490          | 721,048          |
| Non-operating revenues                         | 932,498             | 509,710          | 422,788          |
| <b>Total revenues</b>                          | <u>2,512,036</u>    | <u>1,368,200</u> | <u>1,143,836</u> |
| <b>Expenses:</b>                               |                     |                  |                  |
| Operating expenses                             | 931,716             | 1,084,560        | (152,844)        |
| Depreciation expense                           | 101,985             | 105,948          | (3,963)          |
| Non-operating expenses                         | 125,280             | 113,919          | 11,361           |
| <b>Total expenses</b>                          | <u>1,158,981</u>    | <u>1,304,427</u> | <u>(145,446)</u> |
| <b>Net income before capital contributions</b> | 1,353,055           | 63,773           | 1,289,282        |
| <b>Capital contributions:</b>                  | -                   | 12,486           | (12,486)         |
| <b>Change in net position</b>                  | 1,353,055           | 76,259           | 1,276,796        |
| <b>Net position, beginning of year</b>         | <u>2,958,889</u>    | <u>2,882,630</u> | <u>(145,659)</u> |
| <b>Net position, end of year</b>               | <u>\$ 4,311,944</u> | <u>2,958,889</u> | <u>1,353,055</u> |

The statement of revenues, expenses and changes of net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased by \$1,353,055 and \$76,259 in fiscal years ended June 30, 2013 and 2012, respectively.

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

- The District's net position increased 45.7% or \$1,353,055 to \$4,311,944 in fiscal year 2013 as the result of operations. In 2012, The District's net position increased 2.7% or \$76,259 to \$2,958,889 as the result of operations.
- The District's operating revenues increased 84.00% or \$721,048 in 2013 primarily due to a \$224,958 increase in groundwater assessments and a one-time repayment \$496,090 related to water spreading activities. In 2012, the District's operating revenues increased 36.0% or \$227,024 primarily due to a \$69,726 increase in groundwater assessments and a \$157,298 increase in water spreading revenues.

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Statements of Revenues, Expenses and Changes in Net Position, Continued**

- The District's non-operating revenues increase by 83.00% or \$422,788 in 2013 due primarily to a \$52,876 increase in property tax revenues, a \$63,848 increase in royalty revenues, and a \$311,818 increase in other non-operating revenues related to a one-time payment for the East Branch Extension II Easement Condemnation. In 2012, the District's non-operating revenues increase by 12.0% or \$54,720 due primarily to a \$153,958 increase in royalty revenues and a \$38,858 increase in rental income that was offset by a \$160,343 decrease in other non-operating revenues.
- The District's operating expenses decreased 14.1% or \$152,844 in 2013 primarily due to decreases in maintenance expenses of \$73,110, professional services of \$28,591, and employee benefits costs of \$16,747. In 2012, the District's operating expenses increased 1.3% or \$13,469 primarily due to increases in staff salaries of \$41,894, equipment costs of \$56,255, and election related Director's fees and expenses of \$31,490, which was offset by a decrease in professional services expense in the amount of \$113,636.
- The District's non-operating expenses increased 10.0% or \$11,361 in 2013 primarily due to a \$16,368 decrease the fair-market value of investments at year-end, a \$6,702 increase in rental property expense which was offset by an \$11,709 decrease in interest expense. In 2012, the District's non-operating expenses increased 84.3% or \$52,119 in 2012 primarily due to a \$34,198 increase in rental property expense and a \$20,222 decrease in the fair-market value of investments at fiscal year-end.

**Capital Asset Administration**

At the end of fiscal years 2013 and 2012, the District's investment in capital assets amounted to \$1,283,635 and \$1,373,408, respectively, net of accumulated depreciation. This investment in capital assets includes land, diversion facilities, recharge basins, buildings, equipment, and vehicles, etc. Major capital assets additions during the year include improvements the District's buildings and equipment.

Changes in capital assets in 2013 were as follows:

|                          | <u>Balance<br/>2012</u> | <u>Additions</u> | <u>Disposals/<br/>Transfers</u> | <u>Balance<br/>2013</u> |
|--------------------------|-------------------------|------------------|---------------------------------|-------------------------|
| Capital assets:          |                         |                  |                                 |                         |
| Non-depreciable assets   | \$ 219,383              | -                | -                               | 219,383                 |
| Depreciable assets       | 2,136,800               | 12,212           | (25,866)                        | 2,123,146               |
| Accumulated depreciation | (982,775)               | (101,985)        | 25,866                          | (1,058,894)             |
| Total capital assets     | <u>\$ 1,373,408</u>     | <u>(89,773)</u>  | <u>-</u>                        | <u>1,283,635</u>        |

Changes in capital assets in 2012 were as follows:

|                          | <u>Balance<br/>2011</u> | <u>Additions</u> | <u>Disposals/<br/>Transfers</u> | <u>Balance<br/>2012</u> |
|--------------------------|-------------------------|------------------|---------------------------------|-------------------------|
| Capital assets:          |                         |                  |                                 |                         |
| Non-depreciable assets   | \$ 219,383              | -                | -                               | 219,383                 |
| Depreciable assets       | 2,118,148               | 18,652           | -                               | 2,136,800               |
| Accumulated depreciation | (876,827)               | (105,948)        | -                               | (982,775)               |
| Total capital assets     | <u>\$ 1,460,704</u>     | <u>(87,296)</u>  | <u>-</u>                        | <u>1,373,408</u>        |

**San Bernardino Valley Water Conservation District**  
*Management's Discussion and Analysis*  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net assets or operating results based on past, present and future events.

**Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please review the District website at [www.sbvwd.org](http://www.sbvwd.org) or contact the District's General Manager at 1630 West Redlands Blvd, Suite A, PO Box 1839, Redlands, CA 92373.

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# Basic Financial Statements

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**San Bernardino Valley Water Conservation District**  
**Statements of Net Position**  
**June 30, 2013 and 2012**

|  | <b>2013</b>  | <b>2012</b> |
|--|--------------|-------------|
| <b>Current assets:</b>                             |              |             |
| Cash and cash equivalents (note 2)                 | \$ 7,511,352 | 6,194,467   |
| Accrued interest receivable                        | 3,378        | 5,103       |
| Accounts receivable                                | 45,361       | 30,000      |
| Assessments receivable – groundwater charge        | 380,585      | 295,155     |
| Advances to Wash Plan (note 3)                     | 188,365      | 161,906     |
| Prepaid expenses and other                         | 13,990       | 1,500       |
| Total current assets                               | 8,143,031    | 6,688,131   |
| <b>Non-current assets:</b>                         |              |             |
| Capital assets – not being depreciated (note 4)    | 219,383      | 219,383     |
| Capital assets – being depreciated (note 4)        | 1,064,252    | 1,154,025   |
| Total non-current assets                           | 1,283,635    | 1,373,408   |
| <b>Total assets</b>                                | 9,426,666    | 8,061,539   |
| <b>Current liabilities:</b>                        |              |             |
| Accounts payable and accrued expenses              | 10,535       | 23,032      |
| Accrued wages and related payables                 | 15,358       | 9,593       |
| Customer deposits for water service                | 6,767        | 4,717       |
| Long-term liabilities – due in one year:           |              |             |
| Compensated absences (note 5)                      | 19,629       | 14,498      |
| Total current liabilities                          | 52,289       | 51,840      |
| <b>Non-current liabilities:</b>                    |              |             |
| Unearned revenue (note 6)                          | 5,000,000    | 5,000,000   |
| Long-term liabilities – due in more than one year: |              |             |
| Compensated absences (note 5)                      | 59,315       | 48,848      |
| Other post-employment benefits payable (note 8)    | 3,118        | 1,962       |
| Total non-current liabilities                      | 5,062,433    | 5,050,810   |
| <b>Total liabilities</b>                           | 5,114,722    | 5,102,650   |
| <b>Net position:</b>                               |              |             |
| Net investment in capital assets                   | 1,283,635    | 1,373,408   |
| Unrestricted (note 9)                              | 3,028,309    | 1,585,481   |
| <b>Total net position</b>                          | \$ 4,311,944 | 2,958,889   |

See accompanying notes to the basic financial statements

**San Bernardino Valley Water Conservation District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

|  | <b>2013</b>  | <b>2012</b> |
|--|--------------|-------------|
| <b>Operating revenues:</b>                         |              |             |
| Groundwater assessments                            | \$ 896,150   | 671,192     |
| Water spreading operations                         | 653,388      | 157,298     |
| Services for other agencies                        | 30,000       | 30,000      |
| Total operating revenues                           | 1,579,538    | 858,490     |
| <b>Operating expenses:</b>                         |              |             |
| Water spreading operations                         | 773,563      | 889,821     |
| Regional programs                                  | 6,750        | 1,028       |
| General and administrative                         | 151,403      | 193,711     |
| Total operating expenses                           | 931,716      | 1,084,560   |
| Operating income(loss) before depreciation expense | 647,822      | (226,070)   |
| Depreciation expense                               | (101,985)    | (105,948)   |
| <b>Operating income(loss)</b>                      | 545,837      | (332,018)   |
| <b>Non-operating revenue(expense):</b>             |              |             |
| Property taxes                                     | 129,852      | 76,976      |
| Investment earnings                                | 45,343       | 55,030      |
| Decrease in fair-market value of investments       | (36,590)     | (20,222)    |
| Royalty income                                     | 264,912      | 201,064     |
| Rental income                                      | 163,757      | 159,824     |
| Rental property expense                            | (88,659)     | (81,957)    |
| Interest expense                                   | (31)         | (11,740)    |
| Other non-operating revenue(expense), net          | 328,634      | 16,816      |
| Total non-operating revenues, net                  | 807,218      | 395,791     |
| <b>Net income before capital contributions</b>     | 1,353,055    | 63,773      |
| <b>Capital contributions:</b>                      |              |             |
| Capital grants – State                             | -            | 12,486      |
| Total capital contributions                        | -            | 12,486      |
| <b>Change in net position</b>                      | 1,353,055    | 76,259      |
| <b>Net position, beginning of year</b>             | 2,958,889    | 2,882,630   |
| <b>Net position, end of year</b>                   | \$ 4,311,944 | 2,958,889   |

See accompanying notes to the basic financial statements

**San Bernardino Valley Water Conservation District**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

|   | <b>2013</b>         | <b>2012</b>      |
|---|---------------------|------------------|
| <b>Cash flows from operating activities:</b>                  |                     |                  |
| Cash received from groundwater assessments and other agencies | \$ 1,579,538        | 792,386          |
| Cash paid to vendors and suppliers for materials and services | (340,949)           | (678,417)        |
| Cash paid to employees for salaries and wages                 | (399,932)           | (439,116)        |
| Net cash provided by(used in) operating activities            | 838,657             | (325,147)        |
| <b>Cash flows from capital financing activities:</b>          |                     |                  |
| Acquisition of capital assets                                 | (12,212)            | (18,652)         |
| Net cash used in capital financing activities                 | (12,212)            | (18,652)         |
| <b>Cash flows from non-capital financing activities:</b>      |                     |                  |
| Proceeds from property taxes                                  | 129,852             | 76,976           |
| Proceeds from royalty income                                  | 264,912             | 201,064          |
| Proceeds from rental revenue, net                             | 75,098              | 77,867           |
| Proceeds from capital grants                                  | -                   | 12,486           |
| Advances to Wash Plan   | (26,459)            | (51,142)         |
| Principal paid on pension debt                                | -                   | (184,675)        |
| Interest paid on pension debt                                 | (31)                | (11,740)         |
| Net cash provided by non-capital financing activities         | 443,372             | 120,836          |
| <b>Cash flows from investing activities:</b>                  |                     |                  |
| Interest and investment earnings                              | 47,068              | 57,373           |
| Net cash provided by investing activities                     | 47,068              | 57,373           |
| <b>Net increase(decrease) in cash and cash equivalents</b>    | <b>1,316,885</b>    | <b>(165,590)</b> |
| <b>Cash and cash equivalents, beginning of year</b>           | <b>6,194,467</b>    | <b>6,360,057</b> |
| <b>Cash and cash equivalents, end of year</b>                 | <b>\$ 7,511,352</b> | <b>6,194,467</b> |

Continued on next page

See accompanying notes to the basic financial statements

**San Bernardino Valley Water Conservation District**  
**Statements of Cash Flows, continued**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

|  | <u>2013</u>                     | <u>2012</u>                    |
|--|---------------------------------|--------------------------------|
| <b>Reconciliation of operating income(loss) to net cash provided by(used in)operating activities:</b>  |                                 |                                |
| Operating income(loss)   | \$ <u>545,837</u>               | <u>(332,018)</u>               |
| Adjustments to reconcile operating income(loss) to net cash provided by(used in) operating activities: |                                 |                                |
| Depreciation expense   | 101,985                         | 105,948                        |
| Other non-operating revenues(expenses), net  | 292,044                         | (3,406)                        |
| <b>Changes in assets and liabilities:</b>  |                                 |                                |
| (Increase)decrease in assets:  |                                 |                                |
| Accounts receivable  | (15,361)                        | (30,000)                       |
| Assessments receivable – groundwater charge  | (85,430)                        | (36,104)                       |
| Prepaid expenses and other   | (12,490)                        | (1,500)                        |
| Increase(decrease) in liabilities:   |                                 |                                |
| Accounts payable and accrued expenses  | (12,497)                        | (12,365)                       |
| Accrued wages and related payables   | 5,765                           | (9,142)                        |
| Customer deposits for water service  | 2,050                           | (1,108)                        |
| Compensated absences   | 15,598                          | (6,452)                        |
| Other post-employment benefits payable   | <u>1,156</u>                    | <u>1,000</u>                   |
| Total adjustments  | <u>292,820</u>                  | <u>6,871</u>                   |
| <b>Net cash provided by(used in) operating activities</b>  | <b>\$ <u><u>838,657</u></u></b> | <b><u><u>(325,147)</u></u></b> |
| <b>Non-cash investing, capital and financing transactions:</b>   |                                 |                                |
| Change in fair-market value of investments   | <u><u>\$ (16,368)</u></u>       | <u><u>10,357</u></u>           |

See accompanying notes to the basic financial statements

**San Bernardino Valley Water Conservation District**  
**Statements of Fiduciary Net Position - Agency Fund**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

|                            | <b>2013</b>    | <b>2012</b>    |
|----------------------------|----------------|----------------|
| <b>Assets:</b>             |                |                |
| Cash and cash equivalents  | \$ -           | -              |
| Due from other governments | 188,365        | 161,906        |
| <b>Total assets</b>        | <b>188,365</b> | <b>161,906</b> |
| <b>Liabilities:</b>        |                |                |
| Due to other governments   | 188,365        | 161,906        |
| <b>Total liabilities</b>   | <b>188,365</b> | <b>161,906</b> |
| <b>Net position:</b>       |                |                |
| Unrestricted               | \$ -           | -              |

See accompanying notes to the basic financial statements

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**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 1 – Summary of Significant Accounting Policies**

**Reporting Entity**

The San Bernardino Valley Water Conservation District (District) was formed in 1932 under the statutory authority of the California Water Code. Its function is to conduct water spreading operations by capturing flood flows of the Santa Ana River and Mill Creek. Spreading enables the water to percolate into the groundwater basin for the benefit of all producers.

The District is comprised of approximately 50,000 acres of land. Within its boundaries are several municipal water purveyors, public utilities, and other (mutual and private) companies who supply water needs. The source of such water is the groundwater basin underlying the District, of which an average of 150,000 acre-feet per year is extracted through some 300 producing wells by approximately 150 different producers.

The District is governed by a seven-member board of directors elected by the citizens residing within the District's service boundaries.

**Basis of Accounting**

The accounting records of the District are maintained on the accrual basis of accounting. Under this method, revenues are recognized in the period earned and expenses are recognized in the period incurred. The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding.

Operating revenues and expenses result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses are reported as non-operating revenues and expenses.

**Accounting Pronouncements**

The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting, including:

***Governmental Accounting Standards Board Statement No. 60 – Accounting and Financial Reporting for Service Concession Arrangements.*** This standard addresses how to account for and report service concession arrangements, a type of public-private or public-public partnership that state and local governments are increasingly entering into.

***Governmental Accounting Standards Board Statement No. 61 – The Financial Reporting Entity, Omnibus.*** This standard is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and local Governments*.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 1 – Summary of Significant Accounting Policies, (continued)**

***Governmental Accounting Standards Board Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*** The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the “FASB and AICPA pronouncements.” This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

***Governmental Accounting Standards Board Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*** This standard is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

***Governmental Accounting Standards Board Statement No. 65 – Items Previously Reported as Assets and Liabilities.*** This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**Net Position**

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

*Net Investment in Capital Assets* – Investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* – Restricted consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.

*Unrestricted* – Unrestricted consists of any remaining balance of the District’s net position that do not meet the definition of “restricted” or “net investment in capital assets”.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues and expenses, and disclose material contingent liabilities existing at the date of the financial statements. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all cash and cash deposits, investment in the State Treasurer's Local Agency Investment Fund, and other investments with initial maturities of less than 90 days at the date of purchase to be cash and cash equivalents in the presentation of the District's financial statements.

**Investments**

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**Property Taxes and Assessments**

Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year. These taxes become delinquent if not paid by August 31.

The District assesses its property taxes through the County tax rolls. Property taxes are recognized as revenue when they are both measurable and available.

**Compensated Absences**

District employees earn vacation and sick leave in varying amounts based on length of service. The District records the cost of vested vacation and sick leave as it is earned. Vacation pay is payable to employees at the time vacation is taken or upon termination of employment. Employees may receive payment for unused sick leave upon termination according to a predetermined vesting schedule.

**Concentrations**

The District has two primary sources of revenue. One is the groundwater charge levied to entities who extract water from the groundwater basin underlying the District. The amount of rainfall in the area as well as additional allocations of state project water to the neighboring water districts can have a significant effect on the amount of water extracted. The second major source of revenue is from mining activities on District property. The level of building activity in the region may have significant impact on mining revenues.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 1 – Summary of Significant Accounting Policies, (continued)**

**Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$1,000 and an estimated useful life of five years. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

|                        |               |
|------------------------|---------------|
| Buildings              | 40 – 50 years |
| Vehicles and equipment | 5 – 10 years  |
| Office equipment       | 3 – 10 years  |
| Field equipment        | 5 – 10 years  |
| Spreading basins       | 50+ years     |
| Improvements:          |               |
| Structural             | 40 years      |
| Furnishings            | 10 years      |

**Budgetary Policies**

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

**Note 2 – Cash and Investments**

Cash and investments as of June 30, are classified in the Statements of Net Position as follows:

|                             | <u>2013</u>         | <u>2012</u>      |
|-----------------------------|---------------------|------------------|
| Statements of Net Position: |                     |                  |
| Cash and cash equivalents   | \$ <u>7,511,352</u> | <u>6,194,467</u> |

Cash and cash equivalents as of June 30, consist of the following:

|  | <u>2013</u>         | <u>2012</u>      |
|--|---------------------|------------------|
| Cash on hand – undeposited funds                               | \$ 32,940           | -                |
| Deposits with financial institutions                           | 992,498             | 219,030          |
| Deposits held with the California Local Agency Investment Fund | 444,261             | 443,109          |
| Deposits held with the CalTRUST Medium-Term Fund               | <u>6,041,653</u>    | <u>5,532,328</u> |
| Total cash and cash equivalents                                | \$ <u>7,511,352</u> | <u>6,194,467</u> |

As of June 30, the District's authorized deposits had the following average maturities:

|  | <u>2013</u> | <u>2012</u> |
|--|-------------|-------------|
| California Local Agency Investment Fund                    | 278 days    | 268 days    |
| Investment Trust of California (CalTRUST Medium-Term Fund) | 741 days    | 675 days    |

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 1 – Summary of Significant Accounting Policies, (continued)**

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

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the District may invest the following types of investments:

- Securities of the U. S. Government, or its agencies
- Certificates of deposit (or time deposits) placed with commercial banks and/or savings and loan companies
- State of California – Local Agency Investment Fund (LAIF)
- Investment Trust of California – CalTRUST
- Checking accounts or passbook savings account demand deposits
- Money market mutual funds

The District's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy does not contain any specific provisions intended to limit its exposure to a concentration of credit risk.

***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 California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

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 Code and the District's investment policy contains legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

***Investment in State Investment Pool***

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

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 2 – Cash and Investments, (continued)**

***Interest Rate Risk***

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

***Credit Risk***

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

***Concentration of Credit Risk***

The District’s investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District’s investments at June 30, 2013 and 2012, respectively.

**Note 3 – Advance to Wash Plan**

The District provides various funding for Wash Plan operations on behalf of interested parties. Amounts are to be reimbursed to the District based on the Plan’s formative agreement.

Changes in advances to Wash Plan at June 30, were as follows:

|    | <u>2012</u> | <u>Advances</u> | <u>Receipts</u> | <u>2013</u> |
|----|-------------|-----------------|-----------------|-------------|
| \$ | 161,906     | 26,459          | -               | 188,365     |
|    | <u>2011</u> | <u>Advances</u> | <u>Receipts</u> | <u>2012</u> |
| \$ | 110,764     | 51,142          | -               | 161,906     |

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 4 – Capital Assets**

Changes in capital assets for 2013 were as follows:

|                                | <u>Balance<br/>2012</u> | <u>Additions</u> | <u>Disposals/<br/>Transfers</u> | <u>Balance<br/>2013</u> |
|--------------------------------|-------------------------|------------------|---------------------------------|-------------------------|
| Non-depreciable assets:        |                         |                  |                                 |                         |
| Land                           | \$ 219,383              | -                | -                               | 219,383                 |
| Total non-depreciable assets   | <u>219,383</u>          | <u>-</u>         | <u>-</u>                        | <u>219,383</u>          |
| Depreciable assets:            |                         |                  |                                 |                         |
| Buildings                      | 1,174,847               | -                | -                               | 1,174,847               |
| Vehicles and equipment         | 140,484                 | -                | -                               | 140,484                 |
| Office equipment               | 174,534                 | 6,567            | (25,866)                        | 155,235                 |
| Field equipment                | 208,701                 | -                | -                               | 208,701                 |
| Spreading basins               | 330,192                 | -                | -                               | 330,192                 |
| Improvements                   | 94,404                  | -                | -                               | 94,404                  |
| Equipment                      | 13,638                  | 5,645            | -                               | 19,283                  |
| Total depreciable assets       | <u>2,136,800</u>        | <u>12,212</u>    | <u>(25,866)</u>                 | <u>2,123,146</u>        |
| Less accumulated depreciation: | <u>(982,775)</u>        | <u>(101,985)</u> | <u>25,866</u>                   | <u>(1,058,894)</u>      |
| Total depreciable assets, net  | <u>1,154,025</u>        | <u>(89,773)</u>  | <u>-</u>                        | <u>1,064,252</u>        |
| Total capital assets, net      | <u>\$ 1,373,408</u>     |                  |                                 | <u>1,283,635</u>        |

Changes in capital assets for 2012 were as follows:

|                                | <u>Balance<br/>2011</u> | <u>Additions</u> | <u>Disposals/<br/>Transfers</u> | <u>Balance<br/>2012</u> |
|--------------------------------|-------------------------|------------------|---------------------------------|-------------------------|
| Non-depreciable assets:        |                         |                  |                                 |                         |
| Land                           | \$ 219,383              | -                | -                               | 219,383                 |
| Total non-depreciable assets   | <u>219,383</u>          | <u>-</u>         | <u>-</u>                        | <u>219,383</u>          |
| Depreciable assets:            |                         |                  |                                 |                         |
| Buildings                      | 1,169,347               | 5,500            | -                               | 1,174,847               |
| Vehicles and equipment         | 140,484                 | -                | -                               | 140,484                 |
| Office equipment               | 174,534                 | -                | -                               | 174,534                 |
| Field equipment                | 195,549                 | 13,152           | -                               | 208,701                 |
| Spreading basins               | 330,192                 | -                | -                               | 330,192                 |
| Improvements                   | 94,404                  | -                | -                               | 94,404                  |
| Equipment                      | 13,638                  | -                | -                               | 13,638                  |
| Total depreciable assets       | <u>2,118,148</u>        | <u>18,652</u>    | <u>-</u>                        | <u>2,136,800</u>        |
| Less accumulated depreciation: | <u>(876,827)</u>        | <u>(105,948)</u> | <u>-</u>                        | <u>(982,775)</u>        |
| Total depreciable assets, net  | <u>1,241,321</u>        | <u>(87,296)</u>  | <u>-</u>                        | <u>1,154,025</u>        |
| Total capital assets, net      | <u>\$ 1,460,704</u>     |                  |                                 | <u>1,373,408</u>        |

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 5 – Compensated Absences**

The changes to compensated absences balances at June 30, were as follows:

| <u>Balance</u><br><u>2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>2013</u> | <u>Current</u> | <u>Long Term</u> |
|-------------------------------|------------------|------------------|-------------------------------|----------------|------------------|
| \$ 63,346                     | 35,639           | (20,041)         | 78,944                        | 19,629         | 59,315           |

| <u>Balance</u><br><u>2011</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>2012</u> | <u>Current</u> | <u>Long Term</u> |
|-------------------------------|------------------|------------------|-------------------------------|----------------|------------------|
| \$ 69,798                     | 49,201           | (55,653)         | 63,346                        | 14,498         | 48,848           |

**Note 6 – Unearned Revenue**

During the fiscal year ended June 30, 1993, the District entered into a lease agreement for the extraction of rock, sand and gravel from its Section 7 property (Wash Area). As part of this agreement, the District received a \$5,000,000 prepayment against future rentals and royalties to be received. The lease terms initially called for a commencement date of December 31, 2002. The agreement was subsequently amended during the fiscal year ended June 30, 2003 and restated the date for the commencement of operations within the Wash Area to be upon the Wash Plan, which was slated for fiscal years 2012-2013 or later. The initial term of the lease is for ten years with four successive five-year renewal periods, minimum annual rent of \$1,000,000, and a minimum aggregate excavation of 12,000,000 tons of material. In the event the lease is unable to obtain necessary permits for operations within the Wash Area within four years of commencement date, the amounts prepaid would then become refundable without interest, upon a one year notice.

**Note 7 – Defined Benefit Pension Plan**

***Plan Description***

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

***Funding Policy***

The contribution rate for plan members in the CalPERS, under funding Policy 2.5% at 55 Risk Pool Retirement Plan is 7% of their annual covered salary and is paid 85% by the District. The District makes these contributions required of District employees on their behalf and for their account. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension costs (APC) percentage of payroll for fiscal years 2013, 2012 and 2011 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. At fiscal year ended June 30, 2013 and 2012, the District did not have an unfunded pension liabilities. For Fiscal years 2013, 2012 and 2011, the District's annual contributions for the CalPERS plan were equal to the Agencies required and actual contributions for each fiscal year as follows:

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 7 – Defined Benefit Pension Plan, (continued)**

*Three Year Trend Information:*

| <u>Fiscal<br/>Year</u> | <u>Annual<br/>Pension<br/>Cost (APC)</u> | <u>Percentage<br/>of APC<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation</u> | <u>APC<br/>Percentage<br/>of Payroll</u> |
|------------------------|--|--|---------------------------------------|--|
| 2010-2011              | \$ 50,376                                | 100%   | -                                     | 13.897%                                  |
| 2011-2012              | 63,658                                   | 100%   | -                                     | 14.532%                                  |
| 2012-2013              | 67,671                                   | 100%   | -                                     | 19.171%                                  |

**Note 8 – Other Post-Employment Benefits Payable**

The District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth below.

***Plan Description – Eligibility***

The District pays the level set by the Board for Employees for the cost of health insurance for retirees under the plans offered by the District until the retiree qualifies for Medicare, subject to limits determined by the Board of the District.

Membership in the OPEB plan consisted of the following members as of June 30:

|   | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|-------------|-------------|-------------|
| Active plan members   | 6           | 5           | 5           |
| Retirees and beneficiaries receiving benefits                     | -           | -           | -           |
| Separated plan members entitled to but not yet receiving benefits | -           | -           | -           |
| Total plan membership   | <u>6</u>    | <u>5</u>    | <u>5</u>    |

***Plan Description – Benefits***

The District offers post-employment medical benefits to retired employees who satisfy the eligibility requirements. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any medical plan available through the District. 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 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 current ARC rate is 0.2% of the annual covered payroll.

The District will pay up to 100% of the cost of the post-employment benefit plan. The District funds the plan on a pay-as-you-go basis and maintains reserves (and records a liability) for the difference between pay-as-you-go and the actuarially determined ARC cost.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 8 – Other Post-Employment Benefits Payable, (continued)**

**Annual Cost**

For the year ended June 30, 2013, the District's ARC cost was \$1,156 based on a 30 year amortization of the unfunded actuarial liability. The District's net OPEB obligation amounted to \$1,156 for the year ended June 30, 2013. The District contributed \$3,118 to reserves for future costs to fully fund its current liability for retirement medical benefits as of June 30, 2013. The District intends to budget this contribution for future years based on its reserve policy.

The balance at June 30, consists of the following:

|   | <u>2013</u>     | <u>2012</u>  | <u>2011</u> |
|---|-----------------|--------------|-------------|
| Annual OPEB expense:                        |                 |              |             |
| Annual required contribution (ARC)          | \$ 1,156        | 1,000        | 962         |
| Interest on net OPEB obligation             | -               | -            | -           |
| Adjustment to annual required contribution  | -               | -            | -           |
| Total annual OPEB expense                   | <u>1,156</u>    | <u>1,000</u> | <u>962</u>  |
| Change in net OPEB payable obligation:      |                 |              |             |
| Age adjusted contributions made             | -               | -            | -           |
| Total change in net OPEB payable obligation | <u>1,156</u>    | <u>1,000</u> | <u>962</u>  |
| OPEB payable – beginning of year            | <u>1,962</u>    | <u>962</u>   | <u>-</u>    |
| OPEB payable – end of year                  | <u>\$ 3,118</u> | <u>1,962</u> | <u>962</u>  |

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2013 and the two preceding years were as follows:

| <u>Three-Year History of Net OPEB Obligation</u> |                         |                                  |   |                                    |
|--|-------------------------|----------------------------------|---|------------------------------------|
| <u>Fiscal Year Ended</u>                         | <u>Annual OPEB Cost</u> | <u>Age Adjusted Contribution</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation Payable</u> |
| 2013   | \$ 1,156                | -                                | 0.00%   | \$ 3,118                           |
| 2012   | 1,000                   | -                                | 0.00%   | 1,000                              |
| 2011   | 962                     | -                                | 0.00%   | 962                                |

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 9 – Net Position**

The balance at June 30, consists of the following:

|  | <b>2013</b>  | <b>2012</b> |
|--|--------------|-------------|
| Non-spendable unrestricted net position:       |              |             |
| Prepaid expenses                               | \$ 13,990    | 1,500       |
| Total non-spendable unrestricted net position: | 13,990       | 1,500       |
| Spendable unrestricted net position            | 3,014,319    | 1,583,981   |
| Total unrestricted net position                | \$ 3,028,309 | 1,585,481   |

**Note 10 – Lease Agreements**

The District is the lessor, in various lease agreements, providing for the excavation and removal of rock, gravel, sand, and other materials from District property. Monthly lease payments are generally based on tonnage of materials removed, subject to annual minimum amounts.

The Redlands Plaza Enterprise Fund is the lessor of commercial building space under operating leases expiring in various years through the year ending in calendar year June 30, 2017.

Minimum future rentals to be received on non-cancelable leases as of June 30, are as follows:

| <b>Year</b> | <b>Amount</b> |
|-------------|---------------|
| 2014        | \$ 147,535    |
| 2015        | 137,755       |
| 2016        | 98,181        |
| 2017        | 63,089        |
|             | \$ 446,560    |

**Note 11 – 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 insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2013:

- Property: Up to the scheduled value of the property with a \$1,000 deductible.
- Vehicles/Mobile Equipment: \$1,000,000 in the aggregate per occurrence with a \$500 deductible / vehicles and \$1000 deductible / equipment.
- General Liability: \$1,000,000 in the aggregate per occurrence with a \$1,000 deductible.
- Crime, Computer Fraud, Forgery, and Dishonesty coverage: \$100,000 per claim with a \$1,000 deductible.
- Employers Liability: \$2,000,000 per accident employee by disease
- Workers compensation: \$2,000,000 each accident or each employee by disease.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 12 – Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2013, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 66***

In March 2012, the GASB issued Statement No. 66 – Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving 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. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The impact of the implementation of this Statement to the District’s financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 68***

In June 2012, the GASB issued Statement No. 68 – Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this Statement to the District’s financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 69***

In January 2013, the GASB issued Statement No. 69 – Government Combinations and Disposals of Government Operations. The objective of this Statement is to provide new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The impact of the implementation of this Statement to the District’s financial statements has not been assessed at this time.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

**Note 12 – Governmental Accounting Standards Board Statements Issued, Not Yet Effective**  
*Governmental Accounting Standards Board Statement No. 70*

In April 2013, the GASB issued Statement No. 70 – Accounting and Financial Reporting for Non-exchange Guarantees. Provisions of this Statement require that governments that extend non-exchange financial guarantees to recognize a liability when qualitative factors and historic data, if any, indicate that it is more likely than not that the government will be required to make a payments on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

**(13) Commitments and Contingencies**

*Litigation*

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

**(14) Subsequent Events**

Events occurring after June 30, 2013 have been evaluated for possible adjustment to the financial statements or disclosure as of October 9, 2013, which is the date the financial statements were available to be issued.

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# Required Supplementary Information

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**San Bernardino Valley Water Conservation District**  
**Schedule of Funding Progress – Other Post-Employment Benefits Obligation**  
**For the Fiscal Year Ended June 30, 2013**

***Funded Status and Funding Progress of the Plan***

***Required Supplemental Information – Schedule of Funding Progress***

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value of<br/>Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability<br/>(b)</b> | <b>Unfunded<br/>Actuarial<br/>Accrued<br/>Liability (UAAL)<br/>(b-a)</b> | <b>Funded<br/>Ratio<br/>(a/b)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>UAAL as a<br/>Percentage<br/>of Covered<br/>Payroll<br/>((b-a)/c)</b> |
|---|--|--|--|-----------------------------------|------------------------------------|--|
| 11/1/2011                               | -  | 3,118  | 3,118  | 0.00%                             | 429,422                            | 0.73%  |

\* The information for the two preceding years is unavailable.  
 GASB No. 45 was implemented in fiscal year 2011.

The most recent valuation (dated November 1, 2011) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$3,118. There are no plan assets because the District funds on a pay-as-you-go basis. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2011 was \$429,422. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 0.73%.

***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                | November 1, 2011                       |
| Actuarial cost method         | Entry age normal actuarial cost method |
| Amortization method           | Level percent of payroll amortization  |
| Remaining amortization period | 30 Years as of the valuation date      |
| Asset valuation method        | 30 Year smoothed market                |
| Actuarial assumptions:        |  |
| Investment rate of return     | 4.00%                                  |
| Projected salary increase     | 3.00%                                  |
| Inflation - discount rate     | 4.00%                                  |
| Individual salary growth      | 3.00%                                  |

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# Supplemental Information

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**San Bernardino Valley Water Conservation District**  
**Schedules of Operating Revenues and Expenses**  
**For the Fiscal Year Ended June 30, 2013 and 2012**

|  | <b>2013</b>       | <b>2012</b>      |
|--|-------------------|------------------|
| Operating revenues:                                |                   |                  |
| Groundwater assessments:                           |                   |                  |
| Groundwater charge assessment – Agricultural       | \$ 987            | 81,436           |
| Groundwater charge assessment – Non-Agricultural   | 895,163           | 589,756          |
| Water spreading operations                         | 653,388           | 157,298          |
| Services for other agencies                        | 30,000            | 30,000           |
| Total operating revenues                           | 1,579,538         | 858,490          |
| Operating expenses:                                |                   |                  |
| Water spreading operations:                        |                   |                  |
| Professional services                              | 139,159           | 167,750          |
| Field Operations                                   | 31,840            | 30,899           |
| Vehicle operations                                 | 3,724             | 3,512            |
| Utilities  | 27,015            | 26,601           |
| Benefits   | 158,293           | 175,040          |
| Salaries/staff                                     | 406,514           | 405,891          |
| Repairs and maintenance                            | 7,018             | 80,128           |
| Total water spreading operations                   | 773,563           | 889,821          |
| Regional programs:                                 |                   |                  |
| Regional programs LAFCO contribution               | 6,750             | 1,028            |
| Total regional programs                            | 6,750             | 1,028            |
| General and administrative:                        |                   |                  |
| Administrative expense                             | 6,238             | 2,972            |
| Director's fees/expense                            | 95,319            | 123,721          |
| General and administrative                         | 46,294            | 58,632           |
| Insurance  | 3,552             | 8,386            |
| Total general and administrative                   | 151,403           | 193,711          |
| Total operating expenses                           | 931,716           | 1,084,560        |
| Operating income(loss) before depreciation expense | 647,822           | (226,070)        |
| Depreciation expense                               | (101,985)         | (105,948)        |
| <b>Operating income (loss)</b>                     | <b>\$ 545,837</b> | <b>(332,018)</b> |

**San Bernardino Valley Water Conservation District  
Schedules of Wash Plan Revenues and Expenses  
For the Fiscal Years Ended June 30, 2013 and 2012**

|                        | <u>2013</u>      | <u>2012</u>   |
|------------------------|------------------|---------------|
| Revenues               | \$ -             | -             |
|                        | <u>\$ -</u>      | <u>-</u>      |
| Expenses:              |                  |               |
| Professional services  | \$ 16,870        | 40,298        |
| Environmental services | -                | 6,294         |
| Legal expenses         | 9,590            | 4,550         |
|                        | <u>\$ 26,460</u> | <u>51,142</u> |

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# **Report on Internal Controls and Compliance**

DRAFT



Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

## Charles Z. Fedak & Company

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An Accountancy Corporation

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

Board of Directors  
San Bernardino Valley Water Conservation District  
Redlands, 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 San Bernardino Valley Water Conservation District (District), as of and for the years June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated October 9, 2013.

#### **Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, 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 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 from 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 audits, 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*.

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

**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 district'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Charles Z. Fedak & Company, CPA's - An Accountancy Corporation**  
Cypress, California  
October 9, 2013

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**San Bernardino Valley Water Conservation District**

**Management Report**

**June 30, 2013**

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**San Bernardino Valley Water Conservation District**

**Management Report**

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Charles Z. Fedak, CPA, MBA  
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Board of Directors  
San Bernardino Valley Water Conservation District  
Redlands, California

### **Dear Members of the Board:**

In planning and performing our audit of the financial statements of San Bernardino Valley Water Conservation District (District) as of and for the year ended June 30, 2013 and 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of District's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

Our consideration on internal control was for the limited period described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

**Current Year Comments and Recommendations**

None Noted

**Comments and Recommendations Made in the Previous Year**

None Noted

\* \* \* \* \*

This report is intended solely for the information and use of management and the Board of Directors of the District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

**Charles Z. Fedak & Company, CPA's – An Accountancy Corporation**  
Cypress, California  
October 9, 2013

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**APPENDIX**

**San Bernardino Valley Water Conservation District**

**Audit/Finance Committee Letter**

**June 30, 2013**

DRAFT



Charles Z. Fedak, CPA, MBA  
Paul J. Kaymark, CPA  
Christopher J. Brown, CPA

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Board of Directors  
San Bernardino Valley Water Conservation District  
Redlands, California

We have audited the basic financial statements of the San Bernardino Valley Water Conservation District (District) for the year ended June 30, 2013 and have issued our report thereon dated October 9, 2013. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of the District's basic financial statements.

### **Auditor's Responsibility under United States Generally Accepted Auditing Standards**

As stated in our Audit Engagement Letter dated May 28, 2013, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with oversight of the Governing Board are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles. Our audit of the financial statements does not relieve the Governing Board or management of its responsibilities of oversight in the District's external financial reporting process or any other processes.

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

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

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing requirements previously communicated to management during our interim fieldwork.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the basic financial statements.

We noted no transactions entered into by the District during fiscal year 2013 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

### **Management's Judgments, Accounting Estimates and Financial Disclosures**

Accounting estimates play an integral part in the preparation of basic financial statements by management and are based upon management's knowledge, experience and current judgment(s) about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the position in the basic financial statements is (are):

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefits payable is based on an actuarial evaluation of this liability that was prepared via a third-party actuarial software package. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate the annual required contribution for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the basic financial statements are neutral, consistent and clear. Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the basic financial statements is (are):

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits payable in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

### **Corrected and Uncorrected Misstatements**

Generally Accepted Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management as follows:

There were three audit adjustments and/or reclassification entries made to the original trial balance presented to us to begin our audit.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves the application of an accounting principal to the District’s basic financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit processes and testwork.

### **Disagreements with Management**

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the basic financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit of the District.

### **Management Representations**

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated October 9, 2013

### **Conclusion**

We appreciate the cooperation extended us by Daniel Cozad, General Manager, in the performance of our audit testwork.

We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than the specified, parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

**Charles Z. Fedak & Company, CPA’s – An Accountancy Corporation**  
Cypress, California  
October 9, 2013



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Fax: (909) 793-0188

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Memorandum No. 1212

**To: Board of Directors**

**From: General Manager, Daniel Cozad  
David B. Cosgrove, General Counsel**

**Date: October 9, 2013**

**Subject: Delegation of Authority for Redlands Plaza Leases to General Manager and Assumption of Hello Sushi Lease by new owner**

## RECOMMENDATION

Review and consider Approval of Resolution No. 500, delegating to the General Manager the authority to solicit, negotiate, and execute leases for Redlands Plaza commercial space not being utilized by the District under specific conditions.

## BACKGROUND

As the Board is aware, the District owns significant portions of the Redlands Plaza site, 1630 W. Redlands Boulevard, which is not presently needed for occupancy for the administrative staff of the District. The District has, for a period of some years now, leased unused portions of Redlands Plaza in an effort to generate revenue to offset occupancy costs, and otherwise enhance the finances of the District.

As a matter of administrative practice, staff has undertaken the primary responsibility for coordinating with consultant property managers, and otherwise interfacing with tenants of Redlands Plaza, including the solicitation, negotiation, and agreement to leases. In reviewing this practice, staff has noted that while the Board has been aware of, and had no issue with, staff undertaking primary responsibility in this regard, there was never any formal delegation of authority to sign and enter into leases delegated to the General Manager. The Resolution now before the Board seeks to address this, and formally vest the General Manager with the authority to do so.

Historical practice has confirmed the wisdom of having staff assume responsibility for this role. Staff's daily presence at the property, interface with other tenants, awareness of the availability and physical condition of tenant spaces as they come on-line, and compatibility of proposed new tenants with existing tenants and the District's own operation, all put it in a superior position to assess and administer Redlands Plaza lease opportunities. In 2010 the District took over the functions of property management to achieve cost savings and ensure high quality responsive management to the tenants.

BOARD  
OF  
DIRECTORS

Richard W. Corneille  
Clare Henry Day

Bob Glaubig  
John Longville

David E. Raley  
Melody McDonald  
Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad

## **DISCUSSION**

Staff is therefore requesting the Board to delegate formally the authority to solicit, negotiate, and execute leases for the Redlands Plaza available space to the General Manager. This delegation is proposed to be subject to specified criteria within which the General Manager's discretion must be exercised. Those criteria include the following:

- leases of ten years or less, or a requirement that rental rates adjust to fair market value if in excess of ten years
- only space not needed by the District to be made available for rent
- maximum practical fair market rental to be achieved
- General Manager discretion to refer any leasing matter to the Board of Directors, as may be needed or appropriate; and
- approval of lease forms by General Counsel.

The occasion for staff's review of the formal delegation of leasing authority occurs in connection with a proposed assumption of the lease of one of the Redlands Plaza tenants, Hello Sushi. This business is being sold, and in that process the buyer is assuming the Redlands Plaza lease. The lease is proposed for a term between September, 2013 and August, 2019. Rent is proposed as follows: September 6, 2013 to August 31, 2014, \$3664.67; September 1, 2014 to August 31, 2015, \$3,774.61; September 1, 2015 to August 31, 2016, \$3,887.85; September 1, 2016 to August 31, 2017, \$4,004.48; September 1, 2017 to August 31, 2018, \$4,124.62.

The proposed Hello Sushi lease also contains an addition five-year option, which may be exercised by the lessee, in which lease rates range from \$4,248.36 to \$4,781.56. If the Board approves the delegation to the General Manager of the authority over Redlands Plaza leases as proposed, the General Manager intends to approve the assumed lease for Hello Sushi, on the terms summarized above.

## **FISCAL IMPACT**

The proposed resolution does not affect any change upon the approved 2013-2014 budget. The rental income is in accordance with the approved budget and will inform future budget preparation.

**RESOLUTION NO. 500**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
DELEGATING AUTHORITY FOR THE NEGOTIATION  
AND EXECUTION OF LEASES RELATING TO REDLANDS PLAZA**

**WHEREAS**, the San Bernardino Valley Water Conservation District (“District”) is the owner of property located at 1630 W. Redlands Boulevard, which consists of various suites, some of which are occupied by the District’s administrative offices, and others which are available for commercial leasing (“Redlands Plaza”); and

**WHEREAS**, the District’s administrative space needs have not to date required that the District occupy the entire available square footage of the Redlands Plaza property, and the District has made available those areas not presently required for District’s direct occupancy purposes for lease, in order to generate revenue and offset other administrative costs of the District; and

**WHEREAS**, the leasing of such available commercial space is not at the core of the District’s legislative functions, nor does it implicate essential legislative policy determinations by the District’s Board of Directors; and

**WHEREAS**, Water Code section 74550(b) authorizes the District to “hold, use, enjoy, manage, occupy, possess, lease, or dispose of real and personal property of every kind”; and

**WHEREAS**, Water Code section 74221 vests the Board of Directors with the authority to manage and conduct the business and affairs of the District; and

**WHEREAS**, the Board hereby finds that administrative functions relating to the leasing of the Redlands Plaza property, are the appropriate subject for delegation of administrative authority of the Board of Directors; subject to various prescribed parameters for the negotiation and execution of such lease agreements, as provided for herein;

**NOW, THEREFORE, IN CONSIDERATION OF ALL THE FOREGOING, THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:**

1. Delegation of Leasing Authority. The District’s General Manager is hereby delegated the Board of Directors’ authority to solicit, negotiate, and enter into leases of space within the Redlands Plaza property, not otherwise required by the District for its direct administrative occupancy needs.
2. Defined Parameters of Leasing Authority. The General Manager shall not be required to secure prior approval of the Board of Directors to solicit, negotiate, or execute a lease for such Redlands Plaza property space, provided such lease fits within the following prescribed parameters:
  - a. The lease is for a period, including the initial term and any option periods exercisable at the discretion of the lessee, of ten total years or less, or if the lease term or options thereto extend further than ten years, the lease rate has an adjustment clause effective ten years or sooner from the initial date of the lease, adjusting the applicable rent to a fair market rent.
  - b. The space to be leased is not expected to be required for direct occupancy by the District, over the term of the tenancy being proposed.
  - c. The leasing of the space will not result in the requirement of the District to perform repairs or tenant improvements in excess of \$25,000.00.
  - d. The rental rate shall be at the reasonably achievable maximum market rental rate, in the General Manager’s best reasonable professional discretion to determine.

- e. The lessee shall be able to demonstrate reasonable financial responsibility, and capability of assuming the rental and common area maintenance charge obligations proposed to be imposed upon it under the lease.
- f. The lease shall be subject to review and approval as to form by the District's General Counsel.

3. Option to Refer to Board. Notwithstanding the delegation of the authority set forth in this resolution, the General Manager may, at any time, refer issues relating to the execution, renewal or termination of Redlands Plaza leases to the Board of Directors, at any time, and the Board or any member thereof may request the General Manager to submit any specific lease to the Board for its review and approval, prior to the time such lease is entered into on behalf of the District. .

This Resolution is APPROVED and ADOPTED and effective this 9<sup>th</sup> day of October, 2013, by the following vote:

**YES:            DIRECTORS:**  
**NO:             DIRECTORS:**  
**ABSTAIN:     DIRECTORS:**  
**ABSENT:       DIRECTORS:**

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**Richard Corneille, President**

**ATTEST:**

---

**Daniel B. Cozad, General Manager**



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1213

**To: Board of Directors**

**From: Daniel Cozad, General Manager**

**Date: October 9, 2013**

**Subject: Update Authorized Signatories for Citizens Business Bank**

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## **RECOMMENDATION**

Review and consider adoption of Resolution No. 499 in accordance with approved Expenditure Processing and Approval Policy to add Jeff Beehler as authorized signatory on the District's Institutional Bank Account at Citizen's Business Bank.

## **BACKGROUND**

At the September 11<sup>th</sup> Board of Directors meeting the Board adopted and approved Expenditure Processing and Approval Policy authorizing for Staff to reduce the number of signers on checks from two to one for amounts \$5,000 and under. The policy also allowed for the addition of an additional signer required to be an exempt employee. In accordance with this policy, Resolution No. 499 authorizes the addition of Jeff Beehler as an additional signatory on the existing Citizens Business Bank account for checks that do not require a Board Member signatory.

## **FISCAL IMPACT**

There is no fiscal impact.

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BOARD  
OF  
DIRECTORS

Richard W. Corneille  
Clare Henry Day

Bob Glaubig  
John Longville

David E. Raley  
Melody McDonald  
Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad

## **RESOLUTION NO. 499**

### **A RESOLUTION AUTHORIZING SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT A “PUBLIC AGENCY” WITHIN THE MEANING OF THAT TERM AS DEFINED BY THE CALIFORNIA GOVERNMENT CODE, TO ADD ADDITIONAL SIGNER TO CITIZENS BUSINESS BANK ACCOUNT SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT**

**WHEREAS**, San Bernardino Valley Water Conservation District, Redlands, California, herein after called “District”, a water conservation district duly organized and existing under the Water Conservation District Law of 1931, Sections 74000 et. seq. of the Water Code; and

**WHEREAS**, public agencies which constitute local agencies, as that term is defined in Section 53630 of the California Government Code, are authorized pursuant to Section 53601 and/or 53635 thereof to invest all money belonging to, or in the custody of the local agency in certain specified investments; and

**WHEREAS**, the General Manager of the District is employed by the Board to serve as the Chief Executive of the District and is responsible for: implementing the decisions of the Board; determining and executing administrative policies through subordinate Managers; supervising the operations and staffing of the District as prescribed by the Board; managing all engineering, planning, design and inspection for construction activities; and supervising and controlling the administrative, operational and financial affairs of the District, including all administrative, executive and ministerial powers not specifically reserved by law for the Board of Directors, General Counsel or District Auditor. Section 75500 states that unless the context otherwise requires, the provisions of this article shall govern the construction of this part; and

**WHEREAS**, the Board may designate the General Manager as the depository to have the custody of all, or a portion of, the district’s money pursuant to Section 31305 of the California Water Code. Per Section 74501, a district may make contracts and do all acts necessary for the full exercise of its powers; and

**WHEREAS**, Section 74229 of the California Water Code provides the Board shall, annually, make and render a verified statement of the financial condition of the district, showing particularly the receipts and disbursements of the last preceding year, together with the source of such receipts and purpose of such disbursements. This statement shall be placed on file in the office of the district; and

**WHEREAS**, in accordance with the Expenditure Processing and Approval Policy approved at the September 11, 2013 Board of Directors Meeting. This resolution shall authorize the addition of Jeff Beehler as an additional signatory on the existing Citizens Business Bank account for checks that are \$5,000 and under.

**WHEREAS**, a copy of this resolution once adopted will be forwarded to Citizen’s Business Bank as required by their institution including any subsequent documents which shall be authorized and signed by General Manager as needed.

**NOW, THEREFORE, BE IT RESOLVED** by the governing body of the Public Agency San Bernardino Valley Water Conservation District as follows:

Section 1. That the General Manager/Secretary, Daniel Cozad, be authorized to add additional signer to Citizens Business Bank, in the City of San Bernardino, which hereby is authorized to honor the deposits of the District, and checks drawn against such deposits signed by President Richard Corneille, Vice President Melody McDonald, and General Manager/Secretary Daniel B. Cozad, as long as there funds in the account and adding as an authorized signer Land Resource Manager Jeff Beehler. The named individuals may change as the officers of the Board of Directors change as documented by the minutes of the Board.

Section 2. The appropriate officers, agents and employees of the District are hereby authorized and directed in the name of and on behalf of the District to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they,

or any of them, might deem necessary or appropriate in order to accomplish the purposes of this Resolution.

Section 3. The undersigned, Daniel B. Cozad, certifies that he is duly appointed General Manager/Secretary of this District, and that the above is a true and correct copy of the resolution that was duly adopted at a meeting of the Board of Directors, which was held in accordance with State law and the Bylaws of the District.

Section 4. This Resolution shall take effect at the earliest date permitted by law.

**PASSED AND ADOPTED** by the San Bernardino Valley Water Conservation District Board of Directors at a regular meeting of said Board held on the 9<sup>th</sup> day of October, 2013, by the following vote:

YES:

NO:

ABSTAIN:

ABSENT:

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Richard Corneille, President

ATTEST:

---

Daniel B. Cozad, General Manager/Board Secretary



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
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Fax: (909) 793-0188

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[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1214

**To:** Board of Directors

**From:** General Manager, Daniel Cozad  
Land Resources Manager, Jeffrey Beehler

**Date:** October 9, 2013

**Subject:** Wash Plan Agreements and Progress Report

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## **RECOMMENDATION**

Review and consider approval of two actions supporting Wash Plan efforts. They are: 1) a three-party agreement between the US Fish and Wildlife Service (FWS), the US Bureau of Land Management (BLM) and the District/its Contractor delineating responsibilities and expectations in developing and implementing the Wash Plan; and; 2) a two-party MOU agreement between the BLM and the District allowing the implementation of cooperative land management projects. Staff will also provide a Wash Plan progress report.

## **BACKGROUND**

In order to implement the Wash Plan, a number of agreements beyond the Task Force agreement are needed to advance and implement the Wash Plan. The first, an agreement between the FWS, the BLM and the District delineate responsibilities related to preparation of environmental analysis required for the Habitat Conservation Plan and the land transfer between the District and the BLM. The District's contractor RBF must also sign, because they must perform the work in the manner required by the Lead Agencies.

The second agreement provides a framework for the management of lands within the Wash Plan area. The MOU between the BLM and the District allows habitat management/enhancement and other activities to occur on lands held by the BLM. Initially, the District's Plunge Creek project and portions of the Enhanced Recharge Project constructed by the San Bernardino Valley Municipal Water District are listed in the agreement. The MOU also allows development and funding of projects by the District or BLM, consistent with the goals of each respective agency.

## **FISCAL IMPACT**

The District's approved budget includes adequate budget for the implementation of the agreements and the listed projects. Additional projects developed through these agreements beyond those listed would be agendaized for Board approval.

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BOARD  
OF  
DIRECTORS

Richard W. Corneille  
Clare Henry Day

Bob Glaubig  
John Longville

David E. Raley  
Melody McDonald  
Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad

**STATEMENT OF RESPONSIBILITIES  
REGARDING  
PREPARATION OF AN ENVIRONMENTAL IMPACT STATEMENT  
FOR  
THE UPPER SANTA ANA RIVER WASH PLAN HABITAT CONSERVATION PLAN**

A. Purpose

1. THIS STATEMENT OF RESPONSIBILITIES (hereinafter “Agreement”) is between the San Bernardino Valley Water Conservation District, hereinafter referred to as “WCD” or “Applicant”; the United States Fish and Wildlife Service, hereinafter referred to as “FWS”; the United States Bureau of Land Management, hereinafter referred to as “BLM”; and RBF Consulting, hereinafter referred to as “Contractor” or “Consultant”. The WCD, FWS, BLM, and RBF Consulting are hereinafter referred to collectively as the “Parties”. FWS and BLM are hereinafter referred to collectively as the “Co-Lead Agencies”.

2. The Upper Santa Ana River Wash Plan is a voluntary effort by the Applicant to develop a long-term plan that balances the ground-disturbing activities of aggregate mining, water conservation, flood control, and public recreation with the conservation and management of natural habitat for endangered, threatened, and sensitive species in southwestern San Bernardino County, California. Future mining expansion would be consolidated into one area adjacent to existing operations, and contiguous wildlife habitat would be conserved and managed for sensitive species. To that end, the Wash Plan incorporates a proposed land exchange between the WCD and BLM. Upon exchange, WCD lands currently leased for mining would be transferred to BLM for designation as an Area of Critical Environmental Concern (ACEC) and managed for habitat and water conservation; and BLM lands currently designated as ACEC but previously disturbed by mining would be transferred to WCD and leased for mining expansion.

3. The WCD is developing a Habitat Conservation Plan (HCP, or Wash Plan HCP) to address conservation of endangered and threatened species in conjunction with the Upper Santa Ana River Wash Plan, and intends to apply to the FWS for an incidental take permit under Section 10(a) (1) (B) of the Endangered Species Act of 1973 (ESA), as amended (16 U.S.C. 1531 *et seq.*).

4. The FWS and BLM have determined that an Environmental Impact Statement (EIS) must be prepared pursuant to the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321-4347) for their respective proposed actions. The FWS proposed action is issuance of a Section 10 incidental take permit that authorizes take of ESA-listed species and approval of the Applicant’s HCP to offset that take. The BLM proposed action is to determine if a proposed land exchange between the BLM and the WCD is in the public interest and satisfies the requirements of 43 CFR 2200 regulations and BLM Handbook H-2200-1, Land Exchanges by consolidating land ownership for more efficient management, and to secure important objectives

of resource management for the protection of endangered species, and to meet the needs of communities by promoting multiple-use management in order to foster sustainable development. The NEPA process is necessary before FWS can make a decision on the Section 10 permit action for the Wash Plan HCP in accordance with 50 CFR parts 13, 17.22, 17.32, and 222.307; and before BLM can make a decision on the proposed land exchange in accordance with 40 CFR Parts 1500. The EIS must comply with all provisions of NEPA and all implementing regulations for both of the Co-Lead Agencies.

5. An EIS can be prepared by the Co-Lead Agencies or a contractor acting under the direction of the Co-Lead Agencies in accordance with 40 CFR 1506.5(c) and 516 DM 1, 516 DM 2, and 516 DM 3, and 526 DM 8. The Contractor shall prepare a disclosure statement to each of the Co-Lead Agencies prior to publication of the draft and final EIS to ensure the avoidance of any conflict of interest. The EIS is being prepared by the Contractor, a consultant specifically chosen by the Applicant in consultation with and approved by the Co-Lead Agencies.

6. The Contractor reports directly to the Assistant Field Supervisor of the Inland Suboffice, Carlsbad Fish and Wildlife Office; and the Associate Field Manager of the Palms Springs South Coast Field Office of the BLM. The requirements of 40 CFR 1506.5(c) relating to conflicts of interest must be followed.

7. The Co-Lead Agencies require services for the preparation of the Wash Plan HCP EIS, and the Contractor is willing to perform these services pursuant to the terms and conditions set out in this Agreement.

8. It is the purpose of this Agreement to establish an understanding between the Parties regarding the procedures to be followed and the responsibilities of the Parties in the preparation of the EIS.

#### B. Requirements for Preparation of the EIS

1. *General Requirements.* A number of requirements are set forth in 40 CFR 1500-1508, Council on Environmental Quality (CEQ) Regulations for Implementing the Procedural Provisions of NEPA relating to FWS and BLM compliance with NEPA for their own actions. Additional requirements are set forth in Department of the Interior's (Departmental) Manual 516 DM 1-4 and 8, and NEPA Handbook H-1790 and in Fish and Wildlife Service Manual 032 FW 5 and 550 FW 1-2, relating to FWS compliance with NEPA for its own actions, including the preparation of an EIS by a Contractor chosen by the Co-Lead Agencies. The Parties agree to satisfy each of these requirements as set forth below.

2. *Role of Contractor and Responsibilities of Lead Agencies.* Contractor agrees to report directly to WCD and the Co-Lead Agencies concurrently, such that both Co-Lead Agencies are provided any information or draft and final materials at approximately the same

time. Although the Contractor will be paid by the Applicant, Contractor is obligated to follow the directions of the Co-Lead Agencies for purposes of satisfying NEPA requirements. The Co-Lead Agencies shall make the final determination on the inclusion or deletion of any material in the EIS for purposes of satisfying NEPA requirements, and are ultimately responsible for assuring compliance with the requirements of NEPA. The Applicant agrees to enter into a separate Agreement for Professional Services (Contractor Agreement) with the Contractor that is consistent with the terms of this Agreement. The Contractor Agreement will specify work tasks, deliverables, and time line to complete the EIS.

3. *Disclosure Statement/Conflict of Interest Certification.* Contractor cannot have a financial or economic interest in the outcome of the Wash Plan HCP. As part of the Contract Agreement the Contractor shall provide to the Co-Lead Agencies certification that there are no conflict of interest issues or concerns regarding the execution of the contract. The parties agree not to utilize any individual or organization for purposes of environmental analysis, and project support having a financial interest in the outcome of the Santa Ana Wash Plan Project. Questions regarding conflict of interest must be referred to a BLM Ethic Counselor for resolution.

4. *Payment of Contractor.* The Applicant agrees to pay Contractor for all services rendered in the preparation of the EIS. Contractor agrees that FWS and BLM are not obligated in any manner to pay for the services rendered by Contractor in relation to the Wash Plan HCP EIS. The Co-Lead Agencies will jointly authorize changes in the scope of work. The Applicant will pay any additional costs for changes in the scope of work. Contractor agrees that FWS and BLM are not obligated in any manner to pay for the services rendered by the Contractor in relation to the Wash Plan HCP EIS.

5. *Scope of EIS.* The general scope of the EIS will be determined through the scoping process. This scope may be amended from time to time in order to better satisfy the requirements under NEPA and their implementing regulations. Contractor will be responsible for organizing public meetings, compiling scoping comments, and providing scoping updates to the Co-Lead Agencies. FWS and BLM will coordinate with WCD regarding changes in scope to satisfy requirements of NEPA.

6. *Schedule of EIS Preparation.* The anticipated schedule for the preparation of the EIS will be set forth in coordination with all Parties. The Parties agree to use their best efforts to meet this schedule. The Parties may agree to revise the schedule from time to time as necessary to reflect changes in conditions and requirements.

7. *Draft EIS.* Contractor will have the primary responsibility for writing and revising the EIS at the direction of the Co-Lead Agencies. The Co-Lead Agencies will be given the opportunity to comment on and make changes to the EIS at agreed upon stages of its development and completion as set forth in the Schedule of EIS Preparation described in Paragraph B(6) above. The requirements for production of the Administrative Drafts, Draft EIS,

and Final EIS and associated deliverables are specified in the Contractor Agreement. The Contractor will be responsible for providing sufficient copies of the documents on a timely basis to meet the Co-Lead Agencies' circulation requirements. The Co-lead Agencies will together determine which agency will be responsible for publishing a Notice of Intent to prepare the EIS in the *Federal Register*, and for filing the draft EIS with the Environmental Protection Agency (EPA) and publishing a Notice of Availability in the *Federal Register*, and will notify WCD and the Contractor once that decision is made.

8. *Public Meetings and Comments.* The Contractor will be responsible for compiling all public comments. Upon completion of the Draft EIS, the Contractor will be responsible for organizing any necessary public meetings and/or hearings. The Co-Lead Agencies will receive all comments on the draft EIS resulting from public review and comment period(s), and will refer them to the Contractor for development of responses. The Contractor will be responsible for drafting initial responses to public comments.

9. *Final EIS.* After the close of the draft EIS review and comment period, the Co-Lead Agencies, aided by Contractor to the extent consistent with the requirements of the Contractor Agreement, will identify the issues and comments that will require response in the final EIS. The Co-Lead Agencies will refer to Contractor these comments for analysis and reply. The Co-Lead Agencies will determine the necessary modifications to the draft EIS. The Contractor will incorporate the comments, responses, and modifications into the final EIS. The Co-Lead Agencies will review the completed document and file the final EIS with EPA. The Co-lead Agencies will together determine which agency will be responsible for filing the final EIS with EPA and publication of a Notice of Availability in the *Federal Register*, and will notify WCD and the Contractor once that decision is made.

10. *Decision.* Not less than 30 days after the final EIS is filed with the EPA, each of the Co-lead Agencies will prepare a separate Record of Decision for their respective actions; FWS will render a decision on the permit application, and BLM will render a decision on the land exchange.

### C. Termination and Modifications

1. In the event a dispute arises out of any term or condition of this Agreement, the Parties shall meet as soon as practicable to resolve the dispute. The Parties shall then attempt to negotiate a resolution to such dispute. Notwithstanding the attempt to resolve a dispute, no Party to this Agreement is waiving any rights or duties it may have pursuant to Federal or State laws, rules, or regulations.

2. This Agreement remains in effect until a decision is made pursuant to NEPA by FWS on the Section 10(a)(1)(b) permit application and by BLM on the land exchange, or until the permit request is withdrawn.

3. Any Party may terminate this Agreement at any time by giving written notice to the other Parties, subject to satisfying the terms in Paragraph C(1).

4. This Agreement may be modified or amended only by written instrument signed by all of the Parties hereto.

D. Notice

Any notice or communication that any Party desires or is required to give to the others shall be in writing and be served personally or sent by first class mail, postage prepaid, addressed as follows:

WCD: San Bernardino Valley Water Conservation District  
1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373  
Attn: Daniel Cozad

BLM: U.S. Bureau of Land Management  
1201 Bird Center Drive  
Palm Springs, CA 92262  
Attn: Holly L. Roberts

FWS: U.S. Fish and Wildlife Service  
Inland Suboffice  
Carlsbad Fish and Wildlife Office  
777 East Tahquitz Canyon Way, Suite 208  
Palm Springs, CA 92262  
Attn: Kennon A. Corey

CONTRACTOR: RBF Consulting  
3300 East Guasti Road, Suite 100  
Ontario, CA 91761  
Attn: Juan Villalobos

The Parties have executed this Agreement on \_\_\_\_\_, 2013. Signature pages follow and may be executed in counterparts, when taken together represent the entire agreement. If the Contractor is a corporation, documentation must be provided that the person signing below for the Contractor has the authority to do so.

APPLICANT  
San Bernardino Valley Water Conservation District

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

Title: \_\_\_\_\_

Signatures continued on following page

UNITED STATES FISH AND WILDLIFE SERVICE  
Field Supervisor, Carlsbad Fish and Wildlife Office

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

Title: \_\_\_\_\_

Signatures continued on following page

UNITED STATES BUREAU OF LAND MANAGEMENT  
Field Manager, Palm Springs South Coast Field Office

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

Title: \_\_\_\_\_

Signatures continued on following page

CONTRACTOR  
RBF Consulting

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

Title: \_\_\_\_\_

MEMORANDUM of UNDERSTANDING  
BETWEEN  
DEPARTMENT OF INTERIOR, BUREAU OF LAND MANAGEMENT  
AND  
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
FOR THE IMPLEMENTATION OF COOPERATIVE  
LAND MANAGEMENT PROJECTS

A. BACKGROUND

This Memorandum of Understanding (“MOU”) is made by and among the Bureau of Land Management (“BLM”), a federal agency within the U.S. Department of the Interior (“DOI”), and the San Bernardino Valley Water Conservation District (District), a political subdivision of the State of California. This MOU relates to actions, and a framework for future collaborative management on BLM and District properties (collectively “Lands”) depicted generally on Exhibit "A", and also to provide a coordination framework for work both agencies to assist each other in their respective needs on the Lands.

The BLM has designated portions of the Lands as an Area of Critical Environmental Concern (ACEC) in the South Coast Resource Management Plan (“SCRMP”), because of the need to protect valuable wildlife habitat and sensitive species in the area. In connection with a host of public and private entities, District has served as the Lead Agency on the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan (Wash Plan), which relates to some 4,467 acres located generally in the Upper Santa Ana River Wash area. (*See* Exhibit A for graphic representation of the Wash Plan area.) The Wash Plan is, among other things, a proposal to realign and adaptively manage previously-existing mining leases, water conservation and groundwater recharge areas<sup>1</sup>, and areas of sensitive habitat for threatened and endangered species. The Wash Plan involves a proposal for an exchange of property between District and BLM such that BLM will manage some lands currently owned and managed by District, and District will own and manage some lands currently owned by BLM.

District also is a participating agency, along with the San Bernardino Valley Municipal Water District (“Valley District”), in the Enhanced Recharge Project<sup>2</sup>, a regional initiative to renovate and expand groundwater recharge and conservation facilities in the Upper Santa Ana River Wash area.

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<sup>1</sup> “Water Conservation”, as used herein, refers to diverting, spreading, impounding, conveying, recharging, and otherwise putting to beneficial use the native flows of the Santa Ana River and its tributaries traversing the Lands, and any imported or exchanged water supplies obtained by or made available to the District or its partners for use on, under, or through the Lands. Unless otherwise indicated, “conservation” as used herein does not refer to water use efficiency measures.

<sup>2</sup> See Exhibit B.)

District is also a participating agency in the Plunge Creek Habitat Enhancement Project<sup>3</sup> (Plunge Creek Project), a collaborative project developed under and included in the Wash Plan. The goal of the Plunge Creek Project is to initiate early implementation work under the Wash Plan in a cooperative project, serving multiple objectives. The objectives of the project are to:

- Develop additional habitat for San Bernardino kangaroo rat and related threatened and endangered species in the Santa Ana River Wash area
- Implement the project to improve the function of the stream system
- Create additional groundwater recharge of native surface water/storm flows
- Develop methodology that can be used to further enhance habitat and water conservation.

District and BLM, referred at times herein as the “Parties”, will require a series of cooperative actions in connection with BLM’s administration of the ACEC and related provisions of the BLM’s South Coast Resource Management Plan (SCRMP). Cooperation and coordination as prescribed under this MOU will also be needed for: a) implementation of the Wash Plan; b) coordination of National Environmental Policy Act (NEPA) review of the Wash Plan in conjunction with the United States Fish and Wildlife Service (USFWS) and other interested agencies; c) securing appraisals of Offered and Selected Lands under a proposed land exchange pursuant to the Federal Land Policy and Management Act (43 U.S.C. §§ 1701 et seq.); d) implementation of the land exchange required in the Wash Plan where appropriate standards are met and preconditions for transfer are satisfied; e) cooperation on the request for and grant of new easements, licenses, or rights of way (or refinement of existing easements, licenses or rights of way) over land owned or controlled by BLM; f) habitat management activities by both Parties consistent with the Habitat Conservation Plan anticipated to be included as part of the Wash Plan and the Plunge Creek Project and ; g) other related items where coordination and cooperation is needed on the Lands to meet the stewardship and management responsibilities of the Parties.

District and BLM will need to collaborate with Valley District to ensure that the Enhanced Recharge Project and its improvements are consistent with the SCRMP management objectives and Wash Plan habitat management requirements. The Parties will also need to coordinate with Valley District regarding proposals for habitat restoration or enhancement that may be part of the Plunge Creek Project to assure that the objectives of BLM and District management of their respective properties for conservation purposes also maximizes opportunities for preservation, management and enhancement of endangered and threatened species habitats, consistent with surrounding land uses, the SCRMP, and land use plans of local jurisdictions in the project area.

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<sup>3</sup> See Exhibit C.)

## B. PURPOSE AND NEED

The purpose of the MOU is to facilitate and streamline future interface between BLM and the District as both parties jointly seek to implement projects within the Lands reflected in Exhibit A, to include, but not limited to, the Wash Plan, the Enhanced Recharge Plan, and the Plunge Creek Project, the SCRMP, and all of the associated actions, management responsibilities, and inter-agency coordination actions associated therewith. The purpose of the MOU is to facilitate the continued use of land, water and mineral resources within the Lands while maintaining the biological and hydrological resources of the Lands in an environmentally sensitive manner. The Wash Plan is intended to coordinate and manage the present and future activities in the Santa Ana River Wash Area, which are part of multiple jurisdictions, each with different needs. The goal of the Wash Plan, and by extension this MOU, is to balance the ground-disturbing activities of aggregate mining, recreational activities, water conservation, and other public services with water quality, natural habitat and protection of endangered threatened, and sensitive species that inhabit the Lands.

Failing to enter into this MOU will increase the risk of inefficient project management, delays in interagency coordination and communication, potential duplication of effort and expense, or inefficient delegation of coordinated tasks leading to risks of missed opportunities or overlapping effort, and inadequate coordination between the Parties, potentially resulting in the loss of scarce agency funds, and frustration of the Parties' ability to adaptively manage the Lands to further the objectives stated below.

## C. OBJECTIVES

The objectives of this MOU, in addition to the purposes discussed on page 1 herein, include the following:

1. Clarify and document the relationship of the Parties as pertains to management and future activities on the Lands.
2. Facilitate and create a framework for future collaboration of the Parties whereby both the District and BLM can seek funding for, and implement, projects on the Lands, to include the specific projects referenced herein, with minimal delay and with roles and responsibilities of each Party in project development, environmental review and project implementation, pre-established.
3. Facilitate the coordination and adaptive management of water conservation, habitat restoration, materials extraction and other related activities that are taking place, or which will take place, on the Lands. A template for future projects is included as Exhibit "D".
4. Ensure the continued ability of the District and Valley District to replenish the Groundwater Basin with native Santa Ana River water, or imported or exchanged water supplies, using existing and potential future water recharge facilities in and around the Lands by providing a coordination framework for the projects referenced herein.

5. Facilitate maintenance and improvement of habitat for sensitive, threatened, or endangered species populations on the Lands, and prevent colonization by non-native plants and animals.

#### D. LEGAL AUTHORITY AND CONTRACTING AUTHORITY

1. Contracting Authority and Expenditures of Federal Funds: Any expenditure of funds in the fulfillment of this MOU by BLM may be accomplished by contract, purchase order or through other legal mechanisms approved by the Department of the Interior and consistent with BLM's obligations under federal fiscal and procurement law. The BLM enters this MOU under authority granted in Section 307 of FLPMA. BLM's ability to perform the duties imposed under the MOU is subject to the availability of appropriated funds to accomplish the purposes established in the MOU. Similarly the ability of the District to expend funds pursuant to this MOU shall be conditioned, where required by District policy, on approval of the expenditure by the District's Board of Directors.

2. California Environmental Quality Act (CEQA): The Wash Plan, the Plunge Creek Project, the Enhanced Recharge Project, and the revisions of the SCRMP are all subject to their own independent environmental review processes, under NEPA, CEQA, or both, as the case may be. Environmental effects of the ultimate implementation of these projects are being addressed in those NEPA and CEQA efforts. The environmental effects of each of such projects are being addressed in these NEPA and CEQA efforts. This MOU itself is not a "Project" as that term is defined in the CEQA Guidelines, 14 California Code of Regulations §15378, because the MOU itself, which commits neither party to take actions with impact on the physical environment, is simply "the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment." The MOU may also be considered "[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment." (14 California Code of Regulations §15378 (b).) The MOU is not, absent separate commitments on the part of both parties (which would be the subject of separate CEQA analysis), "an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." (14 California Code of Regulations §15378 (a).) Accordingly, initial action under CEQA is not required at this time.

3. Land Use Plan Conformance: The Parties agree that the actions and procedures described in this MOU, and the MOU itself, are consistent with, and in conformance with, the SCRMP. The SCRMP specifically references elements of the Wash Plan and directs that 760 acres of BLM lands in the Upper Santa Ana River Wash be managed for the protection of threatened or endangered flora and fauna. The MOU is clearly consistent with the intent expressed in SCRMP because the MOU will further the following "Resource Condition Objectives" specified in the SCRMP for the Riverside-San Bernardino County Management Area. Specifically, the MOU will facilitate BLM's ability to: "improve management effectiveness within the management area through disposal of isolated parcels and consolidation of BLM public land ownership," and will "[a]llow mineral development and other uses while

maximizing protection of sensitive resources.”

4. NEPA: Individual projects described in the MOU with the potential to affect the environment will, to the extent such projects have not already been analyzed in existing NEPA documents, be analyzed in accordance with BLM policy for NEPA compliance prior to any irretrievable commitment of resources towards such projects.

E. STATEMENT OF WORK

1. The Bureau of Land Management agrees to:

- a. Function as the co-lead agency with the District (and, where applicable, U.S. fish and Wildlife or Valley District) for project planning, environmental review and subsequent implementation (where appropriate) for the Wash Plan, Enhanced Recharge Plan, and Plunge Creek Project;
- b. Work cooperatively with District and its partners to obtain funding to improve water conservation and habitat improvement opportunities on the Lands;
- c. Allow District access to such portions of the Lands as may be owned or controlled by BLM to the full extent authorized under existing rights of way, licenses, easements, or other rights to occupy, and to actively assist District in obtaining any additionally required rights of way, licenses or other rights to provide access to portions of the Lands owned or managed by BLM for the purposes described in the MOU;
- d. Work collaboratively with District in project planning in and around the Lands, and expediently coordinate and evaluate any District proposed activity for compatibility with the SCRMP or any other pertinent land use regulatory authority.
- e. As part of future exchange transactions on the Lands, reimburse District for costs incurred by District, in accordance with 43 C.F.R. §2201.1-3, where District, after providing notice to BLM, incurs costs for tasks that would otherwise be completed by BLM pursuant to its statutory or regulatory responsibilities, to include, but not limited to: appraisal of federal lands; cultural resource evaluation and report generation; and biological assessment and compliance with Section 7 of the Endangered Species Act (ESA). Prior to incurring any compensation obligation, BLM must agree, in writing to make such reimbursements, and such reimbursements may only occur as part of a mutually approved exchange transaction.
- f. To implement self-insurance provisions provided to agencies of the U.S. Government in order to cover all applicable liabilities and losses that could arise under this MOU.
- g. To provide workers' compensation for all persons providing services on behalf of the BLM and all risks to such persons under this MOU under provisions of Title 43, United States Code, §1737(f).

2. The District agrees to:

- a. Seek funding and partners for water conservation and habitat enhancement/restoration projects that further the objectives and agency missions of the Parties.

- b. Provide cooperative and adaptive management of habitat and wildlife resources in areas of the Lands that will be managed by District. As BLM is engaged in land management activities, where it is mutually beneficial, the District may develop additional agreements for land management services with the BLM.
  - c. To serve as lead agency under CEQA for non-federal projects and actions that trigger compliance with CEQA, except that district will not be the lead agency for the Enhanced Recharge Project
  - d. Fully participate in NEPA, and other regulatory processes required of BLM in the context of project development/implementation, to include the timely provision of data and expertise where the District possesses such data or expertise.
  - e. Upon BLM request, or when otherwise deemed appropriate by District, to provide knowledgeable staff or consultants to represent the District's interests, and to explain the rationale and benefits of District sponsored projects, at BLM meetings with stakeholders, regulators and/or other interested persons.
  - f. To review and approve design and specifications for any new or modified facilities on the Lands in a timely fashion.
  - g. To request prior comment and approval from BLM for alterations or improvements to the Lands currently under District ownership or control which District may authorize to other parties for new or modified uses of facilities or activities on the Lands.
3. Both parties mutually agree:
- a. To coordinate expeditiously with each other in securing appraisals, and to provide any and all information as may be necessary to obtain or facilitate such appraisals, as may be necessary or convenient for any land exchange between the Parties, as proposed under the Wash Plan.
  - b. To provide any and all information requested by the other regarding real property title records, including deeds, easements, rights of way, licenses, legal descriptions, plat maps, and any other recorded or unrecorded documents affecting the right to own, possess, or use any of the Lands.
  - c. To generate such deeds, legal descriptions, plat maps, or other drawings, descriptions, or other depictions of the lands, as may be required from time to time to transfer properties, document entitlements to occupy or use any portion of the Lands, or otherwise meet requirements for applications for easements, licenses, rights of way, property transfers, or other property-related matters.
  - d. To coordinate reasonably with the Parties' lessees and licensees to permit and facilitate their lawful activities on the lands.
  - e. To cooperate in the funding and generation of such reports, surveys, periodic testing, or analyses as may be required to meet requirements of any incidental take permit, habitat

conservation plan, critical habitat area designation, 404 Permit, stream bed alteration agreement, conservation easement, other biological or habitat-related requirement or restriction on the Lands.

- f. To provide any and all information reasonably requested by the other regarding real property title records, including deeds, easements, rights of way, licenses, legal descriptions, plat maps, and any other recorded or unrecorded documents affecting the right to own, possess, or use any of the Lands.
- g. To generate such deeds, legal descriptions, plat maps, or other drawings, descriptions, or other depictions of the lands, as may be required from time to time to transfer properties, document entitlements to occupy or use any portion of the lands, or otherwise meet requirements for requests from the other Party for easements, licenses, rights of way, property transfers, or other property-related matters affecting the Lands.
- h. To coordinate and to cooperate with the District and any other agency working in concert with the District to coordinate any emergency response measures on the lands, including making property, personnel, equipment, and funding that is available and suitable for, and permissible to be used for, such purposes to protect against the immediate threat of damage to persons or property, or threat to public health, safety, or welfare.
- i. To meet as needed to assure effective management of the Lands, and implementation of projects of mutual interest—to include, but not limited to, the three projects specified in this MOU.
- j. To consult with the other party should any party determine that it is unable to fulfill its obligations as specified herein.
- k. To negotiate subsequent agreements and/or memorandums of understanding as necessary to achieve the purpose and objectives of this MOU.
- l. To share responsibility for major repairs, including but not limited to, damage resulting from fire, flood, earthquake, major vandalism, and infrastructure, subject to available funding.

**F. MEET AND CONFER AND INFORMATION EXCHANGE REGARDING STATUS OF TITLE AND RIGHTS OF WAY.**

The parties shall, immediately upon the approval of this MOU, undertake to, compile, review, and exchange with each other all existing information they have in their possession and control regarding the existing status of title on the Lands, including ownership vesting, easements, encumbrances, rights of way, leases, licenses, rights of entry, and any other possessory interest or right to occupy the Lands. Such exchange of information shall be completed no later than one hundred eighty (180) days following approval of this MOU by both Parties. The information so exchanged shall serve as a base framework for the prospective determinations by the Parties of the rights, obligations, and opportunities available to each under the existing status of legal and equitable title and all other possessory interests in the Lands, toward accomplishment of the

objectives of this MOU, and shall assist the Parties in determining the need, or lack thereof, of any additional rights or approvals for the implementation of various component activities of the Wash Plan, the Plunge Creek Project, the Enhanced Recharge Project, or the SCRMP objectives.

#### G. INSPECTIONS

Each Party may enter and inspect the Lands under the ownership or control of the other Party at any time, without prior notice, in the event of exigent circumstances. However, in the absence of such circumstances, each Party shall utilize good faith efforts to provide notice to the other when seeking access to portions of District property that are not otherwise open or accessible to the public. The conduct of inspections shall be consistent with any environmental or habitat preservation restrictions thereon, and shall be limited to non-surface disturbing activities, and any vehicular traffic shall be limited to existing roads (improved or unimproved) absent express permission from the other Party.

#### H. NOTICES

Any notice or consent required or permitted to be given under this MOU shall be given to the respective parties, in writing, by registered or certified mail, or by e-mail where the recipient of the required notice has agreed (in advance and in writing) to be notified via e-mail. Mail notification under this MOU shall be to the following:

1. If to District:

Mr. Daniel Cozad, General Manager  
San Bernardino Valley Water Conservation District  
1630 West Redlands Blvd., Suite A  
P.O. Box 1839  
Redlands, California 92373  
Phone: 909.793.2503

2. If to BLM:

Mr. John R. Kalish, Field Manager  
Bureau of Land Management  
Palm Springs-South Coast Resource Area  
1201 Bird Center Drive  
Palm Springs, CA 92262

Notice may also be provided at other addresses or to such other persons as either of the parties may from time to time designate by written notice.

#### I. TERMS OF AGREEMENT/TERMINATION

This agreement shall become effective when signed by both parties hereto and shall remain in force unless terminated before that date as provided herein, or upon the passage of 20 years from the date the MOU is first executed by both Parties, whichever occurs sooner. Either party may terminate this agreement upon one hundred eighty (180) days' written notice of its intention to terminate. . The MOU shall be reviewed every five (5) years by both Parties to determine effectiveness of its provisions, and the Parties, by mutual written consent, may extend the period of the MOU beyond the initial 20 year period for an additional period of their choosing.

#### J. MODIFICATIONS

Modifications to this MOU may only be accomplished by mutual agreement approved in writing by both Parties.

#### K. INDEMNITY AND INSURANCE

Each Party will indemnify and hold harmless the other—to the extent authorized by applicable state or federal law—for any and all claims, actions or losses, damages, and/or liability resulting from the indemnifying party's negligent acts or omissions which arise from (or take place in the context of) the performance of activities governed by this MOU.

#### L. MISCELLANEOUS

1. Land Exchanges and Acquisitions: It is contemplated that any land exchanges or acquisitions necessary to further the purposes identified in this MOU shall be carried out under the authority of Sections 205 and 206 of FLPMA, and will undergo all environmental reviews and permitting at such time as those actions are proposed with sufficient detail as to permit environmental review.
2. No Partnership: It is expressly understood and agreed that District, nor any of its officers, agents, volunteers or employees, will, in any way nor for any purpose, become a partner, agent, principle of, or a joint venture with BLM by reason of any provision of this agreement.
3. Nothing in this MOU will be construed as affecting the authorities of the Parties or as binding beyond their respective authorities or to require any of the Parties to obligate or expend funds in excess of available appropriations.

The Parties have executed this MOU on \_\_\_\_\_, 2013.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Richard Corneille, Board President

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

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

UNITED STATES BUREAU OF LAND MANAGEMENT

John Kalish, Field Manager, Palm Springs South Coast Field Office

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

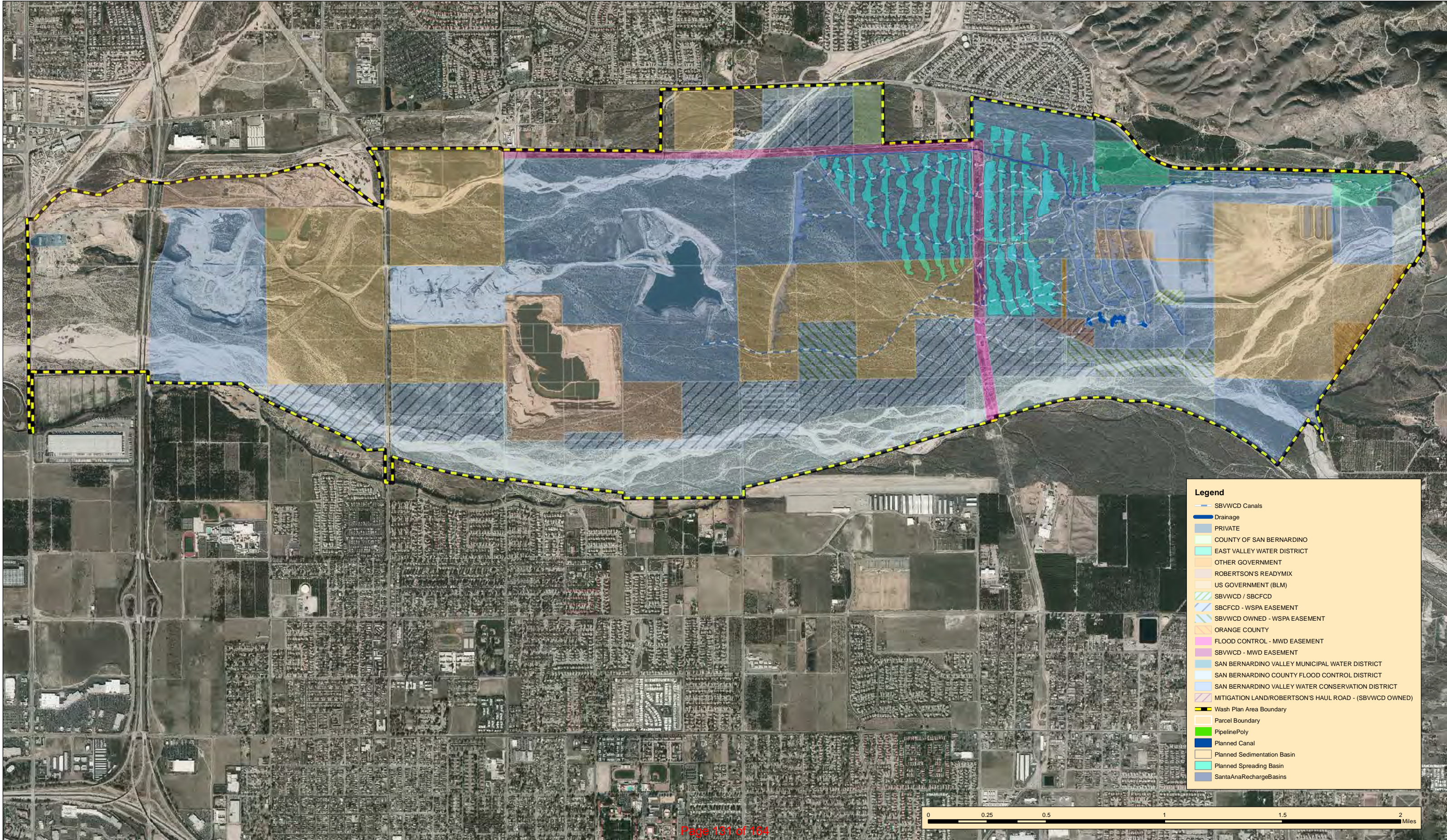
Date: \_\_\_\_\_



# Exhibit A - Wash Plan Area

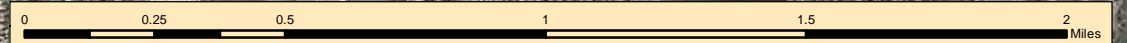


Coordinate System:  
 NAD 1983 StatePlane California V FIPS 0405 Feet  
 Projection: Lambert Conformal Conic  
 Datum: North American 1983  
 Source:  
 SBVWCD GIS  
 BING Maps  
 Author: Emerald Mancilla  
 May 20, 2013



**Legend**

- SBVWCD Canals
- █ Drainage
- █ PRIVATE
- █ COUNTY OF SAN BERNARDINO
- █ EAST VALLEY WATER DISTRICT
- █ OTHER GOVERNMENT
- █ ROBERTSON'S READYMIX
- █ US GOVERNMENT (BLM)
- █ SBVWCD / SBCFCD
- █ SBCFCD - WSPA EASEMENT
- █ SBVWCD OWNED - WSPA EASEMENT
- █ ORANGE COUNTY
- █ FLOOD CONTROL - MWD EASEMENT
- █ SBVWCD - MWD EASEMENT
- █ SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
- █ SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
- █ SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
- █ MITIGATION LAND/ROBERTSON'S HAUL ROAD - (SBVWCD OWNED)
- █ Wash Plan Area Boundary
- █ Parcel Boundary
- █ PipelinePoly
- █ Planned Canal
- █ Planned Sedimentation Basin
- █ Planned Spreading Basin
- █ SantaAnaRechargeBasins



## **Exhibit B – Enhanced Recharge Project Description**

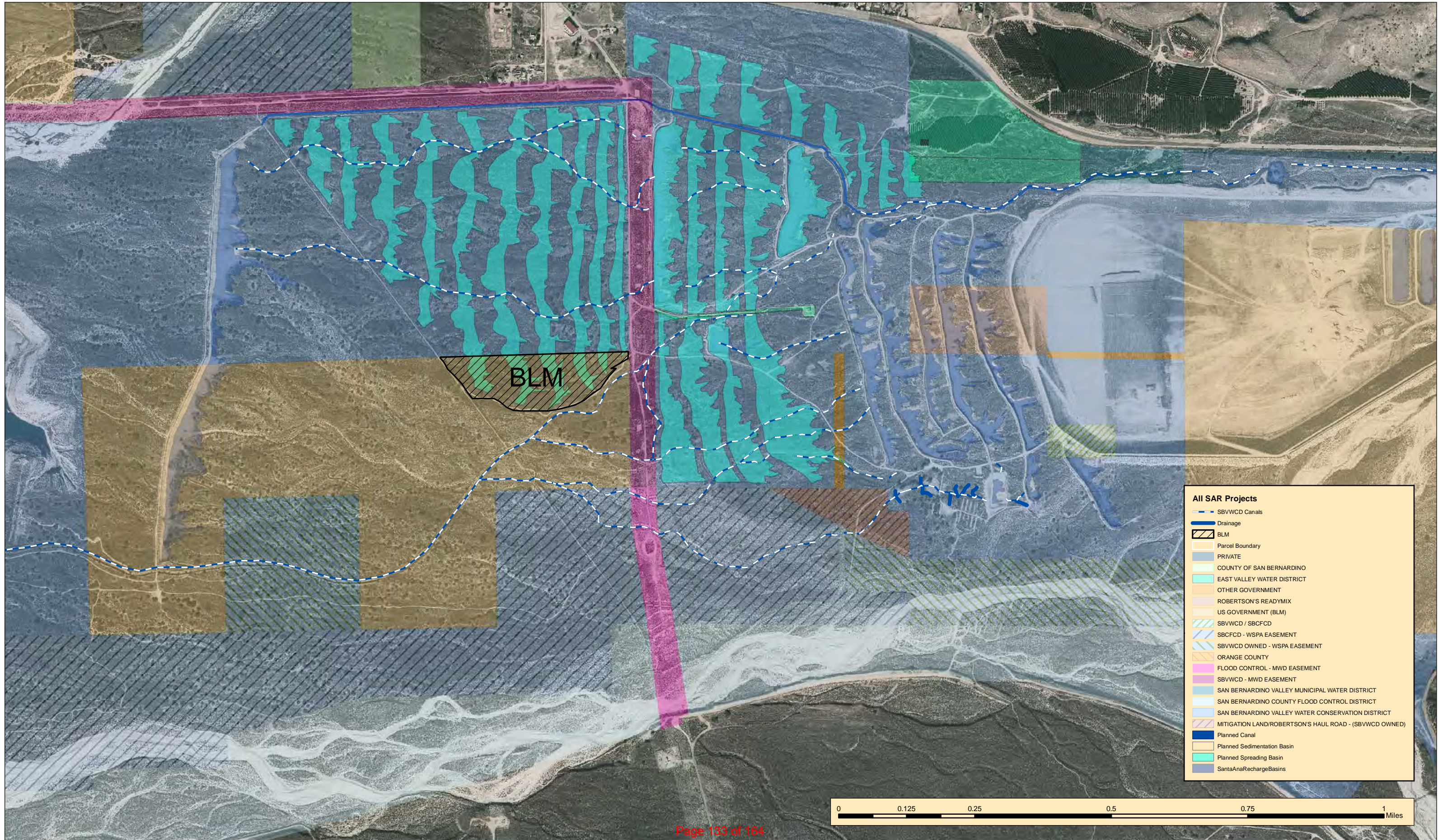
The Enhanced Recharge Facilities for Santa Ana River Water project adds facilities in multiple phases to the San Bernardino Valley Water Conservation District's existing diversion and recharge site that increases the capture, diversion and recharge of local storm water to 500 cubic feet per second (cfs) and 80,000 acre-feet in a single year. The capture of local storm water is a primary water management strategy in the Upper Santa Ana River Watershed Integrated Regional Water Management Plan.

The diversion and recharge of the additional Santa Ana River water will be in accordance with water rights permits 21264 and 21265 issued to San Bernardino Valley Municipal Water District and Western Municipal Water District (WMWD) by the State Water Resource Control Board. Approximately 15 acres of the proposed 476 acres of new recharge basins is planned on land owned by the Bureau of Land Management as anticipated in the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan. The Project is expected to be constructed in phases over approximately 3 -5 years.

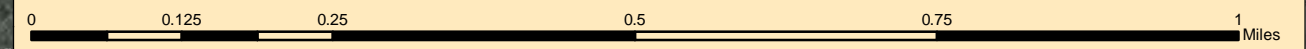
# Exhibit B - Enhanced Recharge



Coordinate System:  
 NAD 1983 StatePlane California V FIPS 0405 Feet  
 Projection: Lambert Conformal Conic  
 Datum: North American 1983  
 Source:  
 SBVWCD GIS  
 BING Maps  
 Author: Emerald Mancilla  
 May 20, 2013



- All SAR Projects**
- SBVWCD Canals
  - Drainage
  - BLM
  - Parcel Boundary
  - PRIVATE
  - COUNTY OF SAN BERNARDINO
  - EAST VALLEY WATER DISTRICT
  - OTHER GOVERNMENT
  - ROBERTSON'S READYMIX
  - US GOVERNMENT (BLM)
  - SBVWCD / SBCFCD
  - SBCFCD - WSPA EASEMENT
  - SBVWCD OWNED - WSPA EASEMENT
  - ORANGE COUNTY
  - FLOOD CONTROL - MWD EASEMENT
  - SBVWCD - MWD EASEMENT
  - SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
  - SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
  - SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
  - MITIGATION LAND/ROBERTSON'S HAUL ROAD - (SBVWCD OWNED)
  - Planned Canal
  - Planned Sedimentation Basin
  - Planned Spreading Basin
  - SantaAnaRechargeBasins



## **Exhibit C - Plunge Creek Project Description**

The Plunge Creek Habitat and Water Conservation project is a collaborative project developed under the San Bernardino Valley Water Conservation District led Upper Santa Ana River Wash Area Planning effort or Wash Plan. This was plan has been in development for over 10 years working directly with the US Fish and Wildlife Service, Bureau of Land Management, California Department of Fish & Wildlife and a Task force of more than 12 community and agency stakeholders.

The Goal of the Project is to initiate early implementation work under the Wash Plan in a cooperative project serving multiple objectives. The objectives of the project are to:

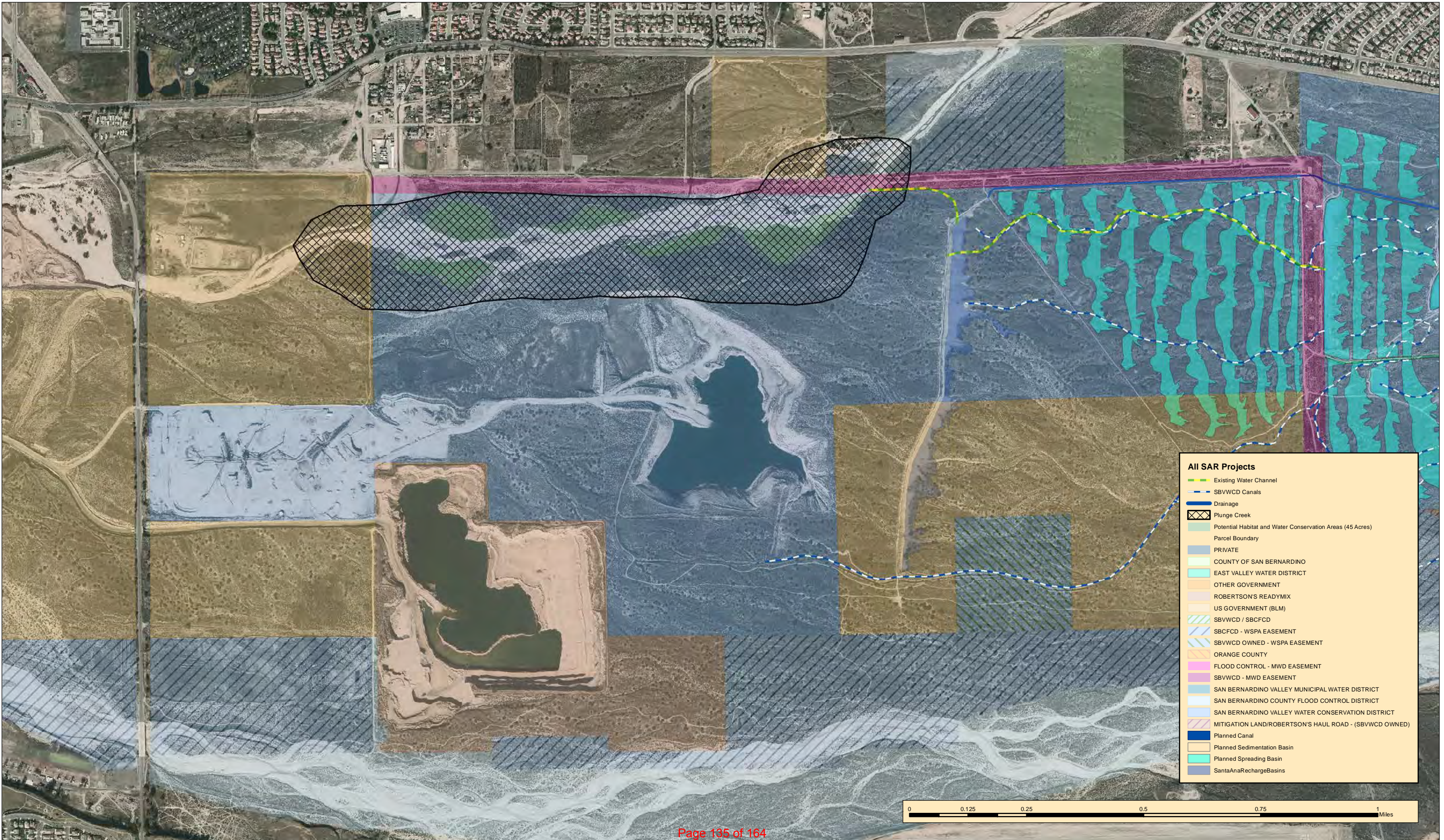
- Develop additional habitat for San Bernardino kangaroo rat and related threatened and endangered species in the Santa Ana River Wash area
- Implement the project to improve the function of the stream system
- Create additional groundwater recharge of native surface water/storm flows
- Develop methodology that can be used to further enhance habitat and water conservation

The Plunge Creek conservation project achieves the purposes and needs identified in the Wash Plan and benefits this watershed which is urbanized in much of its area. The San Bernardino Kangaroo Rat is listed as a federally endangered species in September 1998. This project assists with restoration and enhancement of habitat for the species while at the same time increasing the permeability and surface area available for recharge in the creek. Minor modifications to the hydrologic characteristics of the creek are intended to substantial improvements to habitat quality and recharge capability. The improvement of the habitat quality will assist with enhancing habitat conditions for SBKR and contribute to species recovery. Locally, the Bunker hill Groundwater Basin is frequently in overdraft and additional recharge is highly beneficial to the basin. The project is set to be implemented over 4-5 years in coordination with USFWS staff and grant funding.

# Exhibit C - Plunge Creek



Coordinate System:  
 NAD 1983 StatePlane California V FIPS 0405 Feet  
 Projection: Lambert Conformal Conic  
 Datum: North American 1983  
 Source:  
 SBVWCD GIS  
 BING Maps  
 Author: Emerald Mancilla  
 May 20, 2013



**All SAR Projects**

- Existing Water Channel
- SBVWCD Canals
- Drainage
- Plunge Creek
- Potential Habitat and Water Conservation Areas (45 Acres)
- Parcel Boundary
- PRIVATE
- COUNTY OF SAN BERNARDINO
- EAST VALLEY WATER DISTRICT
- OTHER GOVERNMENT
- ROBERTSON'S READYMIX
- US GOVERNMENT (BLM)
- SBVWCD / SBCFCD
- SBCFCD - WSPA EASEMENT
- SBVWCD OWNED - WSPA EASEMENT
- ORANGE COUNTY
- FLOOD CONTROL - MWD EASEMENT
- SBVWCD - MWD EASEMENT
- SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
- SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
- SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
- MITIGATION LAND/ROBERTSON'S HAUL ROAD - (SBVWCD OWNED)
- Planned Canal
- Planned Sedimentation Basin
- Planned Spreading Basin
- SantaAnaRechargeBasins



## **Exhibit D - Template for future Projects under this MOU**

1. Project Name
2. Project Description - Brief description of the project setting, goals and objectives
  - a. Benefits including Habitat, Water Conservation and others
3. Duration/Schedule
4. Area Map
5. Coordination and Approval Documentation



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.dst.ca.us](mailto:info@sbvwcd.dst.ca.us)  
[www.sbvwcd.dst.ca.us](http://www.sbvwcd.dst.ca.us)

Memorandum No. 1201

**To: Board of Directors**

**From: Administrative Committee/General Manager, Daniel Cozad**

**Date: September 11, 2013**

**Subject: Overhead Rate Implementation and Adjustment**

## **RECOMMENDATION**

Review the development and consider approval of the new overhead rate as recommended by Administrative Committee.

## **BACKGROUND**

In 2011, the Board approved the Enterprise Descriptions and with the budget of that year approved a 20% overhead allocation on Labor and Benefits charged out to each dependent enterprise, Groundwater, Redlands Plaza and Land Resources as well as all reimbursement agreements and grant contracts. The 20% rate was estimated based on major costs of unallocated costs. The level was appropriate because the District did not have adequate operating experience with the enterprise system to identify the exact components of the overhead.

## **DISCUSSION**

After the first year implementation of the overhead rate, staff believed that the rate was likely not accounting for all the costs which were appropriate for an overhead rate. Additionally, the board asked for a review of the rate and why certain costs are included or not included.

With the additional operating experience each subsequent budget better allocated costs directly to the enterprises based on their actual or estimated share of costs. An example would be insurance, which is allocated on the basis of the value of the insured property or vehicles which are allocated by use. Staff will prepare a policy to detail the overhead policy as incorporated into the budget for the past years. Critical elements are shown below:

- All directly allocable costs are charged to the appropriate enterprise or project
- Prorated allocable costs are allocated and charged as shown in the budget unless actual use changes the allocation percentage between enterprises or projects
- General Ledger items which cannot be or due to small size are not reasonable to be allocated to enterprises, or which vary directly with labor will have costs recovered on a charge to labor calculated as a percentage on labor costs

BOARD  
OF  
DIRECTORS

Richard W. Corneille  
Clare Henry Day

Bob Glaubig  
John Longville

David E. Raley  
Melody McDonald  
Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad

- Staff will review times included in the overhead for allocatability from time to time to determine if the inclusion in overhead is appropriate
- Costs for the items to be billed out as overhead will be shown in the general fund enterprise and the credit from the overhead charges will be credited to the general fund enterprise.
- Overhead rate will be determined by the cost of the overhead General Ledger items divided by total labor costs.

A review of costs based on this policy was performed. The results of the review indicate that an overhead rate of approximately 30% better represents the true cost of unallocated overhead costs. A spreadsheet showing these calculations and results is attached for discussion. Staff will review these calculations in the meeting.

Based on the feedback from the Administrative Committee, Staff will further document the policy and present it for approval with any adjustment to the percentage.

### **FISCAL IMPACT**

The allocation of overhead is important in an Enterprise System because if the costs due to a project or enterprise do not pay their appropriate share of costs the general fund will be chronically underfunded and not be able to support the enterprises and projects. Overhead policy also affects the overall financial status of the District if it is used to charge out labor for reimbursement or grants.

| GL ACCT:                       | GL DESCRIPTION:                    | Proposed 2012-2013 Budget | Overhed Cost | DRAFT 2013-2014 Budget | Overhead Cost | GENERAL FUND      |          |                              | GROUNDWATER RECHARGE ENTERPRISE |          |                             | REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE |          |                              | LAND RESOURCE (WASH PLAN & MINING) |          |                      |
|--------------------------------|------------------------------------|---------------------------|--------------|------------------------|---------------|-------------------|----------|------------------------------|---------------------------------|----------|-----------------------------|---|----------|------------------------------|------------------------------------|----------|----------------------|
|                                |                                    |                           |              |                        |               | 2013 BUDGET:      | % BUDGET | BASIS:                       | 2013 BUDGET:                    | % BUDGET | BASIS:                      | 2013 BUDGET:                                    | % BUDGET | BASIS:                       | 2013 BUDGET:                       | % BUDGET | BASIS:               |
| <b>Budget 2013-2014</b>        |                                    |                           |              |                        |               |                   |          |                              |                                 |          |                             |   |          |                              |                                    |          |                      |
| <b>INCOME:</b>                 |                                    |                           |              |                        |               |                   |          |                              |                                 |          |                             |   |          |                              |                                    |          |                      |
| 4012                           | INTEREST INCOME-LAIF               | 5,000.00                  |              | 2,000.00               |               | 2,000.00          | 100.00%  |                              | 0.00                            |          |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 4013                           | INTEREST INCOME-CALTRUST           | 50,000.00                 |              | 60,000.00              |               | 60,000.00         | 100.00%  |                              | 0.00                            |          |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 4021                           | GROUNDWATER CHARGE-AG              | 48,730.50                 |              | 38,465.00              |               | 0.00              |          |                              | 38,465.00                       | 100.00%  | No Rate increase            | 0.00  |          |                              | 0.00                               |          |                      |
| 4023                           | GROUNDWATER CHARGE-NON AG          | 652,610.25                |              | 716,280.00             |               | 0.00              |          |                              | 716,280.00                      | 100.00%  | No Rate increase            | 0.00  |          |                              | 0.00                               |          |                      |
| 4031                           | PLANT SITE CEMEX                   | 48,000.00                 |              | 48,000.00              |               | 0.00              |          |                              | 0.00                            |          | 754,745.00                  | 0.00  |          |                              | 48,000.00                          | 100.00%  | PER LEASE MIN        |
| 4032                           | CEMEX - ROYALTY/LEASE              | 208,333.33                |              | 308,333.33             |               | 0.00              |          | Includes CEMEX Wash Plan     | 0.00                            |          |                             | 0.00  |          |                              | 308,333.33                         | 100.00%  | Per Lease Agreement  |
| 4034                           | REDLANDS AGGREGATE 5% ROYALTY      | 36,000.00                 |              | 36,000.00              |               | 0.00              |          |                              | 0.00                            |          |                             | 0.00  |          |                              | 36,000.00                          | 100.00%  | PER CONTRACT         |
| 4036                           | AGGREGATE MAINTENANCE              | 23,500.00                 |              | 23,500.00              |               | 0.00              |          |                              | 0.00                            |          |                             | 0.00  |          |                              | 23,500.00                          | 100.00%  | EST FROM 2010        |
| 4040                           | MISCELLANEOUS INCOME               | 25,000.00                 |              | 25,000.00              |               | 18,750.00         | 75.00%   | ESTIMATE                     | 0.00                            |          |                             | 0.00  |          |                              | 6,250.00                           | 25.00%   | ESTIMATE             |
| 4050                           | PROPERTY TAX                       | 75,000.00                 |              | 76,000.00              |               | 76,000.00         | 100.00%  | Assessor \$70K plus \$6K RDA | 0.00                            |          |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 4055                           | SBVMWD LEASE AGREEMENT             | 300,000.00                |              | 350,000.00             |               | 210,000.00        | 60.00%   | General and Reserve          | 115,500.00                      | 33.00%   | Allocation to Cost          | 0.00  |          |                              | 24,500.00                          | 7.00%    | Land Lease Cost      |
| 4062                           | MENTONE PROPERTY INCOME            | 19,800.00                 |              | 18,900.00              |               | 0.00              |          | Lower rental value           | 0.00                            |          |                             | 18,900.00                                       | 100.00%  | PER LEASE                    | 0.00                               |          |                      |
| 4065                           | REDLANDS PLAZA                     | 88,349.58                 |              | 91,883.56              |               | 0.00              |          |                              | 0.00                            |          |                             | 91,883.56                                       | 100.00%  | Estimated via revised leases | 0.00                               |          |                      |
| 4066                           | REDLANDS PLAZA CAM                 | 20,000.00                 |              | 20,000.00              |               | 0.00              |          |                              | 0.00                            |          |                             | 20,000.00                                       | 100.00%  | Estimated via revised leases | 0.00                               | 0.00%    |                      |
| 4080                           | EXCHANGE PLAN                      | 30,000.00                 |              | 30,000.00              |               | 0.00              |          |                              | 30,000.00                       | 100.00%  | HISTORIC                    | 0.00  |          |                              | 0.00                               |          |                      |
| 4025                           | WASH PLAN REVENUE                  | 409,500.00                |              | 415,800.00             |               | 0.00              |          | Per Wash Plan                | 0.00                            |          |                             | 0.00  |          |                              | 415,800.00                         | 100.00%  |                      |
| 4086                           | PLUNGE CREEK IRWMP                 | 0.00                      |              | 190,000.00             |               | 8,550.00          | 4.50%    |                              | 0.00                            |          |                             | 0.00  |          |                              | 180,500.00                         | 95.00%   |                      |
|                                | <b>TOTAL INCOME:</b>               | <b>2,039,823.66</b>       |              | <b>2,450,161.90</b>    |               | <b>375,300.00</b> |          |                              | <b>900,245.00</b>               |          |                             | <b>130,783.56</b>                               |          |                              | <b>1,042,883.33</b>                |          |                      |
| <b>EXPENSES:</b>               |                                    |                           |              |                        |               |                   |          |                              |                                 |          |                             |   |          |                              |                                    |          |                      |
| 5080                           | LAFCO CONTRIBUTION/FEES            | 3,750.00                  | \$3,750.00   | 9,345.83               | 9,345.83      | 9,345.83          | 100.00%  |                              | 0.00                            |          |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 5082                           | PLUNGE CREEK LABOR EXPENSE         |                           |              | 8,617.03               |               | 0.00              | 0.00%    |                              | 0.00                            |          |                             | 0.00  |          |                              | 8,617.03                           | 100.00%  |                      |
| 5120                           | MISC. PROFESSIONAL SERVICES        | 95,000.00                 | \$47,500.00  | 120,000.00             | 48,000.00     | 120,000.00        | 100.00%  | Accounting/Sub.              | 0.00                            | 0.00%    |                             | 0.00  | 0.00%    |                              | 0.00                               |          |                      |
| 5122                           | WASH PLAN PROFESSIONAL SERVICES    | 127,000.00                |              | 127,000.00             |               | 0.00              |          | Per Wash Plan Budget         | 0.00                            |          |                             | 0.00  |          |                              | 127,000.00                         | 100.00%  | Per Wash Plan Budget |
| 5124                           | PLUNGE CREEK PROFESSIONAL SERVICES |                           |              | 179,510.00             |               | 0.00              |          |                              | 17,951.00                       | 10.00%   |                             | 0.00  |          |                              | 161,559.00                         | 90.00%   | Per Wash Plan Budget |
| 5125                           | ENGINEERING SERVICES               | 15,000.00                 | \$15,000.00  | 15,000.00              | 15,000.00     | 0.00              |          |                              | 15,000.00                       | 100.00%  | GENERAL ENG./GIS            | 0.00  |          |                              | 0.00                               |          |                      |
| 5130                           | AERIAL PHOTO/SURVEYING/MARKET      | 60,000.00                 |              | 1,000.00               |               | 0.00              |          | Complete 2013                | 0.00                            |          |                             | 0.00  |          |                              | 1,000.00                           | 100.00%  |                      |
| 5145                           | ENVIRONMENTAL SERVICES (WASH PLAN) | 213,000.00                |              | 213,000.00             |               | 0.00              |          | Per Wash Plan Budget         | 0.00                            |          |                             | 0.00  |          |                              | 213,000.00                         | 100.00%  | Per Wash Plan Budget |
| 5160                           | IT SUPPORT                         | 7,500.00                  |              | 7,500.00               |               | 2,750.00          | 36.67%   |                              | 4,000.00                        | 53.33%   | % OF 2010                   | 0.00  |          |                              | 750.00                             | 10.00%   |                      |
| 5170                           | AUDIT                              | 19,000.00                 |              | 19,000.00              |               | 1,900.00          | 10.00%   |                              | 10,640.00                       | 56.00%   | ON REVENUE                  | 2,850.00  | 15.00%   | ON REVENUE                   | 3,610.00                           | 19.00%   | ON REVENUE           |
| 5175                           | LEGAL-WASH PLAN                    | 42,000.00                 |              | 42,000.00              |               | 0.00              |          | Per Wash Plan Budget         | 0.00                            |          |                             | 0.00  |          |                              | 42,000.00                          | 100.00%  | Per Wash Plan Budget |
| 5180                           | LEGAL                              | 160,000.00                |              | 120,000.00             |               | 48,000.00         | 40.00%   |                              | 60,000.00                       | 50.00%   | Collaboative Agreement Etc. | 12,000.00                                       | 10.00%   | REV/NO WASH PLAN             | 0.00                               |          |                      |
| <b>FIELD OPERATIONS:</b>       |                                    |                           |              |                        |               |                   |          |                              |                                 |          |                             |   |          |                              |                                    |          |                      |
| 5123                           | TEMP FIELD LABOR                   | 2,500.00                  |              | 0.00                   |               | 0.00              |          |                              | 0.00                            | 100.00%  |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 5210                           | EQUIPMENT MAINTENANCE              | 2,500.00                  |              | 8,000.00               |               | 0.00              |          |                              | 8,000.00                        | 100.00%  | EST. FROM 2010              | 0.00  |          |                              | 0.00                               |          |                      |
| 5215                           | PROPERTY MAINTENANCE               | 6,500.00                  |              | 7,500.00               |               | 0.00              |          |                              | 7,500.00                        | 100.00%  | EST. FROM 2010              | 0.00  |          |                              | 0.00                               |          |                      |
| 5310                           | VEHICLE MAINTENANCE                | 12,500.00                 |              | 15,000.00              |               | 0.00              |          |                              | 15,000.00                       | 100.00%  | EST. FROM 2010 BASE         | 0.00  |          |                              | 0.00                               |          |                      |
| 5320                           | FUEL                               | 15,000.00                 |              | 16,500.00              |               | 0.00              |          |                              | 16,500.00                       | 100.00%  | EST. PLUS FUEL COST         | 0.00  |          |                              | 0.00                               |          |                      |
| <b>UTILITIES:</b>              |                                    |                           |              |                        |               |                   |          |                              |                                 |          |                             |   |          |                              |                                    |          |                      |
| 5410                           | ALARM SERVICE                      | 4,150.00                  |              | 3,000.00               |               | 1,500.00          | 50.00%   |                              | 1,500.00                        | 50.00%   |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 5420                           | ELECTRICITY                        | 15,000.00                 |              | 14,000.00              |               | 3,920.00          | 28.00%   |                              | 2,800.00                        | 20.00%   | % OF 2010                   | 7,280.00  | 52.00%   |                              | 0.00                               |          |                      |
| 5430                           | MOBILE PHONES                      | 1,500.00                  |              | 1,000.00               |               | 26.67             | 2.67%    |                              | 973.33                          | 97.33%   | % OF 2010                   | 0.00  |          |                              | 0.00                               |          |                      |
| 5440                           | TELEPHONE                          | 7,000.00                  |              | 7,400.00               |               | 5,180.00          | 70.00%   |                              | 2,220.00                        | 30.00%   | % OF 2010                   | 0.00  |          |                              | 0.00                               |          |                      |
| 5450                           | NATURAL GAS                        | 1,050.00                  |              | 1,500.00               |               | 900.00            | 60.00%   |                              | 600.00                          | 40.00%   | % OF 2010                   | 0.00  |          |                              | 0.00                               |          |                      |
| 5460                           | WATER / TRASH / SEWER              | 10,600.00                 |              | 11,660.00              |               | 5,830.00          | 50.00%   |                              | 4,664.00                        | 40.00%   | % OF 2010                   | 0.00  |          |                              | 1,166.00                           | 10.00%   |                      |
| 5470                           | INTERNET SERVICES                  | 7,000.00                  |              | 7,500.00               |               | 3,750.00          | 50.00%   |                              | 2,250.00                        | 30.00%   |                             | 375.00  | 5.00%    |                              | 1,125.00                           | 15.00%   |                      |
| <b>GENERAL ADMINISTRATION:</b> |                                    |                           |              |                        |               |                   |          |                              |                                 |          |                             |   |          |                              |                                    |          |                      |
| 6001                           | GENERAL ADMIN-OTHER                | 10,000.00                 |              | 7,500.00               |               | 3,750.00          | 50.00%   |                              | 3,750.00                        | 50.00%   |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 6002                           | WEBSITE ADMINISTRATION             | 3,100.00                  | \$3,100.00   | 3,100.00               | 3,100.00      | 3,100.00          | 100.00%  |                              | 0.00                            |          |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 6003                           | PROPERTY TAX                       | 2,170.00                  |              | 2,170.00               |               | 2,170.00          | 100.00%  |                              | 0.00                            |          |                             | 0.00  |          |                              | 0.00                               |          |                      |
| 6004                           | MEETING EXPENSES                   | 4,000.00                  |              | 5,200.00               |               | 3,900.00          | 75.00%   |                              | 0.00                            |          |                             | 0.00  |          |                              | 1,300.00                           | 25.00%   |                      |
| 6006                           | PERMITS                            | 1,600.00                  |              | 1,648.00               |               | 824.00            | 50.00%   |                              | 824.00                          | 50.00%   | % OF 2010                   | 0.00  |          |                              | 0.00                               |          |                      |
| 6007                           | INTER DISTRICT COSTS               | 0.00                      |              | 10,000.00              |               | 1,000.00          | 10.00%   |                              | 3,750.00                        | 37.50%   |                             | 0.00  |          |                              | 5,250.00                           | 52.50%   |                      |
| 6009                           | LICENSES                           | 1,000.00                  |              | 1,300.00               |               | 260.00            | 20.00%   |                              | 1,040.00                        | 80.00%   | % OF 2010                   | 0.00  |          |                              | 0.00                               |          |                      |
| 6010                           | SURETY BOND                        | 1,900.00                  |              | 2,000.00               |               | 0.00              | 0.00%    |                              | 0.00                            |          |                             | 0.00  |          |                              | 2,000.00                           | 100.00%  |                      |

| GL ACCT:                              | GL DESCRIPTION:                  | Proposed 2012-2013 Budget | Overhed Cost | DRAFT 2013-2014 Budget | Overhead Cost | GENERAL FUND |          |                                | GROUNDWATER RECHARGE ENTERPRISE |          |                            | REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE |          |                 | LAND RESOURCE (WASH PLAN & MINING) |          |        |
|---------------------------------------|----------------------------------|---------------------------|--------------|------------------------|---------------|--------------|----------|--------------------------------|---------------------------------|----------|----------------------------|---|----------|-----------------|------------------------------------|----------|--------|
|                                       |                                  |                           |              |                        |               | 2013 BUDGET: | % BUDGET | BASIS:                         | 2013 BUDGET:                    | % BUDGET | BASIS:                     | 2013 BUDGET:                                    | % BUDGET | BASIS:          | 2013 BUDGET:                       | % BUDGET | BASIS: |
| <b>Budget 2013-2014</b>               |                                  |                           |              |                        |               |              |          |                                |                                 |          |                            |   |          |                 |                                    |          |        |
| 6012                                  | OFFICE MAINTENANCE               | 1,000.00                  | \$1,000.00   | 3,000.00               | 3,000.00      | 1,200.00     | 40.00%   |                                | 0.00                            |          |                            | 1,800.00  | 60.00%   | upkeep          | 0.00                               |          |        |
| 6015                                  | MENTONE HOUSE MAINTENANCE        | 3,300.00                  |              | 3,050.00               |               | 0.00         | 0.00%    |                                | 0.00                            |          |                            | 3,050.00  | 100.00%  | TERMITE REPAIRS | 0.00                               |          |        |
| 6016                                  | REDLANDS PLAZA MAINTENANCE       | 14,000.00                 |              | 14,000.00              |               | 0.00         | 0.00%    | New sign on Redlands Blvd from | 0.00                            |          |                            | 14,000.00                                       | 100.00%  | ADJUST FOR CAM  | 0.00                               |          |        |
| 6026                                  | REDLANDS PLAZA CAM EXPENSES      | 20,000.00                 |              | 25,000.00              |               | 0.00         | 0.00%    |                                | 0.00                            |          |                            | 25,000.00                                       | 100.00%  | ADJUST FOR CAM  | 0.00                               |          |        |
| 6018                                  | JANITORIAL SERVICES              | 8,100.00                  | \$8,100.00   | 8,343.00               |               | 8,343.00     | 100.00%  |                                | 0.00                            |          |                            | 0.00  | 0.00%    |                 | 0.00                               |          |        |
| 6019                                  | JANITORIAL SUPPLIES              | 300.00                    | \$300.00     | 315.00                 |               | 189.00       | 60.00%   |                                | 126.00                          | 40.00%   |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6020                                  | VACANCY MARKETING-REDLANDS PLAZA | 5,540.00                  |              | 5,817.00               |               | 0.00         |          |                                | 0.00                            |          |                            | 5,817.00  | 100.00%  | RENTAL SUPPORT  | 0.00                               |          |        |
| 6024                                  | COMPUTER EQUIPMENT MAINTENANCE   | 100.00                    |              | 200.00                 |               | 55.00        | 27.50%   |                                | 125.00                          | 62.50%   | % OF 2010                  | 20.00   | 10.00%   |                 | 0.00                               |          |        |
| 6027                                  | COMPUTER SUPPLIES                | 500.00                    |              | 650.00                 |               | 455.00       | 70.00%   |                                | 130.00                          | 20.00%   |                            | 65.00   | 10.00%   |                 | 0.00                               |          |        |
| 6030                                  | OFFICE SUPPLIES                  | 3,500.00                  |              | 3,675.00               |               | 2,940.00     | 80.00%   |                                | 183.75                          | 5.00%    | % OF 2010                  | 367.50  | 10.00%   |                 | 183.75                             | 5.00%    |        |
| 6033                                  | OFFICE EQUIPMENT RENTAL          | 8,000.00                  |              | 8,240.00               |               | 6,180.00     | 75.00%   |                                | 412.00                          | 5.00%    | % OF 2010                  | 1,236.00  | 15.00%   |                 | 412.00                             | 5.00%    |        |
| 6036                                  | PRINTING                         | 1,000.00                  |              | 1,000.00               |               | 500.00       | 50.00%   |                                | 400.00                          | 40.00%   |                            | 0.00  |          |                 | 100.00                             | 10.00%   |        |
| 6039                                  | POSTAGE AND OVERNIGHT DELIVERY   | 1,600.00                  |              | 1,600.00               |               | 880.00       | 55.00%   |                                | 400.00                          | 25.00%   | % OF 2010                  | 160.00  | 10.00%   |                 | 160.00                             | 10.00%   |        |
| 6042                                  | PAYROLL PROCESSING FEES          | 1,500.00                  | \$1,500.00   | 1,500.00               | 1,500.00      | 1,500.00     | 100.00%  |                                | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6045                                  | BANK SERVICE CHARGES             | 500.00                    | \$500.00     | 3,000.00               | 3,000.00      | 3,000.00     | 100.00%  |                                | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6051                                  | UNIFORMS                         | 750.00                    |              | 1,450.00               |               | 580.00       | 40.00%   |                                | 870.00                          | 60.00%   | % OF 2010                  | 0.00  |          |                 | 0.00                               |          |        |
| 6060                                  | OUTREACH                         | 0.00                      |              | 5,000.00               |               | 2,500.00     | 50.00%   |                                | 2,000.00                        | 40.00%   | Estimate                   | 0.00  |          |                 | 500.00                             | 10.00%   |        |
| 6087                                  | EDUCATIONAL REIMBURSEMENT        | 2,000.00                  | \$2,000.00   | 2,000.00               | 2,000.00      | 2,000.00     | 100.00%  |                                | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6090                                  | SUBSCRIPTIONS/PUBLICATIONS       | 1,500.00                  | \$1,500.00   | 1,500.00               | 1,500.00      | 1,500.00     | 100.00%  |                                | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6091                                  | PUBLIC NOTICES                   | 2,000.00                  |              | 2,000.00               | 2,000.00      | 200.00       | 10.00%   |                                | 1,600.00                        | 80.00%   | % OF 2010                  | 0.00  |          |                 | 200.00                             | 10.00%   |        |
| 6093                                  | MEMBERSHIPS                      | 25,135.00                 | \$25,135.00  | 20,000.00              |               | 20,000.00    | 100.00%  | ACWA CSDA see subsheet         | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| <b>BENEFITS:</b>                      |                                  |                           |              |                        |               |              |          |                                |                                 |          |                            |   |          |                 |                                    |          |        |
| 6110                                  | VISION INSURANCE                 | 1,568.62                  |              | 1,612.80               |               | 249.10       | 15.45%   | 7% INCREASE FORECAST           | 816.99                          | 50.66%   | Based on percent of hours  | 81.95   | 5.08%    |                 | 464.76                             | 28.82%   |        |
| 6120                                  | WORKER'S COMP INSURANCE          | 13,500.00                 |              | 18,072.08              |               | 2,791.30     | 15.45%   | BASE ON LABOR                  | 9,154.74                        | 50.66%   | Based on percent of hours  | 918.24  | 5.08%    |                 | 5,207.81                           | 28.82%   |        |
| 6130                                  | DENTAL INSURANCE                 | 5,170.20                  |              | 6,462.00               |               | 998.08       | 15.45%   | BASE ON LABOR                  | 3,273.44                        | 50.66%   | Based on percent of hours  | 328.33  | 5.08%    |                 | 1,862.15                           | 28.82%   |        |
| 6150                                  | MEDICAL INSURANCE                | 93,022.60                 |              | 74,962.52              |               | 11,578.23    | 15.45%   | Policy Reduction               | 37,973.62                       | 50.66%   | Based on percent of hours  | 3,808.82  | 5.08%    |                 | 21,601.84                          | 28.82%   |        |
| 6160                                  | PAYROLL TAXES - EMPLOYER         | 36,047.50                 |              |                        |               |              | 15.45%   | Consolidated                   | 0.00                            | 50.66%   | Based on percent of hours  | 0.00  | 5.08%    |                 | 0.00                               | 28.82%   |        |
| 6170                                  | PERS RETIREMENT                  | 81,309.00                 |              | 118,780.01             |               | 18,346.00    | 15.45%   | Actual increase                | 60,170.16                       | 50.66%   | Based on percent of hours  | 6,035.18  | 5.08%    |                 | 34,228.67                          | 28.82%   |        |
| <b>SALARIES:</b>                      |                                  |                           |              |                        |               |              |          |                                |                                 |          |                            |   |          |                 |                                    |          |        |
| 6230                                  | REGULAR SALARIES                 |                           |              | 563,468.43             |               |              | 15.45%   | Overhead Offset 20%            |                                 | 50.66%   |                            |   |          |                 |                                    | 28.82%   |        |
| <b>-92,432.44</b>                     |                                  |                           |              |                        |               |              |          |                                |                                 |          |                            |   |          |                 |                                    |          |        |
| Sub                                   | Field Supervisor                 | 50,000.00                 |              | 32,784.00              |               | 0.00         |          |                                | 39,340.80                       | 100.00%  | Salary+overhead 20% % time | 0.00  | 0.00%    |                 | 0.00                               |          |        |
| Sub                                   | Field Tech II                    | 66,424.78                 |              | 61,066.21              |               | 0.00         |          | Increase COLA 2%/RP - EMP PBS  | 69,615.48                       | 95.00%   | Salary+overhead 20% % time | 3,663.97  | 5.00%    |                 | 0.00                               |          |        |
| Sub                                   | Field Tech I                     | 34,530.30                 |              | 35,006.46              |               | 0.00         |          | Increase COLA 2%/RP - EMP PBS  | 42,007.75                       | 100.00%  | Salary+overhead 20% % time | 0.00  |          |                 | 0.00                               |          |        |
| Sub                                   | Lands and Habitat Mgr.           | 0.00                      |              | 119,973.00             |               | 11,997.30    | 10.00%   | Increase COLA 2%/RP - EMP PBS  | 43,190.28                       | 30.00%   | Salary overhead 20% % time | 0.00  | 0.00%    |                 | 86,380.56                          | 60.00%   |        |
| Sub                                   | Admin Services Spec.             | 59,400.00                 |              | 58,309.46              |               | 23,323.78    | 40.00%   | Increase COLA 2%/RP - EMP PBS  | 30,787.40                       | 44.00%   | Salary+overhead 20% % time | 3,498.57  | 5.00%    |                 | 7,696.85                           | 11.00%   |        |
| Sub                                   | Admin Services Spec.             | 59,071.68                 |              | 51,866.27              |               | 12,966.57    | 25.00%   | Increase COLA 2%/RP - EMP PBS  | 18,671.86                       | 30.00%   | Salary+overhead 20% % time | 15,559.88                                       | 25.00%   |                 | 12,447.91                          | 20.00%   |        |
| Sub                                   | Engineering Intern               | 12,135.00                 |              | 14,380.80              |               | 0.00         | 0.00%    | Increase hrs COLA 2%/RP-EMP PE | 13,805.57                       | 80.00%   | Salary+overhead 20% % time | 0.00  |          |                 | 3,451.39                           | 20.00%   |        |
| Sub                                   | GIS Intern/contract              | 10,000.00                 |              | 13,353.60              |               | 0.00         | 0.00%    | Increase COLA 2%/RP - EMP PBS  | 11,217.02                       | 70.00%   | Salary+overhead 20% % time | 0.00  |          |                 | 4,807.30                           | 30.00%   |        |
| Sub                                   | General Manager                  | 179,256.24                |              | 176,728.62             |               | 53,018.59    | 30.00%   | Increase COLA 2%/RP - EMP PBS  | 63,622.30                       | 30.00%   | Salary overhead 20% % time | 10,603.72                                       | 5.00%    |                 | 74,226.02                          | 35.00%   |        |
| <b>INSURANCE:</b>                     |                                  |                           |              |                        |               |              |          |                                |                                 |          |                            |   |          |                 |                                    |          |        |
| 6310                                  | PROPERTY / AUTO INSURANCE        | 3,424.00                  |              | 6,924.00               |               | 346.20       | 5.00%    | Labor Total \$ 563,468.43      | 5,193.00                        | 75.00%   | FROM INSURER               | 1,038.60  | 15.00%   | 0.05            | 346.20                             | 5.00%    |        |
| 6320                                  | GENERAL LIABILITY INSURANCE      | 25,124.00                 |              | 20,124.00              |               | 1,006.20     | 5.00%    |                                | 15,093.00                       | 75.00%   | FROM INSURER               | 3,018.60  | 15.00%   |                 | 1,006.20                           | 5.00%    |        |
| <b>DIRECTOR'S EXPENSES:</b>           |                                  |                           |              |                        |               |              |          |                                |                                 |          |                            |   |          |                 |                                    |          |        |
| 6401                                  | DIRECTOR'S FEES                  | 67,500.00                 | \$67,500.00  | 79,000.00              | 79,000.00     | 79,000.00    | 100.00%  | Based on board Polic and 2011  | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6410                                  | MILEAGE                          | 2,850.00                  | \$2,850.00   | 3,000.00               |               | 3,000.00     | 100.00%  | Based on board Polic and 2011  | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6415                                  | AIR FARE                         | 3,000.00                  |              | 4,750.00               |               | 4,750.00     | 100.00%  | Based on board Polic and 2011  | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6420                                  | OTHER TRAVEL                     | 350.00                    |              | 500.00                 |               | 500.00       | 100.00%  | Based on board Polic and 2011  | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6425                                  | MEALS                            | 1,500.00                  |              | 2,930.37               |               | 2,930.37     | 100.00%  | Based on board Polic and 2011  | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6430                                  | LODGING                          | 3,500.00                  |              | 3,500.00               |               | 3,500.00     | 100.00%  | Based on board Polic and 2011  | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6435                                  | CONF/SEMINAR REGISTRATIONS       | 4,500.00                  |              | 4,590.00               |               | 4,590.00     | 100.00%  | Based on board Polic and 2011  | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| 6440                                  | ELECTION FEES/REDISTRICTING      | 5,000.00                  |              | 100,000.00             |               | 100,000.00   | 100.00%  | 2x\$50K from registrar         | 0.00                            |          |                            | 0.00  |          |                 | 0.00                               |          |        |
| <b>ADMINISTRATIVE/STAFF EXPENSES:</b> |                                  |                           |              |                        |               |              |          |                                |                                 |          |                            |   |          |                 |                                    |          |        |
| 6510                                  | MILEAGE                          | 1,500.00                  |              | 1,900.00               |               | 1,425.00     | 75.00%   |                                | 380.00                          | 20.00%   | Allocation of 2011         | 0.00  |          |                 | 95.00                              | 5.00%    |        |
| 6515                                  | AIR FARE                         | 1,500.00                  |              | 1,500.00               |               | 1,125.00     | 75.00%   |                                | 300.00                          | 20.00%   | Allocation of 2011         | 0.00  |          |                 | 75.00                              | 5.00%    |        |
| 6520                                  | OTHER TRAVEL                     | 500.00                    |              | 500.00                 |               | 375.00       | 75.00%   |                                | 100.00                          | 20.00%   | Allocation of 2011         | 0.00  |          |                 | 25.00                              | 5.00%    |        |

| GL ACCT:                           | GL DESCRIPTION:                         | Proposed 2012-2013 Budget | Overhead Cost     | DRAFT 2013-2014 Budget | Overhead Cost     | GENERAL FUND      |          |                             | GROUNDWATER RECHARGE ENTERPRISE |          |                             | REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE |          |        | LAND RESOURCE (WASH PLAN & MINING) |          |        |
|------------------------------------|---|---------------------------|-------------------|------------------------|-------------------|-------------------|----------|-----------------------------|---------------------------------|----------|-----------------------------|---|----------|--------|------------------------------------|----------|--------|
|                                    |   |                           |                   |                        |                   | 2013 BUDGET:      | % BUDGET | BASIS:                      | 2013 BUDGET:                    | % BUDGET | BASIS:                      | 2013 BUDGET:                                    | % BUDGET | BASIS: | 2013 BUDGET:                       | % BUDGET | BASIS: |
| <b>Budget 2013-2014</b>            |   |                           |                   |                        |                   |                   |          |                             |                                 |          |                             |   |          |        |                                    |          |        |
| 6525                               | MEALS                                   | 1,500.00                  |                   | 1,500.00               |                   | 1,125.00          | 75.00%   |                             | 300.00                          | 20.00%   | Allocation of 2011          | 0.00  |          |        | 75.00                              | 5.00%    |        |
| 6530                               | LODGING                                 | 1,200.00                  |                   | 1,200.00               |                   | 900.00            | 75.00%   |                             | 240.00                          | 20.00%   | Allocation of 2011          | 0.00  |          |        | 60.00                              | 5.00%    |        |
| 6535                               | CONF/SEMINAR REGISTRATIONS              | 2,000.00                  | \$2,000.00        | 2,631.32               | 2,631.32          | 2,631.32          | 100.00%  |                             | 0.00                            |          |                             | 0.00  |          |        | 0.00                               |          |        |
| CONSTRUCTION CAPITAL COSTS:        |   |                           |                   |                        |                   |                   |          |                             |                                 |          |                             |   |          |        |                                    |          |        |
| 7010                               | MATERIALS                               | 5,000.00                  |                   | 7,500.00               |                   | 0.00              |          |                             | 7,500.00                        | 100.00%  | Field Security Changes      | 0.00  |          |        | 0.00                               |          |        |
| 7050                               | BASINS -CAPITAL ANNUAL REPAIRS          | 60,000.00                 |                   | 60,000.00              |                   | 0.00              |          |                             | 60,000.00                       | 100.00%  | ANNUAL MAINTENANCE          | 0.00  |          |        | 0.00                               |          |        |
| 7055                               | PLUNGE CREEK EXPANSION                  |                           |                   | 0.00                   |                   | 0.00              |          |                             | 0.00                            |          |                             | 0.00  |          |        | 0.00                               |          |        |
|                                    | 3 year Maintenance                      | 30,000.00                 |                   | 30,000.00              |                   | 0.00              |          |                             | 30,000.00                       | 100.00%  | 25% OF \$120K IN 3 YEARS    | 0.00  |          |        | 0.00                               |          |        |
| LAND & BUILDINGS                   |   |                           |                   |                        |                   |                   |          |                             |                                 |          |                             |   |          |        |                                    |          |        |
| 7110                               | PROPERTY - CAPITAL REPAIRS              | 27,500.00                 |                   | 30,000.00              |                   | 0.00              |          |                             | 27,000.00                       | 90.00%   | Allocation of 2011          | 0.00  |          |        | 3,000.00                           | 10.00%   |        |
| 7130                               | MENTONE PROPERTY (HOUSE) CAPITAL REPAIR | 2,000.00                  |                   | 1,746.00               |                   | 0.00              |          |                             | 0.00                            |          |                             | 1,746.00  | 100.00%  |        | 0.00                               |          |        |
| 7140                               | MENTONE PROPERTY (SHOP) CAPITAL REPAIR  | 2,500.00                  |                   | 15,500.00              |                   | 0.00              |          |                             | 15,500.00                       | 100.00%  | Field Shop capital repairs  | 0.00  |          |        | 0.00                               |          |        |
| EQUIPMENT & VEHICLES               |   |                           |                   |                        |                   |                   |          |                             |                                 |          |                             |   |          |        |                                    |          |        |
| 7210                               | COMPUTER HARDWARE CAPITAL REPAIRS       | 6,500.00                  |                   | 4,500.00               |                   | 4,050.00          | 90.00%   |                             | 450.00                          | 10.00%   | Allocation of 2011          | 0.00  |          |        | 0.00                               |          |        |
| 7220                               | COMPUTER SOFTWARE                       | 5,500.00                  |                   | 3,500.00               |                   | 1,225.00          | 35.00%   |                             | 1,050.00                        | 30.00%   | Allocation of 2011          | 0.00  |          |        | 1,225.00                           | 35.00%   |        |
| 7230                               | FIELD EQUIPMENT / VEHICLES              | 30,500.00                 |                   | 35,000.00              |                   | 0.00              |          | Inc. Capital Repair/Replace | 35,000.00                       | 100.00%  | Vehicle expense/Replacement | 0.00  |          |        | 0.00                               |          |        |
| 7240                               | OFFICE EQUIPMENT                        | 0.00                      |                   | 0.00                   |                   | 0.00              | 100.00%  |                             | 0.00                            |          |                             | 0.00  |          |        | 0.00                               |          |        |
| 8010                               | Capital Reserve GWE/Rate Stabilization  |                           |                   | 20,000.00              |                   | 0.00              | 0.00%    |                             | 20,000.00                       | 100.00%  | Rate Stabilization/Capital  | 0.00  |          |        | 0.00                               |          |        |
| PROFESSIONAL SERVICES:             |   |                           |                   |                        |                   |                   |          |                             |                                 |          |                             |   |          |        |                                    |          |        |
| 7438                               | ENGINEERING SERVICES-OTHER              | 25,000.00                 |                   | 31,750.00              |                   | 0.00              |          |                             | 31,750.00                       | 100.00%  | Add Rate Study for 14       | 0.00  |          |        | 0.00                               |          |        |
| <b>TOTAL EXPENSES:</b>             |   | <b>1,972,528.92</b>       | <b>181,735.00</b> | <b>2,356,694.39</b>    | <b>170,077.15</b> | <b>617,876.53</b> |          |                             | <b>878,712.51</b>               |          |                             | <b>124,322.36</b>                               |          |        | <b>828,215.42</b>                  |          |        |
| Projected Revenue                  |   | 2,039,823.66              | 39%               | 2,450,161.90           | 30%               | 375,300.00        |          |                             | 900,245.00                      |          |                             | 130,783.56                                      |          |        | 1,042,883.33                       |          |        |
| Revenue Minus Expenses             |   | 67,294.74                 |                   | 93,467.51              |                   | 242,576.53        |          |                             |                                 |          |                             |   |          |        |                                    |          |        |
| Overhead Charged out               |   | 70,708.17                 |                   |                        |                   | -92,432.44        |          |                             |                                 |          |                             |   |          |        |                                    |          |        |
| One Time revenue                   |   |                           |                   |                        |                   |                   |          |                             |                                 |          |                             |   |          |        |                                    |          |        |
| Contributions to Reserves          |   |                           |                   | 20,000.00              |                   |                   |          |                             |                                 |          |                             | 6461.21   |          |        | 0.00                               |          |        |
| <b>Projected Deficit (-Credit)</b> |   |                           |                   | <b>-106,056.31</b>     |                   | <b>150,144.10</b> |          |                             | <b>-21,532.49</b>               |          |                             | <b>0.00</b>                                     |          |        | <b>-214,667.91</b>                 |          |        |



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.dst.ca.us](mailto:info@sbvwcd.dst.ca.us)  
[www.sbvwcd.dst.ca.us](http://www.sbvwcd.dst.ca.us)

Memorandum No. 1207

**To: Board of Directors**

**From: Administrative Committee/ Daniel Cozad, General Manager**

**Date: September 11, 2013**

**Subject: Board Policy Handbook**

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## **RECOMMENDATION**

Review, recommend and consider revisions to the Board Policy Handbook as suggested by Administrative Committee.

## **BACKGROUND**

The Administrative Committee met on August 26<sup>th</sup> and discussed the Board Policy Handbook issues and recommended policy changes described below. The policy changes are recommended modifications to Section 4025-Expense Reimbursement of Directors. The recommended changes are suggested for inclusion in the policy to reduce ambiguity previously identified by the Board pertaining to what may constitute a meeting, whether a service day may be paid for travel, and a new requirement for Board Member Meeting Reports to be submitted for Director Selected or Set by Board Action meetings. Currently a verbal report is provided at the meeting; however a written report was recommended as a useful reference. The Board Member Meeting Report was suggested by the Committee to assist other Board members that are unable to attend all meeting in keeping them abreast of current issues and concerns. The Committees recommendations are presented in the attached and shown in redline strikeout.

## **FISCAL IMPACT**

Increased in costs for travel days is very difficult to estimate because directors infrequently travel to multiday meetings over 200 miles from the District. Additionally, not all members who do travel would charge the travel day. Based on the Direction of the Board and assumptions for usage the fiscal impact cannot be determined. This will be reflected in an amended budget submitted for review by the Board for consideration of approval.

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BOARD  
OF  
DIRECTORS

Richard W. Corneille  
Clare Henry Day

Bob Glaubig  
John Longville

David E. Raley  
Melody McDonald  
Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad

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# San Bernardino Valley Water Conservation District

## POLICY HANDBOOK

POLICY TITLE: Directors Expense Policy

POLICY NUMBER: 4025

**4025.1 Eligible Compensation Reimbursement.** Directors' compensation shall be in accordance with the California Water Code. The Board enacted Resolution 2010-001 and a companion Resolution 457 setting forth the compensation of Board Directors and setting the maximum number of compensated meetings to nine per month. The District shall compensate Directors for attendance at approved District Requested and Director Selected meetings in accordance with the following:

(a) District Requested meetings

District requested meetings are pre-approved, organizations that the Board has determined as essential for participation. The Board designates a primary and alternate; the alternate only attends if the primary indicates they are unavailable to attend. Any additional Board member attending is only eligible for reimbursement of eligible expense or per-diem compensation as a Director Selected meeting.

(b) Director Selected meetings-Maximum of 3

Director Selected meetings are pre-approved, discretionary meetings that each Director may attend in a number not to exceed (3) per month, and are eligible for meeting per diem compensation and eligible expense reimbursement. Reimbursement for travel expenses (such as meeting registration, airfare and hotel) for any Director Selected meeting shall be paid only upon prior approval of the Board in advance. A cost estimate must be presented to the Board in advance at regular scheduled Board meetings for approval.

(c) Compensation - Directors shall receive compensation for each District Requested meeting indicated in Appendix "C," Roster of Organizations and Committees with Assigned Representatives. The amount of compensation shall be established by a resolution of the Board.

(d) Meeting Definition - For the purpose of determining compensation for Directors only, a "meeting" is defined as a District Requested or Director Selected activity of several parties conducting business related to the parties, of which the District is a party. A simple phone call is not a meeting, but a scheduled teleconference conducted between the parties in lieu

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of a scheduled meeting is a "meeting." Conducting research, involvement in a discussion, or discussion by telephone in preparation for a meeting is also not a "meeting."

- (e) Any and all meetings in a single day where a Director is representing the District, qualifies for compensation for only one meeting.
- (f) Compensation for serving on another agency board of directors is the responsibility of that other agency. However, if serving on that other agency's board of directors is a direct result of appointment by the District Board of Directors, then attendance at meetings of both agencies on one day would be compensated as one day's pay, which would be paid by the District, and compensation from the other agency would not be permitted.

4025.1.1 Eligible Expense Reimbursement.

- (a) District Requested - The District shall reimburse Directors for costs incurred related to approved attendance at District Requested meetings, seminars, or conferences, as provided herein.

Expenses eligible for reimbursement shall be limited to (1) registration or tuition costs, or other charges for participation in the District Requested listed in Appendix "C"; (2) transportation to and from the event, including airfare, car rental, or mileage for use of Director's own automobile, and other miscellaneous transportation costs (shuttle, taxi, etc.); (3) lodging at the event rate or the State/Federal rate for the area; and (4) limited costs of meals. Out of state travel shall be prohibited without specific Board approval, (i.e.: Association of California Water Agencies' (ACWA) Washington, D.C. Conference, etc.).

- (b) Director Selected - The District shall reimburse Directors for costs incurred related to approved attendance at Director Selected meetings, seminars, or conferences, as provided herein.

Expenses eligible for reimbursement shall be limited to (1) mileage for use of Director's own automobile, and other miscellaneous transportation costs (shuttle, parking, etc.); (2) limited costs of meals. Reimbursement for travel expenses (such as meeting registration, airfare and hotel) for any Director Selected meeting shall be paid only upon prior approval of the Board in advance. A cost estimate must be presented to the Board in advance at regular scheduled Board meetings for approval. Out of state travel shall be prohibited without specific Board approval, (i.e.: Association of California Water Agencies' (ACWA) Washington, D.C. Conference, etc.

- (c) Exceptions - Any other costs incurred by the Director shall be at the expense of the Director, as a Director Selected meeting, unless, because of unusual circumstances, the

*Proposed Revisions 9/11/2013*

Board, in its discretion, determines that any additional cost shall be authorized as an expense of the District.

Directors must include per-diem request with cost proposals for the following Conferences/ Forums:

Association of California Water Agencies Conferences  
Sacramento/Washington DC Legislative Forums  
California Special Districts Association Annual Conference

~~(d)~~ ~~(d)~~ Mileage - Directors shall be reimbursed for mileage on the basis of total miles driven for business purposes and at the rate specified in the Internal Revenue Code in effect at the time of the vehicle usage. The District will reimburse the lower of mileage described above or the lowest reasonable airfare to the location.

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~~(e)~~ Board Member Meeting Report – Directors shall be required to submit a Board Member Meeting Report in a format acceptable to the Board for all meetings which are Set by Board Action, Director Selected, presentations, conferences and education events where per diem/expenses are paid. Staff shall provide the reports in the Board Package if they are submitted with Expense Reports, or Members may provide them at any regular Board Meeting.

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~~(f)~~ Service Day – A director may claim and be paid per diem for one travel day to or from a District Requested or Director Selected multiday meeting or event which requires travel of 200 miles or more from District Office. A Director may also receive per diem payment for critical District Requested functions.

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#### 4025.1.2 Ineligible Expenses.

(a) Directors may attend more than three (3) Director Selected meetings in a single month, but such attendance will be ineligible for per diem. Attendance by Directors at regular or special Board meetings and meetings of Committees created by the Board or President are not eligible for reimbursement of any expenses.

Reimbursement for travel expenses (including registration or tuition costs, airfare, lodging or any other charges for participation) for any Director Selected meeting shall be paid only upon prior approval of the Board in advance. A cost estimate must be presented to the Board in advance at regular scheduled Board meetings for approval.

(b) Directors shall not be eligible for reimbursement for any expenses incurred by any person traveling or attending an event as a guest of the Director. No Director shall be eligible for reimbursement for any expenses for personal services not related to District business.

4025.1.3 Compensation and Expense Reimbursement Procedure.

- (a) Compensation. To receive compensation for attendance at District Requested or Director Selected meetings, a Director shall submit a request for reimbursement to the General Manager not later than sixty (60) days after the meeting, or by the next regular Board meeting.
- (b) Expenses. In order to obtain reimbursement, a Director who has incurred reimbursable expenses shall submit a request for reimbursement to the General Manager not later than sixty (60) days after termination of the event for which the expenses were incurred, or by the next Regular Board meeting, whichever is later. The request shall be accompanied by itemized receipts verifying the expenses incurred. To the extent the incurring of expenses was approved by the Board, or pre-approved under this Policy Manual, the General Manager may reimburse the expenses as requested, and shall make a report of such reimbursement and its amount to the Board. To the extent such expenses were not approved or pre-approved: the General Manager shall refer the matter to the Board for its consideration at the next regularly scheduled meeting.
- (c) Training. Each newly elected or appointed Director shall be provided with instruction on procedures and forms to be used to request reimbursements. No sixty (60) day window of time to submit such request shall commence until after such training has been provided or offered.

4025.1.4 Compensation and Expense Reimbursement Annual Disclosure. Under California Government Code 53065.5, "Each special district, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the District within the immediately preceding fiscal year of at least \$100 for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the District. The disclosure requirements shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that District and shall be made available for public inspection." The District shall post on District website annually and make available for public inspection at the end of each fiscal year all reimbursements over \$100.

*Proposed Revisions 9/11/2013*



## Board Member Meeting Report

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

Meeting Name: \_\_\_\_\_

Meeting Location: \_\_\_\_\_

Meeting Purpose and Value to District:

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### Significant or Notable Meeting Actions/Issues of Interest for the Board

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### Recommendations or Concerns

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### Member or Members Attending

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*This form is not required for regular Board or Committee Meetings, nor District Requested meetings attended by the primary or alternate in place of the primary attendee. It is required for all meetings categorized in Appendix C that are Set by Board Action, Director Selected, presentations, conferences and education events where per diem/expenses are paid.*



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1215

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: October 9, 2013**

**Subject: Districts of Distinction Certification**

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## **RECOMMENDATION**

Review the requirements, time commitment and estimated costs to consider seeking Districts of Distinction Certification through California Special Districts Association, if appropriate directing staff to schedule training and prepare materials for consideration.

## **BACKGROUND**

The California Special Districts Association (CSDA) with the Special District Leadership Foundation has developed a new accreditation program. The Districts of Distinction program enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply for designation as a District of Distinction by submitting financial audits, policies and procedures and proof of training received by directors and executive staff.

The program allows the District to demonstrate transparency to partner agencies and responsible stewardship of District funds. The programs have specific training requirements to obtain this accreditation including CSDA Governance Training, SB 1234 required Ethics Training and AB 1825 required Harassment Prevention Training. The Board Policy Manual already requires Board members to attend Ethics and Harassment Prevention Training, but CSDA Governance Training is not currently required. The training costs \$225.00 plus the per diem for directors. Some Directors and staff have all required training.

The detailed program requirements are attached for reference. The Districts currently meets most all the requirements except for 1) CSDA Governance Training and 2) SDLF District Transparency Certificate of Excellence. Those requirements have been included in package as well.

CSDA Governance Training is available in Claremont at Three Valleys Municipal Water District on December 17, 2013 from 8:30 a.m. – 3:45 p.m. with lunch provided. Staff would recommend if the Board decides to pursue this accreditation they should direct staff to enroll all directors and executive staff.

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Clare Henry Day

Bob Glaubig  
John Longville

David E. Raley  
Melody McDonald  
Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad

**FISCAL IMPACT**

The cost for the CSDA Governance Training class estimated at between \$2,650 and \$3,707 depending on actual attendance and mileage. These costs include per diem, mileage and class registration fees for board members and registration and mileage for Executive Staff. Additionally, new Board Members would be required to complete the training in the future.



SHOWCASE YOUR COMMITMENT TO EXCELLENCE

## Districts Of Distinction Application

The Districts of Distinction program is an accreditation program that enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply for designation as a District of Distinction by submitting financial audits, policies and procedures and proof of training received by directors and executive staff.

### Requirements:

#### FINANCIAL AUDITS

Districts must demonstrate they undergo regular financial audits, have no major deficiencies and apply any recommendations to future years.

**What to submit:**

- Copies of the three most recent district audits, including financial statements and management letters. Each audit, including findings and recommendations, will be reviewed by a member of the Certification & Audit Review Advisory Committee. Committee members are volunteers from the special district community, including district controllers, directors of finance and SDA certified general managers.

#### POLICIES AND PROCEDURES

Districts must demonstrate that their operations conform to all statutes and regulations under state law as reflected in a policies and procedures manual. Policies and procedures should focus on governance, ethics, board conduct, district finances, reserves, reimbursement/compensation, etc.

**What to submit:**

- Copy of your district's current approved policies and procedures manual.
- Copy of your district's Board minute action adopting and/or having reviewed the policies and procedures manual within the past year.

### Training

Districts must demonstrate that all directors/trustees, general manager and executive staff (as designated by the district) have received training in governance as well as compliance with AB 1234 Ethics Training and AB 1825 Harassment Prevention Training.

**What to submit:**

Documentation showing class attendance, such as certificate of completion for each board member, general manager and other executive staff members (as identified by the board) in the following areas:

- Governance Training:** Six hours of basic governance training within the past five years. Governance Foundations, offered by CSDA's Special District Leadership Academy, satisfies this requirement. Other courses may qualify as well, however will need to be submitted for review by SDLF.
- Ethics Training:** Documentation verifying completion of AB 1234 ethics compliance training within the last two years.
- Harassment Prevention Training:** Documentation verifying completion of AB 1825 harassment prevention training within the last two years.

### Other

Districts must also include the following items with the accreditation/re-accreditation application:

**What to submit:**

- Board of Directors roster
- List of executive staff, including titles
- Proof of current compliance with CA State Controller reporting requirements including district financial and compensation data
- Completed application for accreditation/re-accreditation
- Accreditation/re-accreditation application fee
- Completed SDLF District Transparency Certificate of Excellence

**Frequently Asked Questions (FAQs)**

**Who should apply to be a District of Distinction?**

Any California special district that wants to demonstrate publicly the effectiveness of its operations. Applying for this designation shows that your district understands and respects the responsibilities inherent to providing essential public services in a fiscally responsible manner.

**What does a district receive for completing the program?**

Districts of Distinction earn the right to use the program’s seal on district materials and a plaque honoring their accomplishment. SDLF will also write and issue press releases and notify legislators on a district’s behalf.

**How does a district apply?**

Districts interested in earning the Districts of Distinction designation must complete the application and submit it along with the required documentation. Applications must also be accompanied by an application fee.

**If my district is a member of the Special District Risk Management Authority (SDRMA), will getting a District of Distinction accreditation save me money on my premiums?**

Yes. SDRMA offers Credit Incentive Points (CIPs) if your district earns the District of Distinction accreditation which can provide significant premium discounts. For more information, contact SDRMA at 800.537.7790 or visit [www.sdrma.org](http://www.sdrma.org).

**RE-ACCREDITATION**

**For how long is the designation valid?**

The Districts of Distinction designation is valid for two years and a district may be re-accredited by submitting the application and all current required documents for review along with the re-accreditation fee.

**Fees**

The fees are on a sliding scale, based on a district’s ability to pay:



**Is your district a District of Distinction?**

| INITIAL ACCREDITATION   |         |
|-------------------------|---------|
| Annual operating budget | Fee     |
| \$0-299,999             | \$200   |
| \$300,000-749,999       | \$400   |
| \$750,000-999,999       | \$600   |
| \$1,000,000--2,999,999  | \$800   |
| \$3,000,000 or more     | \$1,000 |

| RE-ACCREDITATION        |       |
|-------------------------|-------|
| Annual operating budget | Fee   |
| \$0-299,999             | \$125 |
| \$300,000-749,999       | \$150 |
| \$750,000-999,999       | \$175 |
| \$1,000,000--2,999,999  | \$200 |
| \$3,000,000 or more     | \$250 |

**Submit Application**

Submit this application along with all required documentation and payment to:  
 SPECIAL DISTRICT LEADERSHIP FOUNDATION  
 1112 I Street, Suite 200  
 Sacramento, CA 95814  
 Phone: 916-231-2939 • Fax: 916-442-7889 • [www.sdlf.org](http://www.sdlf.org)

|  |            |      |
|--|------------|------|
| DISTRICT:  |            |      |
| MAILING ADDRESS:   |            |      |
| CITY:  | STATE:     | ZIP: |
| CONTACT NAME:  |            |      |
| CONTACT TITLE:   |            |      |
| PHONE:   | FAX:       |      |
| EMAIL:   | WEBSITE:   |      |
| ASSEMBLY MEMBER(S)*:   |            |      |
| SENATOR*:  |            |      |
| LOCAL NEWSPAPER(S):  |            |      |
| I CERTIFY THAT THE INFORMATION SUBMITTED IS ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. | SIGNATURE: |      |

| PAYMENT          |  |
|------------------|--|
| TOTAL: \$        | <input type="checkbox"/> CHECK <input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD <input type="checkbox"/> DISCOVER <input type="checkbox"/> AMERICAN EXPRESS |
| ACCT. NAME:      | ACCT. NUMBER:  |
| EXPIRATION DATE: | AUTHORIZED SIGNATURE:  |

\* Include all state legislators representing the district’s area of operation.

# District Transparency Certificate of Excellence *checklist*

Showcase your district's commitment to transparency

## BASIC REQUIREMENTS

- Current Ethics Training for all Board Members**  
(Government Code Section 53235)
  - Provide copies of training certificates along with date completed
- Compliance with the Ralph M. Brown Act**  
(Government Code Section 54950 et. al )
  - Provide copy of current policy related to Brown Act compliance
  - Provide copy of a current meeting agenda (including opportunity for public comment)
- Adoption of policy related to handling Public Records Act requests**
  - Provide copy of current policy
- Adoption of Reimbursement Policy, if district provides any reimbursement of actual and necessary expenses**  
(Government Code Section 53232.2 (b))
  - Provide copy of current policy
- Annual disclosure of board member or employee reimbursements for individual charges over \$100 for services or products. This information is to be made available for public inspection. "Individual charge" includes, but is not limited to: one meal, lodging for one day, or transportation.** (Government Code Section 53065.5)
  - Provide copy of the most recent document and how it is accessible
- Timely filing of State Controller's Special Districts Financial Transactions Report - includes compensation disclosure.** (Government Code Section 53891)
  - Provide copy of most recent filing  
*SDLF staff will verify that district is not listed on the State Controller's 'non-compliance list'*
- Conduct Annual Audits**  
(Government Code Section 26909 and 12410.6)
  - Provide copy of most recent audit and management letter and a description of how/where documents were made available to the public
- Other Policies – have current policies addressing the following areas** (provide copies of each):
  - Conflict of Interest
  - Code of Ethics/Values/Norms or Board Conduct
  - Financial Reserves Policy

## WEBSITE REQUIREMENTS

- Maintain a district website with the following items**  
(provide website link; all are required)
  - Names of Board Members and their terms of office
  - Name of general manager and key staff along with contact information
  - Election procedure and deadlines
  - Board meeting schedule (Regular meeting agendas must be posted 72 hours in advance pursuant to Government Code Section 54954.2 (a) (1) and Government Code Section 54956 (a))
  - District's mission statement
  - Description of district's services/functions and service area
  - Authorizing statute/enabling act (Principle Act or Special Act)
  - Current district budget
  - Most recent financial audit
  - Archive of Board meeting minutes for at least the last 6 months
  - List of compensation of Board Members and staff and/or link to State Controller's webpage with the data
- Website also must include at least 4 of the following items:**
  - Post Board Member ethics training certificates
  - Picture, biography and email address of board members
  - Last 3 years of audits
  - Reimbursement and Compensation Policy
  - Financial Reserves Policy
  - Online/downloadable Public Records Act request form
  - Audio or video recordings of board meetings
  - Map of district boundaries/service area
  - Link to California Special Districts Association mapping program
  - Most recent Municipal Service Review (MSR) and Sphere of Influence (SOI) studies (full document or link to document on another site)

Continued on reverse



# checklist continued

## OUTREACH/BEST PRACTICES REQUIREMENTS

Must complete at least 2 of the following items:

- Regular district newsletter or communication** (*printed and/or electronic*) that keeps the public, constituents and elected officials up-to-date on district activities (*at least twice annually*)
  - Provide copy of most recent communication and short description on the frequency of the communication, how it's distributed and to whom
- Community notification through press release to local media outlet announcing upcoming filing deadline for election and process for seeking a position on the district board, prior to that election** (*or prior to the most recent deadline for consideration of new appointments for those districts with board members appointed to fixed-terms*)
  - Provide copy of the press release (*and the printed article if available*)
- Complete salary comparison/benchmarking for district staff positions using a reputable salary survey** (*at least every 5 years*)
  - Provide brief description of the survey and process used as well as the general results
- Special Community Engagement Project**

Designed and completed a special project promoting community engagement with the district (potential projects may be broad in nature or focus on specific issues such as rate-setting, recycled water, identifying community needs, etc.)

  - Submit an overview of the community engagement project, reviewing the process undertaken and results achieved
- Hold annual informational public budget hearings that engage the public** (*outreach, workshops, etc.*) **prior to adopting the budget**
  - Provide copy of most recent public budget hearing notice and agenda
- Community Transparency Review**

The district would be required to obtain a completed overview checklist from at least 2 of the following individuals\* (*the district may choose to conduct the overview with these individuals simultaneously or separately*):

  - Chair of the County Civil Grand Jury
  - Editor of a reputable local print newspaper (only one may count toward requirement)
  - LAFCo Executive Officer
  - County Auditor-Controller
  - Local Legislator (only one may count toward requirement)
  - Executive Director or President of local Chamber of Commerce
  - General Manager of a peer agency (special district, city or county)

\* Provide proof of completion signed by individuals completing Community Transparency Review

### How do I proceed?

- Step 1: Complete the requirement checklist
- Step 2: Send checklist and all supporting materials or contact the SDLF staff on how to submit all materials electronically:
  - SDLF
  - 1112 I Street, Suite 200
  - Sacramento, CA 95814
- Step 3: Approval process review performed by SDLF staff
- Step 4: Receive your certificate and recognition

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SDLF is supported by



The Special District Leadership Foundation (SDLF) is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation and other recognition programs. SDLF is supported through the California Special Districts Association and Special District Risk Management Authority.



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1216

**To:** Board of Directors

**From:** General Manager, Daniel Cozad  
Land Resources Manager, Jeffrey Beehler

**Date:** October 9, 2013

**Subject:** Upper Santa Ana River Wash IRWMP Update

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## RECOMMENDATION

Review and consider approval of the District's involvement in the update of the Upper Santa Ana River Watershed Integrated Regional Water Management Plan (IRWMP).

## BACKGROUND

In 2007, a group of cities and agencies from the upper wash, including the Conservation District, adopted an IRWMP for the region comprising the headwaters of the Santa Ana River to the River. The purpose was to develop projects providing benefits on a regional scale, to assist in obtaining funding for those projects and develop a process to better manage water resources in the Upper Wash. A number of District projects, including the Wash Plan and the Plunge Creek Restoration/ Rehabilitation project are discussed in the current plan.

The plan update is intended to: 1) update the list of projects in the plan; 2) document the region's success in reaching some of the plan's goals; 3) update the plan so that it conforms to Department of Water Resources plan standards, and; 4) ensure that the plan reflects changes in the Upper Wash since the original plan was adopted. San Bernardino Valley Municipal Water District is taking the lead on this project through the Basin Technical Advisory Committee (BTAC). The plan is scheduled to be in a draft final format for consideration by Boards of Directors by early 2014.

Staff is providing updates and additions to the plan, primarily estimated climate change impacts and water issues related to Disadvantaged Communities. Staff is also participating in the BTAC update process to ensure that District projects are represented. Interns can provide much of the needed data analysis support.

## FISCAL IMPACT

Adequate resources for these activities are included in the current budget.

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GENERAL  
MANAGER

Daniel B. Cozad



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Memorandum No. 1217

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: October 9, 2013**

**Subject: District Website Redesign Update**

## **RECOMMENDATION**

Review, provide any feedback and receive and file the staff report and presentation on the Website Redesign Update.

## **BACKGROUND**

The existing District Website was developed in 2008 by an outside developer. The site only allows limited changes to be performed by District staff with others requiring the assistance of the initial design consultant. Consistent with the Board priorities approved in January 2013 staff undertook a complete redesign consistent with elements in the Strategic Plan and critical District projects.

## **PROGRESS**

Staff contracted with YWM to convert the original design to a content management system in early 2013 and has been working on and off with the consultant. The entire site and files were migrated to a temporary site for development and review. One of the critical issues and existing problems is posting of documents and data. The original site maintains all the files in one director and subdirectories but each have to be hand linked to the pages. To reduce the need for the labor intensive process on a site with many files a document manager was selected to provide management organization and display of files related to categories such as Board Agenda's etc. A new version of the Document Management application was released in the spring and had a number of advantages for the site. However shortly after release there issues related to security and stability. YWM chose to delay implementation the file management portions of the site until it was stable and secure. Since that time the file management software is stable and implemented. Staff and the contractor are working to organize and provide appropriate categories for the files to insure they display properly in the new site

Staff has developed several new pages and is updating text and other elements to debut the site in November and have a live conversion in December.

The General Manager will provide a brief presentation on the status and progress from the attachment.

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**FISCAL IMPACT**

Staff costs and up to \$3,500 for consultants are included in the approved budget. So far the District has contracted for approximately \$1000 for site conversion and implementation. Approximately \$300 in changes to graphics and related work have been completed. Total cost should be well below the budget.



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Memorandum No. 1218

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: October 9, 2013**

**Subject: District Board Priorities for 2013 Status Update**

## **RECOMMENDATION**

Review, provide any feedback and receive and file the progress update and status for September 2013.

## **BACKGROUND**

The Board priorities originated in a workshop held in February 2012 for Board Members to discuss and prioritize District projects, tasks, and set goals. These priorities were approved in March 2012 and incorporated into District resource planning and budget. The Goals and priorities were reviewed and revised in January 2013 to better align with the recently approved strategic plan and based on suggestions from staff and Board members. Staff presented an update and status report in May 2013. Staff has provided updated progress status for the items on the priority list as Attachment 1, based on three quarters of the year.

The General Manager will provide a brief presentation on the status and progress from the attachment.

## **FISCAL IMPACT**

Planning efforts and staff costs are included in the approved budget. Costs for the elements which are prioritized are included in the District budget to the extent possible. Additional items may be included in the 2013-2014 budget review.

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Daniel B. Cozad

# Attachment 1 SBVWCD Board Priorities 2013

## September 2013 Update

| No. | Area or Item   | Status            | Board Priority | Target Completion | Resources   | Links | Estimate        |
|-----|--|-------------------|----------------|-------------------|-------------|-------|-----------------|
| 1   | Sphere of Influence Reinstatement Application/Approval     | Supported         | 1              | Jun-13            | 👏👏 \$\$     |       | Ongoing         |
| 2   | Wash Plan - Complete Phase 1 and Initiate Phase 2          | Phase 2 ongoing   | 1              | Jun-13            | 👏👏 \$\$     | ✓     | August          |
| 3   | Strategic Plan review, revisions, and adoption             | Completion        | 1              | May-13            | 👏👏 \$       | ✓     | Complete 5/13   |
| 4   | Plunge Creek Conservation Project Application/Grant Letter | Selected          | 1              | 2013              | 👏👏 \$\$     | ↔     | 3/15/13 - 12/13 |
| 5   | Updating the Website                                       | Ongoing work      | 1              | 2013              | 👏👏👏 \$\$\$  | ↔     | Dec-13          |
| 6   | Updating the Board Policy Handbook                         | Completed         | 1              | Jun-13            | 👏👏👏 \$      | ✓     | Complete 4/13   |
| 7   | Municipal Service Review                                   | Initiated Sept 13 | 1              | Apr-14            | 👏👏👏 \$\$    |       | Apr-14          |
| 8   | East Branch Extension Easement and Construction            | Ongoing           | 1              | 2013              | 👏👏 \$\$     | ↔👏    | 2014            |
| 9   | Enhanced Recharge Support Coop SBVMWD/WMWD                 | Env. Permitting   | 1              | 2013              | 👏👏👏 \$\$\$  | ↔     | Ongoing         |
| 10  | Field Security and Habitat Issues                          | Progressing       | 1              | 2013              | 👏👏 \$\$\$\$ | ↔     | Ongoing         |
| 11  | Leasing of Redlands Plaza Units                            | Contracted        | 1              | Apr-13            | 👏👏 \$\$     | ↔     | Some Interest   |
| 12  | Support Outreach/Conservation                              | IERCD/Staff       | 2              | 2013              | 👏👏 \$       |       | Jan/Feb 2014    |
| 13  | Other Revenue Sources                                      | Development       | 2              | 2013              | 👏👏 \$       | ↔     | Ongoing         |
| 14  | CIP for District (automation etc and grant targets)        | Staff/Engineer    | 2              | 2013              | 👏👏👏 \$      | ↔     | Apr-14          |
| 15  | Aggregate Management RFP                                   | RFP list Complete | 3              | 2013              | 👏👏 \$       | ↔     | Planning        |
| 16  | Cooperative Joint Projects                                 | Discussion        | 3              | TBD               | 👏👏 \$\$     | ↔     | Ongoing         |
| 17  | Sale of excess property (22 acres)                         | Contract complete | 3              | 2013              | 👏 \$        |       | No action       |
| 18  | Greenspot Road   | Bid Summer ?      | 3              | TBD               | 👏 \$        | ↔     | TBD             |
| 19  | Harmony Development  | Ongoing           | 3              | TBD               | 👏 \$        |       | 2015            |
| New | Solar and Wind Evaluation                                  | Solar for Office  |                | TBD               | 👏👏 \$       |       | Mar-14          |
| New | Support Regional IRWM update                               | 2 sections        |                | Feb-14            | 👏👏 \$       | ↔     | Mar-14          |

|   |                            |                |
|---|----------------------------|----------------|
| 1 | Must Do 2012 (10)          | Groundwater    |
| 2 | Do based on resources (4)  | District/GFE   |
| 3 | If possible, as needed (5) | Land/Wash Plan |

|             |
|-------------|
| On Schedule |
| Watch       |
| Caution     |



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Memorandum No. 1219

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: October 9, 2013**

**Subject: CSDA 2013 Committee and Expert Feedback Team Appointments for**

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## **RECOMMENDATION**

Review and consider CSDA's request for committee nominations to serve on the 2014 committees and feedback teams. The term of office is one year, January 1, 2014-December 31, 2014. All correspondence and forms must be in the CSDA office no later than October 18, 2013.

## **BACKGROUND**

All CSDA Committees meet at least twice annually. It is mandatory that a committee member attend at least one of the two annual meetings. Additionally, the CSDA Legislative Committee requires for that member to attend the CSDA Special District Legislative Days as well as the Annual Conference in addition to the regular scheduled meetings. They typically meet in Sacramento, but location of meetings may vary. The Committees are:

- Audit Committee
- Education Committee
- Elections & Bylaws Committee
- Fiscal Committee
- Membership & Recruitment Committee
- Legislative Committee

A detailed listing is attached of the topics each committee focuses on as well as a listing of Expert Feedback Teams. The teams do not require travel only occasional feedback via email. The District utilizes CSDA for training and attends the CSDA Annual Conference. The General Manager participates in the Experts group for the Legislative Committee; however, the District does not have any Board members on a committee at this time.

The deadline for submission of the interest form is October 18, 2013.

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**FISCAL IMPACT**

The fiscal impact will vary depending on the location and whether or not travel to Sacramento is required. The District would be responsible for paying the Committee members per diem and all expenses for their attendance. No director has indicated interest in a specific committee so there is currently no expenses included in the approved 2013-14 budget. Additionally, staff has not prepared an estimates of participation. CSDA does not reimburse any expenses for this participation.



**California Special Districts Association**

*Districts Stronger Together*

**2014 COMMITTEE AND EXPERT FEEDBACK TEAM INTEREST FORM**

Please make additional copies for each participant.  
***Please Use Actual Contact Information where you can be reached***

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

Title/Position: \_\_\_\_\_

District/Organization: \_\_\_\_\_

District Address: \_\_\_\_\_

Personal Address: \_\_\_\_\_

Telephone:(District) \_\_\_\_\_ (Contact): \_\_\_\_\_

Fax (District): \_\_\_\_\_ (Contact): \_\_\_\_\_

E-mail: \_\_\_\_\_

**COMMITTEES:** We hope your District will participate in one or more of CSDA's committees. The CSDA Board of Directors encourages the participation of member agencies and Business Affiliates on CSDA's committees. As space is limited, please choose more than one committee which you would like to participate on, and please rank according to preference: **1 = 1<sup>st</sup> choice; 2 = 2<sup>nd</sup> choice; 3 = 3<sup>rd</sup> choice**

If we are able to place you on more than one committee, how many committees would you like to serve on?  
\_\_\_\_\_ (maximum 3)

**NOTE:** All committees meet in person at least twice annually. Committees generally meet in Sacramento, however locations may vary.

\_\_\_\_\_ **Audit Committee:** Responsible for maintaining and updating internal controls. Provides guidance to auditors regarding possible audit and fraud risks. Commitment: Meets with auditors prior to the commencement of the audit, when audit is completed and possibly one meeting during the auditing process. Financial experience preferred.

\_\_\_\_\_ **Education Committee:** Plans, organizes and directs the professional development and events for CSDA. Commitment: Meets at least twice annually.

\_\_\_\_\_ **Elections & Bylaws Committee:** Conducts annual elections and occasionally reviews bylaws upon request of the CSDA Board, members or as needed. Commitment: Minimum of one meeting in Sacramento.

\_\_\_\_\_ **Fiscal Committee:** Oversees the financial direction of the organization including budget review and implementation. Commitment: Meets at least three times annually. Financial experience preferred.

\_\_\_\_\_ **Membership & Recruitment Committee:** Responsible for recruitment of new members, member retention, development of new member benefits and review of current programs. Commitment: Meets at least twice annually.

\_\_\_\_\_ **Legislative Committee (space is limited):** Develops CSDA's legislative agenda; reviews, directs and assists with legislative/public policy issues. Commitment: Meets six times a year in Sacramento. Attending CSDA's Special District Legislative Days (May 20-21) and Annual Conference (September 29-October 2) is expected if you serve on this committee. All selected 2014 members will be invited to join the 2013 committee members and CSDA staff for a legislative planning session on November 15, 2013.

Each Legislative Committee member will be assigned to 1 to 2 working groups. Please rank from 1 to 6 which working groups you are interested in participating in:

- \_\_\_\_\_ Budget, Finance & Taxation Working Group
- \_\_\_\_\_ Environmental Sustainability Working Group
- \_\_\_\_\_ Formation & Reorganization Working Group
- \_\_\_\_\_ Human Resources & Personnel Working Group
- \_\_\_\_\_ Public Works & Contracting Working Group
- \_\_\_\_\_ Transparency & Accountability Working Group

I am interested in participating on \_\_\_\_ (1 or 2) Legislative Committee working groups

\_\_\_\_\_ **Alternative Option: Legislative Distribution List** - Because seats are limited on the Legislative Committee, CSDA has created an alternative option whereby members can receive the same legislative information via email that Legislative Committee members receive. Members on this list may provide input by responding to the legislative staff by email. Select this option instead of the Legislative Committee if you are unable to meet the requirements of serving on the Legislative Committee.

**EXPERT FEEDBACK TEAMS:** In order for CSDA to quickly and effectively gauge the impact new laws may have on special districts we depend on the expertise of the people who are directly impacted in the field. If you have firsthand experience in one or more of the areas below, please join CSDA's Expert Feedback Team.

\_\_\_\_\_ **Budget, Finance & Taxation:** Assessments; Bankruptcy; Bonds; Mandates; Mello-Roos; Property Tax Allocations; Public Financing; Prop 218; Redevelopment; Special Taxes

\_\_\_\_\_ **Environmental Sustainability:** CEQA; Greenhouse Gas Emissions; Renewable Energy; SB 375

\_\_\_\_\_ **Formation & Reorganization:** Cortese-Knox-Hertzberg; Consolidation; Dissolution; LAFCO; MSR; SOI

\_\_\_\_\_ **Human Resources & Personnel:** Health and Other Benefits; Industrial Safety; Labor; Public Retirement; Workers' Compensation and Other Insurance

\_\_\_\_\_ **Legal:** General legal matters affecting special districts

\_\_\_\_\_ **Public Works & Contracting:** Basic Contracting; Bidding Process; Design-Build; Indemnification; Prevailing Wage & Contracted Labor; Public Private Partnerships; Retention Proceeds

\_\_\_\_\_ **Transparency & Accountability:** Audits; Brown Act; Ethics; Governance; Public Records Act; Political Reform Act; Reporting to State Controller

Committee and Expert Feedback Team participation is open to both Board members and Staff. **Please note that the Association does not reimburse any expenses incurred from this participation.**

CSDA is committed to keeping travel costs to a minimum for committee members and handles a significant amount of committee work through conference calls, fax correspondence and e-mail; however, most committees do meet at least two times a year in person.

**\*Either the District/Company General Manager or Board President must authorize below**

\*Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please return this completed form to Charlotte Lowe at CSDA by mail, fax (916) 442-7889 or email [charlottel@csga.net](mailto:charlottel@csga.net) no later than 5:00 p.m. on **Friday, October 18, 2013**

CSDA, 1112 I St., Suite 200, Sacramento, CA 95814, T - (916) 442-7887, F - (916) 442-7889 [www.csga.net](http://www.csga.net)



# General Manager's Report

For September 7, 2013 through October 3, 2013

Daniel B. Cozad

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The following report summarizes the efforts and activities during the reporting period.

- 1. Water Conservation** – Water recharge was minimal for most of the water year 2013 which ended September 30, 2013. Despite this the District field staff were able to recharge nearly 8,000 AF from the dry year and limited storms. Staff completed maintenance on the canal in Mill Creek, and protection for our basins for EBX 2 construction which is ongoing. Field staff provided coordination for habitat work and for tours of the facilities this month. We also coordinated and billed the Enhanced Recharge and Exchange Plan invoices which were paid this month.
- 2. Personnel/Administration/Staff** – The District's new interns are helping support Wash Plan, Upper Santa Ana IRWM Plan update and Groundwater Maintenance preparation of the Engineering Investigation will begin in November.
- 3. Finance/Budget/Audit** – Staff worked with RAMS and the District Auditor, and the audit committee to revise and complete the Draft Audit Report. Staff worked with the Administrative Committee to propose and implement changes to accounting and reserves. The final significant policy elements will come back to the Board in this meeting.
- 4. Facilities Maintenance/Aggregate Management** – A final two month extension was granted to Munoz Construction to complete their project with the City of Redlands. With CEMEX, reviewed royalty market evaluation and scheduled discussion with CEMEX and District Counsel. Coordinated with Upland Rock on material processing licenses received payments for material sales. The District is also providing backfill materials for EVWD from excess District fill.
- 5. Wash Plan** – Staff continues to work hard to complete all efforts to restart work, implement authorized contracts, support amended agreements and completing the description/mapping of covered activities. Attended several meetings with USFWS and SB County, County Flood Control, SBVMWD, City of Highland, City of Redlands, Redlands Municipal Utilities and Engineering and others. Staff worked to prepare materials for all Task Force Members scheduled for October 4, 2013, but canceled due to the Federal Government Shutdown. Coordinated with BLM to finalize two MOUs for the Wash Plan. The next Wash Plan Task Force meeting will be scheduled once Federal Agencies are back to work.
- 6. East Branch Extension** – Staff continues to work closely with DWR, contractors and SBVMWD on field activities, coordinating maintenance, management of flows in the river and facilities and cleanup of silt and clay in Dike D. EBX-2 contractor has abandoned work in the Santa Ana working across the river near Mill Creek. Mill Creek Spreading Grounds excavation and pipe construction began in early September and is working in the lower basins of Mill Creek Spreading Grounds.

- 7. Collaborative Enhanced Recharge Project** – Staff with District equipment mostly completed maintenance work in support of contractor’s efforts to keep 60 CFS flowing to basins in Mill Creek. Significant coordination and cooperation on permitting and environmental habitat issues now related to the Wash Plan continues. Successful meetings with USFWS and SBVMWD on Wash Plan activities in the Enhanced Recharge Project. Successful MOU with BLM for construction of enhanced recharge operations. Resources Committee meeting and engineering design review for all canal, basin and ancillary facilities to be completed in October.
- 8. Property/Redlands Plaza** – Finalized lease assumption/revision with Hello Sushi issues related to sale of business to management. Coordinated with Progressive related to potential Chiropractor tenant, offer received and counter offer provided. Working in fall or winter to review and revise landscaping for the building and capital improvements for signage.
- 9. Public Outreach and Legislative** – Coordinated meetings with partners related to Wash Plan, EVWD MOU, Enhanced Recharge, water management and groundwater issues. Continued coordination with staff at cities and districts for projects and covered activities in the Wash Plan HCP. Staff participated in meetings with SB County supporting the Wash Plan and expects to schedule a tour for staff shortly. Staff attended CSDA and other meetings for research and coordination.
- 10. Current Board Action Implementation** – Staff prepared information and documents for LAFCO in support of our Sphere of Influence request 3173 and MSR 3174. Staff coordinated and participated in Departmental Review Committee Meeting with LAFCO. Additional information and requested information will be supplied before October 15, 2013.
- 11. Computer and IS** – Contracted web management system implementation completed file transfer. Staff and interns are working on segregating documents for the new site and populating new pages. Staff is working to prepare a demonstration overview in October and complete transition in November/December 2013.
- 12. Future Board Activities** – Expected short term items for consideration
  - a. Wash Plan Task Force Meeting in October
  - b. Celebration of Service for Clare Day is being planned for December
  - c. Quarterly Financials in November
  - d. Budget Amendment in November
- 13. District Successes**
  - a. Engineering Interns prepared the Disadvantaged Community and Climate Change analysis for the Integrated Regional Water Management Plan update.
  - b. Land Resources Manager and District Counsel completed MOU language with BLM for Wash Plan efforts.
  - c. Staff recently completed defensive driver training or refresher