

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

**REGULAR BOARD MEETING  
AGENDA**

**March 7, 2012 – 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 on the Districts website.

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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**

1. Approval of Board Minutes, February 8, 2012
2. Unaudited Financials
3. Groundwater Charge – Collection Status Report

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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 Eunice Griffith 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, NEW BUSINESS

##### A. AUDIT REPORT PRESENTATION – FY 2010-2011

**Recommendation:** Staff recommends the Board review and consider acceptance of the Audit Report presented Charles Fedak & Company. If accepted, authorize the transmittal to the County.

##### B. ENGINEERING INVESTIGATION REPORT (EI REPORT)

**Recommendation:** Staff recommends the Board receive the EI Report presentation and consider acceptance of the 2011 Engineering Investigation Report.

##### C. FY 2012-2013 GROUNDWATER ENTERPRISE BUDGET

**Recommendation:** Staff recommends the Board receive the staff presentation on the development to the budget and provide accept the 2012-2013 budget for the Groundwater Enterprise. Staff further recommends the Board select a groundwater charge rate and direct staff notice that rate for public meeting and public hearing.

##### D. WASH PLAN SUPPORT FOR CONSERVATION STRATEGY

**Recommendation:** Staff recommends the Board consider approval of the work order submitted by RBF for Wash Plan support for Conservation Strategy negotiations.

##### E. GENERAL MANAGER – ANNUAL PERFORMANCE REVIEW AND EMPLOYMENT AGREEMENT

**Recommendation:** The Ad Hoc Committee on Review of the Performance of the General Manager recommends to the Board approve the Employment Agreement prepared by General Counsel. This Agreement extends Mr. Cozad's current contract to June 30, 2013 at a salary of \$165,978 and standard District Employment Benefits.

##### F. COLLABORATIVE AGREEMENT VERBAL UPDATE

**Recommendation:** Staff Recommends the Board Receive and File the Update from District Counsel.

#### 5. INFORMATION ITEMS:

- A. General Managers Report and Field Operations/Recharge Update
- B. ACWA State Legislative Committee Bill Packet-Status
- C. Future Agenda Items & Staff Task requests from Directors
- D. Form 700 – Deadline March 23, 2012, Due April 2<sup>nd</sup>.
- E. LAFCO - Nomination of Regular Special District Member – Deadline March 12, 2012. Nomination via Board Vote.

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

A. Board approval for Director Selected meetings/travel requests

- **ACWA Spring Conference cost estimates**
  - Director McDonald
  - Director Corneille
  - Director Aranda

7. **UPCOMING MEETINGS:**

- |                   |  |
|-------------------|--|
| 1. March 8, 2012  | Upper Santa Ana Water Resources Association at SBVWCD, 9:30 a.m.   |
| 2. March 12, 2012 | Reservoir Committee meeting, at SBVWCD, 1:30 p.m.  |
| 3. March 14, 2012 | Water Association Leadership Breakfast, sponsored by the Southern California Water Committee. Presentation by Richard Atwater on Delta Disrupted at Agency's Headquarters, Chino, California |
| 4. March 20, 2012 | San Bernardino Valley Municipal Water District at SBVMWD, 2:30 p.m.  |
| 5. April 2, 2012  | Basic Technical Advisory Committee at SBVWCD, 1:30 – 3:30 p.m.   |
| 6. April 3, 2012  | San Bernardino Valley Municipal Water District at SBVWCD, 2:30 p.m.  |
| 7. April 9, 2012  | Bureau of Reclamation at District, 9:00 a.m. – 11:00 a.m.  |
| 8. April 19, 2012 | 2012 Outstanding Senior Honoree former Director Bud & Margaret Wright, Golf Tournament at Highland Senior Center 11:00 a.m. Registration, 5:30 p.m. Awards Banquet                           |
| 9. May 8-11, 2012 | ACWA Spring Conference and Exhibition at Conference Center, Portola & Marriott Hotels, Monterey, CA.   |

## **8. CLOSED SESSION**

1. Under authority of government code section 54956.8, the board may recess to a Closed Session for a Conference with Real Property Negotiators related to the East Branch Extension Easement, located in the Santa Ana and Mill Creek Spreading Grounds APN 0168-321-10; 0168-341-04; 0168-342-04, 06, 09; 0168-381-02; 0297-051-01, 02; 0297-011-07, and 0168-311-06. Real Property negotiators are Daniel B. Cozad and David B. Cosgrove for the District and Doug Headrick for SBVMWD.
  2. The Board may convene in Closed Session to discuss exposure to litigation, under Government Code section 54956.9(b)(3)(e).
  3. Under authority of Government Code section 54956.9 (c), the Board may meet in Closed Session to decide whether to initiate litigation.
  4. Under authority of Government Code section 54957 (b) (1), the Board may meet in Closed Session to consider Public Employee Appointment for the position of Administrative Manager.
9. **ADJOURN MEETING.** The next regular Board meeting will be on March 28, 2012 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 February 8, 2012  
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  
Clare Henry Day, Director  
Bob Glaubig, Director  
John Longville, Director, 1:45 p.m.  
David E. Raley, Director  
Manuel Aranda, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager  
Eunice L. Griffith, Administrative Manager

GUESTS PRESENT:

Don Lee, Tetra Tech  
Anne Viricel, Highland Community News

## 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. Hearing none, the meeting continued with published agenda items.

## 2. ADDITIONS/DELETIONS TO AGENDA

There were no additions/deletions to the agenda.

## 3. CONSENT CALENDAR

The minutes from January 12, 2012 meeting were approved as follows:

**It was moved by Director Day and seconded by Director Aranda to approve the SBVWCD regular Board Meeting minutes from January 12, 2012. The motion carried 6-0 with Director Longville noted absent from the vote.**

- Unaudited Financials

The Unaudited Financials for December 2011 were presented by Mr. Cozad. Director Raley asked several questions, brief discussion ensued.

**It was moved by Director McDonald and seconded by Director Aranda to approve the Unaudited financials. The motion carried 6-0 with Director Longville noted absent from the vote.**

## 4. ACTION ITEMS, NEW BUSINESS

### A. BUDGET DRAFT FOR GROUNDWATER ENTERPRISE

Mr. Cozad noted the 2012 Groundwater Enterprise Budget was based on groundwater production estimates, the zero based budget from 2011 and the estimates from groundwater producers. The budget is accompanied by a Groundwater Enterprise Report which identifies the revenue received, costs paid and accomplishments for the Enterprise. He stated, "We want the public to see what they are paying for and what we did with their money."

His presentation reviewed the following:

- Water Recharged for 2011
- Maintenance and Cleaning performed for the Groundwater recharge basins in the Santa Ana and Mill Creek systems.
- Basins with annual and triennial cleaning goals, depending on use

- Before and after photos of basins and facilities

The Board discussion of the groundwater budget evolved to include item Action item 4C, the Collaborative agreement status, see Action item 4C below.

Discussion returned to the Groundwater budget. Mr. Cozad reviewed details of the 2012-2013 preliminary draft budget. He reviewed revenue, costs, the 2011 amended budget and gave a detailed analysis of expected adjustments in what was spent last year and budgeted to be spent in 2012-2013. Significant items include the need for additional security and professional services and funds budgeted for rate studies in the 2013- 2014 budget, recommended by the Groundwater charge payers. Total expenses are preliminarily budgeted to be approximately \$800,000, which exceeds revenue by about \$125,000. Mr. Cozad was seeking Board feedback. Discussion ensued on direct charges, payroll processing, the breakdown of covered cost and how costs were allocated.

Director Raley suggested a different approach, overhead charges. He proposed that overhead charges be based on groundwater revenue for direct charges identified and then an overhead charge applied. Currently the preliminary budget is based on overhead on labor cost. Mr. Cozad will review the overhead budget based on enterprise revenue.

President Corneille asked the Board for consensus for the General Manager to proceed with the Board suggestions and assumptions and that the Board receive and file the Preliminary Draft Groundwater Enterprise budget.

**It was moved by Director Day and seconded by Director McDonald to receive and file the Preliminary Groundwater Draft budget and for Mr. Cozad to continue. The motion carried unanimously.**

## B. PROPERTY SALE – 22 ACRES

Mr. Cozad distributed a report provided by Bruce Cash, United Strategies on the status of the 22 acre sale. Discussion ensued. The Board agreed that a quarterly versus a monthly report would be acceptable.

## C. COLLABORATIVE AGREEMENT

This item was taken out of order.

Legal Counsel, Mr. Cosgrove and Mr. Cozad noted that the first outlined draft of the Collaborative Agreement is in hand. The deadline for redlined versions to be turned in is February 21, 2012 and a Conference call is scheduled at that time. They informed the Board that a workable draft should be ready in 30 – 60 days and assured the Board that all parties are aware of the deadline. Legal Counsel stated that the Attorneys from all three Boards are making every effort to prevent over processing details, becoming inundated

with contingencies and to strike a reasonable balance that will enable moving forward in the designated timeframe.

5. INFORMATION ITEMS:

A. General Managers Report and Field Recharge Operations

Mr. Cozad attended the County Vision meeting on water. The outcome of the meeting was that the water entities in the County should come together and meet periodically. The County will facilitate coordinating the first meeting. The products that are expected from that meeting are: 1) A map of assets showing water levels; 2) Coming up with a more accurate mission statement which represents their vision; and 3) Discussion with SANBAG and the County on whether water districts should be represented on SANBAG, as they are in Riverside and other counties. Bob Page is staffing this for the County. Director Longville acknowledged SANBAG as the joint defining Agency for San Bernardino County and all the cities within the County. He suggested that it would be groundbreaking and extraordinarily helpful if water districts had an opportunity to be members of SANBAG Board.

Director McDonald informed the Board that the Bill Packet is published on the District website.

President Corneille selected the following individuals to serve on an Ad Hoc Committee for the General Manager's review. Director Day and Director Glaubig both accepted the appointment. The Ad Hoc GM Review Committee will meet before the next regularly scheduled Board Meeting.

C. Future Agenda Items and Staff requests from Directors.

There was no report on this item.

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

A. Board approval for Director Selected meetings/travel cost proposals

Board members interested in attending ACWA Spring Conference were encouraged to bring price proposals to the next meeting.

Director McDonald called the Board's attention to AB1345, and the State imposed repercussions if ninety days late in filing audits. She noted that there are two vacancies on the State Water Board, (Attorney and Engineering positions are still open). She briefed the Board that the California LAFCO Legislative proposal is coming up for the Sphere of Influence for the County. Director McDonald stated that JPIA is thinking about taking over



all insurance, including the HBA. She attended the BTAC and stated that the Engineering Sub-Committee has put out a "Conjunctive Use Guideline". Lastly, she attended the SBVMWD meeting on February 7, 2011 where it was noted that the Seven Oaks Dam Conservation Study is progressing. The target date for designation is 2015.

Director Raley attended the Redlands Rise and Shine Chamber of Commerce meeting.

Director Aranda attended the Redlands and the San Bernardino Chamber of Commerce (SBCC) meetings. He also attended the annual SBCC Installation Banquet.

Director Aranda noted a discussion on the overlapping concerns of BTAC and USAWRA and whether there is relevance. Director Aranda spoke to Senator Dutton, Mike Morrell and Josie Gonzales and all would be willing to come to the USAWRA to speak. Mr. Cozad stated that it has been proposed to have the meetings every other month. It was noted that the USAWRA is the only Regional meeting held at the District and is a place for Directors to focus on political meetings. Mr. Cozad invited the Board to attend the USAWRA meeting tomorrow at 9:00 a.m.

President Corneille announced that the next SBVMWD Advisory Committee meeting is February 9, 2012 at 7:00 p.m. There will be three major topics discussed at the meeting, ACWA Groundwater Policy, the 2012 Regional Management Plan and an update of water quality at the SOD.

President Corneille reported that he and Mr. Cozad will be meeting with Mandy Parks of the Inland Empire Resources Conservation District to explore opportunities to partner. Also, on Friday, February 17, 2012, President Corneille and Mr. Cozad have a trip planned to the United Water Conservation District in Ventura County.

President Corneille and Vice President McDonald attended Ethics and Brown Act training put on by JPIA on February 2, 2012 in Rancho Cucamonga, both turned in their certificates the trainings.

Legal Counsel offered to do a briefing on The Brown Act. The Board welcomed the opportunity for training. The training will be scheduled at a later date. Director Aranda acknowledged that Legal Counsel Cosgrove is a brilliant lecturer.

## 7. UPCOMING MEETINGS

There was no discussion on this item.

## 8. CLOSED SESSION

**At 3:30 p.m. it was moved by Director Day and seconded by Director Corneille to adjourn to Closed Session. The motion carried 7-0.**

General Counsel announced that the meeting will adjourn to closed session under all of the items listed on the posted agenda.

1. Under authority of government code section 54956.8, the Board may recess to a Closed Session for a Conference with Real Property Negotiators related to the East Branch Extension Easement, located in the Santa Ana and Mill Creek Spreading Grounds APN 0168-321-10; 0168-341-04; 0168-342-04, 06, 09; 0168-381-02; 0297-051-01, 02; 0297-011-07, and 0168-311-06. Real Property negotiators are Daniel B. Cozad and David B. Cosgrove for the District and Doug Headrick for SBVMWD.
2. The Board may convene in Closed Session to discuss exposure to litigation, under Government Code section 54956.9(b)(3)(e).
3. Under authority of Government Code section 54956.9 (c), the Board may meet in Closed Session to decide whether to initiate litigation.

At 4:15 p.m., the meeting reconvened into Open Session, with no reportable action under Government Code 54957.1.

Mr. Cozad called the Board's attention to the updated the priorities schedule in the packet.

9. ADJOURN MEETING

**It was moved by Director McDonald and seconded by Director Aranda to adjourn to the next scheduled meeting.**

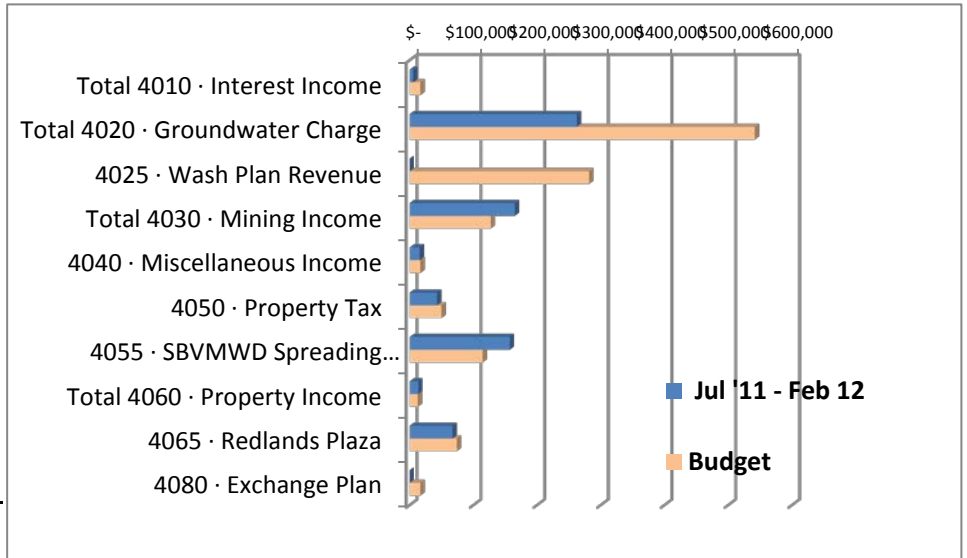
At 4:15 p.m., the meeting adjourned to the regular Board meeting scheduled for March 7, 2012, at 1:30 p.m., at 1630 W. Redlands Blvd., Redlands, CA.

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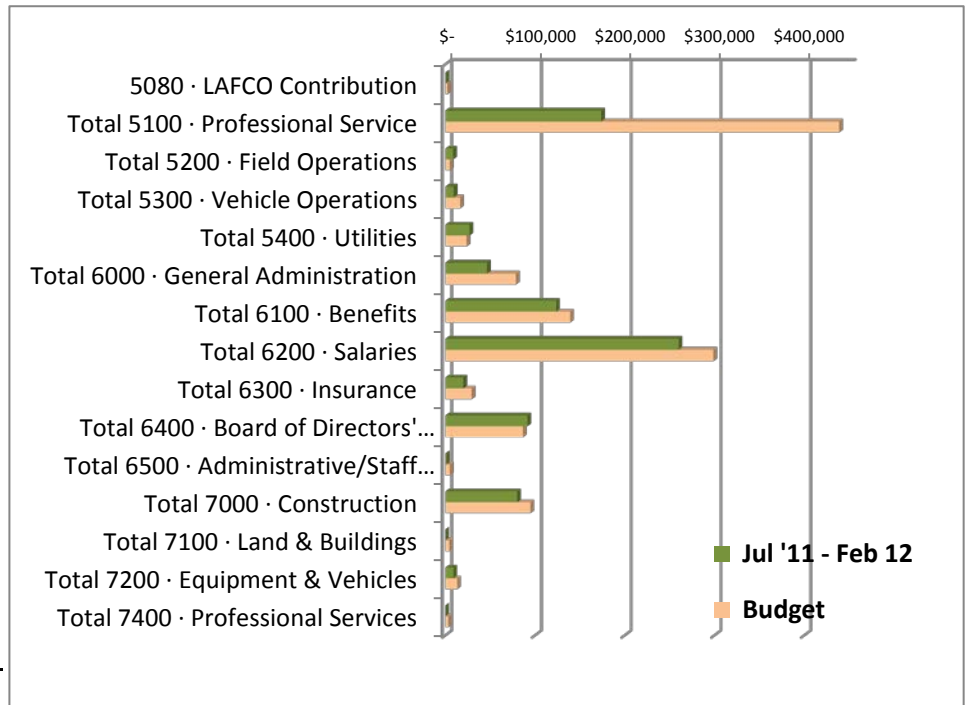
Daniel B. Cozad  
General Manager

**SBVWCD - All Enterprises Budget and Actual**
**February 2012**
**REVENUE**

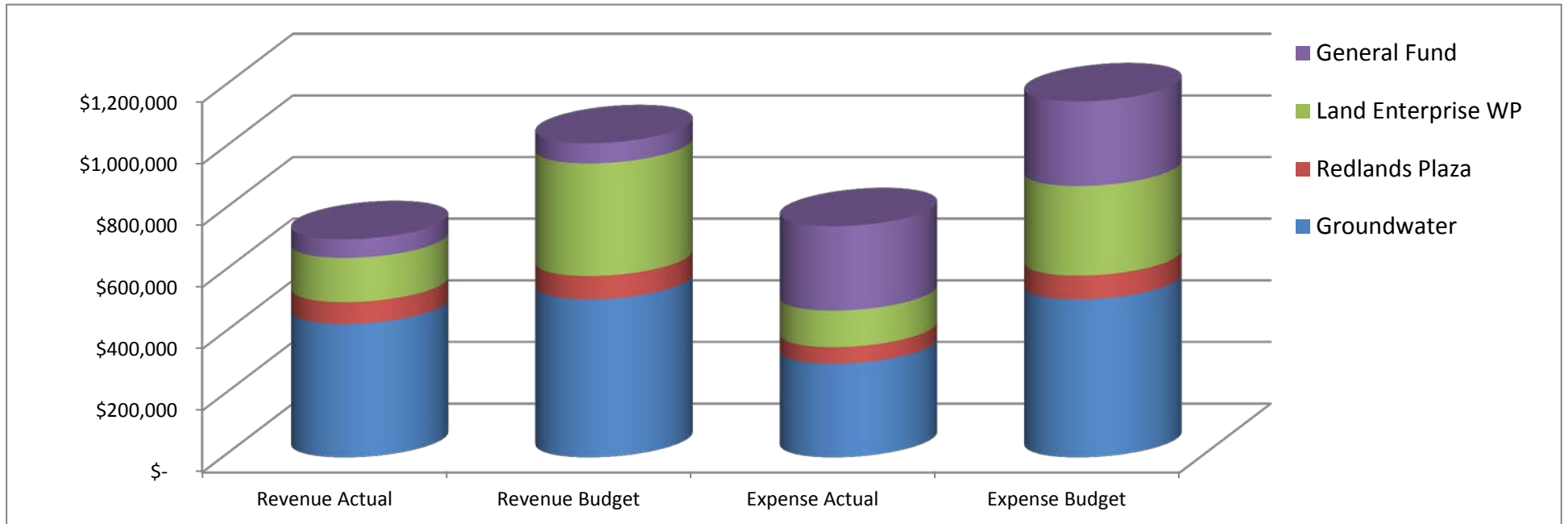
	Jul '11 - Feb 12	Budget
Total 4010 · Interest Income	\$ 5,548	\$ 16,667
Total 4020 · Groundwater Charge	\$ 262,522	\$ 541,739
4025 · Wash Plan Revenue	\$ -	\$ 281,667
Total 4030 · Mining Income	\$ 165,230	\$ 127,333
4040 · Miscellaneous Income	\$ 15,708	\$ 16,667
4050 · Property Tax	\$ 42,868	\$ 50,000
4055 · SBVMWD Spreading Agreement Reim	\$ 157,298	\$ 114,667
Total 4060 · Property Income	\$ 13,412	\$ 12,800
4065 · Redlands Plaza	\$ 67,457	\$ 73,968
4080 · Exchange Plan	\$ -	\$ 16,667
<b>Total Revenue without Wash Plan</b>	<b>\$ 730,043</b>	<b>\$ 970,507</b>


**EXPENSES Operating and Capital**

	Jul '11 - Feb 12	Budget
5080 · LAFCO Contribution	\$ 682	\$ 2,500
Total 5100 · Professional Service	\$ 174,073	\$ 439,200
Total 5200 · Field Operations	\$ 8,753	\$ 5,333
Total 5300 · Vehicle Operations	\$ 9,411	\$ 16,667
Total 5400 · Utilities	\$ 27,061	\$ 23,900
Total 6000 · General Administration	\$ 46,791	\$ 78,930
Total 6100 · Benefits	\$ 123,646	\$ 139,343
Total 6200 · Salaries	\$ 260,181	\$ 299,038
Total 6300 · Insurance	\$ 20,383	\$ 29,553
Total 6400 · Board of Directors' Expenses	\$ 91,591	\$ 86,800
Total 6500 · Administrative/Staff Expenses	\$ 1,267	\$ 5,133
Total 7000 · Construction	\$ 80,128	\$ 95,000
Total 7100 · Land & Buildings	\$ -	\$ 4,667
Total 7200 · Equipment & Vehicles	\$ 9,152	\$ 13,333
Total 7400 · Professional Services	\$ -	\$ 3,333
<b>Total Expense without Wash Plan</b>	<b>\$ 853,119</b>	<b>\$ 1,099,397</b>



## Enterprises



Enterprise	Actual		Budget		% of Budget
Groundwater Revenue	\$	432,489	\$	512,061	84%
Groundwater Expense	\$	303,691	\$	462,368	66%
Revenue -Expense	\$	128,798	\$	49,693	
Redlands Plaza Revenue	\$	70,660	\$	75,922	93%
Redlands Plaza Expense	\$	53,575	\$	77,094	69%
Revenue -Expense	\$	17,085	\$	(1,172)	
Land Enterprise and Wash Plan Revenue	\$	143,396	\$	365,167	39%
Land Enterprise and Wash Plan Expense	\$	118,483	\$	290,743	41%
Revenue -Expense	\$	24,913	\$	74,423	
General Fund Revenue	\$	60,691	\$	65,625	92%
General Fund Expense	\$	273,456	\$	274,754	100%
Revenue -Expense	\$	(212,766)	\$	(209,129)	
Total All Revenue - Expense	\$	(41,970)	\$	(86,185)	

# San Bernardino Valley Water Conservation District

## Profit & Loss Budget vs. Actual by Class

### July 2011 through February 2012

	1-Groundwater Ent.			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 - Interest Income				
4012 - LAIF	0.00			
<b>Total 4010 - Interest Income</b>	0.00			
4020 - Groundwater Charge				
4021 - Assessments - Ag	124,806.34	36,639.00	88,167.34	340.6%
4023 - Assessments - Non-Ag	135,887.26	505,100.00	-369,212.74	26.9%
<b>Total 4020 - Groundwater Charge</b>	260,693.60	541,739.00	-281,045.40	48.1%
4025 - Wash Plan Revenue	0.00			
4030 - Mining Income				
4031 - Plant Site - CEMEX	0.00			
4032 - Cemex - Royalty / Lease	0.00			
4033 - Cemex USA Minimum Rent	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	250.00			
4050 - Property Tax	0.00			
4055 - SBVMWD Spreading Agreement Reim	157,297.69	114,666.68	42,631.01	137.2%
4060 - Property Income				
4062 - Mentone Property	0.00			
<b>Total 4060 - Property Income</b>	0.00			
4065 - Redlands Plaza	0.00			
4080 - Exchange Plan	0.00	16,666.68	-16,666.68	0.0%
4085 - AB 303 Grant	12,485.57			
<b>Total Income</b>	430,726.86	673,072.36	-242,345.50	64.0%
<b>Gross Profit</b>	430,726.86	673,072.36	-242,345.50	64.0%
<b>Expense</b>				
5050 - Regional Programs				
5080 - LAFCO Contribution	0.00			
<b>Total 5050 - Regional Programs</b>	0.00			
5100 - Professional Service				
5120 - Misc. Professional Services	1,000.00	2,641.02	-1,641.02	37.9%
5122 - Wash Plan Professional Services	0.00			
5125 - Engineering Services	0.00	10,000.00	-10,000.00	0.0%
5145 - Environmental Services	0.00			
5160 - IT Support	382.50	2,466.68	-2,084.18	15.5%
5170 - Audit	0.00	10,640.00	-10,640.00	0.0%
5175 - Legal - Wash Plan	0.00			
5180 - Legal	0.00	43,333.36	-43,333.36	0.0%
<b>Total 5100 - Professional Service</b>	1,382.50	69,081.06	-67,698.56	2.0%
5123 - Temp. Field Labor	12,108.30			
5200 - Field Operations				
5210 - Equipment Maintenance	1,129.78	1,666.68	-536.90	67.8%
5215 - Property Maintenance	2,532.07	3,666.68	-1,134.61	69.1%
<b>Total 5200 - Field Operations</b>	3,661.85	5,333.36	-1,671.51	68.7%
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	636.25	6,666.68	-6,030.43	9.5%
5320 - Fuel	8,774.35	10,000.00	-1,225.65	87.7%
<b>Total 5300 - Vehicle Operations</b>	9,410.60	16,666.68	-7,256.08	56.5%

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
**July 2011 through February 2012**

	1-Groundwater Ent.			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>5400 - Utilities</b>				
5410 - Alarm Service	0.00	1,216.68	-1,216.68	0.0%
5420 - Electricity	949.79	2,000.00	-1,050.21	47.5%
5430 - Mobile Phone	954.82	1,297.76	-342.94	73.6%
5440 - Telephone	515.53	1,200.00	-684.47	43.0%
5450 - Natural Gas	0.00	160.00	-160.00	0.0%
5460 - Water / Trash / Sewer	876.29	2,425.78	-1,549.49	36.1%
5470 - Internet Services	299.94			
<b>Total 5400 - Utilities</b>	<b>3,596.37</b>	<b>8,300.22</b>	<b>-4,703.85</b>	<b>43.3%</b>
<b>6000 - General Administration</b>				
6001 - General Administration - Other	0.00	2,666.68	-2,666.68	0.0%
6002 - Website Administration	0.00			
6003 - Property Tax	0.00			
6004 - Meeting Expenses	-704.77			
6006 - Permits	0.00	533.32	-533.32	0.0%
6009 - Licenses	819.00	533.32	285.68	153.6%
6010 - Surety Bond	0.00			
6012 - Office Maintenance	0.00			
6015 - Mentone House Maintenance	0.00			
6016 - Redlands Plaza Maintenance	0.00			
6017 - Management Labor-Redlands Plaza	0.00			
6018 - Janitorial Services	0.00			
6019 - Janitorial Supplies	0.00			
6020 - Vacancy Marketing-Redlands Plaz	0.00			
6024 - DONT USE-Computer Equip Maint.	0.00			
6027 - Computer Supplies	0.00			
6030 - Office Supplies	59.19	116.68	-57.49	50.7%
6033 - Office Equipment Rental	0.00	233.32	-233.32	0.0%
6036 - Printing	0.00	266.68	-266.68	0.0%
6039 - Postage and Overnight Delivery	0.00	350.00	-350.00	0.0%
6042 - Payroll Processing	0.00			
6045 - Bank Service Charges	40.00			
6051 - Uniforms	264.42	240.00	24.42	110.2%
6087 - Educational Reimbursement	0.00			
6090 - Subscriptions/Publications	0.00			
6091 - Public Notices	0.00	1,000.00	-1,000.00	0.0%
6093 - Memberships	0.00			
6000 - General Administration - Other	0.00			
<b>Total 6000 - General Administration</b>	<b>477.84</b>	<b>5,940.00</b>	<b>-5,462.16</b>	<b>8.0%</b>
<b>6045.01 - Wash Plan Bank Charges</b>	<b>0.00</b>			
<b>6100 - Benefits</b>				
6110 - Vision Insurance	493.90	517.98	-24.08	95.4%
6115 - Maint/Rep. Rolling Maint. Equip	0.00			
6120 - Workers' Comp. Insurance	3,645.02	4,593.36	-948.34	79.4%
6130 - Dental Insurance	1,725.75	1,739.84	-14.09	99.2%
6140 - State Unemployment Insurance	0.00	194.35	-194.35	0.0%
6150 - Medical Insurance	25,122.17	25,288.05	-165.88	99.3%
6160 - Payroll Taxes-Employer	10,824.68	11,306.68	-482.00	95.7%
6170 - PERS Retirement	19,859.11	30,213.21	-10,354.10	65.7%
<b>Total 6100 - Benefits</b>	<b>61,670.63</b>	<b>73,853.47</b>	<b>-12,182.84</b>	<b>83.5%</b>
<b>6200 - Salaries</b>				
6230 - Regular Salaries	139,476.02	199,113.39	-59,637.37	70.0%
6231 - Salary Overhead Charge	0.00			
<b>Total 6200 - Salaries</b>	<b>139,476.02</b>	<b>199,113.39</b>	<b>-59,637.37</b>	<b>70.0%</b>
<b>6300 - Insurance</b>				
6310 - Property/ Auto Insurance	0.00	2,396.80	-2,396.80	0.0%
6320 - General Liability Insurance	12,229.80	16,574.40	-4,344.60	73.8%
<b>Total 6300 - Insurance</b>	<b>12,229.80</b>	<b>18,971.20</b>	<b>-6,741.40</b>	<b>64.5%</b>

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actua by Class**  
**July 2011 through February 2012**

		1-Groundwater Ent.		
	Jul '11 - Feb 12	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	0.00			
<b>Total 6400 · Board of Directors' Expenses</b>	0.00			
<b>6500 · Administrative/Staff Expenses</b>				
6505 · Mtg. Support Expense (food, bev	0.00			
6510 · Mileage	0.00	133.32	-133.32	0.0%
6515 · Air Fare	0.00	200.00	-200.00	0.0%
6520 · Travel, Other (rental car, taxi	0.00	66.68	-66.68	0.0%
6525 · Meals	0.00	200.00	-200.00	0.0%
6530 · Lodging	0.00	160.00	-160.00	0.0%
6535 · Conf/Seminar Registrations	0.00			
<b>Total 6500 · Administrative/Staff Expenses</b>	0.00	760.00	-760.00	0.0%
<b>6502.01 · Wash Plan-Environ. Serv EIS</b>	0.00			
<b>Total Expense</b>	244,013.91	398,019.38	-154,005.47	61.3%
<b>Net Ordinary Income</b>	186,712.95	275,052.98	-88,340.03	67.9%
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
<b>7000 · Construction</b>				
7010 · Materials	0.00	5,000.00	-5,000.00	0.0%
7050 · Basins- Capital Annual Repair	80,128.00	60,000.00	20,128.00	133.5%
7051 · Capital Repairs-Periodic	0.00	30,000.00	-30,000.00	0.0%
<b>Total 7000 · Construction</b>	80,128.00	95,000.00	-14,872.00	84.3%
<b>7100 · Land &amp; Buildings</b>				
7110 · Property Capital Repairs	0.00	1,666.68	-1,666.68	0.0%
7130 · Mentone Property (House)-CapRep	0.00			
7140 · Mentone Property (Shop)-CapRep	0.00	1,666.68	-1,666.68	0.0%
<b>Total 7100 · Land &amp; Buildings</b>	0.00	3,333.36	-3,333.36	0.0%
<b>7200 · Equipment &amp; Vehicles</b>				
7210 · Computer Hardware-Capital Purch	0.00	416.68	-416.68	0.0%
7220 · Computer Software	0.00	1,516.68	-1,516.68	0.0%
7230 · Field Equipment / Vehicles	8,652.33	9,000.00	-347.67	96.1%
7240 · Office Equipment	0.00			
<b>Total 7200 · Equipment &amp; Vehicles</b>	8,652.33	10,933.36	-2,281.03	79.1%
<b>7400 · Professional Services</b>				
7438 · Engineering Services -Other	0.00	3,333.32	-3,333.32	0.0%
<b>Total 7400 · Professional Services</b>	0.00	3,333.32	-3,333.32	0.0%
<b>Total Other Expense</b>	88,780.33	112,600.04	-23,819.71	78.8%
<b>Net Other Income</b>	-88,780.33	-112,600.04	23,819.71	78.8%
<b>Net Income</b>	<b>97,932.62</b>	<b>162,452.94</b>	<b>-64,520.32</b>	<b>60.3%</b>

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actua by Class**  
 July 2011 through February 2012

	2-Redlands Plaza/Mentone Ent.			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 • Interest Income				
4012 • LAIF	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			
4030 • Mining Income				
4031 • Plant Site - CEMEX	0.00			
4032 • Cemex - Royalty / Lease	0.00			
4033 • Cemex USA Minimum Rent	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	13,412.00	12,800.00	612.00	104.8%
<b>Total 4060 • Property Income</b>	13,412.00	12,800.00	612.00	104.8%
4065 • Redlands Plaza	67,457.07	73,967.68	-6,510.61	91.2%
4080 • Exchange Plan	0.00			
4085 • AB 303 Grant	0.00			
<b>Total Income</b>	80,869.07	86,767.68	-5,898.61	93.2%
<b>Gross Profit</b>	80,869.07	86,767.68	-5,898.61	93.2%
<b>Expense</b>				
5050 • Regional Programs				
5080 • LAFCO Contribution	0.00			
<b>Total 5050 • Regional Programs</b>	0.00			
5100 • Professional Service				
5120 • Misc. Professional Services	4,180.68			
5122 • Wash Plan Professional Services	0.00			
5125 • Engineering Services	0.00			
5145 • Environmental Services	0.00			
5160 • IT Support	0.00	53.32	-53.32	0.0%
5170 • Audit	0.00	2,850.00	-2,850.00	0.0%
5175 • Legal - Wash Plan	0.00			
5180 • Legal	0.00	8,666.68	-8,666.68	0.0%
<b>Total 5100 • Professional Service</b>	4,180.68	11,570.00	-7,389.32	36.1%
5123 • Temp. Field Labor	0.00			
5200 • Field Operations				
5210 • Equipment Maintenance	0.00			
5215 • Property Maintenance	455.13			
<b>Total 5200 • Field Operations</b>	455.13			
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 2011 through February 2012**

	2-Redlands Plaza/Mentone Ent.			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>5400 - Utilities</b>				
5410 - Alarm Service	838.80			
5420 - Electricity	3,042.47	5,200.00	-2,157.53	58.5%
5430 - Mobile Phone	0.00			
5440 - Telephone	220.05			
5450 - Natural Gas	0.00			
5460 - Water / Trash / Sewer	5,386.56			
5470 - Internet Services	49.99			
<b>Total 5400 - Utilities</b>	<b>9,537.87</b>	<b>5,200.00</b>	<b>4,337.87</b>	<b>183.4%</b>
<b>6000 - General Administration</b>				
6001 - General Administration - Other	124.00			
6002 - Website Administration	0.00			
6003 - Property Tax	316.36			
6004 - Meeting Expenses	92.07			
6006 - Permits	0.00			
6009 - Licenses	0.00			
6010 - Surety Bond	0.00			
6012 - Office Maintenance	0.00			
6015 - Mentone House Maintenance	388.00	1,200.00	-812.00	32.3%
6016 - Redlands Plaza Maintenance	14,765.18	20,000.00	-5,234.82	73.8%
6017 - Management Labor-Redlands Plaza	0.00	3,333.32	-3,333.32	0.0%
6018 - Janitorial Services	0.00			
6019 - Janitorial Supplies	0.00			
6020 - Vacancy Marketing-Redlands Plaz	0.00	3,360.00	-3,360.00	0.0%
6024 - DONT USE-Computer Equip Maint.	0.00			
6027 - Computer Supplies	0.00			
6030 - Office Supplies	0.00	233.32	-233.32	0.0%
6033 - Office Equipment Rental	0.00	700.00	-700.00	0.0%
6036 - Printing	0.00			
6039 - Postage and Overnight Delivery	0.00	140.00	-140.00	0.0%
6042 - Payroll Processing	0.00			
6045 - Bank Service Charges	0.00			
6051 - Uniforms	0.00			
6087 - Educational Reimbursement	0.00			
6090 - Subscriptions/Publications	0.00			
6091 - Public Notices	0.00			
6093 - Memberships	0.00			
6000 - General Administration - Other	0.00			
<b>Total 6000 - General Administration</b>	<b>15,685.61</b>	<b>28,966.64</b>	<b>-13,281.03</b>	<b>54.2%</b>
6045.01 - Wash Plan Bank Charges	0.00			
<b>6100 - Benefits</b>				
6110 - Vision Insurance	65.23	63.87	1.36	102.1%
6115 - Maint/Rep. Rolling Maint. Equip	0.00			
6120 - Workers' Comp. Insurance	481.42	566.26	-84.84	85.0%
6130 - Dental Insurance	227.95	214.72	13.23	106.2%
6140 - State Unemployment Insurance	0.00	23.94	-23.94	0.0%
6150 - Medical Insurance	3,318.02	3,117.41	200.61	106.4%
6160 - Payroll Taxes-Employer	1,420.50	1,395.20	25.30	101.8%
6170 - PERS Retirement	2,622.91	3,728.22	-1,105.31	70.4%
<b>Total 6100 - Benefits</b>	<b>8,136.03</b>	<b>9,109.62</b>	<b>-973.59</b>	<b>89.3%</b>
<b>6200 - Salaries</b>				
6230 - Regular Salaries	18,227.25	24,423.97	-6,196.72	74.6%
6231 - Salary Overhead Charge	0.00			
<b>Total 6200 - Salaries</b>	<b>18,227.25</b>	<b>24,423.97</b>	<b>-6,196.72</b>	<b>74.6%</b>
<b>6300 - Insurance</b>				
6310 - Property/ Auto Insurance	0.00	684.80	-684.80	0.0%
6320 - General Liability Insurance	4,076.60	5,524.80	-1,448.20	73.8%
<b>Total 6300 - Insurance</b>	<b>4,076.60</b>	<b>6,209.60</b>	<b>-2,133.00</b>	<b>65.6%</b>

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actua by Class**  
**July 2011 through February 2012**

		2-Redlands Plaza/Mentone Ent.		
	Jul '11 - Feb 12	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	0.00			
<b>Total 6400 · Board of Directors' Expenses</b>	0.00			
<b>6500 · Administrative/Staff Expenses</b>				
6505 · Mtg. Support Expense (food, bev	0.00			
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>	0.00			
<b>6502.01 · Wash Plan-Environ. Serv EIS</b>	0.00			
<b>Total Expense</b>	60,299.17	85,479.83	-25,180.66	70.5%
<b>Net Ordinary Income</b>	20,569.90	1,287.85	19,282.05	1,597.2%
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
<b>7000 · Construction</b>				
7010 · Materials	0.00			
7050 · Basins- Capital Annual Repair	0.00			
7051 · Capital Repairs-Periodic	0.00			
<b>Total 7000 · Construction</b>	0.00			
<b>7100 · Land &amp; Buildings</b>				
7110 · Property Capital Repairs	0.00			
7130 · Mentone Property (House)-CapRep	0.00	1,333.32	-1,333.32	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00			
<b>Total 7100 · Land &amp; Buildings</b>	0.00	1,333.32	-1,333.32	0.0%
<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>	0.00			
<b>7400 · Professional Services</b>				
7438 · Engineering Services -Other	0.00			
<b>Total 7400 · Professional Services</b>	0.00			
<b>Total Other Expense</b>	0.00	1,333.32	-1,333.32	0.0%
<b>Net Other Income</b>	0.00	-1,333.32	1,333.32	0.0%
<b>Net Income</b>	<b>20,569.90</b>	<b>-45.47</b>	<b>20,615.37</b>	<b>-45,238.4%</b>

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actua by Class**  
 July 2011 through February 2012

	3-Land Resource/Wash & Mine Ent			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 • Interest Income				
4012 • LAIF	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	281,666.68	-281,666.68	0.0%
4030 • Mining Income				
4031 • Plant Site - CEMEX	19,666.48	31,666.68	-12,000.20	62.1%
4032 • Cemex - Royalty / Lease	81,223.51	66,666.68	14,556.83	121.8%
4033 • Cemex USA Minimum Rent	4,000.00			
4034 • Redlands Aggregate 5% Royalty	45,000.00	24,000.00	21,000.00	187.5%
4036 • Aggregate Maintenance	2,840.00	5,000.00	-2,160.00	56.8%
4030 • Mining Income - Other	12,500.00			
<b>Total 4030 • Mining Income</b>	165,229.99	127,333.36	37,896.63	129.8%
4040 • Miscellaneous Income	4,266.00	8,333.32	-4,067.32	51.2%
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			
4080 • Exchange Plan	0.00			
4085 • AB 303 Grant	0.00			
<b>Total Income</b>	169,495.99	417,333.36	-247,837.37	40.6%
<b>Gross Profit</b>	169,495.99	417,333.36	-247,837.37	40.6%
<b>Expense</b>				
5050 • Regional Programs				
5080 • LAFCO Contribution	0.00			
<b>Total 5050 • Regional Programs</b>	0.00			
5100 • Professional Service				
5120 • Misc. Professional Services	15,543.50	3,692.34	11,851.16	421.0%
5122 • Wash Plan Professional Services	30,491.48	84,666.68	-54,175.20	36.0%
5125 • Engineering Services	0.00			
5145 • Environmental Services	6,294.00	142,000.00	-135,706.00	4.4%
5160 • IT Support	0.00	500.00	-500.00	0.0%
5170 • Audit	0.00	3,610.00	-3,610.00	0.0%
5175 • Legal - Wash Plan	3,290.00	28,000.00	-24,710.00	11.8%
5180 • Legal	21,768.45			
<b>Total 5100 • Professional Service</b>	77,387.43	262,469.02	-185,081.59	29.5%
5123 • Temp. Field Labor	0.00			
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. Actua by Class**  
**July 2011 through February 2012**

	3-Land Resource/Wash & Mine Ent			
	Jul '11 - Feb 12	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>	<b>0.00</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	416.68	-416.68	0.0%
6006 · Permits	0.00			
6009 · Licenses	0.00			
6010 · Surety Bond	1,815.00	1,200.00	615.00	151.3%
6012 · Office Maintenance	0.00			
6015 · Mentone House Maintenance	0.00			
6016 · Redlands Plaza Maintenance	0.00			
6017 · Management Labor-Redlands Plaza	0.00			
6018 · Janitorial Services	0.00			
6019 · Janitorial Supplies	0.00			
6020 · Vacancy Marketing-Redlands Plaz	0.00			
6024 · DONT USE-Computer Equip Maint.	0.00			
6027 · Computer Supplies	0.00			
6030 · Office Supplies	0.00	116.68	-116.68	0.0%
6033 · Office Equipment Rental	0.00	233.32	-233.32	0.0%
6036 · Printing	0.00	66.68	-66.68	0.0%
6039 · Postage and Overnight Delivery	0.00	140.00	-140.00	0.0%
6042 · Payroll Processing	0.00			
6045 · Bank Service Charges	0.00			
6051 · Uniforms	0.00			
6087 · Educational Reimbursement	0.00			
6090 · Subscriptions/Publications	0.00			
6091 · Public Notices	0.00			
6093 · Memberships	0.00			
6000 · General Administration - Other	0.00			
<b>Total 6000 · General Administration</b>	<b>1,815.00</b>	<b>2,173.36</b>	<b>-358.36</b>	<b>83.5%</b>
<b>6045.01 · Wash Plan Bank Charges</b>	<b>84.78</b>			
<b>6100 · Benefits</b>				
6110 · Vision Insurance	111.82	124.85	-13.03	89.6%
6115 · Maint/Rep. Rolling Maint. Equip	0.00			
6120 · Workers' Comp. Insurance	825.29	1,106.98	-281.69	74.6%
6130 · Dental Insurance	390.72	419.23	-28.51	93.2%
6140 · State Unemployment Insurance	0.00	46.85	-46.85	0.0%
6150 · Medical Insurance	5,688.06	6,094.11	-406.05	93.3%
6160 · Payroll Taxes-Employer	4,520.48	2,724.28	1,796.20	165.9%
6170 · PERS Retirement	4,496.95	7,279.69	-2,782.74	61.8%
<b>Total 6100 · Benefits</b>	<b>16,033.32</b>	<b>17,795.99</b>	<b>-1,762.67</b>	<b>90.1%</b>
<b>6200 · Salaries</b>				
6230 · Regular Salaries	29,224.40	47,745.46	-18,521.06	61.2%
6231 · Salary Overhead Charge	0.00			
<b>Total 6200 · Salaries</b>	<b>29,224.40</b>	<b>47,745.46</b>	<b>-18,521.06</b>	<b>61.2%</b>
<b>6300 · Insurance</b>				
6310 · Property/ Auto Insurance	0.00			
6320 · General Liability Insurance	1,019.15	1,381.20	-362.05	73.8%
<b>Total 6300 · Insurance</b>	<b>1,019.15</b>	<b>1,381.20</b>	<b>-362.05</b>	<b>73.8%</b>

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actua by Class**  
 July 2011 through February 2012

	3-Land Resource/Wash & Mine Ent			
	Jul '11 - Feb 12	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	0.00			
<b>Total 6400 · Board of Directors' Expenses</b>	<b>0.00</b>			
<b>6500 · Administrative/Staff Expenses</b>				
6505 · Mtg. Support Expense (food, bev	98.63			
6510 · Mileage	0.00			
6515 · Air Fare	0.00			
6520 · Travel, Other (rental car, taxi	0.00			
6525 · Meals	82.44			
6530 · Lodging	0.00			
6535 · Conf/Seminar Registrations	0.00			
<b>Total 6500 · Administrative/Staff Expenses</b>	<b>181.07</b>			
<b>6502.01 · Wash Plan-Environ. Serv EIS</b>	<b>29,342.00</b>			
<b>Total Expense</b>	<b>155,087.15</b>	<b>331,565.03</b>	<b>-176,477.88</b>	<b>46.8%</b>
<b>Net Ordinary Income</b>	<b>14,408.84</b>	<b>85,768.33</b>	<b>-71,359.49</b>	<b>16.8%</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			
7051 · Capital Repairs-Periodic	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</b>				
7438 · Engineering Services -Other	0.00			
<b>Total 7400 · Professional Services</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>14,408.84</b>	<b>85,768.33</b>	<b>-71,359.49</b>	<b>16.8%</b>

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actua by Class**  
 July 2011 through February 2012

	4-General Fund Ent.			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 • Interest Income				
4012 • LAIF	5,547.99	16,666.68	-11,118.69	33.3%
<b>Total 4010 • Interest Income</b>	<b>5,547.99</b>	<b>16,666.68</b>	<b>-11,118.69</b>	<b>33.3%</b>
4020 • Groundwater Charge				
4021 • Assessments - Ag	0.00			
4023 • Assessments - Non-Ag	1,828.71			
<b>Total 4020 • Groundwater Charge</b>	<b>1,828.71</b>			
4025 • Wash Plan Revenue	0.00			
4030 • Mining Income				
4031 • Plant Site - CEMEX	0.00			
4032 • Cemex - Royalty / Lease	0.00			
4033 • Cemex USA Minimum Rent	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	11,192.32	8,333.32	2,859.00	134.3%
4050 • Property Tax	42,867.73	50,000.00	-7,132.27	85.7%
4055 • SBVMWD Spreading Agreement Reim	0.00			
4060 • Property Income				
4062 • Mentone Property	0.00			
<b>Total 4060 • Property Income</b>	<b>0.00</b>			
4065 • Redlands Plaza	0.00			
4080 • Exchange Plan	0.00			
4085 • AB 303 Grant	0.00			
<b>Total Income</b>	<b>61,436.75</b>	<b>75,000.00</b>	<b>-13,563.25</b>	<b>81.9%</b>
<b>Gross Profit</b>	<b>61,436.75</b>	<b>75,000.00</b>	<b>-13,563.25</b>	<b>81.9%</b>
<b>Expense</b>				
5050 • Regional Programs				
5080 • LAFCO Contribution	681.77	2,500.00	-1,818.23	27.3%
<b>Total 5050 • Regional Programs</b>	<b>681.77</b>	<b>2,500.00</b>	<b>-1,818.23</b>	<b>27.3%</b>
5100 • Professional Service				
5120 • Misc. Professional Services	25,215.40	57,000.00	-31,784.60	44.2%
5122 • Wash Plan Professional Services	0.00			
5125 • Engineering Services	0.00			
5145 • Environmental Services	0.00			
5160 • IT Support	2,781.73	2,513.32	268.41	110.7%
5170 • Audit	10,055.00	1,900.00	8,155.00	529.2%
5175 • Legal - Wash Plan	0.00	0.00	0.00	0.0%
5180 • Legal	23,728.26	34,666.68	-10,938.42	68.4%
<b>Total 5100 • Professional Service</b>	<b>61,780.39</b>	<b>96,080.00</b>	<b>-34,299.61</b>	<b>64.3%</b>
5123 • Temp. Field Labor	0.00			
5200 • Field Operations				
5210 • Equipment Maintenance	4,632.68			
5215 • Property Maintenance	3.23			
<b>Total 5200 • Field Operations</b>	<b>4,635.91</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 2011 through February 2012**

4-General Fund Ent.				
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>5400 - Utilities</b>				
5410 - Alarm Service	1,357.51	1,216.68	140.83	111.6%
5420 - Electricity	4,480.93	2,800.00	1,680.93	160.0%
5430 - Mobile Phone	0.00	35.60	-35.60	0.0%
5440 - Telephone	3,722.89	2,800.00	922.89	133.0%
5450 - Natural Gas	565.22	240.00	325.22	235.5%
5460 - Water / Trash / Sewer	0.00	3,307.58	-3,307.58	0.0%
5470 - Internet Services	3,800.52			
<b>Total 5400 - Utilities</b>	<b>13,927.07</b>	<b>10,399.86</b>	<b>3,527.21</b>	<b>133.9%</b>
<b>6000 - General Administration</b>				
6001 - General Administration - Other	208.88	4,000.00	-3,791.12	5.2%
6002 - Website Administration	106.72	2,066.68	-1,959.96	5.2%
6003 - Property Tax	0.00	1,446.68	-1,446.68	0.0%
6004 - Meeting Expenses	1,691.32	1,250.00	441.32	135.3%
6006 - Permits	0.00	533.32	-533.32	0.0%
6009 - Licenses	0.00	133.32	-133.32	0.0%
6010 - Surety Bond	0.00			
6012 - Office Maintenance	158.53	333.32	-174.79	47.6%
6015 - Mentone House Maintenance	0.00			
6016 - Redlands Plaza Maintenance	0.00			
6017 - Management Labor-Redlands Plaza	0.00			
6018 - Janitorial Services	5,379.00	4,666.68	712.32	115.3%
6019 - Janitorial Supplies	100.59			
6020 - Vacancy Marketing-Redlands Plaz	0.00			
6024 - DONT USE-Computer Equip Maint.	47.62			
6027 - Computer Supplies	273.00			
6030 - Office Supplies	1,644.15	1,866.68	-222.53	88.1%
6033 - Office Equipment Rental	5,000.07	3,500.00	1,500.07	142.9%
6036 - Printing	298.33	333.32	-34.99	89.5%
6039 - Postage and Overnight Delivery	665.68	770.00	-104.32	86.5%
6042 - Payroll Processing	535.60	1,366.68	-831.08	39.2%
6045 - Bank Service Charges	22.07	333.32	-311.25	6.6%
6051 - Uniforms	211.96	160.00	51.96	132.5%
6087 - Educational Reimbursement	0.00	1,333.32	-1,333.32	0.0%
6090 - Subscriptions/Publications	248.14	1,666.68	-1,418.54	14.9%
6091 - Public Notices	0.00	333.32	-333.32	0.0%
6093 - Memberships	12,128.00	15,756.68	-3,628.68	77.0%
6000 - General Administration - Other	8.00			
<b>Total 6000 - General Administration</b>	<b>28,727.66</b>	<b>41,850.00</b>	<b>-13,122.34</b>	<b>68.6%</b>
<b>6045.01 - Wash Plan Bank Charges</b>	<b>0.00</b>			
<b>6100 - Benefits</b>				
6110 - Vision Insurance	260.94	270.66	-9.72	96.4%
6115 - Maint/Rep. Rolling Maint. Equip	1,049.55			
6120 - Workers' Comp. Insurance	1,710.56	2,399.82	-689.26	71.3%
6130 - Dental Insurance	911.71	908.97	2.74	100.3%
6140 - State Unemployment Insurance	0.00	101.54	-101.54	0.0%
6150 - Medical Insurance	13,272.08	13,211.07	61.01	100.5%
6160 - Payroll Taxes-Employer	5,785.79	5,907.20	-121.41	97.9%
6170 - PERS Retirement	14,814.99	15,784.96	-969.97	93.9%
<b>Total 6100 - Benefits</b>	<b>37,805.62</b>	<b>38,584.22</b>	<b>-778.60</b>	<b>98.0%</b>
<b>6200 - Salaries</b>				
6230 - Regular Salaries	73,253.63	82,011.60	-8,757.97	89.3%
6231 - Salary Overhead Charge	0.00	-54,256.57	54,256.57	0.0%
<b>Total 6200 - Salaries</b>	<b>73,253.63</b>	<b>27,755.03</b>	<b>45,498.60</b>	<b>263.9%</b>
<b>6300 - Insurance</b>				
6310 - Property/ Auto Insurance	0.00	228.28	-228.28	0.0%
6320 - General Liability Insurance	3,057.45	2,762.40	295.05	110.7%
<b>Total 6300 - Insurance</b>	<b>3,057.45</b>	<b>2,990.68</b>	<b>66.77</b>	<b>102.2%</b>



**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actua by Class**  
**July 2011 through February 2012**

	4-General Fund Ent.			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>6400 · Board of Directors' Expenses</b>				
6401 · Directors' Fees	44,325.00	46,666.68	-2,341.68	95.0%
6410 · Mileage	1,430.42	2,066.68	-636.26	69.2%
6415 · Air Fare	1,881.40	2,000.00	-118.60	94.1%
6420 · Other Travel	128.25	400.00	-271.75	32.1%
6425 · Meals	889.02	1,000.00	-110.98	88.9%
6430 · Lodging	2,019.34	2,666.68	-647.34	75.7%
6435 · Conf/Seminar Registrations	1,685.00	4,666.68	-2,981.68	36.1%
6440 · Election Fees	39,233.00	27,333.36	11,899.64	143.5%
<b>Total 6400 · Board of Directors' Expenses</b>	<b>91,591.43</b>	<b>86,800.08</b>	<b>4,791.35</b>	<b>105.5%</b>
<b>6500 · Administrative/Staff Expenses</b>				
6505 · Mtg. Support Expense (food, bev	0.00			
6510 · Mileage	316.35	533.32	-216.97	59.3%
6515 · Air Fare	0.00	800.00	-800.00	0.0%
6520 · Travel, Other (rental car, taxi	0.00	266.68	-266.68	0.0%
6525 · Meals	538.05	800.00	-261.95	67.3%
6530 · Lodging	146.67	640.00	-493.33	22.9%
6535 · Conf/Seminar Registrations	85.00	1,333.32	-1,248.32	6.4%
<b>Total 6500 · Administrative/Staff Expenses</b>	<b>1,086.07</b>	<b>4,373.32</b>	<b>-3,287.25</b>	<b>24.8%</b>
<b>6502.01 · Wash Plan-Environ. Serv EIS</b>	<b>0.00</b>			
<b>Total Expense</b>	<b>316,547.00</b>	<b>311,333.19</b>	<b>5,213.81</b>	<b>101.7%</b>
<b>Net Ordinary Income</b>	<b>-255,110.25</b>	<b>-236,333.19</b>	<b>-18,777.06</b>	<b>107.9%</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			
7051 · Capital Repairs-Periodic	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	499.95	1,250.00	-750.05	40.0%
7220 · Computer Software	0.00	816.68	-816.68	0.0%
7230 · Field Equipment / Vehicles	0.00	0.00	0.00	0.0%
7240 · Office Equipment	0.00	333.32	-333.32	0.0%
<b>Total 7200 · Equipment &amp; Vehicles</b>	<b>499.95</b>	<b>2,400.00</b>	<b>-1,900.05</b>	<b>20.8%</b>
<b>7400 · Professional Services</b>				
7438 · Engineering Services -Other	0.00			
<b>Total 7400 · Professional Services</b>	<b>0.00</b>			
<b>Total Other Expense</b>	<b>499.95</b>	<b>2,400.00</b>	<b>-1,900.05</b>	<b>20.8%</b>
<b>Net Other Income</b>	<b>-499.95</b>	<b>-2,400.00</b>	<b>1,900.05</b>	<b>20.8%</b>
<b>Net Income</b>	<b>-255,610.20</b>	<b>-238,733.19</b>	<b>-16,877.01</b>	<b>107.1%</b>



**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
**July 2011 through February 2012**

	TOTAL			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 - Interest Income				
4012 - LAIF	5,547.99	16,666.68	-11,118.69	33.3%
<b>Total 4010 - Interest Income</b>	<b>5,547.99</b>	<b>16,666.68</b>	<b>-11,118.69</b>	<b>33.3%</b>
4020 - Groundwater Charge				
4021 - Assessments - Ag	124,806.34	36,639.00	88,167.34	340.6%
4023 - Assessments - Non-Ag	137,715.97	505,100.00	-367,384.03	27.3%
<b>Total 4020 - Groundwater Charge</b>	<b>262,522.31</b>	<b>541,739.00</b>	<b>-279,216.69</b>	<b>48.5%</b>
4025 - Wash Plan Revenue	0.00	281,666.68	-281,666.68	0.0%
4030 - Mining Income				
4031 - Plant Site - CEMEX	19,666.48	31,666.68	-12,000.20	62.1%
4032 - Cemex - Royalty / Lease	81,223.51	66,666.68	14,556.83	121.8%
4033 - Cemex USA Minimum Rent	4,000.00	0.00	4,000.00	100.0%
4034 - Redlands Aggregate 5% Royalty	45,000.00	24,000.00	21,000.00	187.5%
4036 - Aggregate Maintenance	2,840.00	5,000.00	-2,160.00	56.8%
4030 - Mining Income - Other	12,500.00	0.00	12,500.00	100.0%
<b>Total 4030 - Mining Income</b>	<b>165,229.99</b>	<b>127,333.36</b>	<b>37,896.63</b>	<b>129.8%</b>
4040 - Miscellaneous Income	15,708.32	16,666.64	-958.32	94.3%
4050 - Property Tax	42,867.73	50,000.00	-7,132.27	85.7%
4055 - SBVMWD Spreading Agreement Reim	157,297.69	114,666.68	42,631.01	137.2%
4060 - Property Income				
4062 - Mentone Property	13,412.00	12,800.00	612.00	104.8%
<b>Total 4060 - Property Income</b>	<b>13,412.00</b>	<b>12,800.00</b>	<b>612.00</b>	<b>104.8%</b>
4065 - Redlands Plaza	67,457.07	73,967.68	-6,510.61	91.2%
4080 - Exchange Plan	0.00	16,666.68	-16,666.68	0.0%
4085 - AB 303 Grant	12,485.57	0.00	12,485.57	100.0%
<b>Total Income</b>	<b>742,528.67</b>	<b>1,252,173.40</b>	<b>-509,644.73</b>	<b>59.3%</b>
<b>Gross Profit</b>	<b>742,528.67</b>	<b>1,252,173.40</b>	<b>-509,644.73</b>	<b>59.3%</b>
<b>Expense</b>				
5050 - Regional Programs				
5080 - LAFCO Contribution	681.77	2,500.00	-1,818.23	27.3%
<b>Total 5050 - Regional Programs</b>	<b>681.77</b>	<b>2,500.00</b>	<b>-1,818.23</b>	<b>27.3%</b>
5100 - Professional Service				
5120 - Misc. Professional Services	45,939.58	63,333.36	-17,393.78	72.5%
5122 - Wash Plan Professional Services	30,491.48	84,666.68	-54,175.20	36.0%
5125 - Engineering Services	0.00	10,000.00	-10,000.00	0.0%
5145 - Environmental Services	6,294.00	142,000.00	-135,706.00	4.4%
5160 - IT Support	3,164.23	5,533.32	-2,369.09	57.2%
5170 - Audit	10,055.00	19,000.00	-8,945.00	52.9%
5175 - Legal - Wash Plan	3,290.00	28,000.00	-24,710.00	11.8%
5180 - Legal	45,496.71	86,666.72	-41,170.01	52.5%
<b>Total 5100 - Professional Service</b>	<b>144,731.00</b>	<b>439,200.08</b>	<b>-294,469.08</b>	<b>33.0%</b>
5123 - Temp. Field Labor	12,108.30	0.00	12,108.30	100.0%
5200 - Field Operations				
5210 - Equipment Maintenance	5,762.46	1,666.68	4,095.78	345.7%
5215 - Property Maintenance	2,990.43	3,666.68	-676.25	81.6%
<b>Total 5200 - Field Operations</b>	<b>8,752.89</b>	<b>5,333.36</b>	<b>3,419.53</b>	<b>164.1%</b>
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	636.25	6,666.68	-6,030.43	9.5%
5320 - Fuel	8,774.35	10,000.00	-1,225.65	87.7%
<b>Total 5300 - Vehicle Operations</b>	<b>9,410.60</b>	<b>16,666.68</b>	<b>-7,256.08</b>	<b>56.5%</b>

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actual by Class**  
**July 2011 through February 2012**

	TOTAL			
	Jul '11 - Feb 12	Budget	\$ Over Budget	% of Budget
<b>5400 • Utilities</b>				
5410 • Alarm Service	2,196.31	2,433.36	-237.05	90.3%
5420 • Electricity	8,473.19	10,000.00	-1,526.81	84.7%
5430 • Mobile Phone	954.82	1,333.36	-378.54	71.6%
5440 • Telephone	4,458.47	4,000.00	458.47	111.5%
5450 • Natural Gas	565.22	400.00	165.22	141.3%
5460 • Water / Trash / Sewer	6,262.85	5,733.36	529.49	109.2%
5470 • Internet Services	4,150.45	0.00	4,150.45	100.0%
<b>Total 5400 • Utilities</b>	<b>27,061.31</b>	<b>23,900.08</b>	<b>3,161.23</b>	<b>113.2%</b>
<b>6000 • General Administration</b>				
6001 • General Administration - Other	332.88	6,666.68	-6,333.80	5.0%
6002 • Website Administration	106.72	2,066.68	-1,959.96	5.2%
6003 • Property Tax	316.36	1,446.68	-1,130.32	21.9%
6004 • Meeting Expenses	1,078.62	1,666.68	-588.06	64.7%
6006 • Permits	0.00	1,066.64	-1,066.64	0.0%
6009 • Licenses	819.00	666.64	152.36	122.9%
6010 • Surety Bond	1,815.00	1,200.00	615.00	151.3%
6012 • Office Maintenance	158.53	333.32	-174.79	47.6%
6015 • Mentone House Maintenance	388.00	1,200.00	-812.00	32.3%
6016 • Redlands Plaza Maintenance	14,765.18	20,000.00	-5,234.82	73.8%
6017 • Management Labor-Redlands Plaza	0.00	3,333.32	-3,333.32	0.0%
6018 • Janitorial Services	5,379.00	4,666.68	712.32	115.3%
6019 • Janitorial Supplies	100.59	0.00	100.59	100.0%
6020 • Vacancy Marketing-Redlands Plaz	0.00	3,360.00	-3,360.00	0.0%
6024 • DONT USE-Computer Equip Maint.	47.62	0.00	47.62	100.0%
6027 • Computer Supplies	273.00	0.00	273.00	100.0%
6030 • Office Supplies	1,703.34	2,333.36	-630.02	73.0%
6033 • Office Equipment Rental	5,000.07	4,666.64	333.43	107.1%
6036 • Printing	298.33	666.68	-368.35	44.7%
6039 • Postage and Overnight Delivery	665.68	1,400.00	-734.32	47.5%
6042 • Payroll Processing	535.60	1,366.68	-831.08	39.2%
6045 • Bank Service Charges	62.07	333.32	-271.25	18.6%
6051 • Uniforms	476.38	400.00	76.38	119.1%
6087 • Educational Reimbursement	0.00	1,333.32	-1,333.32	0.0%
6090 • Subscriptions/Publications	248.14	1,666.68	-1,418.54	14.9%
6091 • Public Notices	0.00	1,333.32	-1,333.32	0.0%
6093 • Memberships	12,128.00	15,756.68	-3,628.68	77.0%
6000 • General Administration - Other	8.00	0.00	8.00	100.0%
<b>Total 6000 • General Administration</b>	<b>46,706.11</b>	<b>78,930.00</b>	<b>-32,223.89</b>	<b>59.2%</b>
<b>6045.01 • Wash Plan Bank Charges</b>	<b>84.78</b>	<b>0.00</b>	<b>84.78</b>	<b>100.0%</b>
<b>6100 • Benefits</b>				
6110 • Vision Insurance	931.89	977.36	-45.47	95.3%
6115 • Maint/Rep. Rolling Maint. Equip	1,049.55	0.00	1,049.55	100.0%
6120 • Workers' Comp. Insurance	6,662.29	8,666.42	-2,004.13	76.9%
6130 • Dental Insurance	3,256.13	3,282.76	-26.63	99.2%
6140 • State Unemployment Insurance	0.00	366.68	-366.68	0.0%
6150 • Medical Insurance	47,400.33	47,710.64	-310.31	99.3%
6160 • Payroll Taxes-Employer	22,551.45	21,333.36	1,218.09	105.7%
6170 • PERS Retirement	41,793.96	57,006.08	-15,212.12	73.3%
<b>Total 6100 • Benefits</b>	<b>123,645.60</b>	<b>139,343.30</b>	<b>-15,697.70</b>	<b>88.7%</b>
<b>6200 • Salaries</b>				
6230 • Regular Salaries	260,181.30	353,294.42	-93,113.12	73.6%
6231 • Salary Overhead Charge	0.00	-54,256.57	54,256.57	0.0%
<b>Total 6200 • Salaries</b>	<b>260,181.30</b>	<b>299,037.85</b>	<b>-38,856.55</b>	<b>87.0%</b>
<b>6300 • Insurance</b>				
6310 • Property/ Auto Insurance	0.00	3,309.88	-3,309.88	0.0%
6320 • General Liability Insurance	20,383.00	26,242.80	-5,859.80	77.7%
<b>Total 6300 • Insurance</b>	<b>20,383.00</b>	<b>29,552.68</b>	<b>-9,169.68</b>	<b>69.0%</b>

**San Bernardino Valley Water Conservation District**  
**Profit & Loss Budget vs. Actua by Class**  
**July 2011 through February 2012**

	<b>TOTAL</b>			
	<b>Jul '11 - Feb 12</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
<b>6400 · Board of Directors' Expenses</b>				
6401 · Directors' Fees	44,325.00	46,666.68	-2,341.68	95.0%
6410 · Mileage	1,430.42	2,066.68	-636.26	69.2%
6415 · Air Fare	1,881.40	2,000.00	-118.60	94.1%
6420 · Other Travel	128.25	400.00	-271.75	32.1%
6425 · Meals	889.02	1,000.00	-110.98	88.9%
6430 · Lodging	2,019.34	2,666.68	-647.34	75.7%
6435 · Conf/Seminar Registrations	1,685.00	4,666.68	-2,981.68	36.1%
6440 · Election Fees	39,233.00	27,333.36	11,899.64	143.5%
<b>Total 6400 · Board of Directors' Expenses</b>	<b>91,591.43</b>	<b>86,800.08</b>	<b>4,791.35</b>	<b>105.5%</b>
<b>6500 · Administrative/Staff Expenses</b>				
6505 · Mtg. Support Expense (food, bev	98.63	0.00	98.63	100.0%
6510 · Mileage	316.35	666.64	-350.29	47.5%
6515 · Air Fare	0.00	1,000.00	-1,000.00	0.0%
6520 · Travel, Other (rental car, taxi	0.00	333.36	-333.36	0.0%
6525 · Meals	620.49	1,000.00	-379.51	62.0%
6530 · Lodging	146.67	800.00	-653.33	18.3%
6535 · Conf/Seminar Registrations	85.00	1,333.32	-1,248.32	6.4%
<b>Total 6500 · Administrative/Staff Expenses</b>	<b>1,267.14</b>	<b>5,133.32</b>	<b>-3,866.18</b>	<b>24.7%</b>
<b>6502.01 · Wash Plan-Environ. Serv EIS</b>	<b>29,342.00</b>	<b>0.00</b>	<b>29,342.00</b>	<b>100.0%</b>
<b>Total Expense</b>	<b>775,947.23</b>	<b>1,126,397.43</b>	<b>-350,450.20</b>	<b>68.9%</b>
<b>Net Ordinary Income</b>	<b>-33,418.56</b>	<b>125,775.97</b>	<b>-159,194.53</b>	<b>-26.6%</b>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
<b>7000 · Construction</b>				
7010 · Materials	0.00	5,000.00	-5,000.00	0.0%
7050 · Basins- Capital Annual Repair	80,128.00	60,000.00	20,128.00	133.5%
7051 · Capital Repairs-Periodic	0.00	30,000.00	-30,000.00	0.0%
<b>Total 7000 · Construction</b>	<b>80,128.00</b>	<b>95,000.00</b>	<b>-14,872.00</b>	<b>84.3%</b>
<b>7100 · Land &amp; Buildings</b>				
7110 · Property Capital Repairs	0.00	1,666.68	-1,666.68	0.0%
7130 · Mentone Property (House)-CapRep	0.00	1,333.32	-1,333.32	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	1,666.68	-1,666.68	0.0%
<b>Total 7100 · Land &amp; Buildings</b>	<b>0.00</b>	<b>4,666.68</b>	<b>-4,666.68</b>	<b>0.0%</b>
<b>7200 · Equipment &amp; Vehicles</b>				
7210 · Computer Hardware-Capital Purch	499.95	1,666.68	-1,166.73	30.0%
7220 · Computer Software	0.00	2,333.36	-2,333.36	0.0%
7230 · Field Equipment / Vehicles	8,652.33	9,000.00	-347.67	96.1%
7240 · Office Equipment	0.00	333.32	-333.32	0.0%
<b>Total 7200 · Equipment &amp; Vehicles</b>	<b>9,152.28</b>	<b>13,333.36</b>	<b>-4,181.08</b>	<b>68.6%</b>
<b>7400 · Professional Services</b>				
7438 · Engineering Services -Other	0.00	3,333.32	-3,333.32	0.0%
<b>Total 7400 · Professional Services</b>	<b>0.00</b>	<b>3,333.32</b>	<b>-3,333.32</b>	<b>0.0%</b>
<b>Total Other Expense</b>	<b>89,280.28</b>	<b>116,333.36</b>	<b>-27,053.08</b>	<b>76.7%</b>
<b>Net Other Income</b>	<b>-89,280.28</b>	<b>-116,333.36</b>	<b>27,053.08</b>	<b>76.7%</b>
<b>Net Income</b>	<b>-122,698.84</b>	<b>9,442.61</b>	<b>-132,141.45</b>	<b>-1,299.4%</b>

**San Bernardino Valley Water Conservation District**  
**Balance Sheet**  
**As of February 29, 2012**

	Feb 29, 12
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1010 · Bank of America - Checking	335,742.14
1015 · Redlands Plaza Bank	112,872.32
1017.01 · Bank of America-Wash Plan	16.24
1030 · LAIF	664,867.09
1060 · Cal Trust	5,350,000.00
Total Checking/Savings	6,463,497.79
Other Current Assets	
1225 · Advance to Wash Plan	47,845.66
1240 · LAIF - Investment Activity	
1035 · Fair Market Value LAIF	9,864.64
1240 · LAIF - Investment Activity - Other	5,547.99
Total 1240 · LAIF - Investment Activity	15,412.63
Total Other Current Assets	63,258.29
Total Current Assets	6,526,756.08
Fixed Assets	
1500 · Land	
1501 · Land-Unaudited	44,383.15
1500 · Land - Other	64,750.00
Total 1500 · Land	109,133.15
1510 · Buildings	924,712.94
1520 · Vehicles	140,484.22
1530 · Office Equipment	174,530.16
1540 · Field Equipment	195,551.31
1550 · Concrete Basins	330,192.00
1560 · Capital Assets - Redlands	462,926.95
1600 · Accumulated Depreciation	-876,827.00
Total Fixed Assets	1,460,703.73
<b>TOTAL ASSETS</b>	<b>7,987,459.81</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2001 · Accrued Liability	8,119.42
2130 · Short Term Compensated Absences	19,518.00
2150.01 · Loan to Wash Plan from SBVWCD	42,478.99
2195 · Actuarial Accrued Liability	3,118.00
2210 · Security Deposits - Redlands PI	5,825.00
Total Other Current Liabilities	79,059.41
Total Current Liabilities	79,059.41
Long Term Liabilities	
2700 · Deferred Revenue	5,000,000.00
2715 · Compensated Absences	58,554.00
Total Long Term Liabilities	5,058,554.00
Total Liabilities	5,137,613.41
Equity	
3001 · Fund Balance	4,614,905.73
3001.01 · Fund Balance-Wash Plan	-41,717.51
3010 · Retained Earnings	-1,592,266.81
Net Income	-131,075.01
Total Equity	2,849,846.40
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>7,987,459.81</b>

# San Bernardino Valley Water Conservation District

## Check Detail

### February 2012

Num	Date	Name	Account	Class	Original Amount
2620	2/14/2012	Progressive Real Estate Partners	1015 · Redlands Plaza Bank		-2,090.34
		SBVWCD:Redlands Blvd. Property	5120 · Misc. Professional Servi...	2-Redlan...	1,066.68
		SBVWCD:Redlands Blvd. Property	5120 · Misc. Professional Servi...	2-Redlan...	1,023.66
TOTAL					2,090.34
2621	2/14/2012	Day Lite Maintenance, Inc.	1015 · Redlands Plaza Bank		-96.00
		SBVWCD:Redlands Blvd. Property	6016 · Redlands Plaza Mainten...	2-Redlan...	96.00
TOTAL					96.00
2622	2/14/2012	Southern California Edison	1015 · Redlands Plaza Bank		-274.23
		SBVWCD:Redlands Blvd. Property	5420 · Electricity	2-Redlan...	274.23
TOTAL					274.23
2623	2/14/2012	Castro Landscaping Services	1015 · Redlands Plaza Bank		-500.00
		SBVWCD:Redlands Blvd. Property	6016 · Redlands Plaza Mainten...	2-Redlan...	300.00
		SBVWCD:Redlands Blvd. Property	6016 · Redlands Plaza Mainten...	2-Redlan...	200.00
TOTAL					500.00
2624	2/14/2012	Antimite Pest Control, Inc.	1015 · Redlands Plaza Bank		-62.00
		SBVWCD:Redlands Blvd. Property	6016 · Redlands Plaza Mainten...	2-Redlan...	62.00
TOTAL					62.00
2625	2/14/2012	Bob's Plumbing	1015 · Redlands Plaza Bank		-127.00
		SBVWCD:Redlands Blvd. Property	6016 · Redlands Plaza Mainten...	2-Redlan...	127.00
TOTAL					127.00
2626	2/16/2012	J & R Concrete Products Inc.	1015 · Redlands Plaza Bank		-323.25
		SBVWCD:Redlands Blvd. Property	6016 · Redlands Plaza Mainten...	2-Redlan...	323.25
TOTAL					323.25
2627	2/22/2012	Day Lite Maintenance, Inc.	1015 · Redlands Plaza Bank		-86.29
		SBVWCD:Redlands Blvd. Property	6016 · Redlands Plaza Mainten...	2-Redlan...	86.29
TOTAL					86.29
17862	2/3/2012	Guy Darrow	1010 · Bank of America - Che...		-4,500.00
		SBVWCD:Groundwater Recharge	5210 · Equipment Maintenance	4-Genera...	4,500.00
TOTAL					4,500.00
17863	2/13/2012	Griffith, Eunice	1010 · Bank of America - Che...		-25.13
		SBVWCD:General Administration	6004 · Meeting Expenses	4-Genera...	25.13
TOTAL					25.13
17864	2/14/2012	Gerrard's Market	1010 · Bank of America - Che...		-14.16
		SBVWCD:General Administration	6004 · Meeting Expenses	4-Genera...	14.16
TOTAL					14.16

# San Bernardino Valley Water Conservation District

## Check Detail

### February 2012

Num	Date	Name	Account	Class	Original Amount
17865	2/14/2012	J. R. Freeman	1010 · Bank of America - Che...		-344.54
		SBVWCD:General Administration	6030 · Office Supplies	4-Genera...	344.54
TOTAL					344.54
17866	2/14/2012	Smart & Final	1010 · Bank of America - Che...		-101.23
		SBVWCD:General Administration	6004 · Meeting Expenses	4-Genera...	63.54
		SBVWCD:General Administration	6019 · Janitorial Supplies	4-Genera...	37.69
TOTAL					101.23
17867	2/14/2012	ACWA Health Benefits Authority	1010 · Bank of America - Che...		-6,352.82
		SBVWCD:General Administration	6110 · Vision Insurance	4-Genera...	31.36
		SBVWCD:General Administration	6130 · Dental Insurance	4-Genera...	114.91
		SBVWCD:General Administration	6150 · Medical Insurance	4-Genera...	1,632.52
		SBVWCD:General Administration	6110 · Vision Insurance	1-Ground...	59.36
		SBVWCD:General Administration	6110 · Vision Insurance	2-Redlan...	7.84
		SBVWCD:General Administration	6110 · Vision Insurance	3-Land R...	13.44
		SBVWCD:General Administration	6130 · Dental Insurance	1-Ground...	217.51
		SBVWCD:General Administration	6130 · Dental Insurance	2-Redlan...	28.73
		SBVWCD:General Administration	6130 · Dental Insurance	3-Land R...	49.24
		SBVWCD:General Administration	6150 · Medical Insurance	1-Ground...	3,090.13
		SBVWCD:General Administration	6150 · Medical Insurance	2-Redlan...	408.13
		SBVWCD:General Administration	6150 · Medical Insurance	3-Land R...	699.65
TOTAL					6,352.82
17868	2/14/2012	Netstellar	1010 · Bank of America - Che...		-450.00
		SBVWCD:General Administration	5160 · IT Support	4-Genera...	450.00
TOTAL					450.00
17869	2/14/2012	PR Printing	1010 · Bank of America - Che...		-298.33
		SBVWCD:General Administration	6036 · Printing	4-Genera...	298.33
TOTAL					298.33
17870	2/14/2012	Southern California Edison	1010 · Bank of America - Che...		-203.78
		SBVWCD:General Administration	5420 · Electricity	4-Genera...	203.78
TOTAL					203.78
17871	2/14/2012	Corneille, Richard	1010 · Bank of America - Che...		-591.00
		SBVWCD:General	6401 · Directors' Fees	4-Genera...	591.00
TOTAL					591.00
17872	2/14/2012	Glaubig, Bob	1010 · Bank of America - Che...		-394.00
		SBVWCD:General Administration	6401 · Directors' Fees	4-Genera...	394.00
TOTAL					394.00
17873	2/14/2012	Day, Clare Henry	1010 · Bank of America - Che...		-591.00
		SBVWCD:General Administration	6401 · Directors' Fees	4-Genera...	591.00
TOTAL					591.00
17874	2/14/2012	Quill Corporation	1010 · Bank of America - Che...		-216.24
		SBVWCD:General Administration	6030 · Office Supplies	4-Genera...	216.24
TOTAL					216.24

**San Bernardino Valley Water Conservation District**  
**Check Detail**  
**February 2012**

Num	Date	Name	Account	Class	Original Amount
17875	2/14/2012	California Strategies	1010 · Bank of America - Che...		-4,000.00
		SBVWCD:General Administration	5120 · Misc. Professional Servi...	4-Genera...	4,000.00
TOTAL					4,000.00
17876	2/14/2012	Verizon California	1010 · Bank of America - Che...		-157.20
		SBVWCD:General Administration	5410 · Alarm Service	4-Genera...	157.20
TOTAL					157.20
17877	2/14/2012	Verizon California	1010 · Bank of America - Che...		-278.94
		SBVWCD:General Administration	5470 · Internet Services	4-Genera...	278.94
TOTAL					278.94
17878	2/14/2012	American Express	1010 · Bank of America - Che...		-177.37
		SBVWCD:General Administration	6027 · Computer Supplies	4-Genera...	39.00
		SBVWCD:General Administration	6039 · Postage and Overnight ...	4-Genera...	30.97
		SBVWCD:General Administration	6051 · Uniforms	4-Genera...	107.40
TOTAL					177.37
17879	2/14/2012	Contractor Solutions	1010 · Bank of America - Che...		-650.00
		SBVWCD:General Administration	5120 · Misc. Professional Servi...	4-Genera...	650.00
TOTAL					650.00
17880	2/14/2012	Star Auto Parts	1010 · Bank of America - Che...		-55.35
		SBVWCD:General Administration	5210 · Equipment Maintenance	1-Ground...	55.35
TOTAL					55.35
17881	2/14/2012	Verizon Wireless	1010 · Bank of America - Che...		-137.96
		SBVWCD:Groundwater Recharge	5430 · Mobile Phone	1-Ground...	137.96
TOTAL					137.96
17882	2/14/2012	Arrowhead	1010 · Bank of America - Che...		-8.61
		SBVWCD:Groundwater Recharge	5460 · Water / Trash / Sewer	1-Ground...	8.61
TOTAL					8.61
17883	2/14/2012	Chevron & Texaco Card Services	1010 · Bank of America - Che...		-1,182.38
		SBVWCD:Groundwater Recharge	5320 · Fuel	1-Ground...	1,182.38
TOTAL					1,182.38
17884	2/14/2012	Home Depot Credit Services	1010 · Bank of America - Che...		-352.82
		SBVWCD:Groundwater Recharge	5210 · Equipment Maintenance	1-Ground...	10.74
		SBVWCD:Groundwater Recharge	5215 · Property Maintenance	1-Ground...	322.08
		SBVWCD:Groundwater Recharge	6045 · Bank Service Charges	1-Ground...	20.00
TOTAL					352.82
17885	2/14/2012	Lowe's Companies, Inc.	1010 · Bank of America - Che...		-217.40
		SBVWCD:Groundwater Recharge	5210 · Equipment Maintenance	1-Ground...	44.05
		SBVWCD:Groundwater Recharge	5215 · Property Maintenance	1-Ground...	173.35
TOTAL					217.40



# San Bernardino Valley Water Conservation District

## Check Detail

### February 2012

Num	Date	Name	Account	Class	Original Amount
17886	2/14/2012	Burnett Group, LLC	1010 · Bank of America - Che...		-1,758.40
		SBVWCD:General Administration	5123 · Temp. Field Labor	1-Ground...	1,758.40
TOTAL					1,758.40
17887	2/14/2012	RBF Consulting	1010 · Bank of America - Che...		-1,271.50
		SBVWCD:Wash Plan	5145 · Environmental Services	3-Land R...	1,271.50
TOTAL					1,271.50
17888	2/16/2012	J & R Concrete Products Inc.	1010 · Bank of America - Che...		0.00
TOTAL					0.00
17889	2/17/2012	Melody McDonald	1010 · Bank of America - Che...		-2,309.97
		SBVWCD:General Administration	6401 · Directors' Fees	4-Genera...	1,773.00
		SBVWCD:General Administration	6410 · Mileage	4-Genera...	71.04
		SBVWCD:General Administration	6425 · Meals	4-Genera...	8.08
		SBVWCD:General Administration	6420 · Other Travel	4-Genera...	22.25
		SBVWCD:General Administration	6415 · Air Fare	4-Genera...	435.60
TOTAL					2,309.97
17890	2/22/2012	Verizon California -7275	1010 · Bank of America - Che...		-136.16
		SBVWCD:General Administration	5440 · Telephone	1-Ground...	86.17
		SBVWCD:General Administration	5470 · Internet Services	1-Ground...	49.99
TOTAL					136.16
17891	2/22/2012	Chevron & Texaco Card Services	1010 · Bank of America - Che...		-1,336.48
		SBVWCD:Groundwater Recharge	5320 · Fuel	1-Ground...	1,336.48
TOTAL					1,336.48
17892	2/22/2012	Southern California Edison	1010 · Bank of America - Che...		-48.32
		SBVWCD:Groundwater Recharge	5420 · Electricity	1-Ground...	48.32
TOTAL					48.32
17893	2/22/2012	Pat's Pots	1010 · Bank of America - Che...		-70.00
		SBVWCD	5460 · Water / Trash / Sewer	1-Ground...	70.00
TOTAL					70.00
17894	2/22/2012	Burnett Group, LLC	1010 · Bank of America - Che...		-879.20
		SBVWCD:General Administration	5123 · Temp. Field Labor	1-Ground...	879.20
TOTAL					879.20
17895	2/22/2012	Verizon California	1010 · Bank of America - Che...		-680.20
		SBVWCD:General Administration	5440 · Telephone	4-Genera...	480.05
		SBVWCD:General Administration	5470 · Internet Services	4-Genera...	200.15
TOTAL					680.20
17896	2/22/2012	Image Source	1010 · Bank of America - Che...		-578.13
		SBVWCD:General Administration	6033 · Office Equipment Rental	4-Genera...	578.13
TOTAL					578.13



# San Bernardino Valley Water Conservation District

## Check Detail

### February 2012

Num	Date	Name	Account	Class	Original Amount
17897	2/22/2012	Aaron Pederson	1010 · Bank of America - Che...		-35.00
		SBVWCD:General Administration	6018 · Janitorial Services	4-Genera...	35.00
TOTAL					35.00
17898	2/22/2012	JAN-PRO Cleaning Systems of Ontario	1010 · Bank of America - Che...		-618.00
		SBVWCD:General Administration	6018 · Janitorial Services	4-Genera...	618.00
TOTAL					618.00
17899	2/22/2012	Loma Linda Chamber of Commerce	1010 · Bank of America - Che...		-215.00
		SBVWCD:General Administration	6093 · Memberships	4-Genera...	215.00
TOTAL					215.00
17900	2/22/2012	Corneille, Richard	1010 · Bank of America - Che...		-599.80
		SBVWCD:General	6401 · Directors' Fees	4-Genera...	591.00
		SBVWCD:General Administration	6410 · Mileage	4-Genera...	8.80
TOTAL					599.80
17901	2/22/2012	Aranda, Manuel	1010 · Bank of America - Che...		-1,606.77
		SBVWCD:General Administration	6401 · Directors' Fees	4-Genera...	1,576.00
		SBVWCD:General Administration	6410 · Mileage	4-Genera...	13.32
		SBVWCD:General Administration	6420 · Other Travel	4-Genera...	10.25
		SBVWCD:General Administration	6425 · Meals	4-Genera...	7.20
TOTAL					1,606.77
17902	2/22/2012	Adjamian Affiliated, Inc.	1010 · Bank of America - Che...		-3,000.00
		SBVWCD:General Administration	5120 · Misc. Professional Servi...	4-Genera...	3,000.00
TOTAL					3,000.00
17903	2/22/2012	Contractor Solutions	1010 · Bank of America - Che...		-375.00
		SBVWCD:General Administration	5120 · Misc. Professional Servi...	4-Genera...	375.00
TOTAL					375.00
17904	2/22/2012	Southern California Edison	1010 · Bank of America - Che...		-218.95
		SBVWCD:General Administration	5420 · Electricity	4-Genera...	162.48
		SBVWCD:Redlands Blvd. Property	5420 · Electricity	2-Redlan...	56.47
TOTAL					218.95
17905	2/22/2012	ACWA JPIA - Workers Comp	1010 · Bank of America - Che...		-3,245.22
		SBVWCD:General Administration	6120 · Workers' Comp. Insurance	4-Genera...	908.65
		SBVWCD:General Administration	6120 · Workers' Comp. Insurance	1-Ground...	1,719.97
		SBVWCD:General Administration	6120 · Workers' Comp. Insurance	2-Redlan...	227.17
		SBVWCD:General Administration	6120 · Workers' Comp. Insurance	3-Land R...	389.43
TOTAL					3,245.22
17906	2/22/2012	Rutan & Tucker	1010 · Bank of America - Che...		-8,082.51
			5175 · Legal - Wash Plan	3-Land R...	300.00
			5180 · Legal	3-Land R...	276.43
			5180 · Legal	4-Genera...	7,506.08
TOTAL					8,082.51

San Bernardino Valley Water Conservation District  
Check Detail  
February 2012

Num	Date	Name	Account	Class	Original Amount
17907	2/22/2012	Verizon California	1010 - Bank of America - Che...		-278.94
		SBVWCD:General Administration	5470 - Internet Services	4-Genera...	278.94
TOTAL					278.94

SBVWCD Groundwater Assessment Report

GWA Number	37	Period	July 1, 2011 to December 31, 2011			AgRate	\$2.73	NonAgRate	\$9.81
Owner	RecordationNumber	StateWellNumber	LocalName	Ag Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid	
Arrowhead Country Club									
	3601925	1N4W23E	1	218.00	\$595.14	0.00	\$0.00		
					\$595.14		\$0.00		\$595.14
Baseline Gardens Mutual Water Company									
	3602528	1N4W35R01S	#3 - 7251 Barton St.	0.00	\$0.00	0.00	\$0.00		
	3600458	1N4W36M01S	PS & B2	0.00	\$0.00	0.00	\$0.00		
	3610007		Well 5	0.00	\$0.00	0.00	\$0.00		
					\$0.00		\$0.00		\$0.00
Bear Valley Mutual Water Company									
	3601585	1S3W23A03S	San Bernardino Ave. 1	0.00	\$0.00	0.00	\$0.00		
	3600023	1S3W24C	Judson 1	0.00	\$0.00	0.00	\$0.00		
					\$0.00		\$0.00		\$0.00
Bobby H Ingram									
	WP0001204		Ingram Well						
Calvary Chapel Packinghouse									
	3603919		Calvary Well	35.00	\$95.55	0.00	\$0.00		
	3600449	01S03W20A	Bell Well	0.24	\$1.00	0.00	\$0.00		
					\$96.55		\$0.00		\$96.55
Cemex USA									
	3601420	1S3W09E02S	Alabama Street 2	0.00	\$0.00	87.00	\$853.47		
	3603653	1S3W10J2S	Orange Street	0.00	\$0.00	0.00	\$0.00		

GWA Number 37

Period July 1, 2011 to December 31, 2011

AgRate \$2.73

NonAgRate \$9.81

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid
					\$0.00		\$853.47	<u>\$853.47</u>
Crafton Water Company								
	3602186	1S2W21L02S	Garnet/2 Zanja Well	0.00	\$0.00	0.00	\$0.00	
	3600272	1S2W29N	Fifth Ave. 1	7.21	\$19.68	0.00	\$0.00	
					\$19.68		\$0.00	<u>\$19.68</u>
Cram Patterson Well Co.								
	3600188	1S2W16C	Cram-Patterson 2					
	3602003	1S2W16C	Solano 3					
East Valley Water District								
	3603734	1S3W02P06S	PL 147	0.00	\$0.00	865.64	\$8,491.54	
	3601660	1S3W06H04S	PL 9A	0.00	\$0.00	407.90	\$4,001.50	
	3602563	1S4W02Q09S	PL 11A	0.00	\$0.00	703.00	\$6,896.43	
	3601663	1S4W02Q08S	PL 12	0.00	\$0.00	0.00	\$0.00	
	3602560	1S3W04G03S	PL 136 / Dunkirk 2	0.00	\$0.00	0.00	\$0.00	
	3602034	1S4W01Q08	PL 12A	0.00	\$0.00	0.80	\$7.85	
	3601671	1N4W26A02S	PL 24A	0.00	\$0.00	541.40	\$5,311.13	
	3602337	1N4W26A03S	PL 24B	0.00	\$0.00	0.30	\$2.94	
	3603926	01S03W06L06S	PL 151	0.00	\$0.00	1351.00	\$13,253.31	
	3603774	1S3W3R4S	PL 146A	0.00	\$0.00	163.50	\$1,603.94	
	3601639	01S03W03R01S	PL 146	0.00	\$0.00	183.30	\$1,798.17	
	3603583	1S3W02N02S	PL 143 / Abbey Way	0.00	\$0.00	394.70	\$3,872.01	
	3600220	1S3W01H	PL 142	0.00	\$0.00	306.50	\$3,006.77	

GWA Number 37

Period July 1, 2011 to December 31, 2011

AgRate \$2.73

NonAgRate \$9.81

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid
	3603247	1S3W06P18S	PL 141 / McDaniel	0.00	\$0.00	1053.40	\$10,333.85	
	9900001	1S4W25M03S	Fairfax, Well #111	0.00	\$0.00	0.00	\$0.00	
	3602564	1S4W12B07S	PL 28A	0.00	\$0.00	585.80	\$5,746.70	
	3601987	1S3W04G	PL 136 / Dunkirk 1	0.00	\$0.00	0.00	\$0.00	
	3603904	01S03W05D03S	PL 132/Cull 5	0.00	\$0.00	606.90	\$5,953.69	
	3602799	1S2W07F01S	PL 125	0.00	\$0.00	879.70	\$8,629.86	
	3600680	1S3W02J	PL 120/Cram	0.00	\$0.00	0.00	\$0.00	
	3601673	1N4W25C02S	PL 25A	0.00	\$0.00	358.60	\$3,517.87	
	3601978	1S3W04N01S	PL 40	0.00	\$0.00	0.00	\$0.00	
	3601184	1N3W33F01S	PL 94 / Corwin	0.00	\$0.00	0.00	\$0.00	
	3600855	1N3W28P01S	PL 54 / Seeley	0.00	\$0.00	0.00	\$0.00	
	3602338	1S3W04N03S	PL 40A	0.00	\$0.00	349.60	\$3,429.58	
	3602370	1N4W25F04S	PL 107	0.00	\$0.00	621.20	\$6,093.97	
	3602274	1N3W30J05S	PL 39	0.00	\$0.00	565.40	\$5,546.57	
	3601675	1N4W25A01S	PL 27	0.00	\$0.00	0.00	\$0.00	
					<b>\$0.00</b>		<b>\$97,497.68</b>	<b><u>\$97,497.68</u></b>
<b>Eastwood Farms Community Water Users</b>								
	3602130	1S4W01P01S	1	0.00	\$0.00	0.00	\$0.00	
					<b>\$0.00</b>		<b>\$0.00</b>	<b><u>\$0.00</u></b>
<b>George Meadows</b>								
	WP0002552	E085386	Meadows Well	0.00	\$0.00	1.00	\$0.00	
					<b>\$0.00</b>		<b>\$0.00</b>	<b><u>\$0.00</u></b>
<b>Gladysta Well &amp; Water Company (B Marcum)</b>								

GWA Number	37	Period	July 1, 2011 to December 31, 2011			AgRate	\$2.73	NonAgRate	\$9.81
Owner	RecordationNumber	StateWellNumber	LocalName	Ag Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid	
	3600182	1S3W20H02S		72.00	\$196.56	0.00	\$0.00		
					\$196.56		\$0.00	\$196.56	
Happe Mutual Well Company									
	3600795	01S04W13G02S	Gauge 46-1R	0.00	\$0.00	0.00	\$0.00		
	3600238	1S2W29M01S	1	74.77	\$204.12	0.00	\$0.00		
					\$204.12		\$0.00	\$204.12	
Inland Valley Development Agency									
	0000088	1S4W12D	Local 4	0.00	\$0.00	0.00	\$0.00		
	0000086	1S4W12B	Local 2A	0.00	\$0.00	0.00	\$0.00		
	0000092	1S4W12G	Local 44	0.00	\$0.00	0.00	\$0.00		
	0000089	1S4W12F	Local 5	0.00	\$0.00	0.00	\$0.00		
	0000091	1S4W12Q	Palm Meadows	0.00	\$0.00	0.00	\$0.00		
	0000087	1S4W12C	Local 3	0.00	\$0.00	0.00	\$0.00		
					\$0.00		\$0.00	\$0.00	
J.G. Golfing Enterprises, Inc.									
	3602499	1S4W22A01S	Paine	100.40	\$274.10	0.00	\$0.00		
	3601478	1S4W22B03S	Thorn 10 & 11	291.70	\$796.35	0.00	\$0.00		
					\$1,070.45		\$0.00	\$1,070.45	
Jack Dangermond									
	3602188	01S02W29K01	Rancho Ladera Roladera	0.00	\$0.00	0.00	\$0.00		
					\$0.00		\$0.00	\$0.00	
Larry Jacinto Construction									
	3602020	1S2W20K	F A R	0.00	\$0.00	0.00	\$0.00		

GWA Number 37

Period July 1, 2011 to December 31, 2011

AgRate \$2.73

NonAgRate \$9.81

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid
					\$0.00		\$0.00	<u>\$0.00</u>
Loma Linda University Power Plant								
	3602781	1S4W25D06S	Anderson 2	5.80	\$15.83	26.40	\$258.98	
	3602855	1S4W25D07S	Anderson 3	126.00	\$343.98	580.20	\$5,691.76	
					\$359.81		\$5,950.74	<u>\$6,310.55</u>
Loma Linda, City of								
	3603719	1S4W24A05S	Mt. View 3	0.00	\$0.00	297.95	\$2,922.88	
			Mt. View #6	0.00	\$0.00	618.94	\$6,071.70	
	3603927	01S04W24L07	Richardson 6	0.00	\$0.00	794.47	\$7,793.75	
	3603776	01S04W24B03S	Mt. View #5	0.00	\$0.00	0.00	\$0.00	
	3603720	1S4W24F	Richardson 4	0.00	\$0.00	0.00	\$0.00	
	3603523	1S4W24P04S	Richardson 3	0.00	\$0.00	678.82	\$6,659.22	
	3603057	1S4W24C02S	Richardson 1	0.00	\$0.00	0.00	\$0.00	
			Richardson 5	0.00	\$0.00	697.82	\$6,845.61	
	3603721	1S4W24R08S	Mt. View #4	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$30,293.16	<u>\$30,293.16</u>
Lucky Farms, Inc./Spring Pacific Properties								
	3603554	1S3W19A01S	California St.	184.68	\$504.17	0.00	\$0.00	
	3600757	1S3W19L	Mission Marigold	166.88	\$455.58	0.00	\$0.00	
					\$959.75		\$0.00	<u>\$959.75</u>
Majestic Management Co./Mascart Water Company								
	3601102	1S3W21E01	2	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>

GWA Number 37

Period July 1, 2011 to December 31, 2011

AgRate \$2.73

NonAgRate \$9.81

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid
Meeks & Daley Water Co.								
	3601887	1S4W15L03S	Station 59	1.97	\$5.38	0.00	\$0.00	
	3603903	1S4W22H04S	Warren 1	0.00	\$0.00	0.00	\$0.00	
	3603905	1S4W14N115S	Raub 8	0.00	\$0.00	288.75	\$2,832.64	
			Raub 7	0.00	\$0.00	464.24	\$4,554.19	
	3602864	1S4W14N10S	Raub 6	0.00	\$0.00	415.35	\$4,074.58	
	3602863	1S4W22H02S	Warren 4	0.00	\$0.00	311.41	\$3,054.93	
	3603215	1S4W15M11S	Station 91	5.94	\$16.22	0.00	\$0.00	
	3603906	1S4W14N09S	Raub 5	0.00	\$0.00	741.18	\$7,270.98	
					<b>\$21.60</b>		<b>\$21,787.32</b>	<b><u>\$21,808.92</u></b>
Monte LLC (Dangermond)								
	3600494	01SO3W29K	New Well	44.00	\$120.12	0.00	\$0.00	
					<b>\$120.12</b>		<b>\$0.00</b>	<b><u>\$120.12</u></b>
Montecito Memorial Park and Mortuary								
	3600119	1S4W26F01S	1	143.47	\$391.68	0.00	\$0.00	
	9900002	1S4W26F	2	143.47	\$391.68	0.00	\$0.00	
	3603910	01504W272	3	803.81	\$2,194.40	0.00	\$0.00	
					<b>\$2,977.76</b>		<b>\$0.00</b>	<b><u>\$2,977.76</u></b>
Mountain View Mortuary & Cemetery								
	3600743	1N4W26M	1	0.00	\$0.00	48.00	\$470.88	
	3600742	1N4W26N	2	0.00	\$0.00	35.00	\$343.35	
					<b>\$0.00</b>		<b>\$814.23</b>	<b><u>\$814.23</u></b>
Mountainview Generating Station								



GWA Number	37	Period	July 1, 2011 to December 31, 2011			AgRate	\$2.73	NonAgRate	\$9.81
Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid	
	3601015	1S3W18N02S	SB STMP2 67 (DW#1)	0.00	\$0.00	34.60	\$339.37		
	3601014	1S3W18N03S	SB STPM 66 (DW#2)	0.00	\$0.00	160.60	\$1,575.25		
	3603795	01S03W18N06S	Edison Mid Aquifer Well A	0.00	\$0.00	813.20	\$7,977.21		
	3603796	01S03W18N01S	Edison Mid Aquifer Well B	0.00	\$0.00	272.40	\$2,672.44		
					\$0.00		\$12,564.27	\$12,564.27	
National Orange Show									
	3601924	1S4W15D		0.00	\$0.00	30.30	\$297.24		
					\$0.00		\$297.24	\$297.24	
New England Water Co. (B Marcum)									
	3602320	1S3W16L		141.40	\$386.02	0.00	\$0.00		
					\$386.02		\$0.00	\$386.02	
Patton State Hospital									
	3600931	1N3W29N01S	Patton 10	0.00	\$0.00	0.00	\$0.00		
	3602381	1N3W29M	14	0.00	\$0.00	0.00	\$0.00		
	3600924	1N3W29M01S	2	0.00	\$0.00	0.00	\$0.00		
					\$0.00		\$0.00	\$0.00	
Raught Mutual Well Company									
	3602193	1S3W14R01S	Raught	139.73	\$381.46	0.00	\$0.00		
					\$381.46		\$0.00	\$381.46	
Redlands Unified School District									
	3601641	1S2W30C01S	Opal St.	0.00	\$0.00	30.00	\$294.30		
					\$0.00		\$294.30	\$294.30	
Redlands, City of									
	3602792	1S2W19A01S	Agate 2	0.00	\$0.00	83.20	\$816.20		

GWA Number 37

Period July 1, 2011 to December 31, 2011

AgRate \$2.73

NonAgRate \$9.81

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid
	3603760	1S3W29Q02S	Well #39	0.00	\$0.00	575.90	\$5,649.58	
	3601296	1S3W35H03S	16	0.00	\$0.00	0.00	\$0.00	
	3601292	1S3W35G07S	11	0.00	\$0.00	63.00	\$618.03	
	3603762	1S3W13M01S	Airport 2	0.00	\$0.00	44.30	\$434.59	
	3602346	1S3W28J02S	New York St.	671.50	\$1,833.20	0.00	\$0.00	
	3602549	01S03W19J01E	California St. IRR	0.00	\$0.00	318.50	\$3,124.49	
	3602654	1S2W19J02S	Crafton	139.80	\$381.65	0.00	\$0.00	
	3603655	1S3W29Q01S	38	0.00	\$0.00	970.60	\$9,521.59	
	3602211	1S3W26C01S	37 Sylvyn	0.00	\$0.00	0.00	\$0.00	
	3602032	1S3W22A02S	35	0.00	\$0.00	0.00	\$0.00	
	3601301	1S3W28H01S	41	326.40	\$891.08	0.00	\$0.00	
	3602036	1S3W21H07S	31-A	0.00	\$0.00	0.00	\$0.00	
	3602082	02S03W03K01S	36 (Irrigation)	0.00	\$0.00	116.60	\$1,143.85	
	3602895	1S3W13H02S	Airport 1	0.00	\$0.00	488.50	\$4,792.19	
	3601308	1S2W19K01S	Agate 1	26.00	\$70.98	0.00	\$0.00	
	3601299	1S4W24K01S	34	0.00	\$0.00	0.00	\$0.00	
	3601287	1S2W21B02S	East Lugonia 3	0.00	\$0.00	0.00	\$0.00	
	3603766	01S03W10K01S	N. Orange #1	0.00	\$0.00	493.60	\$4,842.22	
	3603767	01S03W10K02S	N. Orange #2	0.00	\$0.00	758.70	\$7,442.85	
	3600019	1S3W23A05S	Rees Well 1	0.00	\$0.00	879.10	\$8,623.98	
	3601291	1S3W35G08S	10	0.00	\$0.00	0.00	\$0.00	
	3601294	1S3W35G09S	13	0.00	\$0.00	0.00	\$0.00	
	3600756	1S3W19L01S	Mission 1	0.00	\$0.00	0.00	\$0.00	

GWA Number 37

Period July 1, 2011 to December 31, 2011

AgRate \$2.73

NonAgRate \$9.81

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid
	3600748	1S3W24A01S	Mentone Acres	0.00	\$0.00	912.20	\$8,948.68	
	3601284	1S2W21E01S	Maguet 2	0.00	\$0.00	0.00	\$0.00	
	3601281	1S2W36F01S	Maguet 1	0.00	\$0.00	0.00	\$0.00	
	3600628	1S3W15G	Redlands Trap & Skeet	0.00	\$0.00	0.00	\$0.00	
	3602896	1S2W20D01S	Madeira	0.00	\$0.00	298.20	\$2,925.34	
	3602031	1S3W21H06S	30-A	0.00	\$0.00	346.40	\$3,387.20	
	3601290	1S2W21D01S	East Lugonia 6	0.00	\$0.00	0.00	\$0.00	
	3601283	1S2W22C02S	East Lugonia 2	0.00	\$0.00	0.00	\$0.00	
	3603656	1S3W14E01S	Church St	0.00	\$0.00	384.60	\$3,772.93	
	3601295	1S3W35H04S	14	0.00	\$0.00	0.00	\$0.00	
	3602109	1S3W31B01S	Bryn Mawr 4	0.00	\$0.00	0.00	\$0.00	
	3600054	1S3W31A03S	Bryn Mawr 2	0.00	\$0.00	0.00	\$0.00	
	3600053	1S3W31A02S	Bryn Mawr 1	0.00	\$0.00	0.00	\$0.00	
	3600055	1S3W31A06S	Bryn Mawr	0.00	\$0.00	0.00	\$0.00	
	3600918	2S3W01E01S	Redlands Heights 1	0.00	\$0.00	236.70	\$2,322.03	
	3601586	1S3W15F01S	Orange St.	0.00	\$0.00	734.90	\$7,209.37	
	3601298	1S3W21H01S	32	0.00	\$0.00	0.00	\$0.00	
	3602065	1S3W32J02S	Lee Well	0.00	\$0.00	0.00	\$0.00	
					<b>\$3,176.91</b>		<b>\$75,575.12</b>	<b><u>\$78,752.03</u></b>
<b>San Bernardino Valley MWD</b>								
	3603116	1S3W13Q01S	SB Ave. 1/Big Bear	0.00	\$0.00	527.60	\$5,175.76	
					<b>\$0.00</b>		<b>\$5,175.76</b>	<b><u>\$5,175.76</u></b>
<b>San Bernardino, City of</b>								

GWA Number 37

Period July 1, 2011 to December 31, 2011

AgRate \$2.73

NonAgRate \$9.81

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid
	3601116	1N4W35C02S	Perris Hill 3	0.00	\$0.00	0.00	\$0.00	
	3602126	1S4W24F	Gould 2 New	0.00	\$0.00	0.00	\$0.00	
	3600734	1S4W02K03S	Antil 4	0.00	\$0.00	0.00	\$0.00	
	3602125	1S4W24F04S	Gould 1 Old	0.00	\$0.00	0.00	\$0.00	
	3602422	1S4W02K08S	Antil 6	0.00	\$0.00	0.00	\$0.00	
	3600732	1S4W02K05S	Antil 2	0.00	\$0.00	0.00	\$0.00	
	3602066	1S4W02B	Van Loon 1	0.00	\$0.00	0.00	\$0.00	
	3601316	1S4W23N	Inter City	0.00	\$0.00	0.00	\$0.00	
	3600731	1S4W02K02S	Antil 5	0.00	\$0.00	0.00	\$0.00	
	3603582	1S4W15P05S	Chandler	0.00	\$0.00	656.80	\$6,443.21	
	3600733	1S4W02K04S	Antil 1	0.00	\$0.00	0.00	\$0.00	
	3603649	1S3W7A6S	Local 11	0.00	\$0.00	27.70	\$271.74	
	3602123	1S4W14J	Norman Road	0.00	\$0.00	0.00	\$0.00	
	3600729	1N4W35M03S	Gilbert St.	0.00	\$0.00	33.40	\$327.65	
	3601114	1N4W35C01S	Perris Hill 2	0.00	\$0.00	0.00	\$0.00	
	3601115	1N4W26P03S	Perris Hill 5	0.00	\$0.00	0.00	\$0.00	
	3600727	1N4W26G	Lynwood	0.00	\$0.00	0.00	\$0.00	
	3600730	1S4W02K01S	Antil 3	0.00	\$0.00	0.00	\$0.00	
	3602128	1S4W14A	Gifford Park	0.00	\$0.00	0.00	\$0.00	
	3602124	1S4W14J	Central Ave.	0.00	\$0.00	0.00	\$0.00	
	3601117	1N4W35C03S	Perris Hill 4	0.00	\$0.00	0.00	\$0.00	
	3603581	1S4W22C05S	Century	0.00	\$0.00	53.80	\$527.78	
					<b>\$0.00</b>		<b>\$7,570.38</b>	<b><u>\$7,570.38</u></b>

GWA Number	37	Period	July 1, 2011 to December 31, 2011			AgRate	\$2.73	NonAgRate	\$9.81
Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Payment	Non-AgProduction	Ag Payment	Amount Paid	
Stater Bros.									
	3602917	1S3W33D01S	Stater Well	2.68	\$7.31	2.68	\$26.25		
					\$7.31		\$26.25		\$33.56
Tennessee Mutual Well Company (B Marcum)									
	3601161	1S3W16L	Pioneer 1	136.00	\$371.28	0.00	\$0.00		
					\$371.28		\$0.00		\$371.28
University of California, Riverside									
	3601245	1S4W27A10S	Hunt 11	0.00	\$0.00	0.00	\$0.00		
	3601222	1S4W27A11S	Hunt 6	0.00	\$0.00	0.00	\$0.00		
	3601244	1S4W27A09S	Hunt 10	0.00	\$0.00	0.00	\$0.00		
					\$0.00		\$0.00		\$0.00
Williams Well Corporation, LTD (B. Marcum)									
	3600828	1S3W16J	-	269.70	\$736.28	0.00	\$0.00		
					\$736.28		\$0.00		\$736.28
Total Ag Payment:		\$11,680.80	Non-Ag Payment:		\$258,699.92	Total Ag + Non-Ag P		\$270,380.72	

# **Non Respondents for GWA 37**

<b>OwnerCode</b>	<b>Owner</b>	<b>MailingName</b>
21	Cram Patterson Well Co.	
9	Deer Park, LLC	Deer Park, LLC
23	Gage Canal Company	Gage Canal Company
26	General American Life Insurance Co. (Cushman & Wakefield)	General American Life Insurance Co.
28	Greenspot Mutual Well Company	Greenspot Mutual Well Company
116	Greenspot Village & Market Place LLC	Greenspot Village & Market Place LLC
33	Langford Ranches/Redlands Farming	Langford Ranches
41	Laranni Gunter Well	Laranni Gunter Well
43	Meadowbrook Dairy	Meadowbrook Dairy
46	Mentone Citrus Groves	Mentone Citrus Groves
108	Mission Development Company	Mission Development Company
56	Pharaoh's Adventure Park	Pharoah's Adventure Park
51	Ramirez, J.J. Citrus Mgmt	J.J. Ramirez Citrus Management
10	Ramirez, Laura	C. & S. Ramirez
105	Redlands Farming	Amber Hill Development, LTD.
54	San Bernardino County (Dave Lovell)	San Bernardino County
106	San Bernardino, County of	County of San Bernardino
66	Tennessee Water Company (P. Marcum)	Tennessee Water Company (P. Marcum)
67	Trojan Groves	Trojan Groves



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
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Memorandum No. 1079

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: March 9, 2011**

**Subject: 2011 Audit Report Presentation**

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## **RECOMMENDATION**

Staff recommends the Board review and consider acceptance of the Audit Report presented by Charles Fedak & Company. If the Board accepts, authorize the General Manager to submit the transmittal to the County.

## **BACKGROUND**

Charles Fedak and Company was selected by the Board to perform the 2011 fiscal year audit. The Audit agreement is a one year agreement with two, one year extensions subject to evaluation of performance. The costs for the remaining two years are not to exceed \$15,950 and \$16,650, respectively. The Ad Hoc Audit Committee met on September 2, 2011 to discuss the audit and planned an initial schedule for the Audit.

## **DISCUSSION**

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

## **FISCAL IMPACT**

The audit was conducted under the amended approved 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 Year Ended June 30, 2011**





## *Service Since 1932*

<u>Name</u>	<u>Division</u>	<u>Title</u>	<u>Current Term Ending</u>
Richard Corneille	1	President	December 14, 2015
Melody Henriques-McDonald	6	Vice-President	December 04, 2013
Clare Henry Day	2	Director	December 04, 2013
Bob Glaubig	3	Director	December 17, 2015
John Longville	4	Director	December 04, 2013
David E. Raley	5	Director	December 04, 2013
Manuel Aranda Jr.	7	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 Year Ended June 30, 2011**

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**San Bernardino Valley Water Conservation District**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2011**

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# Introductory Section

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February 10, 2012

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, 2011 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 your 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 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 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 governed by a seven-member Board of Directors, elected by division from within the District's service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs approximately six regular employees, three in the field and three in the office. The District's Board of Directors meets each month. Meetings are publicly noticed and the public and the press are encouraged to attend its meetings and workshops.

## **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 2000 acres in the Santa Ana River Wash at and below the confluence of the Santa Ana River and Mill Creek. Water year 2011 was a wet year, the District recharged over 50,000 acre feet of water into the groundwater basin. This recharged water accounts for as much as 90% of average production from wells in 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. With the downturn in building, the District has experienced a reduction in mining royalties collected on aggregate mined from District leased properties. Additionally, the District's water production and Groundwater Charge revenue may be affected by these overall economic conditions.

The broader economic outlook for the Inland Empire is slowly improving from the worst of the prolonged real estate recession. Historically, the Inland Empire will recover somewhat slower than Los Angeles and the Coastal areas of Southern California. The ongoing financial crisis that has impacted the District is forecast to continue 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.

## **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.

The District's board of Directors adopted an enterprise model for financial management as well as reserve and other pertinent policies to implement the enterprise model. These changes are intended to provide better internal accountability and provide greater public transparency. Changes have been implemented throughout calendar year 2011; however, some changes were not made until the budget was approved for fiscal year 2011. As a result, some reports do not reflect the enterprise format limiting comparability with prior years. Summary agency wide reports are still provided.

## **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 and an institutional checking account.

## **District Revenues**

State law and District policy ensure that all revenues from groundwater charges generated from District production support District operations. Groundwater Change 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 to seek reimbursement for recharge of water on their behalf. Revenue is also comprised of royalties from aggregate mining, property leases, and interest on reserves.

## **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. Their unqualified 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. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the 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



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# 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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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the San Bernardino Valley Water Conservation District (District) as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the San Bernardino Valley Water Conservation District as of June 30, 2011, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 10, 2012 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. This report can be found on page 29.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9 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.

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

We have applied certain limited procedures to the required supplementary information, on page 27, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section on pages 1 through 3 and the supplemental information on page 28 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the section.

**Charles Z. Fedak and Company, CPA's – An Accountancy Corporation**  
Cypress, California  
February 10, 2012

**San Bernardino Valley Water Conservation District**  
***Management's Discussion and Analysis***  
**For the Fiscal Year Ended June 30, 2011**

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 year ended June 30, 2011. 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 assets decreased 4.8 % or \$145,659 to \$2,882,630 in fiscal year 2011 as the result of operations. In 2010, the District's net assets decreased by 43.7% or \$1,332,365 to \$3,051,227 (\$3,208,377 before prior period adjustment) as the result of operations.
- The District's operating revenues increased 36.3% or \$168,113 in 2011 primarily due to an increase in groundwater assessments. In 2010, the District's operating revenues decreased 16.8% or \$93,511 due to a decrease in groundwater assessments.
- The District's non-operating revenues increase by 37.0% or \$122,955 in 2011 due primarily to a \$180,441 increase in miscellaneous revenues that was offset by a decrease in royalty income of 38.3% or \$29,260 and decrease in rental income of 7.7% or \$10,060. In 2010, non-operating revenues decreased 350.4% or \$1,163,391 due to a \$989,597 decrease in royalty and rental income.
- The District's operating expenses decreased 48.8% or \$1,011,955 in 2011 primarily due to decreases in professional services expenses of \$315,365, benefits expenses of \$138,690, staff salaries expenses of \$276,675, regional program expenses of \$170,131, and general and administrative expenses of \$89,183. In 2010, operating expenses decreased 25.1% or \$696,419 primarily due to a \$695,811 decrease in general fund costs and water spreading expenses.
- The District's non-operating expenses decreased 27.7% or \$23,718 in 2011 primarily due to a \$19,980 decrease in rental property expense. In 2010, non-operating expense increased 105.6% or \$43,929 primarily due to a \$26,500 increase in rental property expense.

**Required Financial Statements**

In fiscal year 2011, the District changed the format of the annual report by omitting the governmental fund financial statements to better reflect the nature and operations of the District and are presented in conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments"*.

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

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

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**

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

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

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

These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting 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.

### **Financial Analysis of the District, continued**

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

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

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 26.

### **Statement of Net Assets**

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

	<u><b>2011</b></u>
Assets:	
Current assets	\$ 6,737,318
Capital assets, net	<u>1,460,704</u>
<b>Total assets</b>	<b>\$ <u><u>8,198,022</u></u></b>
Liabilities:	
Current liabilities	\$ 112,620
Non-current liabilities	<u>5,202,772</u>
<b>Total liabilities</b>	<b><u><u>5,315,392</u></u></b>
Net assets:	
Invested in capital assets	1,460,704
Unrestricted	<u>1,421,926</u>
<b>Total net assets</b>	<b><u><u>2,882,630</u></u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u><u>8,198,022</u></u></b>

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$2,882,630 as of June 30, 2011.

By far the largest portion of the District's net assets (50.7% as of June 30, 2011) 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.

**Statement of Net Assets, continued**

At the end of fiscal years 2011, the District showed a positive balance in its unrestricted net assets of \$1,421,926 which may be utilized in future years.

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

**Condensed Statement of Revenues, Expenses and Changes in Net Assets**

	<u><b>2011</b></u>
Revenues:	
Operating revenues	\$ 631,466
Non-operating revenues	<u>454,990</u>
Total revenues	<u>1,086,456</u>
Expenses:	
Operating expenses	1,071,091
Depreciation expense	99,224
Non-operating expenses	<u>61,800</u>
Total expenses	<u>1,232,115</u>
Change in net assets	(145,659)
Net assets, beginning of year	3,208,377
Prior period adjustment	<u>(180,088)</u>
Net assets, end of year	<u><u>\$ 2,882,630</u></u>

The statement of revenues, expenses and changes of net assets shows how the District's net assets changed during the fiscal years. In the case of the District, net assets decreased by \$145,659 for the fiscal year ended June 30, 2011.

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

- The District's net assets decreased 4.8 % or \$145,659 to \$2,882,630 in fiscal year 2011 as the result of operations. In 2010, the District's net assets decreased by 43.7% or \$1,332,365 to \$3,051,227 (\$3,208,377 before prior period adjustment) as the result of operations.
- The District's operating revenues increased 36.3% or \$168,113 in 2011 primarily due to an increase in groundwater assessments. In 2010, the District's operating revenues decreased 16.8% or \$93,511 due to a decrease in groundwater assessments.
- The District's non-operating revenues increase by 37.0% or \$122,955 in 2011 due primarily to a \$180,441 increase in miscellaneous revenues that was offset by a decrease in royalty income of 38.3% or \$29,260 and decrease in rental income of 7.7% or \$10,060. In 2010, non-operating revenues decreased 350.4% or \$1,163,391 due to a \$989,597 decrease in royalty and rental income.



**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**

- The District's operating expenses decreased 48.8% or \$1,011,955 in 2011 primarily due to decreases in professional services expenses of \$315,365, benefits expenses of \$138,690, staff salaries expenses of \$276,675, regional program expenses of \$170,131, and general and administrative expenses of \$89,183. In 2010, operating expenses decreased 25.1% or \$696,419 primarily due to a \$695,811 decrease in general fund costs and water spreading expenses.
- The District's non-operating expenses decreased 27.7% or \$23,718 in 2011 primarily due to a \$19,980 decrease in rental property expense. In 2010, non-operating expense increased 105.6% or \$43,929 primarily due to a \$26,500 increase in rental property expense.

### **Capital Asset Administration**

At the end of fiscal year 2011, the District's investment in capital assets amounted to \$1,460,704 net of accumulated depreciation. This investment in capital assets includes land, concrete basins, buildings, equipment, and vehicles, etc. Major capital assets additions during the year include improvements the District's buildings.

Changes in capital assets in 2011 were as follows:

	<u>Balance 2010</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2011</u>
Capital assets:				
Non-depreciable assets	\$ 219,383	-	-	219,383
Depreciable assets	2,039,273	78,875	-	2,118,148
Accumulated depreciation	<u>(777,607)</u>	<u>(99,220)</u>	<u>-</u>	<u>(876,827)</u>
Total capital assets	<u>\$ 1,481,049</u>	<u>(20,345)</u>	<u>-</u>	<u>1,460,704</u>

### **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 contact the District's General Manager at 1630 West Redlands Blvd, Suite A, PO Box 1839, Redlands, CA 92373

# Basic Financial Statements

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**San Bernardino Valley Water Conservation District**  
**Statement of Net Assets**  
**June 30, 2011**

<i>Assets</i>	<b>2011</b>
Current assets:	
Cash and cash equivalents (note 3)	\$ 6,360,057
Assessments receivable	259,051
Interest receivable	7,446
Advances to Wash Plan	110,764
Total current assets	<u>6,737,318</u>
Non-current assets:	
Capital assets not being depreciated (note 4)	219,383
Depreciable capital assets (note 4)	1,241,321
Total non-current assets	<u>1,460,704</u>
<b>Total assets</b>	<u><u>\$ 8,198,022</u></u>
 <i>Liabilities</i>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 35,397
Accrued wages and related payables	18,735
Customer deposits	5,825
Long-term liabilities – due in less than one year:	
Compensated absences (note 5)	39,934
Pension-related debt (note 8)	12,729
Total current liabilities	<u>112,620</u>
Non-current liabilities:	
Deferred revenue (note 6)	5,000,000
Long-term liabilities – due in more than one year:	
Compensated absences (note 5)	29,864
Other post-employment benefits payable (note 10)	962
Pension-related debt (note 8)	171,946
Total non-current liabilities	<u>5,202,772</u>
<b>Total liabilities</b>	<u><u>5,315,392</u></u>
Net assets:	
Investment in capital assets	1,460,704
Unrestricted	1,421,926
<b>Total net assets</b>	<u><u>2,882,630</u></u>
<b>Total net assets and liabilities</b>	<u><u>\$ 8,198,022</u></u>

See accompanying notes to the basic financial statements

**San Bernardino Valley Water Conservation District**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2011**

	<u><b>2011</b></u>
Operating revenues:	
Groundwater assessments	\$ 601,466
Services for other agencies	<u>30,000</u>
Total operating revenues	<u>631,466</u>
Operating expenses:	
Water spreading operations	900,990
Regional programs	2,194
General and administrative	<u>167,907</u>
Total operating expenses	<u>1,071,091</u>
Operating loss before depreciation expense	(439,625)
Depreciation expense	<u>(99,224)</u>
<b>Operating loss</b>	<u>(538,849)</u>
Non-operating revenue(expense):	
Property taxes	79,880
Interest earnings	29,879
Royalty income	47,106
Rental income	120,966
Rental property expense	(47,759)
Interest expense	(14,041)
Other non-operating revenue(expense), net	<u>177,159</u>
Total non-operating revenues(expense), net	<u>393,190</u>
<b>Change in net assets</b>	(145,659)
Net assets, beginning of year	3,208,377
Prior period adjustment (note 2)	<u>(180,088)</u>
Net assets, end of year	<u><u>\$ 2,882,630</u></u>

See accompanying notes to the basic financial statements

**San Bernardino Valley Water Conservation District**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2011**

	<u><b>2011</b></u>
Cash flows from operating activities:	
Cash received from groundwater assessments and other agencies	\$ 594,415
Cash paid to employees for salaries and wages	(372,770)
Cash paid to vendors and suppliers for materials and services	<u>(529,005)</u>
Net cash used in operating activities	<u>(307,360)</u>
Cash flows from capital financing activities:	
Acquisition of capital assets	<u>(78,875)</u>
Net cash used in capital financing activities	<u>(78,875)</u>
Cash flows from non-capital financing activities:	
Property taxes	79,880
Royalty income	47,106
Rental revenue, net	73,207
Advances to Wash Plan	(68,875)
Principal payment on pension debt	(6,662)
Interest paid on pension debt	<u>(14,041)</u>
Net cash provided by capital financing activities	<u>110,615</u>
Cash flows from investing activities:	
Interest earnings	<u>21,793</u>
Net cash provided by investing activities	<u>21,793</u>
Net decrease in cash	<u>(253,827)</u>
Cash and cash equivalent at the beginning of year	<u>6,613,884</u>
Cash and cash equivalent at the end of year	<u><u>\$ 6,360,057</u></u>

Continued on next page

See accompanying notes to the basic financial statements

**San Bernardino Valley Water Conservation District**  
**Statement of Cash Flows, continued**  
**For the Fiscal Year Ended June 30, 2011**

	<u>2011</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ <u>(538,849)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	99,224
Other, net	164,625
Changes in assets and liabilities	
(Increase) decrease in assets:	
Assessments receivable	(37,051)
Prepaid expense	10,830
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(25,988)
Accrued wages and related payables	10,584
Customer deposits	-
Compensated absences	8,303
Other post employment benefits payable	<u>962</u>
Total adjustments	<u>231,489</u>
Net cash used in operating activities	\$ <u><u>(307,360)</u></u>
Non-cash investing, capital and financing transactions:	
Change in fair-market value of investments	\$ <u><u>9,865</u></u>

See accompanying notes to the basic financial statements

**San Bernardino Valley Water Conservation District**  
**Statement of Fiduciary Net Assets - Agency Fund**  
**For the Fiscal Year Ended June 30, 2011**

<i>Assets</i>	<b>2011</b>
Cash and cash equivalents	\$ 29,443
Due from other governments	<u>81,321</u>
<b>Total assets</b>	<b>\$ <u><u>110,764</u></u></b>
<i>Liabilities</i>	
Due to other governments	\$ <u>110,764</u>
<b>Total liabilities</b>	<b>\$ <u><u>110,764</u></u></b>

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, 2011**

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

**A. Organization and Operations of the 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 criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 14, *The Financial Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units* (an amendment of No. 14). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

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

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

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

**C. Financial Reporting**

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



**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

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

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

**D. Assets, Liabilities and Net Assets**

**1. Use of Estimates**

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

**2. Cash and Cash Equivalents**

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

**3. 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.

**4. 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.

**5. Compensated Absences**

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.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**D. Assets, Liabilities and Net Assets, continued**

**6. 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.

**7. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$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

**8. 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.

**9. Net Assets**

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

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

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**(2) Prior Period Adjustment**

The following adjustments were made to the financial statements:

	<b>2010</b>
Net assets – end of year – as previously stated	\$ <u>3,208,377</u>
Adjustment for advances to Wash Plan	34,187
Adjustment for pension related debt	(191,337)
Adjustment to net assets	<u>(22,938)</u>
Total prior period adjustments	<u>(180,088)</u>
Net assets – end of year – restated	\$ <u><u>3,028,289</u></u>

***Adjustment for Advances to Wash Plan***

In 2010, the District analyzed advances to the Wash Plan and determined that a portion of costs bourn by the District would be reimbursed to the Wash Plan by other members of the Task Force. Therefore, a non-cash adjustment of \$34,187 was made as a prior period adjustment to recognized amounts due to the District at June 30, 2010.

***Adjustment for Pension-Related Debt***

In 2010, the District determined that the unfunded portion of the CalPERS Side Fund was not recorded in the accounting records of the District. Therefore, a non-cash adjustment of \$191,337 was made as a prior period adjustment at June 30, 2010.

***Adjustment to Net Assets***

In 2010, the District adjusted net assets to properly reflect various correct general ledger balances. Therefore, a non-cash adjustment of \$22,938 was made as a prior period adjustment at June 30, 2010.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**(3) Cash and Investments**

Cash and investments as of June 30, are classified in the Statement of Net Assets as follows:

	<u>2011</u>
Statement of Net Assets:	
Cash and cash equivalents	\$ <u>6,360,057</u>
Agency Fund:	
Cash and cash equivalents	<u>29,443</u>
Total cash and cash equivalents	\$ <u><u>6,389,500</u></u>

Cash and investments as of June 30, consist of the following:

	<u>2011</u>
Cash on hand	\$ 200
Deposits with financial institutions	122,014
Deposits held with the California Local Agency Investment Fund	<u>6,267,286</u>
Total cash and investments	\$ <u><u>6,389,500</u></u>

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

	<u>2011</u>
Deposits held with the California Local Agency Investment Fund	237 days

***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).
- 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.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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

***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.

***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.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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

***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, 2011.

**(4) Capital Assets**

Changes in capital assets for 2011 were as follows:

	<u>Balance 2010</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 2011</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	1,107,338	62,009	-	1,169,347
Vehicles and equipment	140,484	-	-	140,484
Office equipment	171,657	2,877	-	174,534
Field equipment	181,560	13,989	-	195,549
Spreading basins	330,192	-	-	330,192
Improvements	94,404	-	-	94,404
Equipment	<u>13,638</u>	<u>-</u>	<u>-</u>	<u>13,638</u>
Total depreciable assets	<u>2,039,273</u>	<u>78,875</u>	<u>-</u>	<u>2,118,148</u>
Less accumulated depreciation:	<u>(777,607)</u>	<u>(99,220)</u>	<u>-</u>	<u>(876,827)</u>
Total accumulated depreciation:	<u>(777,607)</u>	<u>(99,220)</u>	<u>-</u>	<u>(876,827)</u>
Total capital assets, net	<u>\$ 1,481,049</u>			<u>1,460,704</u>

**(5) Compensated Absences**

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

	<u>Balance 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2011</u>	<u>Current</u>	<u>Long Term</u>
\$	<u>61,495</u>	<u>44,757</u>	<u>(36,454)</u>	<u>69,798</u>	<u>39,934</u>	<u>29,864</u>

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**(6) Long-Term Debt**

***Deferred Revenue***

During the fiscal year ended June 30, 1993, the District entered into an 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 Optimization Study (Wash Plan), which is currently slated for the fiscal year 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.

**(7) 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 June 30, 2013.

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

		<b>Redlands Plaza</b>
<b>Year</b>		
2012	\$	58,671
2013		2,837
	\$	<u>61,508</u>

**(8) Pension-Related Debt**

At of June 30, 2003, CalPERS implemented risk pooling for the District's multiple-employer public employee defined benefit pension plan. As a result, the District Plan converted from an agent multiple-employer plan to a cost sharing multiple-employer plan.

A portion of the District's annual required contributions are actuarially determined and shared by all employers of the risk pool, the District is also required to make annual payments to a Side Fund which was created when the District entered the risk pool. The responsibility for funding the Side Fund is specific to the District and is not shared by all employers in the Plan. Therefore, the Side Fund falls under the definition of pension-related debt, as described in GASB Statement No. 27. The annual payments on the Side Fund represent principal and interest payments on the pension-related debt. Interest is reported as interest expense and the principal is reported as a reduction of the liability.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**(8) Pension-Related Debt, continued**

The future debt service requirements on the plan side fund are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 12,729	14,831	27,560
2013	13,751	13,810	27,561
2014	14,856	12,705	27,561
2015	16,049	11,512	27,561
2016	17,338	10,223	27,561
2017 - 2021	109,952	27,853	137,805
Total	184,675	90,934	275,609
Less current portion	(12,729)		
Total non-current	\$ 171,946		

**(9) Defined Benefit Pension Plan**

***Plan Description***

The Agency contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multi-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the Agency. Copies of CalPERS annual financial report may be obtained 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 2011, 2010 and 2009 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, 2011, the District does not have an unfunded pension liability. For Fiscal years 2011, 2010 and 2009, the District's annual contributions for the CalPERS plan were equal to the Agencies required and actual contributions for each fiscal year as follows:

***Three Year Trend Information:***

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
2008-2009	\$ 125,441	100%	-	17.183%
2009-2010	149,714	100%	-	13.320%
2010-2011	50,376	100%	-	13.897%



**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**(10) 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>2011</u>	<u>2010</u>	<u>2009</u>
Active plan members	5	8	7
Retirees and beneficiaries receiving benefits	-	-	-
Separated plan members entitled to but not yet receiving benefits	-	-	-
Total plan membership	<u>5</u>	<u>8</u>	<u>7</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.

***Annual Cost***

For the year ended June 30, 2011, the District's ARC cost was \$962 based on a 30 year amortization of the unfunded actuarial liability. The District's net OPEB obligation amounted to \$962 for the year ended June 30, 2011. The District contributed \$3,118 to reserves for future costs to fully fund its current liability for retirement medical benefits as of June 30, 2011. The District intends to budget this contribution for future years based on its reserve policy.

**San Bernardino Valley Water Conservation District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**(10) Other Post-Employment Benefits Payable, Continued**

The balance at June 30, consists of the following:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual OPEB expense:			
Annual required contribution (ARC)	\$ 962	-	-
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Total annual OPEB expense	962	-	-
Change in net OPEB payable obligation:			
Age adjusted contributions made	-	-	-
Total change in net OPEB payable obligation	962	-	-
OPEB payable – beginning of year	-	-	-
OPEB payable – end of year	\$ <u>962</u>	<u>-</u>	<u>-</u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2011 and the two preceding years were as follows:

<i>Three-Year History of Net OPEB Obligation</i>				
<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>
2011	\$ 962	-	0.22%	\$ 962
2010*	-	-	0.00%	-
2009*	-	-	0.00%	-

\* The information for the two preceding years is unavailable.

GASB No. 45 was implemented in fiscal year 2011.

**(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, 2011:

- Property: Actual property loss varying by property type with a \$1,000 deductible.
- Vehicles/Mobile Equipment: Actual property loss varying by equipment with a \$500/\$1000 deductible.
- General Liability: \$1,000,000 excess insurance per occurrence.
- Auto Liability: \$1,000,000
- 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, 2011**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2011, that has effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 60***

In November 2010, the GASB issued Statement No.60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. This statement is effective for financial statements for periods beginning after December 15, 2011. 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. 61***

In November 2010, the GASB issued 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*. This statement is effective for financial statements for periods beginning after December 15, 2011. 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. 63***

In June 2011, the GASB issued 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. This statement is effective for financial statements for periods beginning after December 15, 2011. 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. 64***

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. This standard is designed to improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or swap counterparty's credit support provider, is replaced. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

**(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, 2011 have been evaluated for possible adjustment to the financial statements or disclosure as of February 10, 2012, which is the date the financial statements were available to be issued.

## **Required Supplementary Information**

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**San Bernardino Valley Water Conservation District**  
**Schedule of Funding Status – Other Post-Employment Benefits Obligation**  
**For the Fiscal Year Ended June 30, 2011**

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

*Required Supplemental Information – Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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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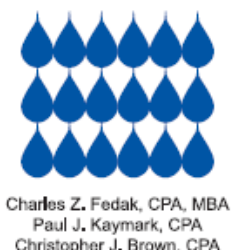
**San Bernardino Valley Water Conservation District**  
**Schedule of Operating Revenues and Expenses**  
**For the Fiscal Year Ended June 30, 2011**

	<u>2011</u>
Operating revenues:	
Groundwater assessments:	
Groundwater charge assessment – Agricultural	\$ 65,686
Groundwater charge assessment – Non-Agricultural	535,780
Services for other agencies	<u>30,000</u>
Total operating revenues	<u>631,466</u>
Operating expenses:	
Water spreading operations:	
Professional services	281,386
Field Operations	31,476
Vehicle operations	1,374
Utilities	24,088
Benefits	174,796
Salaries/staff	363,997
Equipment	<u>23,873</u>
Total water spreading operations	<u>900,990</u>
Regional programs:	
Regional programs LAFCO contribution	<u>2,194</u>
Total regional programs	<u>2,194</u>
General and administrative:	
Administrative expense	6,693
Director's fees/expense	92,231
General and administrative	46,393
Insurance	<u>22,590</u>
Total general and administrative	<u>167,907</u>
Total operating expenses	<u>1,071,091</u>
Operating loss before depreciation expense	(439,625)
Depreciation expense	<u>(99,224)</u>
<b>Operating loss</b>	<u><u>\$ (538,849)</u></u>

# **Report on Internal Controls and Compliance**

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# Charles Z. Fedak & Company

Certified Public Accountants  
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 the basic financial statements of the San Bernardino Valley Water Conservation District (District) as of and for the years ended June 30, 2011 and have issued our report thereon dated February 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control over financial reporting 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### ***Compliance and Other Matters***

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

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

**Charles Z. Fedak and Company, CPA's - An Accountancy Corporation**  
Cypress, California  
February 10, 2012

**San Bernardino Valley Water Conservation District**

**Management Report**

**June 30, 2011**

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# **San Bernardino Valley Water Conservation District**

## **Management Report**

### **Table of Contents**

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Status of Comments and Recommendations Made in the Previous Year	3
<b>Appendix:</b>	
Audit/Finance Committee Letter	1-3
Schedule of Audit Adjusting Journal Entries	4-5



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

# Charles Z. Fedak & Company

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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, 2011, 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.

We consider the following deficiencies to be significant deficiencies in internal control:

## **Summary of Current Year Comments and Recommendations**

### ***Audit Preparation***

While conducting our audit, we noted that obtaining a complete and accurate final general ledger as well as supporting schedules for account balances that were acceptable to the auditor took an extensive amount of time. These factors contributed to significant delays in the ability to begin our audit and finalize the year-end financial statements. We recommend that the District examine current accounting and financial reporting needs and requirements and improve and/or acquire skills concerning the preparation of supporting schedules for balances recorded in the general ledger. This training will lead to personnel who are more efficient, effective, and communicative with the auditors in regard to accounting and financial matters.

### ***Management's Response***

The District has made significant changes in the year under audit. Changes in staffing at both, management, accounting staff, and external auditor made the audit more difficult for staff and auditors. The District also moved to an enterprise approach for accounting and significantly improved the tracking of costs and expenses. This transition created some of the difficulty the auditor encountered. While the District believes it has made excellent progress in financial reporting, the District is undertaking efforts to make staffing changes to insure it can produce schedules incorporated into the general ledger for audit purposes.

### ***Internal Control over Financial Reporting and Auditor Independence***

While conducting our audit, we noted a reliance on the District's auditor to identify and resolve accounting issues that should be part of the District's year-end accounting function. Auditing standards require that the external auditor be both independent in both perception and in fact. Since the performance of these non-attest services could impair the auditor's independence, we believe that the District should consider options to strengthen controls over the District's accounting department and financial reporting process.

### ***Management's Response***

See response to item No. 1. Services previously provided or coordinated by the auditor were historically relied upon to close the District's books for the year. Changes in auditors and staffing will necessitate developing capacity to perform year end accounting functions. The District is committed to develop these capacities in staff or contract support to avoid any change of impairing auditor independence.

### ***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have noted here that there are no audit adjustments this year; however, certain reclassification adjustments were needed for financial reporting purposes. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

### ***Management's Response***

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance.



## **Status of Comments and Recommendations Made in the Previous Year**

### **Not Applicable**

\* \* \* \* \*

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 and Company, CPA's – An Accountancy Corporation**  
Cypress, California  
February 10, 2012

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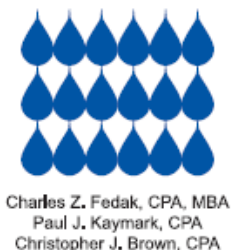
## **APPENDIX**

### **San Bernardino Valley Water Conservation District**

#### **Audit/Finance Committee Letter**

**June 30, 2011**

DRAFT



# Charles Z. Fedak & Company

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An Accountancy Corporation

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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, 2011 and have issued our report thereon dated February 10, 2012. 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 July 29, 2011, 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 2011 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 3 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 10 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 ten audit adjustments and/or reclassification entries made to the original trial balance presented to us to begin our audit. The overall net effect of these adjustments was to decrease the net assets of the District by approximately \$157,150. We have provided a listing of these audit adjustments to the District's management and have included them at the end of this report.

### **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 February 10, 2012

### **Conclusion**

We appreciate the cooperation extended us by Eunice Griffith, Administrative Manager and Daniel Cozad, General Manager, and Therese Bova, from Contractor’s Solutions 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 and Company, CPA’s – An Accountancy Corporation**  
Cypress, California  
October 28, 2011

**San Bernardino Valley Water Conservation District  
Audit Adjusting Journal Entries  
For the Fiscal Year Ended June 30, 2011**

Entry #	Status	Account	Description	Debit	Credit
AJE 1	Posted	2715	Compensated Absences	28,690.00	
		2130	Short Term Compensated Absences		20,416.00
		6230	Regular Salaries		8,274.00
AJE - To adjust Compensated Absences to actual at 6/30/2011.					
AJE 2	Posted	1561	Redlands Plaza - Land	110,250.00	
		1562	Redlands Plaza - Buildings	244,634.95	
		1563	Redlands Plaza - Improvements	94,404.00	
		1564	Redlands Plaza - Equipment	13,638.00	
		1560	Capital Assets - Redlands		462,926.95
RJE - To reclassify Redlands Plaza capital assets to the proper accounts.					
AJE 3	Posted	1600	Accumulated Depreciation	131,152.00	
		1601	Redlands Plaza - Accumulated Deprec		131,152.00
RJE - To reclassify Redlands Plaza accumulated depreciation to the proper account.					
AJE 4	Posted	1017.01	Bank of America - Wash Plan	29,443.02	
		2150.01	Loan to Wash Plan from SBVWCD		42,478.99
		3001.01	Fund Balance - Wash Plan	41,717.51	
		4006.01	Wash Plan - EIS		33,692.86
		6004.01	Wash Plan - Meeting Expense	87.84	
		6045.01	Wash Plan - Bank Charges	28.00	
		6502.01	Wash Plan - Environ. Serv EIS	739.00	
		6503.01	Wash Plan - Environ. Serv HCP	4,159.00	
		4003.01	Wash Plan - Interest Income		2.52
AJE - To properly account for Wash Plan activity during fiscal year 2011.					
AJE 5	Posted	5122	Wash Plan Professional Service		34,720.03
		1226	Due From Wash Plan	34,720.03	
		5122.01	Professional Services	34,720.03	
		2151.01	Due to SBVWCD		34,720.03
		5145	Environmental		5,000.00
		1226	Due From Wash Plan	5,000.00	
		5145.01	Environmental Services	5,000.00	
		2151.01	Due to SBVWCD		5,000.00
		5175	Legal - Wash Plan		23,147.02
		1226	Due From Wash Plan	23,147.02	
		5175.01	Legal Expense	23,147.02	
		2151.01	Due to SBVWCD		23,147.02
		6230	Regular Salaries		5,418.00
		1226	Due From Wash Plan	5,418.00	
		6230.01	Salaries Expense	5,418.00	
		2151.01	Due to SBVWCD		5,418.00
RJE - To transfer various operating expenses from the District to the Agency Fund (Wash Plan) at 6/30/2011.					

**San Bernardino Valley Water Conservation District  
Audit Adjusting Journal Entries  
For the Fiscal Year Ended June 30, 2011**

Entry #	Status	Account	Description	Debit	Credit
AJE 6	Posted	1225	Advance to Wash Plan	34,236.84	
		5081	Regional Programs Wash Plan		50.00
		3001	Fund Balance		34,186.84
		AJE - Prior period adjustment to adjust amounts due to the District from the Wash Plan.			
AJE 7	Posted	2500	Pension Loan		196,891.00
		3001	Fund Balance	196,891.00	
		AJE - Prior period adjustment to record Pension Loan obligation at 7/1/2009.			
AJE 8	Posted	2500	Pension Loan	5,554.00	
		3001	Fund Balance		5,554.00
		AJE - Prior period adjustment to record paydown of Pension Loan obligation expensed in fiscal year 2010.			
AJE 9	Posted	6170	PERS Retirement		6,662.00
		2500	Pension Loan	6,662.00	
		6170	PERS Retirement		14,041.00
		8000	Interest Expense	14,041.00	
		AJE - To adjust Pension Loan to actual at 6/30/2011.			
AJE 10	Posted	2195	Actuarial Accrued Liability	2,156.00	
		6170	PERS Retirement		2,156.00
		AJE - To adjust Other Post-Employment Benefits to actual at 6/30/2011.			
TOTALS				<u>1,095,054.26</u>	<u>1,095,054.26</u>

Type	Description
AJE	Audit Adjusting Journal Entry
RJE	Reclassifying Journal Entry
CPE	Client Proposed Journal Entry



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1081

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: March 7, 2012**

**Subject: 2012 Engineering Investigation Report**

---

## **RECOMMENDATION**

Staff recommends the Board receive the 2012 Engineering Investigation Report Presentation and consider acceptance of the report.

## **BACKGROUND**

Staff developed the 2012 EI Report in accordance with the plan approved by the Board in December 2011, using the same approach as 2011.

## **DISCUSSION**

Staff will make a presentation of the 2012 EI Report process and results. With ~~the~~ support and coordination from SBVMWD and other producers in the basin, the Report has been compiled and posted for review and comments. Staff will receive any comments from the Board and basin stakeholders and incorporate these into the final version for the April Public Workshop. SBVMWD and most all agencies have been very cooperative in providing groundwater production and groundwater levels. The report contains expanded wells identified and located by Staff. As in prior years, the report also contains some data marked as provisional or documented assumptions, but represents the best available data and professional judgment. SBVMWD will again run their model for the basin to compare with the EI Report.

The EI Report process is very similar to 2011. The primary changes this year consist of ~~are~~ documenting the data and its sources as well as streamlining the document hardcopy distribution process. As an example, the appendices will be published on the website rather than being distributed. The EI Report and Appendices are available on the District's website here: <http://sbvwcd.org/reports-data/bunkerhill/2012EngineeringInvestigation.pdf>

Limited copies of the EI Report will be produced with primary distribution by Adobe Acrobat file. Staff will provide a copy for any Board members who request them.

---

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



**FISCAL IMPACT**

The EI Report itself does not have a significant fiscal impact. Costs to produce the 2012 EI are lower due to the exclusive use of in-house and intern staff for data acquisition, management, analysis, and document preparation. This represents a savings to the Groundwater Enterprise. The primary purpose of the report is to support the basis for the Groundwater Charge in compliance with Water Code §75523. The budget for the groundwater enterprise covers the charge for the EI Report.

# Engineering Investigation of the Bunker Hill Basin 2011–2012



**Prepared By:**



March 7, 2012



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1082

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: March 7, 2012**

**Subject: Budget for Groundwater Enterprise for 2012-2013**

## RECOMMENDATION

Staff recommends the Board receive the presentation on the new developments to the budget and accept the 2012-2013 Budget for the Groundwater Enterprise. Staff further recommends the Board select a groundwater charge rate and direct Staff to Notice that rate for Public meeting and Public hearing.

## BACKGROUND

Based on the Enterprise Policy and amended budget approved in January 2012, Staff is preparing the draft Groundwater Enterprise budget. This budget will be aggregated with the other 3 District enterprises to develop the complete District budget for approval in May 2012. The Engineering Investigation and the budget are companion documents and along with 2011 calendar year production, form the basis of the District's groundwater charges. These rates are set in April 2012 for groundwater extracted from July 2012 to June 2013.

## DISCUSSION

The Groundwater Enterprise budget is based on the projected full costs of groundwater field operations, repairs and regular maintenance, reporting and management for the Fiscal Year. Non-Annual Maintenance and Capital improvements are budgeted separately because they are variable from year to year and can be accelerated or deferred and are budgeted on a 3 year cycle. Capital and non-annual work were deferred before 2011 and with the exception of basin cleaning, some deferred maintenance costs will continue in this and future budgets. Additionally, the development of reserves to offset spikes in cost due to increased maintenance in wet years and decreased pumping in wet years must be developed over time to reduce the impact of the budgets on the agencies and companies paying the charges.

The Groundwater Enterprise revenue is made up of three components:

1. Groundwater charge paid on the extraction of water from the basin
2. Reimbursement for recharging water under agreements with SBVMWD
3. Operating transfers from other enterprises

BOARD  
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Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad

Like the prior year the budget approach directed Staff to:

- Review the full budget with the Admin Committee before submitting to the Board for approval
- The Groundwater Enterprise budget is the basis of the proposed a groundwater charge
- Review and discuss the budget and groundwater charge with groundwater partners

The budget approach and the following assumptions are used as the basis for the 2012-13 Budget:

#### Revenue

- Groundwater revenue based on projected production from EI and prior year production
- Actual costs and overhead

#### Expenses

- Expenses will be estimated on the 2011-12 zero basis from actual costs and overhead
- COLA increases based on Bureau of Labor Statistics CPI-U at 3% <http://bls.gov/cpi/cpid1112.pdf>
- Salary forecast includes raise pool at 5% of total salaries
- Health and other Benefits at actual or providers forecast
- Utilities, fuel and electricity increase at 10% based on sector CPI
- Miscellaneous expense increase (no other basis available) 3%

#### Future Cost Estimates

Based on the direction from the Board the preliminary budget for the Groundwater enterprise is presented in two expense components and two revenue components detailed in the Budget document in Attachment A:

Field Operations, Maintenance, Reporting and Management	\$709,022	
Non-Annual Maintenance and Improvements over three years	<u>\$30,000</u>	\$90,000 total zero 2011 balance
Total Costs	\$739,022	

Revenue is projected based on forecast production for the coming year. Actual revenue is dependent on actual groundwater production which is dependent on climatic and economic conditions. Staff reviewed the current water production and the forecast production provided in the Engineering Evaluation. Staff determined in discussion with producers that the historic production provides a reliable estimate of production. Approximately 80% of basin production is Non-Ag and is less impacted by rainfall than agricultural use. The Engineering Investigation data was used to forecast rainfall and by regression analysis expected District production. This assessment is shown in Figure 1, and indicates approximately 80,000 acre feet of production, the same level indicated by historic producer records.

Projected Revenue from Groundwater charge for 2012-2013	\$ 619,966
Projected Revenue from Reimbursement (historical average)	<u>\$ 70,000</u>
Total Projected Revenue	\$ 689,966

The existing estimated revenue projects the Groundwater Enterprise will have an operating deficit of \$49,056 without a contribution to repayment of reserves or change in rates. Accordingly Staff has analyzed

several groundwater charge changes to reduce the deficit and limit the use of reserves. Staff will present groundwater rate changes between 5% and 20% for the coming year.

**Preliminary Rate Assessment for Discussion**

To completely offset the operating loss shown in the Budget would require a rate increase of approximately 15% for fiscal year 2012-13. If a contribution to reserves in the amount recommended in the District Reserve Policy is budgeted, an additional 15% increase would be needed. Currently Staff is not recommending that a contribution to reserves be included in the budget. If savings or additional reimbursement revenue is available, as in 2011, those funds will be contributed to the Groundwater Reserve.

Potential rate increases based on projected groundwater production are shown in Attachment B. Based on Staff's presentation, discussion of the options and any other appropriate factors, the Board will direct Staff to Notice a Proposed Groundwater Charge Rate which may or may not represent an increase. The Board does not have to ultimately approve the rate noticed.

**FISCAL IMPACT**

The development of the budget itself does not have a fiscal impact however the development of a balanced budget is critical to the ongoing financial health of the District. Budget alternatives are shown that balance the budget to various levels. A primary goal for the budget is to eliminate the use of District reserves by recovering all cost in each enterprise and begin to fund enterprise reserves so that they minimize future costs.

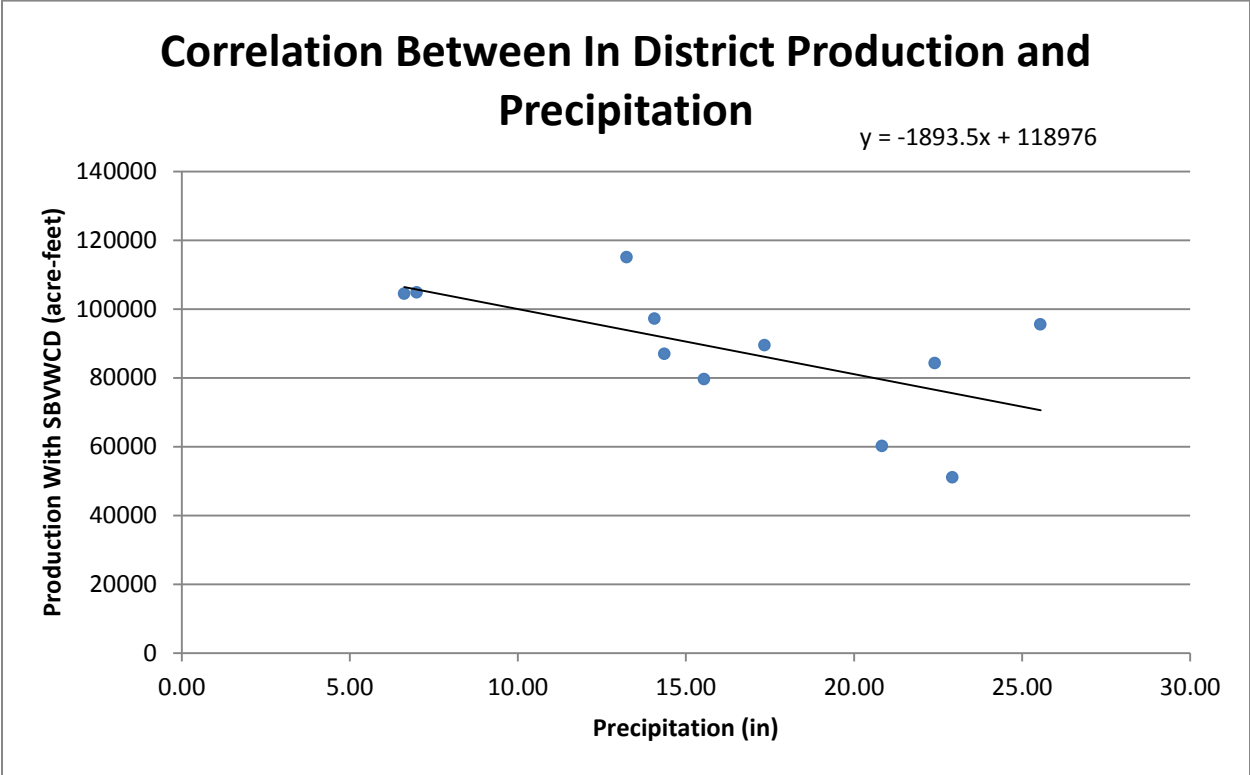


Figure 1 Engineering Investigation Estimate of Production from Expected Precipitation



## Attachment A

San Bernardino Valley Water Conservation District  
2012-2013 Preliminary Groundwater Budget

GL ACCT:	GL DESCRIPTION:	ESTIMATED ANNUALIZED COSTS (BASED ON ACTIVITY 7/1/11- 1/31/12):	2011 AMMENDED BUDGET:	Increase/ Decrease	Proposed 2012-2013 Budget	GROUNDWATER RECHARGE ENTERPRISE		
	<b>Draft Proposed Budget</b>					2012-13 BUDGET:	% BUDGET	BASIS:
	<b>INCOME:</b>							
4012	LAIF INTEREST INCOME	9,509.14	25,000.00	0.00	25,000.00	0.00		
4021	GROUNDWATER CHARGE-AG	28,084.00	36,639.00	0.00	41,380.00	41,380.00	100.00%	See Sub sheet Est.
4023	GROUNDWATER CHARGE-NON AG	500,486.00	505,100.00	0.00	578,586.00	578,586.00	100.00%	See Sub sheet Est.
4031	PLANT SITE RENT	26,857.71	47,500.00	500.00	48,000.00	0.00		GW Total
4032	CEMEX LEASE MINING	139,241.14	100,000.00	108,333.00	208,333.00	0.00		619,966.00
4034	REDLANDS AGGREGATE 5% ROYALTY	36,000.00	36,000.00	0.00	36,000.00	0.00		
4036	AGGREGATE MINING	25,899.43	7,500.00	15,000.00	22,500.00	0.00		
4040	MISCELLANEOUS INCOME	20,367.24	25,000.00	0.00	25,000.00	0.00		
4050	PROPERTY TAX	75,000.00	75,000.00	0.00	75,000.00	0.00		
4055	SBVMWD EASEMENT AGREEMENT REIMB	157,298.00	172,000.00	-132,000.00	40,000.00	40,000.00	100.00%	Historic Average
4062	MENTONE PROPERTY INCOME	0.00	19,200.00		19,200.00	0.00		May increase with Coop Agr.
4065	REDLANDS PLAZA	94,122.24	110,951.52	-10,000.00	100,951.52	0.00		
4080	EXCHANGE PLAN	0.00	25,000.00	5,000.00	30,000.00	30,000.00	100.00%	Historic Average
4025	WASH PLAN REVENUE		422,500.00	-22,500.00	400,000.00	0.00		
	<b>TOTAL INCOME:</b>	1,112,864.91	1,607,390.52	-35,667.00	1,649,950.52	689,966.00		
	<b>EXPENSES:</b>							
5080	LAFCO CONTRIBUTION	3,290.60	3,750.00	0.00	3,750.00	0.00		
5081	WASH PLAN	75.00				0.00		
5120	MISC. PROFESSIONAL FEES	95,000.00	95,000.00		95,000.00	9,500.00	10.00%	% based on 2011
5122	WASH PLAN PROFESSIONAL FEES	52,285.71	127,000.00		127,000.00	0.00		
5125	ENGINEERING SERVICES		15,000.00		15,000.00	15,000.00	100.00%	General Engineering GIS etc.
5130	AERIAL PHOTOGRAPHY & SURVEYING		50,000.00			0.00	20.00%	
5145	ENVIRONMENTAL SERVICES (WASH PLAN)	8,571.43	213,000.00		213,000.00	0.00		
5160	COMPUTER SERVICES	5,142.86	7,500.00		7,500.00	4,000.00	53.33%	Based on 2011
5170	AUDIT & ACCOUNTING	16,000.00	19,000.00	-1,000.00	18,000.00	9,180.00	51.00%	% based on Ent. Revenue
5175	LEGAL-WASH PLAN	10,000.00	42,000.00		42,000.00	0.00		
5180	LEGAL	75,000.00	120,000.00		120,000.00	60,000.00	50.00%	Legal no wash plan cost in
	FIELD OPERATIONS:							
5210	EQUIPMENT MAINTENANCE	1,974.86	2,500.00		2,500.00	2,500.00	100.00%	Based on 2011
5215	PROPERTY MAINTENANCE	4,285.71	5,500.00	1,000.00	6,500.00	5,500.00	100.00%	Based on 2011
	VEHICLE OPERATIONS:					0.00		
5310	VEHICLE MAINTENANCE	11,142.86	10,000.00	2,500.00	12,500.00	10,000.00	100.00%	Based on 2011
5320	FUEL	10,722.86	15,000.00		15,000.00	15,000.00	100.00%	2011 budget + increas
	UTILITIES:							
5410	ALARM SERVICES	3,942.86	3,650.00	500.00	4,150.00	2,075.00	50.00%	
5420	ELECTRICITY	13,320.00	15,000.00		15,000.00	3,000.00	20.00%	Based on 2011
5430	MOBILE PHONES	1,542.86	2,000.00		2,000.00	1,946.67	97.33%	Based on 2011
5440	TELEPHONE	6,771.43	6,000.00	1,000.00	7,000.00	2,100.00	30.00%	Based on 2011
5450	NATURAL GAS	1,028.57	600.00	450.00	1,050.00	420.00	40.00%	Based on 2011
5460	WATER	10,628.57	8,600.00	2,000.00	10,600.00	4,484.60	42.31%	Based on 2011
	GENERAL ADMINISTRATION							
6001	GENERAL ADMIN-OTHER	1,028.57	10,000.00		10,000.00	4,000.00	40.00%	
6002	WEBSITE	3,000.00	3,100.00		3,100.00	0.00		
6003	PROPERTY TAX	2,200.00	2,170.00		2,170.00	0.00		
6004	MEETING EXPENSES	1,671.43	2,500.00		2,500.00	0.00		
6006	PERMITS	1,542.86	1,600.00		1,600.00	800.00	50.00%	Based on 2011
6009	LICENSES	843.84	1,000.00		1,000.00	800.00	80.00%	Based on 2011
6010	SURETY BOND	1,815.00	1,800.00	100.00	1,900.00	0.00		
6012	OFFICE MAINTENANCE	946.29	500.00	500.00	1,000.00	0.00		
6015	MENTONE HOUSE MAINTENANCE	1,500.00	1,800.00		1,800.00	0.00		
6016	REDLANDS PLAZA MAINTENANCE	23,314.29	30,000.00		30,000.00	0.00		
6017	MANAGEMENT LABOR-REDLANDS PLAZA				0.00	0.00		
6018	JANITORIAL SERVICES	8,228.57	7,000.00	1,000.00	8,000.00	0.00		
6020	VACANCY MARKETING-REDLANDS PLAZA	276.90	5,040.00	500.00	5,540.00	0.00		
6024	COMPUTER EQUIPMENT MAINTENANCE	428.57			0.00	0.00		
6030	OFFICE SUPPLIES	3,500.00	3,500.00		3,500.00	175.00	5.00%	Based on 2011
6033	OFFICE EQUIPMENT RENTAL	7,714.29	7,000.00	1,000.00	8,000.00	400.00	5.00%	Based on 2011
6036	PRINTING	1,000.00	1,000.00		1,000.00	400.00	40.00%	Rate and EI
6039	POSTAGE AND OVERNIGHT DELIVERY	1,200.00	2,100.00	-500.00	1,600.00	400.00	25.00%	Based on 2011
6042	PAYROLL PROCESSING FEES	1,028.57	2,050.00	-550.00	1,500.00	0.00		
6045	BANK SERVICE CHARGES	450.00	500.00		500.00	0.00		
6051	UNIFORMS	685.71	600.00	150.00	750.00	450.00	60.00%	Based on 2011
6087	EDUCATIONAL REIMBURSEMENT		2,000.00		2,000.00	0.00		
6090	SUBSCRIPTIONS/PUBLICATIONS	1,500.00	2,500.00	-1,000.00	1,500.00	0.00		

## Attachment A

San Bernardino Valley Water Conservation District  
2012-2013 Preliminary Groundwater Budget

GL ACCT:	GL DESCRIPTION:	ESTIMATED ANNUALIZED COSTS (BASED ON ACTIVITY 7/1/11- 1/31/12):	2011 AMMENDED BUDGET:	Increase/ Decrease	Proposed 2012-2013 Budget	GROUNDWATER RECHARGE ENTERPRISE		
	<b>Draft Proposed Budget</b>					2012-13 BUDGET:	% BUDGET	BASIS:
6091	PUBLIC NOTICES	1,950.00	2,000.00		2,000.00	1,500.00	75.00%	Based on 2011
6093	MEMBERSHIPS	20,000.00	23,635.00		23,635.00	0.00		
	BENEFITS:							
6110	VISION INSURANCE	1,404.00	1,466.00	102.62	1,568.62	794.04	50.62%	Based on % Ent hours
6120	WORKER'S COMP INSURANCE	7,714.29	13,000.00		13,000.00	6,580.60	50.62%	Based on % Ent hours
6130	DENTAL INSURANCE	4,971.43	4,924.00	246.20	5,170.20	2,617.16	50.62%	Based on % Ent hours
6140	STATE UNEMPLOYMENT INSURANCE	264.98	550.00	137.50	687.50	348.01	50.62%	Based on % Ent hours
6150	MEDICAL INSURANCE	72,000.00	84,566.00	8,456.60	93,022.60	47,088.04	50.62%	Based on % Ent hours
6160	SOCIAL SECURITY/MEDICARE TAXES	33,600.00	32,000.00	3,360.00	35,360.00	17,899.23	50.62%	Based on % Ent hours
6170	PERS RETIREMENT	72,000.00	85,509.00	4,706.42	90,215.42	45,667.04	50.62%	Based on % Ent hours
	SALARIES:							
6230	REGULAR SALARIES	361,247.87				0.00		
Sub	Field Supervisor		70,373.60	5,629.89	76,003.49	72,203.32	95.00%	Salary+overhead 20%-% time
Sub	Field Tech II		61,504.43	4,920.35	66,424.79	44,278.76	66.66%	Salary+overhead 20%-% time
Sub	Field Tech I		31,972.50	2,557.80	34,530.30	34,530.30	100.00%	Salary+overhead 20%-% time
Sub	Admin Mgr.		57,750.00	4,620.00	62,370.00	18,711.00	30.00%	Salary+overhead 20%-% time
Sub	Admin Asst		42,630.00	3,410.40	46,040.40	13,812.12	30.00%	Salary+overhead 20%-% time
Sub	Interns		9,135.00	730.80	9,865.80	7,892.64	80.00%	Salary+overhead 20%-% time
Sub	GIS		10,000.00	0.00	10,000.00	8,000.00	80.00%	% Contract Time EI etc.
Sub	General Manager		165,191.25	13,215.30	178,406.55	58,874.16	33.00%	Salary+overhead 20%-% time
	INSURANCE:	432,857.14						
6310	PROPERTY INSURANCE	3,200.00	3,424.00		3,424.00	2,568.00	75.00%	Est from insurer
6320	GENERAL LIABILITY INSURANCE	23,000.00	27,624.00	-2,500.00	25,124.00	17,586.80	70.00%	Est from insurer
	DIRECTOR'S EXPENSES:							
6401	DIRECTOR'S FEES	66,685.71	70,000.00		70,000.00	0.00		
6410	MILEAGE	2,571.43	3,100.00		3,100.00	0.00		
6415	AIR FARE	2,485.71	3,000.00		3,000.00	0.00		
6420	OTHER TRAVEL	200.00	600.00		600.00	0.00		
6425	MEALS	1,542.86	1,500.00	100.00	1,600.00	0.00		
6430	LODGING	4,285.71	4,000.00	500.00	4,500.00	0.00		
6435	CONF/SEMINAR REGISTRATIONS	6,500.00	7,000.00		7,000.00	0.00		
6440	ELECTION FEES				0.00	0.00		
	ADMINISTRATIVE/STAFF EXPENSES:							
6510	MILEAGE	1,200.00	1,000.00	500.00	1,500.00	300.00	20.00%	Allocation based on 2011
6515	AIR FARE	600.00	1,500.00		1,500.00	300.00	20.00%	Allocation based on 2012
6520	OTHER TRAVEL		500.00		500.00	100.00	20.00%	Allocation based on 2013
6525	MEALS	1,200.00	1,500.00		1,500.00	300.00	20.00%	Allocation based on 2014
6530	LODGING	700.00	1,200.00		1,200.00	240.00	20.00%	Allocation based on 2015
6535	CONF/SEMINAR REGISTRATIONS	1,550.75	2,000.00		2,000.00	0.00		
	CONSTRUCTION COSTS							
7010	MATERIALS		5,000.00	25,000.00	30,000.00	30,000.00	100.00%	Field Security Changes
7050	BASINS and Annual Repairs	60,000.00	60,000.00		60,000.00	60,000.00	100.00%	Annual Maintenance
	3 year Maintenance	20,000.00	30,000.00		30,000.00	30,000.00	100.00%	toward 3 year maintenance
	LAND & BUILDINGS							
7110	BUILDINGS	2,000.00	2,500.00		2,500.00	2,500.00	100.00%	Based on 2011
7130	MENTONE PROPERTY (HOUSE)	1,500.00	2,000.00		2,000.00	0.00		In land Enterprise
7140	MENTONE PROPERTY (SHOP)	2,500.00	2,500.00		2,500.00	2,500.00	100.00%	Based on 2011
	EQUIPMENT & VEHICLES				0.00			
7210	COMPUTER HARDWARE	2,500.00	2,500.00		2,500.00	625.00	25.00%	Based on 2011
7220	COMPUTER SOFTWARE	5,142.86	3,500.00	2,000.00	5,500.00	3,575.00	65.00%	GIS EI etc.
7230	FIELD EQUIPMENT	15,428.57	13,500.00	17,000.00	30,500.00	30,500.00	100.00%	Based on 2011
7240	OFFICE EQUIPMENT	500.00	500.00		500.00	0.00		
	PROFESSIONAL SERVICES:							
7438	ENGINEERING SERVICES-OTHER	5,000.00	5,000.00	20,000.00	25,000.00	25,000.00	100.00%	Add Rate Study for 2013-14
	<b>TOTAL EXPENSES:</b>	1,632,904.37	1,800,014.79	122,343.88	1,872,358.66	739,022.48		
	<b>Gain or Loss</b>					-49,056.48		



## Attachement B **DRAFT** Groundwater Charge Revenue Estimate From Projection

GWA	Date	Ag Prod	Ag Rev	Ag Rate	NonAG Prod	NonAG Rev	NonAG Rate	Total Prod	Total Rev	Increase
35	2010.5	9,009	\$19,638		35,291	\$277,035		44,300	\$296,673	
36	2011	7,700	\$16,785	\$ 2.18	29,602	\$232,381	\$ 7.85	37,302	\$249,166	
37	2011.5 Est.	9,009	\$24,595	\$ 2.73	35,291	\$346,205	\$ 9.81	44,300	\$370,799	
	Total	16,709	\$41,380		64,893	\$578,586		81,602	\$ 619,966	

\$ 75594 Required	3x	x=	3.59	4x	5x
Ag-Non Ag ratios	\$ 8.19		\$ 9.81	\$ 10.92	\$ 13.65

### No change in rate

38	2012 Proj.	7,500	\$20,475	\$ 2.73	30,000	\$294,300	\$ 9.81	37,500	\$314,775	
39	2012.5 Proj.	9,000	\$24,570	\$ 2.73	35,000	\$343,350	\$ 9.81	44,000	\$367,920	
		16,500	\$45,045		65,000	\$637,650		81,500	\$ 682,695	\$ -

### 5% Increase in GW Charge

5%

5%

38	2012 Proj.	7,500	\$20,475	\$ 2.73	30,000	\$294,300	\$ 9.81	37,500	\$314,775	
39	2012.5 Proj.	9,000	\$25,799	\$ 2.87	35,000	\$360,518	\$ 10.30	44,000	\$386,316	
		16,500	\$46,274		65,000	\$654,818		81,500	\$ 701,091	\$ 18,396

### 10% Increase in GW Charge

10%

10%

38	2012 Proj.	7,500	\$21,499	\$ 2.87	30,000	\$294,300	\$ 9.81	37,500	\$315,799	
39	2012.5 Proj.	9,000	\$27,027	\$ 3.00	35,000	\$377,685	\$ 10.79	44,000	\$404,712	
		16,500	\$48,526		65,000	\$671,985		81,500	\$ 720,511	\$ 37,816

### 15% Increase in GW Charge

15%

15%

38	2012 Proj.	7,500	\$20,475	\$ 2.73	30,000	\$294,300	\$ 9.81	37,500	\$314,775	
39	2012.5 Proj.	9,000	\$28,256	\$ 3.14	35,000	\$394,853	\$ 11.28	44,000	\$423,108	
		16,500	\$48,731		65,000	\$689,153		81,500	\$ 737,883	\$ 55,188

### 20% Increase in GW Charge

20%

20%

38	2012 Proj.	7,500	\$20,475	\$ 2.73	30,000	\$294,300	\$ 9.81	37,500	\$314,775	
39	2012.5 Proj.	9,000	\$29,484	\$ 3.28	35,000	\$412,020	\$ 11.77	44,000	\$441,504	
		16,500	\$49,959		65,000	\$706,320		81,500	\$ 756,279	\$ 73,584

Estimated production from on time filings - incomplete

Projected Revenue based on historic production



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
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Memorandum No. 1084

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: March 7, 2012**

**Subject: Wash Plan Support for Conservations Strategy**

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## **RECOMMENDATION**

Staff recommends the Board consider approval of the work order from RBF for Wash Plan Support of the Conservation Strategy Negotiations with the US Fish and Wildlife Service. Staff also recommends that authorization be given to the General Manager to modify the existing agreement with RBF to include the scope of work (attached) for an amount not to exceed \$35,000, if funding is provided by the District's mining partners or other members of the Wash Plan Task Force.

## **BACKGROUND**

Interim Wash Plan efforts have been undertaken to advance the project to the point where a clear decision can be made by the Task Force and the Board. To accomplish this, limited costs have been expended for consultants including RBF who were selected to perform work leading to and supporting the Conservation Strategy meetings and decisions. These costs, while limited have been supported by the District as an advance/loan to the Wash Plan Task Force. At a recent Wash Plan Conservation Strategy meeting the District's Mining Partners requested that the District allow them to pay for work by the District's consultant in order to continue the negotiations with US Fish and Wildlife Service.

This action will support the interests of the District and the Districts partners and Task Force members at no additional costs to the District. The District will still have costs related to Staff support for the project until the May 2012 decision.

## **FISCAL IMPACT**

The District's approved budget includes adequate budget for this efforts provided the budgeted revenue is available.

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BOARD  
OF  
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Melody McDonald  
Manuel Aranda, Jr.

GENERAL  
MANAGER

Daniel B. Cozad



February 29, 2012

Daniel Cozad  
San Bernardino Valley Water Conservation District  
1630 W. Redlands Blvd., Suite A  
Redlands, CA 92373

**Subject: Proposal to Complete the Upper Santa Ana River Wash Plan Conservation Strategy**

Dear Mr. Cozad:

Attached is RBF's proposal to complete the Upper Santa Ana River Wash Plan Conservation Strategy. RBF's principal staff that will be assigned to this project include Ruth Villalobos and Tom McGill. They will work closely with the District, U.S. Fish and Wildlife Service, and the other members of the Wash Plan Task Force to develop a balanced conservation and land/resources use based Habitat Conservation Plan.

Please do not hesitate to call me if you have any questions on the scope and/or budget. I can be reached at (909) 974 - 4907.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. McGill", is written over a light blue horizontal line.

Thomas J. McGill, Ph.D  
Vice President, Natural Resources

Attachment: Scope of Work and Fee Proposal

## **ATTACHMENT A**

### **SCOPE OF WORK & FEE**

#### **Project Understanding**

RBF will work closely with USFWS to finalize a conservation strategy for the Upper Santa Ana River Wash Plan. The conservation strategy just released by USFWS is the first step in this process and defines level of conservation that USFWS feels is necessary to mitigate the potential impacts to SBKR and avoid jeopardizing the species' continued existence and long-term recovery. The final strategy, once agreed upon, will then be incorporated into the draft HCP for submittal to USFWS as part of the final Section 10 (a) permit application. The strategy will also become the basis of a project description that will be analyzed in an Environmental Impact Statement.

The process of developing the final, Robertson's conservation strategy will involve working with the District, Robertson's Ready Mix, Cemex, USFWS, CDFG, and SBCFCD in an iterative process to revise the GIS map recently released by USFWS. The end result of this iterative process will be a new and revised GIS map that will not only maintain USFWS required conservation levels but will consider different or additional conservation requirements from CDFG, as well as long-term operational requirements for users in the Upper Santa Ana River Wash Plan area including the District, Robertson's Ready Mix, Cemex, and San Bernardino County Flood Control District.

#### **Project Approach**

The following Tasks are proposed to effectively conduct the needed iterative process and develop a final conservation strategy acceptable to all involved parties. RBF staff that will be coordinating this process will be Tom McGill and Ruth Villalobos.

1. Review the conservation strategy in the existing draft HCP as well as USFWS comments on the draft plan.
2. Review the proposed land exchange program, as documented in the draft HCP, to determine its applicability to the new conservation strategy.
3. Meet with SBVWCD to assess their long-term water conservation requirements within the Wash Plan boundaries and document each future water conservation facility/requirement in GIS.
4. Meet with SBCFCD/USACE to assess long-term conservation requirements for woolly star and ongoing management efforts and assess their relationship to the Upper Santa Ana River Wash Plan
5. Meet with SBCFCD (if participating) to assess the long-term County flood control requirements in the Upper Santa Ana River Wash Plan area

6. Meet with Robertson's Ready Mix and Cemex to determine their immediate and long-term mining requirements, as well as to develop a more comprehensive understanding of their ongoing Section 7 Consultation process for quarry expansion and haul road extension.
7. Following the review of information generated in Tasks 1 thru 6 above, revise USFWS's current GIS conservation map to integrate these various land/resources uses into USFWS's proposed conservation strategy and present a more balanced approach to conservation and land/resource use in the Upper Santa Ana River watershed
8. The revised map will be submitted by RBF on behalf of the District to all participants for review and comments.
9. Based one set of comments from participants to be complied by the District, revise the GIS map for subsequent review(s) and eventual finalization prior to being submitted USFWS.
10. Present the revised GIS map to USFWS for review and comment. This process can take several iterations but will be carefully coordinated with USFWS, at each step, to minimize future changes. Because of the extensive and ongoing discussions with USFWS, it is anticipated that we will be able to reach a balanced and mutually beneficial strategy within just a few iterations.
11. RBF will then prepare a Memo assessing the benefits for USFWS, the District, as well as the other Task Force Members, to continue to work together on the HCP vs. the costs/risks each participant will incur if they could to continue with the process. This memo will provide a basis for either going forward with the HCP or justification of why continuing to fund the HCP will not be a cost effective investment.
12. If the decision is to go forward with the HCP, submit the approved GIS map and accompanying written description of the strategy to SBVWCD for forwarding to HCP consultant for incorporation into final HCP and to the EIS consultant for use in preparing the NEPA documentation
13. Attend up to 3 meetings with HCP team to review and discuss results of the conservation planning efforts and preparation of a new GIS map

**Deliverables:**

1. Revised Conservation Strategy Map in GIS (although there could be several iterations of the map, RBF will strive to limit this process to 3 or 4 versions)
2. Point paper documenting the changes made and justification for each made to the Conservation Strategy Map
3. Cost/Benefit Memo of Developing a Final HCP based on the revised Conservation Strategy, as approved by USFWS

**Costs:**      Time and Materials      NTE \$30,000.00

## **SCHEDULE\***

Tasks 1 thru 6	Gather Relevant Data	March 15 thru March 31
Tasks 7 and 8	Revise and Distribute Conservation Strategy Map To Task Force Team	April 1 thru April 15
Task 9	Receive Comments from Task Force And Edit Conservation Map	April 15 thru April 30
Task 10	Review and Edit Map with USFWS	May 1 thru May 31
Task 11	Prepare Cost/Benefit Analysis Memo	June 1 thru June 7
Task 12	Submit Final Conservation Map to the District for Distribution	June 15

*\*This schedule addresses the process needed to finalize the conservation strategy for the Upper Santa Ana River Wash Plan Habitat Conservation Plan (HCP). Once complete, the resulting GIS Map will be the basis for revising the HCP and for providing the project description to be analyzed in the accompanying Environmental Impact Statement (EIS). This latter process, finalizing the HCP and preparing an EIS, is normally estimated by USFWS to take 18 to 24 months.*



# 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

P.O. Box 1839  
Redlands, CA 92373-0581  
Email: [info@sbvwcd.dst.ca.us](mailto:info@sbvwcd.dst.ca.us)  
[www.sbvwd.dst.ca.us](http://www.sbvwd.dst.ca.us)

Memorandum No. 1080

**To: Board of Directors**

**From: Ad-Hoc Committee and District Counsel**

**Date: March 7, 2012**

**Subject: Contract for General Manager Employment**

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## **RECOMMENDATION**

In accordance with the Ad Hoc Committee's Performance Review of the General Manager, the Ad Hoc Committee recommends the Board approve the Employment Agreement prepared by General Counsel. This contract extends Mr. Cozad's current contract to June 30, 2013 at a salary of \$165,978 and standard District Benefits.

## **FISCAL IMPACT**

The agreement provides for salary and benefits within the approved Fiscal 2011/2012 budget.

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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

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF THE AD HOC COMMITTEE FOR  
GENERAL MANAGER PERFORMANCE REVIEW MEETING

February 23, 2011  
8:00 a.m.

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AD-HOC COMMITTEE MEMBERS PRESENT:

Richard Corneille, Chairperson  
Bob Glaubig, Director  
Clare Henry Day, Director

STAFF PRESENT:

Daniel Cozad, General Manager

1. REVIEW OF THE PERFORMANCE OF THE GENERAL MANAGER

Chair Corneille indicated the meeting would be focused on the performance evaluation of the General Managers for the prior 12 months at the District. The Ad Hoc Committee's discussion and recommendation to the Board is for future employment of Mr. Cozad and a new employment agreement. President Corneille noted that the current General Manager's agreement was through February 23, 2012 and a recommendation and new agreement needs to be brought to the Board at the March 7, 2012 meeting.

Mr. Cozad provided an overview of the accomplishments and challenges in the past 12 months. Daniel distributed handouts, reviewed and presented the accomplishments to the Committee (attached).

Commendations and Successes

President Corneille commended Mr. Cozad for his management, openness, and accomplishment over the last year. Director Day commented that he appreciated the work performed and improvements in the District and requested Mr. Cozad provide any additional changes needed for the betterment of the District. Director Glaubig also commented on the improvements in the District and asked about the process and structure for reviews in the future. Specifically, it was discussed whether there would be a change in the review period for the General Manager that will align with budgeting for the fiscal year, and with the other employee evaluations in June of each year.

Opportunities for Continued Improvement



As all organizations and managers should continually strive for improvement, the Directors indicated they would like to see improvements in the timing and content of minutes, to focus on the priorities the Board recently completed. Reference to these priorities will be listed in the employment contract including any changes made by the Board from time to time.

#### Discussion/Modification of Employment Status

Discussion was initiated by Director Corneille on the issue of compensation and employment status. Mr. Cozad's current salary is \$157,325 and the Directors indicated that an increase was appropriate commensurate with the remaining District salary pool budget and the performance of the General Manager.

The Ad Hoc Committee recommended a salary of \$165,978 per year (5.5% increase) as an employee with regular employee benefits. Additionally, notwithstanding prior policy to the contrary, Mr. Cozad will not be prohibited from continuing contract work with clients who do not present a conflict of interest with the District, and the work does not impact his duties as the General Manager of the District. He has demonstrated his capability to provide exemplary performance and management of multiple efforts and priorities.

#### 2. RECOMMENDATION TO THE BOARD

The Ad Hoc Committee recommends the General Manager be commended on his performance in the prior 12 months. The Ad Hoc Committee also recommends the Board retain Mr. Cozad as an at-will employee serving at the pleasure of the Board under the terms of his existing contract amending the term of the contract to continue through June 30, 2013 with an annual salary of \$165,978 as adjusted for cost of living, and based on annual performance reviews. Mr. Cozad will have benefits provided in the Employee Handbook for all employees and as set from time to time by the Board. The Committee recommends the President be authorized to enter into an employment contract.

#### 3. ADJOURN

There being no further business, the meeting adjourned at 9:30 a.m.

ATTACHMENT

# 2011 District Accomplishments

Below are listed a sort summary of district actions and accomplishments. While not fully inclusive it highlights staff and Board actions for the year.

1. Mill Creek Spreading Ground Repairs and improvement for wet year
2. Redlands Plaza Roofing and major plumbing repairs
3. Approved emergency services and repairs in Mill Creek
4. Prepared plan and implemented with USACOE for Successful High Flow Test Releases.
5. Designed, procured and installed electrical gate actuators for Cuttle Weir
6. Developed proposed and approved Enterprise Descriptions for financial accounting
7. Developed, proposed and approved Reserve Policy for financial plan and budget
8. Provided outreach to water partners and groundwater charge entities for budget
9. Developed proposed, and approved 2011-2012 budget
10. Planned and made presentations for the Community Strategic Plan
11. Coordinated and approved roadway easement and purchase agreement for realignment of Redlands Blvd including District appurtenances
12. Planning, outreach and coordination for EI and intern assistance
13. Negotiated reduced General Counsel rate in consideration of budgetary constraints
14. Planned prepared and implemented 25% Groundwater charge rate increase
15. Worked with IE RCD to prepare Urban Greening proposal for Mentone property
16. Noticed and selected Replacement Board Member for Retiring Member Bud Wright
17. Coordinated and Implemented celebration for Bud Wright's retirement
18. Received resignation A "Bud" Wright, April 13<sup>th</sup> appointed Division replacement, effective May 18, 2011
19. Planned and approved change from standard odd-year election to All Mail Ballot
20. Adopted "Conflict of Interest" revision for Consultants
21. Granted late exercise of options Tolling Agreement for expired CEMEX Lease
22. Coordinated and developed funding to restore Basin `11 South, amended emergency repairs contract
23. Implemented 2011-2012 Groundwater Rate and worked with entities for payment
24. Authorized sell of 22 acres of land at Cuttle Weir
25. District Employee Handbook, revised from 2000 version
26. Revised and clarified Appendix C and amendments to Board Policy Handbook
27. Developed cost reduction opportunities
28. Cost saving efforts reduced Board travel
29. Proposed and implemented employee cost share for CalPERS Retirement benefits
30. Proposed and implemented employee cost share for Health Benefits
31. Developed, proposed, reviewed and approved first District Enterprise budget for 11-12
32. Approved Groundwater Charge Collection process

33. Developed revenue from materials processing licenses and access permits
34. Develop and procured Progressive Realty for District real property
35. Redlands Plaza – Major roof repairs and annual maintenance
36. Prepared, solicited and procured new auditor with Audit Committee
37. Coordinated Efforts with SBC Flood and USACOE to approved the Access Permit for the armoring of Santa Ana Canyon Road opposite Cuttle Weir
38. Approve the revised statement of investment policy and the addition of CalTRUST to increase investment return
39. Worked with legislature and Governor to develop and pass SB-235 - Final vote in Senate 39-1 Approved by the Governor and goes into effect January 1, 2012
40. Partnered with SBVMWD and WRI to donate boulders to the new Water Conservation Garden renewed pledge to the Water Resources Institute
41. Planned Major cleaning and basin repairs of Mill Creek and Santa Ana Basins in preparation for the winter
42. Participated in Santa Ana Sucker Task Force
43. Implemented cleaning of all major basins in 2011 in preparation for Winter 2011-12
44. Designed, procured and purchased gate actuators - replaced four main gate operators in Mill Creek
45. Received Legal approval of Employee handbook changes and reduced accrual of sick hours to 240
46. Prepared an actuarial assessment of post employee benefits and allocated reserves to be fully paid. Proposed and funded Other Post Employee Benefit Reserve.
47. Worked with development interests on Harmony related to water recharge
48. Approved nonexclusive representation of 21 acres for sale in Santa Ana Canyon
49. Partnered with agencies on SW Willow Catcher Critical Habitat comments
50. Approval of revised terms to CEMEX Lease Agreement for Redlands Aggregate, Oct
51. Proposed and funded Other Post Employee Benefit Reserve

## **AGREEMENT FOR EMPLOYMENT OF GENERAL MANAGER**

This AGREEMENT FOR EMPLOYMENT OF GENERAL MANAGER (“Agreement”) is entered into effective on the 24th day of February, 2012 (“Effective Date”) by and between the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT, a public agency and water conservation district duly formed and existing under the Water Conservation Act, California Water Code sections 74000 *et seq.* (“District”) and Daniel B. Cozad (“Employee”) on the terms and conditions stated herein.

### **1. Duties of Employee**

A. District hereby agrees to employ Employee, and Employee hereby accepts employment with District, as District’s General Manager. Employee shall perform all of the managerial duties of the District, including, but not limited to, all of those duties set forth in Resolution No. 459, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, and as may be amended. Employee shall perform such other legally permissible and proper duties as may be necessary or beneficial to manage and conduct the District’s business and operations, as the District’s Board of Directors may assign or require. Employee agrees to fulfill and abide by the terms of Resolution No. 459 and by all of the other District’s adopted policies and procedures. Employee specifically will work to implement the Board of Director’s priorities from the Special Board Workshop on February 1, 2012, and any additions or changes to the priorities made by the Board from time to time.

B. It is expressly understood that Employee shall be required to devote full time effort to the business of the District during the term of this Agreement, but may also continue to pursue existing and future professional consulting clients during his tenure as General Manager of District, provided, however, District consents in advance to such third party retention or employment. Employee shall not, either as an employee, employer, consultant, agent, principal, planner, stockholder, corporate officer, director, or any other individual or representative capacity, engage or participate in any business that is in competition with, or in conflict in any manner whatsoever with, the business, projects, or official positions of the District. During the effective term of this Agreement, Employee shall provide written notice to the Board President of any prospective client or other business for whom Employee proposes to contract or otherwise perform work, at least five (5) business days prior to accepting such contract or employment. The Board President shall determine, in the exercise of reasonable discretion, whether a conflict of interest exists or is likely to arise from the Employee’s prospective third-party contract or employment and the work that Employee is or may reasonably be expected to provide for the District. In the event the Board President determines no such conflict exists, the General Manager may accept such contract or employment. In the event the Board President determines such a conflict exists, the General Manager shall either decline to accept such contract or employment, or defer such acceptance until the question of the existence of a conflict of interest can be referred to the full Board of Directors for determination. The Board’s determination on this matter shall be final, and binding on both parties. This Agreement shall not be interpreted to prohibit Employee from making personal investments, conducting private business affairs, or pursuing personal political activities, so long as such

activities do not materially interfere with the duties and services Employee is required to perform under this Agreement.

## **2. Term of Agreement and At-Will Status**

A. Employee shall serve at the pleasure of the District's Board of Directors and is specifically employed on an "at-will" basis. Employee's employment hereunder may be terminated at any time by a majority vote of the District's Board of Directors, with or without cause.

B. This Agreement shall commence as of February 24, 2012, and shall remain in effect until June 30, 2013., unless terminated earlier in accordance with the provisions of this Agreement.

## **3. Termination**

This Agreement may be terminated by Employee upon no less than 30 days written notice to the President of the Board of Directors of the intent to resign, retire, or otherwise separate from employment with the District. In the event of such termination by Employee, Employee's employment shall be terminated at the end of the 30-day period, unless District's Board of Directors determines, in its sole discretion, to designate the operative date of the termination at an earlier date. Employee and District may, by mutual agreement, extend Employee's termination date beyond the 30-day notice period.

Upon termination or other separation from employment with the District, Employee shall be paid all accrued salary and benefits, including a pro rata monthly amount for any partial year, and for all accrued, unused vacation and sick leave. Upon termination or separation, Employee shall turn over to the District all District's property, including, but not limited to, any automobile, credit cards, computer hardware or software, and all files, reports, or presentation materials.

## **4. Disability**

In the event Employee becomes permanently disabled or is otherwise unable to perform his duties, as determined by a physician designated by the District's Board of Directors, because of sickness, accident, injury, mental incapacity or health issue for a period of six (6) successive weeks, District shall have the option to terminate this Agreement within the provision and limitations of the Family and Medical Leave Act of 1993 29 U.S.C. 2601 *et seq.* In the event of such termination, Employee shall be compensated for all accrued sick leave, vacation, holidays, and any other accrued benefits on the same basis as any other employee of the District pursuant to the District's Employee Handbook.

## **5. Salary**

Employee shall be paid as determined by the Board of Directors, in accordance with District's standard payroll procedures. Employee's salary shall be One Hundred Fifty Five Thousand Dollars (\$165,978.00) annually, effective from the Effective Date. Employee's performance shall be subject to review by the District's Board of Directors, or any committee of

the Board to which such responsibility has been delegated, and shall occur at least once before the first anniversary of the Effective Date, Such review shall serve as the basis for any consideration of extension of this Agreement and any adjustments to Employee's salary or other benefits. It shall be the responsibility of Employee to work with the Board President to place Employee's reviews and consideration of salary adjustments on a meeting agenda for consideration by the Board of Directors in a timely fashion.

**6. Uniqueness of Services**

Employee represents and agrees that the services to be performed by this Agreement are special, unique, unusual, extraordinary, and of an intellectual character, that gives him a peculiar value to the District, the loss of which cannot be reasonably or adequately be compensated for in monetary damages.

**7. Vacation**

Employee shall accrue vacation at a rate of 1.67 days per month of completed employment. The Employee may accrue vacation without limitation during the term of employment and may at any time elect to cash out some or all of currently accrued vacation.

**8. Sick Leave**

Sick leave is a protection to Employee granted by District to assist Employee in times or circumstances of illness, incapacity, or physical adversity, and is intended to serve as a protection for Employee's health and welfare; it is not an earned right to time off of work. Employee shall accrue sick leave at a rate of one (1) day per month of completed employment. The Employee may accrue sick time without limitation during the term of employment and may at any time elect to cash out for compensation some or all of currently accrued sick time.

Any sick leave which has accrued but is unused and not cashed out by Employee at the time of termination of Employee's employment shall be treated in the same manner as sick leave upon termination for District's employees, as provided for in the District's Employee Handbook in effect at the time of Employee's termination of employment.

**9. Mileage Reimbursement**

Employee shall reimbursed for actual mileage travelled in Employee's own automobile, for such meetings and other events as District reasonably requires Employee to attend. Mileage for commuting to and from employee's residence to the District offices shall not be eligible for reimbursement. Reimbursement shall be at the IRS forced mileage rate then in effect. Employee shall maintain collision and liability insurance on any automobile Employee uses for any District business, at Employee's own expense, with coverage no less than \$100,000 per occurrence, \$300,000 per incident. Employee shall be provided with the use of a District-owned cellular phone, and access to a District-owned laptop or other portable computer, capable of connecting to District's office server. Employee shall be responsible for any income tax or other taxes resulting from any personal use of the District's technology.

**10. Retirement and Other Benefits**

Employee shall be provided medical, dental, and vision benefits under District's medical and health insurance policies in effect as of the Effective Date, at District's expense, and as such medical and health insurance benefits may change through action of the District's Board of Directors, over the course of Employee's employment. In addition, Employee shall be provided with retirement benefit contributions covering both the employer and employee cost at District's expense under District's PERS retirement plan participation, at the 2.5% at 55 rate in effect on the Effective Date, and as may be thereafter be amended or further defined by District's Board of Directors.

**11. Expense Reimbursements**

Employee may receive reimbursement for expenses incurred by Employee in the direct prosecution of the District's business, as may be approved by the District's Board of Directors. Such expenses may be reimbursed regularly as they are incurred, and submitted to the Board monthly for ratification, or otherwise processed in compliance with any policies or procedures the District's Board of Directors has adopted or may adopt, which are applicable to the General Manager. In all cases, final approval of all such expenses rests with the District's Board of Directors, in its sole and absolute discretion.

**12. Integration**

This Agreement contains the entire agreement between the District and Employee, and supersedes any and all prior negotiations, representations, or agreements, oral or written or otherwise. This Agreement may only be modified by an instrument in writing signed by both parties, and approved by District's Board of Directors.

**13. Waiver**

The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by any other party shall not be deemed the waiver of that term, covenant, or condition, nor shall waiver or relinquishment of any right or power at any one time or times be deemed to waiver or relinquishment of that right or power for all or any other times.

**14. Governing Law**

This Agreement is entered into, and is to be governed by, the laws of the State of California.

**15. Severance**

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, unconstitutional or unenforceable, the remaining provision shall continue in full force and effect without being impaired or invalidated in any way.

Dated: \_\_\_\_\_, 2011

SAN BERNARDINO VALLEY WATER  
CONSERVATION DISTRICT

By: \_\_\_\_\_  
Richard Corneille, President  
“District”

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
Daniel B. Cozad  
“Employee”

ATTACHMENT

Exhibit A Resolution 459





# General Managers Report

For December 9, 2011, through January 5, 2012

Daniel B. Cozad

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The following summarizes the efforts and activities during in the period from December to early January.

1. **Water Conservation** – All flows, approximately 30 CFS, in the Santa Ana are being utilized for direct use, approximately 700 AF recharged. No State Project Water is being recharged. Mill Creek flows vary with rainfall and are currently at 22 CFS, all but about 10 CFS is being used directly, approximately 1750 AF recharged. The December Monthly Recharge Report is included in the package. In December and early January Field staff and Jacinto Construction cleaned all authorized ponds. This work completed cleaning of all ponds used during the 2011 water year and prepared for 2012.
2. **Personnel/Administration/Staff** – Updated payroll reporting for Enterprise Financials. Staff appreciated the holiday time off and vacation taken.
3. **Finance/Budget/Audit** – Continued working with Auditor and for audit field work. Reviewed agreements and billings, updated revenue projections and prepared budget modification proposal. Received payment from SBVMWD for maintenance under existing agreements. Billing for Spreading Agreement and groundwater charge will be completed in January. Collections Plan implementation under way with well verification from Watermaster records. Field work will be initiated shortly.
4. **Facilities Maintenance/Aggregate Management** – Intern staff are finalizing the draft Maintenance and Aggregate Management plan for final Resources Committee recommendations. Coordination CIP plans with SBVMWD and Enhanced Recharged Program including engineering fieldwork. Coordinating with USACOE and County flood on winter operations. Received hardware needed for gate updates for Main Mill Creek diversions.
5. **Engineering Investigation Report** – Report planning completed, data requests sent to all providers and cooperators. Non-data dependent elements of the report now in preparation. Initiated coordination with SBVMWD for comparative modeling.
6. **Wash Plan** – December Conservation Strategy meeting with USFWS, BLM and Mining partners for the Wash Plan was canceled. MOU for planning a Joint Federal Agency lead may be in progress. Costs to date, *for all funds for minimal contracts with consultants* advanced from the general fund have been documented as a loan and provided to the Board. Continued working with Mining partners on support and scheduling of the next Task Force meeting.

- 7. East Branch Extension** – Coordinated with DWR and SBVMWD, awaiting response on negotiation and construction preparations.
- 8. Property/Redlands Plaza** – Completed two tenants lease renewals. Renewed field access permits for model aircraft and Soffel.
- 9. Public Outreach and Legislative** – Coordinated meetings with partners on mining and groundwater, attended Santa Ana sucker, BTAC Engineering and Watermaster meetings to further develop the Agreement. Met with EVWD and other to ground water issues and next year maintenance.
- 10. Redistricting** – Prepared version 2 of the redistricting Plan for Division balance. Legal counsel provided criteria for voter rights act included in version 2.
- 11. Current Board Action Implementation** – Implementing Board direction and worked with Ad-hoc committees. Coordinating and gathering information on property and lease options. Meeting of GMs and Legal Counsel for Districts on Collaborative Agreement.
- 12. Mining Lease** – Working with Cemex to develop payment documentation under lease.
- 13. East Valley Water District (EVWD)** – Met with interim GM. EVWD is planning to build a building adjacent to District property. Agreed to check easements. Also interested in possible Conservation partnership.
- 14. Computer and IS** – Planning website revision and updates for spring.
- 15. Future Board Activities** – Expected short term items for consideration
  - a. East Branch Extension negotiation
  - b. Community Based Strategic Planning
  - c. Collaborative Agreement Development
- 16. Success Stories**

Field and contract staff completed all basin cleaning under budget and on schedule without incidents or accidents.

# San Bernardino Valley Water Conservation District

## Monthly Recharge Report

From: 2/1/2012  
To: 2/29/2012



	February				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	11.6	335	1,027	30,000	3%
Mill Creek	9.2	268	2,667	18,000	15%
State Water Project	0.0	0	0	NA	NA
In River Channel Recharge**	2.0	58	421	NA	NA
<b>Total</b>	<b>23</b>	<b>661</b>	<b>4,115</b>	<b>48,000</b>	<b>9%</b>

Values in Acre Feet

\*BTAC Revised Max in December 2011

\*\*Monitoring began in Mid-April 2011

\*\*\* All Values Based on Water Year Oct-Sep 2012

