



BOARD OF DIRECTORS MEETING AGENDA

Wednesday, September 10, 2014 - 1:30 p.m.

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

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. PRESENTATIONS

- A. District of Distinction Award, Senator Mike Morrell
- B. SAWPA OWOW 2.0 Plan Presentation and Consider Approval of Resolution No. 514, Mark Norton (M#1285).....5

4. CONSENT CALENDAR

- A. Approval of Board Minutes, August 13, 2014.....7
- B. Approval of Expenditure Report, August 201416
- C. Groundwater Assessment Report, GWA # 42 22

5. COMMITTEE REPORTS /ACTION ITEMS

Committee Reports

- A. FOURTH QUARTER FINANCIAL REVIEW AND APPROVAL FOR FY 2013-2014 – 10 minutes (M#1286).....37
Presenter: Vice President McDonald, Chair of Finance & Administration Committee
Recommendation: The Finance & Administration Committee (Committee) recommend the Board review the Quarterly Financial Reports and receive and file the reports as presented to them at the August 25th Committee meeting.
- B. 2014 AUDIT REPORT PRESENTATION – 10 minutes (M#1287).....40
Presenter: Director Raley, Chair of Ad Hoc Audit Committee
Recommendation: The Ad Hoc Audit Committee (Committee) recommends the Board review and accept the 2014 Audit Report presented by Eadie & Payne.
**Due to the size of the 2014 Draft Audit Report it is located in the back of the Board package.*
- Other Board Actions**
- C. UNAUDITED FINANCIAL REPORTS, AUGUST 2014 – 2 minutes (M#1288).....41
Presenter: Daniel Cozad
Recommendation: Review and approve the unaudited financials for July 2014.
- D. GROUNDWATER TOP FIVE PRODUCERS AND INVESTIGATION LIST, SEPTEMBER 2014 – 2 minutes (M#1289).....47
Presenter: Daniel Cozad
Recommendation: Review and discuss groundwater production and potential producers to investigate due to late payment or nonresponsiveness for GWA #42. Report and update to be received and filed.
- E. CSDA COMMITTEE AND EXPERT FEEDBACK TEAM APPOINTMENTS FOR 2015 - 5 minutes (M#1290).....50
Presenter: Daniel Cozad
Recommendation: Review and consider appointing Director Raley to the Fiscal Committee for 2015. The term of office is one year, January 1, 2015-December 31, 2015.
- F. ASBCSD ELECTIONS FOR 2015 - 5 minutes (M#1291).....54
Presenter: Daniel Cozad
Recommendation: If any member wishes to serve consider nominating the Board member for election to the Association of the San Bernardino County Specials Districts Board (ASBCSD). Authorize the President of the Board of Directors to submit a letter of recommendation.
6. **INFORMATION ITEMS:**
- A. Board Committee Reports- Without Actions – 5 minutes
- B. Wash Plan Report – 10 Minutes56
- C. General Manager’s Report – 2 minutes.....59
- D. SAWPA Agreement for Plunge Creek and Plunge Creek RFP – 2 minutes
- E. Monthly Recharge Report, August 2014 – 2 minutes61
- F. Future Agenda Items & Staff Tasks

7. **MONTHLY BOARD MEMBER MEETING REPORTS, AND/OR BOARD MEMBER COMMENTS**

A. Board Member Meeting Reports - 10 minutes62

8. **UPCOMING MEETINGS:**

- | | |
|---------------------------------|---|
| A. September 11, 2014 | Upper Santa Ana Water Resources Association, 9:30 a.m. at District Office |
| B. September 12, 2014 | Operations Committee, 9:00 a.m. at District Office |
| C. September 15, 2014 | Association of San Bernardino County Special Districts Dinner, 6:00 p.m. in Lake Arrowhead (TBD exact location) |
| D. September 16, 2014 | San Bernardino Valley Municipal Water District, 2:30 p.m. at Valley District |
| E. September 29-October 2, 2014 | CSDA Annual Conference, Palm Springs |
| F. October 6, 2014 | Basin Technical Advisory Committee |
| G. October 7, 2014 | San Bernardino Valley Municipal Water District, 2:30 p.m. at Valley District |
| H. October 14, 2014 | 2014 Santa Ana River Watershed Conference, Riverside Convention Center |
| I. October 15-17, 2014 | 2014 CALAFCO Conference, Double Tree, Ontario |
| J. October 23, 2014 | ACWA/JPIA Sexual Harassment Training, 10:00 a.m.-12:00 p.m. at Chino Basin Water Conservation District |
| K. October 26-27, 2014 | ACWA Region 9 Tour & Program, San Diego |
| L. November 7, 2014 | Water Legend Award Reception for Patrick Milligan, 7:00 p.m. at CSU San Bernardino |
| M. December 2-5, 2014 | ACWA Fall Conference, San Diego
(Board Approval Required) |
| N. December 11, 2014 | Advisory Commission on Water Policy, 6:30 p.m. at Valley District |

9. **CLOSED SESSION – 60 Minutes**

- A. The Board may convene in Closed Session under Government Code section 54956.8, to discuss real property negotiations, relating to lease terms on portions of property located in the Santa Ana River Wash, and depicted as “Cemex” in Figure 3.7 of the Final Environmental Impact Report for the Upper Santa Ana Wash Land Management and Habitat Conservation Plan, with CEMEX Construction Materials Pacific, LLC. Daniel B. Cozad and David B. Cosgrove are the negotiators for the District. Bryan Forgey, Scott Hess and Christine Jones are the negotiators for CEMEX.
- B. Under authority of Government Code section 54956.9 (c), the Board may meet in Closed Session to decide whether to initiate litigation.

10. **ADJOURN MEETING.** The Board Workshop scheduled to begin immediately following this meeting and to the next regular Board meeting will be on October 8, 2014 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Fax: (909) 793-0188

Email: info@sbvwcd.org
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Memorandum No. 1285

To: Board of Directors

From: General Manager, Daniel Cozad

Date: September 10, 2014

Subject: Adoption of SAWPA's OWOW 2.0 Plan-Resolution 514

RECOMMENDATION

Review and consider approval of Resolution No. 514 consenting for the District to adopt Santa Ana Watershed Project Authority's (SAWPA) One Water One Watershed (OWOW) 2.0 plan.

BACKGROUND

The Board adopted SAWPA's OWOW 1.0 Plan, an integrated regional water management plan, on February 13, 2013 in order to be eligible to receive Proposition 84 grant funding for the Plunge Creek Water Recharge and Habitat Project. Since this time, SAWPA created a more effective integrated regional water management plan, OWOW 2.0 plan, using a system-wide approach that creates a new template for collaboration and water management. As a selected project for grant funding under SAWPA's OWOW 1.0 plan, the Department of Water Resources (DWR) now expects all project proponents to adopt SAWPA's OWOW 2.0 plan by resolution before requesting payment from DWR under the grant.

DISCUSSION

The resolution consents to accept SAWPA's OWOW 2.0 plan.

FISCAL IMPACT

The benefit to the District will result in a \$500,000 grant to assist in completion of the Plunge Creek Water Recharge and Habitat Project.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
Manual Aranda, Jr.
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

RESOLUTION NO. 514

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
TO ADOPT SANTA ANA WATERSHED PROJECT AUTHORITY’S
NEW ONE WATER ONE WATERSHED (OWOW) 2.0 PLAN, AN
INTEGRATED REGIONAL WATER MANAGEMENT PLAN AS A
MANDATORY CONDITION OF RECEIVING GRANT FUNDING FOR
THE PLUNGE CREEK WATER RECHARGE AND HABITAT PROJECT**

WHEREAS, the San Bernardino Valley Water Conservation District declares its intent to adopt and implement the new “One Water One Watershed” (OWOW) 2.0 Plan, a more cost effective integrated regional water management plan of the Santa Ana Watershed Project Authority (SAWPA); and

WHEREAS, the San Bernardino Valley Water Conservation District previously adopted the “One Water One Watershed” (OWOW) Plan on February 13th, 2013 as a condition of the grant funding for the Plunge Creek Water Recharge and Habitat Project;

WHEREAS, the adoption of this plan will allow the District to receive funding under SAWPA’s One Water One Watershed 2.0 plan through Proposition 84, Chapter 2 through the Department of Water Resources (DWR); and

WHEREAS, on February 4, 2014, the SAWPA Board of Commissioners adopted the OWOW 2.0 Plan as a planning document to meet growing water demands in the region with a water demand reduction strategy and not an endorsement or approval for specific projects contained therein and authorized SAWPA’s General Manager to take all actions reasonable necessary to carry out the intent of the OWOW plan. As a condition of the grant funding for the Plunge Creek Water Recharge and Habitat Project, the DWR and SAWPA require that all project sponsors also adopt the current OWOW 2.0 Plan as adopted by SAWPA.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the San Bernardino Valley Water Conservation District hereby acknowledge the OWOW 2.0 Plan, and as a required condition of receiving grant funding under the Plan, adopts the currents Santa Ana Watershed Authority’s One Water One Watershed 2.0 Integrated Regional Water Management Plan.

PASSED, APPROVED, AND ADOPTED at the regular meeting of the Board of Directors this 10th day of September, 2014, by the following roll-call vote:

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

Richard Corneille, President

ATTEST:

Daniel Cozad, Secretary

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF August 13, 2014
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:32 p.m. All present stood for the pledge of allegiance, led by President Corneille. The Board observed a moment of silence in remembrance of East Valley Water District Director Kip Sturgeon commemorating his untimely passing.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director (Arrival 1:40 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Charles Roberts, Highland Community News
Don Lee, Tetra Tech
Ron Coats, East Valley Water District

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 or deletions to the Agenda.

3. CONSENT CALENDAR

President Corneille requested that Item C: GWA #42 Assessment Report be pulled for discussion.

It was moved by Vice President McDonald and seconded by Director Aranda to approve Consent Calendar Item A: Board Minutes, July 9, 2014 and Item B: Expenditure Report, July 2014. The motion carried with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Absent
Director Raley: Yes
Director Aranda: Yes**

President Corneille inquired as to whether the City of Redlands had reported and/or paid their groundwater assessment report for the assessment period from January 1, 2014 to June 30, 2014. Staff indicated that they had not, but indicated they should soon. Brief discussion ensued. President Corneille said that based on the report the District has collected approximately two thirds of its estimated groundwater revenue for this period. Mr. Cozad said that when Redlands reports it will bring us closer to budget. President Corneille requested that staff specify on the top of the report that it reflects the status date for the report. Staff indicated that producers have 30 days after the end of the reporting period (Jan-June or July-Dec) to submit their *Groundwater Production Statements*. Staff is currently preparing the *Past Due Statements* for distribution. Mr. Cozad anticipates that the District will meet its target for groundwater revenue.

It was moved by Director Aranda and seconded by Vice President McDonald to approve Consent Calendar Item C: GWA #42 Assessment Report through August 7, 2014. The motion carried with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Absent
Director Raley: Yes
Director Aranda: Yes**

4. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIALS, JULY 2014

Mr. Cozad stated that the General Fund Revenue enterprise reflects a negative \$2,690 due to the market adjustments and it being the first month of the fiscal year. He said the market value of the bonds in the medium term fund have gone down, but once they accrue interest they will be in the positive.

It was moved by Director Aranda and seconded by Vice President McDonald to approve the Unaudited Financials for July 2014. The motion carried with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Absent
Director Raley: Yes
Director Aranda: Yes**

B. 2014 BIENNIAL UPDATE OF CONFLICT OF INTEREST CODE

Mr. Cozad indicated that there are no changes to the current Conflict of Interest Code. This is an annual update to keep the District current. Staff has combined Resolution No. 512 with Exhibits and Appendix so that all documents are easily retrieved. President Corneille asked Staff and General Counsel to verify whether or not the addition of Land Resources Manager is required for Appendix A "Designated Positions" for the next update. Staff will bring this item back in next year with a recommendation based on whether or not his current tasks warrant his addition. Currently, Mr. Beehler is not making any procurement or governance decisions and the addition is not warranted.

It was moved by Vice President McDonald and seconded by Director Aranda to approve the 2014 Biennial Update of the Conflict of Interest Code. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

C. JOINT SOLAR PROCUREMENT PROJECT DISCONTINUED

Mr. Cozad gave a brief update of the status of the project. He noted that a letter from SANBAG was included in the package for review and discussion. Since SANBAG has discontinued the Joint Solar Project, staff is asking for feedback from the Board. Mr. Cozad said that the requirement for agencies to come up with capital or incur additional debt posed a problem for some, especially cities. The District originally participated because there were several agencies involved and the solar installation was going to be less expensive due to the collaboration. Discussion ensued. President Corneille stated that there are additional projects that take precedence such as the Wash Plan and Plunge Creek. However, he is in support of obtaining solar but feels that right now is not the time to pursue it. Director Raley believes that the District should move forward with obtaining solar for Redlands Plaza to save money, even if we have to do so independently. Vice President McDonald stated that the cost for solar is more expensive when opting to obtain it independently. She indicated that she is not opposed to additional research being performed and it being brought back to the Board at a later date. It was the consensus of the Board to have staff perform additional research as time permits of the cost and procedures for moving forward independently. The status update was received and filed.

D. CALPERS RESOLUTION FOR EMPLOYEE PICK UP

Staff stated that when adopting Resolution No. 510 related to employee contribution the adoption of the 414(h) plan was inferred but not specifically included. CalPERS requires the District to specifically adopt the 414(h) plan in order to properly report employee deductions.

It was moved by Vice President McDonald and seconded by Director Raley to approve and adopt Resolution No. 513 pertaining to the employee contribution for CalPERS. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

E. REGIONAL OUTREACH EFFORTS

Mr. Cozad gave a brief report on the regional outreach efforts performed at the direction of the Board. He indicated that the iEfficient billboards have gone up off the 10 freeway and various other locations. There are a number of articles in the Press Enterprise, Highland Community News and various other papers. The District contributed approximately \$10,000 to outreach and the outreach is moving forward as planned. There will be a meeting with Inland Empire Garden Friendly organization where they will be assisting with the development/implementation of commercial landscaper education. Brief discussion ensued. President Corneille asked for clarification on the "brown lawn signs". Mr. Cozad explained that where there are HOA's or ordinances that require lawns to be maintained the Outreach Subcommittee of the BTAC discussed the use of "brown lawn signs". The signs would be a way of alerting the public that the lawn is not simply being unmaintained, but that a conservation effort is being accomplished. Discussion ensued regarding signage. Vice President McDonald noted that legislation was passed which exempts homeowners from compliance with HOA or municipalities codes if landscape is not maintained due to reduction in water usage in an effort to conserve. Mr. Cozad indicated that this legislation prevents any adverse action against homeowners such as fines and penalties from any agency based on the need to conserve. This item was received and filed.

F. DROUGHT AND BASIN MANAGEMENT REGULATION AND LEGISLATION

Mr. Cozad stated that the State Water Board Emergency order does not directly apply to the District because it is not an urban water supplier, as the law defines them. A summary is included in the Board package for review as well as full regulation details. We are supporting the urban water suppliers and assisting small groundwater producers as needed. Additionally, there is groundwater management legislation being developed; SB 1168 and AB 1739. They are currently being amended frequently. They indicate that groundwater is well managed in the adjudicated basins. Because the Bunker Hill Basin is adjudicated it will be exempt from many of the provisions, except reporting, if the legislation passes as written. Brief discussion ensued. It was the consensus of the Board to receive and file this update.

G. CSDA COMMITTEE AND EXPERT FEEDBACK TEAM APPOINTMENTS FOR 2015

Mr. Cozad stated that the District has two members currently serving on CSDA committees: Director Raley is on the Fiscal Committee and Director Aranda is on the Education Committee. If they would like to continue to serve on these committees the Board is required to approve their reappointment. Director Raley declined to be reappointed, while the Board supported his reappointment if he wished to continue. Brief discussion ensued. Director Aranda requested to be reappointed to the Education Committee.

It was moved by Vice President McDonald and seconded by Director Longville to reappoint Director Aranda to the CSDA Education Committee for the 2015 term. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

5. INFORMATION ITEMS

A. BOARD COMMITTEE REPORTS-WITHOUT ACTION

There were no committee meetings held since last Board meeting.

B. WASH PLAN REPORT

Mr. Beehler said that the Wash Plan consultants are almost finished with the Preliminary Draft of the HCP. This will be presented to the Task Force in early September. Since June every participant has finalized their covered activities. Mr. Beehler stated that since the implementation of the database, revisions are much simpler. Brief review of covered activities ensued. Some added projects include: 1) City of Redlands: addition of drainage plan, 2) Santa Ana River: Trails realignment and 3) FCD: Elder Creek Project. FCD is collaborating on a project with FWS near Plunge and Elder creeks; preliminary plans are to separate the flows in order to reduce flood risk and increase recharge. Mr. Cozad stated that BLM and FCD are developing a plan to abate the old shooting range and potentially recycle the lead, and use the dirt with low levels of lead dust for concrete needed for flood control facilities. This project would greatly benefit the community by providing additional groundwater recharge area, removal of hazardous wastes and provide additional habitat for SBKR. The Draft Habitat Management Plan (Plan) specifying the mitigation requirement has been completed. Mr. Beehler handed out a preliminary map of the Plan elements. The Plan includes such methods as spot treatment, mechanical thinning, sheep grazing, handwork and controlled burning. The controlled burning will be managed by CalFire and would be paid for by 80% grant funds and 20% Wash Plan costs. Mr. Beehler indicated that early implementation of sheep grazing may be possible since there is currently a shepherd near the Wash Plan area that seems interested. Mr. Beehler also noted that the cactus wren has been added to the database and that there are

50 nests located within the Wash Plan. Now that covered activities have been identified as well as mitigation, staff will be preparing the budget for management of the conserved lands.

Mr. Cozad noted that included in the package is the Profit & Loss statement (P&L) for the Wash Plan enterprise. Some agencies paid a year in advance and we are on budget; some funds will be expensed this year. President Corneille asked for clarification regarding the P&L. Mr. Beehler indicated that the P&L are included in the monthly financials reported to the Board; this is just an independent statement. President Corneille indicated that he would like to see a cost expended and revenue to date breakout for the Wash Plan lining out what expenses have been incurred including staff time, consultants, legal, etc. compared to the budget. Mr. Beehler said that the only contracts the District has out are ICF Jones & Stokes which is about 45% billed and the contract with RBF who is performing the EIS. Staff will prepare a simplified budget to actual financial report the next Wash Plan report to be presented at the September 10th Board meeting. Director Raley asked the benefit of listing the cactus wren now. Mr. Beehler stated that by listing it now it covers all bases and avoids the need to potentially add at a later date since this is a 30 year permit. There are several special interest groups gathering the information to potentially list the species. Vice President McDonald indicated that since the majority of the nesting is in mitigated areas she understands that the offset will be minor due to the District taking this precautionary step to have it covered now.

C. MONTHLY RECHARGE REPORT

Mr. Cozad presented a PowerPoint on this item combined with the General Manager's Report. He indicated that the District had a Spineflower working group meeting where they discussed how to potentially reproduce and expand the spineflower.

Mr. Cozad said that the District captured 50 acre feet of water to date from the recent storm. He presented photos of field operations and flood damage. The recent storm filled the Mill Creek intake canal with rock, sand and gravel; which is somewhat beneficial since it helps build the creek back up, but required heavy equipment repair. Aerial photos of field operations were shown and reviewed. The interim canal over the EBX2 pipeline was tested and proved to be functional. Additional methods of maintaining the basins in Mill Creek were reviewed in detail. Initially Engineering Intern, Gustavo Gomez prepared conceptual designs for a boom method to potentially be utilized to remove floating debris from water. However, Mr. Cozad indicated that in this last storm field operations received much heavier debris which sank to the bottom and this would have proven a boom to be inefficient. Additionally, Mr. Gomez designed a method utilizing a special type of excavator that could reach out during flows and remove debris. Staff is also reviewing a grate design which will be reviewed by the Operations Committee on September 12th.

Mr. Cozad also briefly reviewed the telecommunications changes that were approved by the Board in August 2013 and the cost savings. He indicated that the District is anticipated to save 45% during fiscal year 2014-2015 due to the changes approved by the Board and implemented by Staff. A cost savings breakout was included in Board package on package page 96, showing the implementation had achieved this level of savings. Briefly discussed were the letter

to Senator Feinstein related to Section 6 funding and Plunge Creek Conservation Scope of Work.

President Corneille asked if the numbers on Monthly Recharge Report for July 2014 is year to date and what the reporting period is. Mr. Cozad indicated that it is for the water year which starts October 1st and ends September 30th, so the total amount of recharge is only about 2300 AF from October 1, 2013 to July 31, 2014

D. GENERAL MANAGER'S REPORT

This item was discussed previously.

E. SAWPA AGREEMENT FOR PLUNGE CREEK AND PLUNGE CREEK RFP

This item was discussed previously.

F. FUTURE AGENDA ITEMS & STAFF TASKS

The written report is included in package. President Corneille requested that options for the potential reuse of mined areas be added to the Operations Committee agenda for September 12th.

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

Director Longville attended the iEfficient event at the 66ers stadium.

Director Raley attended the BTAC meeting where the primary focus was outreach. He also attended SBVMWD Board Workshop where they discussed AB2443.

Director Aranda attended BTAC, USAWRA and he will make a legislative report to USAWRA tomorrow at the August 14th meeting. Additional written reports are included in Board package.

Vice President McDonald attended the USAWRA where they discussed AB2443. Also, attended were SBVMWD Board meeting where they finalized their Exchange Agreement with Palmdale, adopted the OWOW plan, amongst various other issues they addressed. Vice President McDonald attended the BTAC meeting. Additional written reports are included in Board package.

President Corneille attended the ASBCSD Dinner meeting with other Directors where the CSDA District of Distinction and Transparency Certificate was presented to the District. He thanked the Board and Staff for their efforts which assisted in the District obtaining these awards. President Corneille attended the EVWD Board meeting where they discussed the reclamation plant; a decision should be made in October. On July 30th President Corneille and Vice President McDonald made a presentation to Kiwanis and have additional presentations coming out to discuss, conservation, and the District's function and community benefits of the Wash Plan. President Corneille met with Ron Coats, Director of EVWD to discuss the District. Additional written reports are included in Board package.

7. UPCOMING MEETINGS

President Corneille requested that the Board meeting scheduled for November 12th be rescheduled to November 19th. Mr. Cosgrove is unavailable on November 19th and will send an associate from his firm. Vice President McDonald indicated that the 1st quarter Finance & Administration Committee be moved to November 12th to accommodate President Corneille's request.

It was moved by Vice President McDonald and seconded Director Longville to move the regularly scheduled Board meeting from November 12, 2014 to November 19, 2014. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

President Corneille noted that he will be attending the upcoming Groundwater Committee which he is appointed to, but will require travel to Sacramento. His estimated expenses are \$180 for this event.

President Corneille recommended moving the Board Workshop to discuss District policy principles scheduled to follow today's Board meeting to be moved to September 10th.

It was moved by Director Aranda and seconded by Vice President McDonald to reschedule the Board Workshop scheduled for August 13, 2014 at 2:45 p.m. to September 10, 2014. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

8. CLOSED SESSION

It was moved by Director Longville and seconded by Vice President McDonald to adjourn to Closed Session. The motion was carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes**

Director Aranda: Yes

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

At 3:56 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted while in Closed Session under Government Code section 54957.1 there was no reportable action taken.

9. ADJOURN MEETING

It was moved by Director Longville and seconded by Vice President McDonald to adjourn. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

At 3:58 p.m. the meeting adjourned to the next regular Board Meeting scheduled for September 10, 2014 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager

San Bernardino Valley Water Conservation District

Expenditure Report

August 2014

Num	Date	Name	Account	Class	Original Amount
ACH0002	08/05/2014	Melody McDonald	1012 - Citizens Busine...		-2,075.28
			6401 - Directors' Fees	4-General Fund Ent.	1,970.00
			6410 - Mileage	4-General Fund Ent.	105.28
TOTAL					2,075.28
ACH0003	08/26/2014	Melody McDonald	1012 - Citizens Busine...		-2,656.02
			6401 - Directors' Fees	4-General Fund Ent.	1,970.00
			6410 - Mileage	4-General Fund Ent.	81.20
			6415 - Air Fare	4-General Fund Ent.	467.70
			6420 - Other Travel	4-General Fund Ent.	69.75
			6425 - Meals	4-General Fund Ent.	67.37
TOTAL					2,656.02
ACH0004	08/26/2014	Aranda, Manuel	1012 - Citizens Busine...		-1,216.04
			6401 - Directors' Fees	4-General Fund Ent.	1,182.00
			6410 - Mileage	4-General Fund Ent.	19.04
			6435 - Conf/Seminar R...	4-General Fund Ent.	15.00
TOTAL					1,216.04
ADP 7.25.14	08/01/2014	ADP	1012 - Citizens Busine...		-57.65
			6042 - Payroll Processing	4-General Fund Ent.	57.65
TOTAL					57.65
PC 08.04.14	08/06/2014	Paychex	1012 - Citizens Busine...		-68.57
			6045 - Bank Service Ch...	4-General Fund Ent.	68.57
TOTAL					68.57
PC 08.20.14	08/18/2014	Paychex	1012 - Citizens Busine...		-67.51
			6042 - Payroll Processing	4-General Fund Ent.	67.51
TOTAL					67.51
19172	08/01/2014	AFS Associates, Inc.	1012 - Citizens Busine...		-1,200.00
			5120 - Misc. Profession...	4-General Fund Ent.	1,200.00
TOTAL					1,200.00
19173	08/12/2014	ACWA/JPIA	1012 - Citizens Busine...		-9,122.49
	08/01/2014		6110 - Vision Insurance	4-General Fund Ent.	22.81
			6110 - Vision Insurance	1-Groundwater Ent.	72.22
			6110 - Vision Insurance	2-Redlands Plaza/...	7.24
			6110 - Vision Insurance	3-Land Resources	21.14
			6110 - Vision Insurance	5-Wash Plan	18.55
			6130 - Dental Insurance	4-General Fund Ent.	107.84
			6130 - Dental Insurance	1-Groundwater Ent.	341.55
			6130 - Dental Insurance	2-Redlands Plaza/...	34.25
			6130 - Dental Insurance	3-Land Resources	99.98
			6130 - Dental Insurance	5-Wash Plan	87.76
			6150 - Medical Insurance	4-General Fund Ent.	1,334.61
			6150 - Medical Insurance	1-Groundwater Ent.	4,227.02
			6150 - Medical Insurance	2-Redlands Plaza/...	423.94

San Bernardino Valley Water Conservation District

Expenditure Report

August 2014

Num	Date	Name	Account	Class	Original Amount
			6150 · Medical Insurance	3-Land Resources	1,237.40
			6150 · Medical Insurance	5-Wash Plan	1,086.18
TOTAL					9,122.49
19174	08/12/2014	Antimite Pest Control, I...	1012 · Citizens Busine...		-66.00
	07/26/2014		6026 · Redlands Plaza ...	2-Redlands Plaza/...	66.00
TOTAL					66.00
19175	08/12/2014	Arrowhead	1012 · Citizens Busine...		-65.73
	07/24/2014		5460 · Water / Trash / S...	4-General Fund Ent.	32.87
			5460 · Water / Trash / S...	1-Groundwater Ent.	26.29
			5460 · Water / Trash / S...	3-Land Resources	6.57
TOTAL					65.73
19176	08/12/2014	Castro Landscaping Se...	1012 · Citizens Busine...		-450.00
	07/30/2014		6015 · Mentone House ...	2-Redlands Plaza/...	200.00
			6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					450.00
19177	08/12/2014	Corneille, Richard	1012 · Citizens Busine...		-1,211.12
	08/03/2014		6401 · Directors' Fees	4-General Fund Ent.	1,182.00
			6410 · Mileage	4-General Fund Ent.	29.12
TOTAL					1,211.12
19178	08/12/2014	Edison - 8812	1012 · Citizens Busine...		-417.58
	08/01/2014		5420 · Electricity	4-General Fund Ent.	116.92
			5420 · Electricity	1-Groundwater Ent.	83.52
			5420 · Electricity	2-Redlands Plaza/...	217.14
TOTAL					417.58
19179	08/12/2014	Edison - Redlands Plaza	1012 · Citizens Busine...		-87.59
	08/01/2014		6026 · Redlands Plaza ...	2-Redlands Plaza/...	87.59
TOTAL					87.59
19180	08/12/2014	Home Depot	1012 · Citizens Busine...		-118.87
	07/28/2014		5210 · Equipment Maint...	1-Groundwater Ent.	21.54
			5215 · Property Mainten...	1-Groundwater Ent.	97.33
TOTAL					118.87
19181	08/12/2014	J. R. Freeman	1012 · Citizens Busine...		-82.44
	08/11/2014		6030 · Office Supplies	4-General Fund Ent.	65.95
			6030 · Office Supplies	1-Groundwater Ent.	4.12
			6030 · Office Supplies	2-Redlands Plaza/...	8.25
			6030 · Office Supplies	3-Land Resources	4.12
TOTAL					82.44
19182	08/12/2014	Jerry Herbert Roofing, I...	1012 · Citizens Busine...		-400.00
	07/31/2014		6026 · Redlands Plaza ...	2-Redlands Plaza/...	400.00
TOTAL					400.00

San Bernardino Valley Water Conservation District

Expenditure Report

August 2014

Num	Date	Name	Account	Class	Original Amount
19183	08/12/2014	John Longville	1012 · Citizens Busine...		-985.00
	07/09/2014		6401 · Directors' Fees	4-General Fund Ent.	985.00
TOTAL					985.00
19184	08/12/2014	Lowe's Companies, Inc.	1012 · Citizens Busine...		-139.41
	07/25/2014		5215 · Property Mainten...	1-Groundwater Ent.	139.41
TOTAL					139.41
19185	08/12/2014	Netsteller	1012 · Citizens Busine...		-450.00
	08/01/2014		5160 · IT Support	4-General Fund Ent.	165.01
			5160 · IT Support	1-Groundwater Ent.	239.99
			5160 · IT Support	3-Land Resources	45.00
TOTAL					450.00
19186	08/12/2014	Pat's Pots	1012 · Citizens Busine...		-140.00
	07/30/2014		5460 · Water / Trash / S...	4-General Fund Ent.	70.00
			5460 · Water / Trash / S...	1-Groundwater Ent.	56.00
			5460 · Water / Trash / S...	3-Land Resources	14.00
TOTAL					140.00
19187	08/12/2014	Raley, David	1012 · Citizens Busine...		-994.52
	08/06/2014		6401 · Directors' Fees	4-General Fund Ent.	985.00
			6410 · Mileage	4-General Fund Ent.	9.52
TOTAL					994.52
19188	08/12/2014	Star Auto Parts	1012 · Citizens Busine...		-142.63
	07/31/2014		5310 · Vehicle Mainten...	1-Groundwater Ent.	142.63
TOTAL					142.63
19189	08/12/2014	Valero Marketing & Sup...	1012 · Citizens Busine...		-838.02
	07/30/2014		5320 · Fuel	1-Groundwater Ent.	838.02
TOTAL					838.02
19190	08/12/2014	Verizon California-4860	1012 · Citizens Busine...		-416.19
	07/28/2014		5470 · Internet Services	4-General Fund Ent.	11.50
			5470 · Internet Services	1-Groundwater Ent.	6.90
			5470 · Internet Services	2-Redlands Plaza/...	1.15
			5470 · Internet Services	3-Land Resources	3.45
			5440 · Telephone	4-General Fund Ent.	275.23
			5440 · Telephone	1-Groundwater Ent.	117.96
TOTAL					416.19
19191	08/12/2014	Watermaster Support S...	1012 · Citizens Busine...		-2,100.00
	08/03/2014		5120 · Misc. Profession...	1-Groundwater Ent.	2,100.00
TOTAL					2,100.00

San Bernardino Valley Water Conservation District

Expenditure Report

August 2014

Num	Date	Name	Account	Class	Original Amount
19192	08/12/2014	Wilbur's	1012 · Citizens Busine...		-89.76
	08/01/2014		5210 · Equipment Maint...	1-Groundwater Ent.	89.76
TOTAL					89.76
19193	08/26/2014	Antimite Pest Control, I...	1012 · Citizens Busine...		-66.00
	08/18/2014		6026 · Redlands Plaza ...	4-General Fund Ent.	66.00
TOTAL					66.00
19194	08/26/2014	Athena Monge	1012 · Citizens Busine...		-30.34
	08/15/2014		6510 · Mileage	4-General Fund Ent.	30.34
TOTAL					30.34
19195	08/26/2014	Big Bear Municipal Wat...	1012 · Citizens Busine...		-12,151.84
	08/25/2014		6036 · Printing	4-General Fund Ent.	6,075.92
			6036 · Printing	1-Groundwater Ent.	4,860.74
			6036 · Printing	3-Land Resources	1,215.18
TOTAL					12,151.84
19196	08/26/2014	California Strategies	1012 · Citizens Busine...		-3,000.00
	08/20/2014		5120 · Misc. Profession...	4-General Fund Ent.	3,000.00
TOTAL					3,000.00
19197	08/26/2014	Citizens Business Bank	1012 · Citizens Busine...		-3,273.63
	08/14/2014		5081 · Wash Plan	5-Wash Plan	131.48
			6002 · Website Adminis...	4-General Fund Ent.	150.00
			6004 · Meeting Expenses	4-General Fund Ent.	17.36
			6004 · Meeting Expenses	3-Land Resources	5.79
			6030 · Office Supplies	4-General Fund Ent.	347.61
			6030 · Office Supplies	1-Groundwater Ent.	21.73
			6030 · Office Supplies	2-Redlands Plaza/...	43.45
			6030 · Office Supplies	3-Land Resources	21.73
			6039 · Postage and Ov...	4-General Fund Ent.	21.60
			6039 · Postage and Ov...	1-Groundwater Ent.	9.82
			6039 · Postage and Ov...	2-Redlands Plaza/...	3.93
			6039 · Postage and Ov...	3-Land Resources	3.93
			6051 · Uniforms	4-General Fund Ent.	112.30
			6051 · Uniforms	1-Groundwater Ent.	262.05
			6090 · Subscriptions/Pu...	4-General Fund Ent.	29.95
			6093 · Memberships	4-General Fund Ent.	600.00
			6415 · Air Fare	4-General Fund Ent.	223.50
			6435 · Conf/Seminar R...	4-General Fund Ent.	835.00
			6515 · Air Fare	4-General Fund Ent.	139.23
			6515 · Air Fare	1-Groundwater Ent.	108.29
			6515 · Air Fare	3-Land Resources	61.88
			6525 · Meals	4-General Fund Ent.	55.35
			6525 · Meals	1-Groundwater Ent.	43.05
			6525 · Meals	3-Land Resources	24.60
TOTAL					3,273.63
19198	08/26/2014	City of Redlands - Muni...	1012 · Citizens Busine...		-1,821.95
	08/14/2014		6026 · Redlands Plaza ...	2-Redlands Plaza/...	1,821.95
TOTAL					1,821.95

San Bernardino Valley Water Conservation District

Expenditure Report

August 2014

Num	Date	Name	Account	Class	Original Amount
19199	08/26/2014	Cozad, Daniel B	1012 - Citizens Busine...		-127.13
	08/12/2014		6510 - Mileage	4-General Fund Ent.	127.13
TOTAL					127.13
19200	08/26/2014	Day Lite Maintenance, I...	1012 - Citizens Busine...		-243.67
	08/12/2014		6026 - Redlands Plaza ...	2-Redlands Plaza/...	243.67
TOTAL					243.67
19201	08/26/2014	Edison - 7241	1012 - Citizens Busine...		-59.66
	08/12/2014		5420 - Electricity	4-General Fund Ent.	16.70
			5420 - Electricity	1-Groundwater Ent.	11.93
			5420 - Electricity	2-Redlands Plaza/...	31.03
TOTAL					59.66
19202	08/26/2014	Edison -5552	1012 - Citizens Busine...		-428.53
	08/09/2014		5420 - Electricity	4-General Fund Ent.	119.99
			5420 - Electricity	1-Groundwater Ent.	85.71
			5420 - Electricity	2-Redlands Plaza/...	222.83
TOTAL					428.53
19203	08/26/2014	EnviroMine, Inc.	1012 - Citizens Busine...		-13,487.76
	08/06/2014		5120 - Misc. Profession...	3-Land Resources	13,487.76
TOTAL					13,487.76
19204	08/26/2014	JAN-PRO Cleaning Sys...	1012 - Citizens Busine...		-618.00
	09/01/2014		6018 - Janitorial Services	4-General Fund Ent.	618.00
TOTAL					618.00
19205	08/26/2014	John Longville	1012 - Citizens Busine...		-790.26
	08/13/2014		6401 - Directors' Fees	4-General Fund Ent.	788.00
			6410 - Mileage	4-General Fund Ent.	2.26
TOTAL					790.26
19206	08/26/2014	Pitney Bowes	1012 - Citizens Busine...		-244.24
	08/04/2014		6039 - Postage and Ov...	4-General Fund Ent.	134.33
			6039 - Postage and Ov...	1-Groundwater Ent.	61.06
			6039 - Postage and Ov...	2-Redlands Plaza/...	24.42
			6039 - Postage and Ov...	3-Land Resources	24.43
TOTAL					244.24
19207	08/26/2014	SDR Consulting, Inc.	1012 - Citizens Busine...		-749.00
	08/02/2014		5120 - Misc. Profession...	4-General Fund Ent.	749.00
TOTAL					749.00

San Bernardino Valley Water Conservation District

Expenditure Report

August 2014

Num	Date	Name	Account	Class	Original Amount
19208	08/26/2014	U.S. Bank Equipment F...	1012 · Citizens Busine...		-362.20
	08/15/2014		6033 · Office Equipmen...	4-General Fund Ent.	271.65
			6033 · Office Equipmen...	1-Groundwater Ent.	18.11
			6033 · Office Equipmen...	2-Redlands Plaza/...	54.33
			6033 · Office Equipmen...	3-Land Resources	18.11
TOTAL					362.20
19209	08/26/2014	Verizon California -7275	1012 · Citizens Busine...		-124.40
	08/19/2014		5440 · Telephone	4-General Fund Ent.	59.80
			5440 · Telephone	1-Groundwater Ent.	25.61
			5470 · Internet Services	4-General Fund Ent.	19.49
			5470 · Internet Services	1-Groundwater Ent.	11.70
			5470 · Internet Services	2-Redlands Plaza/...	1.95
			5470 · Internet Services	3-Land Resources	5.85
TOTAL					124.40
19210	08/26/2014	William Boggan	1012 · Citizens Busine...		-87.48
	08/13/2014		6051 · Uniforms	4-General Fund Ent.	26.24
			6051 · Uniforms	1-Groundwater Ent.	61.24
TOTAL					87.48
100087N	08/15/2014	PERS	1012 · Citizens Busine...		-1,704.20
			6170 · PERS Retirement	4-General Fund Ent.	187.47
			6170 · PERS Retirement	1-Groundwater Ent.	597.53
			6170 · PERS Retirement	2-Redlands Plaza/...	58.58
			6170 · PERS Retirement	3-Land Resources	175.74
			6170 · PERS Retirement	5-Wash Plan	152.31
			2102 · Pers Retirement ...	4-General Fund Ent.	532.57
TOTAL					1,704.20

SBVWCD Groundwater Charge Report

GWA Number	42	Period	January 1, 2014 to June 30, 2014			AgRate	\$3.23	NonAgRate	\$11.62
Owner	RecordationNumber	StateWellNumber	LocalName	Ag Production	Ag Pymt	Non AgProduction	Non-Ag Pymt	Amount Paid	
AHD Limited									
	3601632	2S3W05A02S	Clock Canyon/Marcum Wel						
Arrowhead Country Club									
	3601925	1N4W23E	1	209.67	\$684.06	0.00	\$0.00		
					\$684.06		\$0.00		\$684.06
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									
	3600023	1S3W24C	Judson 1	0.00	\$0.00	0.00	\$0.00		
	3601585	1S3W23A03S	San Bernardino Ave. 1	0.00	\$0.00	0.00	\$0.00		
					\$0.00		\$0.00		\$0.00
Calvary Chapel Packinghouse									
	3600449	01S03W20A	Bell Well	0.00	\$0.00	69.08	\$802.71		
	3603919		Calvary Well	0.00	\$0.00	0.00	\$0.00		
					\$0.00		\$802.71		\$802.71
Cemex USA									
	3603653	1S3W10J2S	Orange Street	0.00	\$0.00	9.70	\$112.71		

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3601420	1S3W09E02S	Alabama Street 2	0.00	\$0.00	60.40	\$701.85	
					\$0.00		\$814.56	<u>\$814.56</u>
Crafton Water Company								
	3602186	1S2W21L02S	Garnet/2 Zanja Well	12.41	\$40.12	0.00	\$0.00	
	3600272	1S2W29N	Fifth Ave. 1	15.35	\$49.58	0.00	\$0.00	
					\$89.70		\$0.00	<u>\$89.70</u>
Cram Patterson Well Co.								
	3600188	1S2W16C	Cram-Patterson 2					
East Valley Water District								
	3601184	1N3W33F01S	PL 94 / Corwin	0.00	\$0.00	0.00	\$0.00	
	3601987	1S3W04G	PL 136 / Dunkirk 1	0.00	\$0.00	0.00	\$0.00	
	9900001	1S4W25M03S	Fairfax, Well #111	0.00	\$0.00	0.00	\$0.00	
	3602563	1S4W02Q09S	PL 11A	0.00	\$0.00	0.36	\$4.18	
	3601663	1S4W02Q08S	PL 12	0.00	\$0.00	0.22	\$2.56	
	3602034	1S4W01Q08	PL 12A	0.00	\$0.00	0.00	\$0.00	
	3603774	1S3W3R4S	PL 146A	0.00	\$0.00	410.42	\$4,769.08	
	3603247	1S3W06P18S	PL 141 / McDaniel	0.00	\$0.00	905.19	\$10,518.31	
	3601660	1S3W06H04S	PL 9A	0.00	\$0.00	666.22	\$7,741.48	
	3601978	1S3W04N01S	PL 40	0.00	\$0.00	0.00	\$0.00	
	3600680	1S3W02J	PL 120/Cram	0.00	\$0.00	0.00	\$0.00	
	3602560	1S3W04G03S	PL 136 / Dunkirk 2	0.00	\$0.00	0.00	\$0.00	
	3602338	1S3W04N03S	PL 40A	0.00	\$0.00	0.00	\$0.00	

As of Thursday, September 04, 2014

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3603583	1S3W02N02S	PL 143 / Abbey Way	0.00	\$0.00	560.59	\$6,515.22	
	3600220	1S3W01H	PL 142	0.00	\$0.00	307.11	\$3,568.62	
	3602799	1S2W07F01S	PL 125	0.00	\$0.00	306.46	\$3,561.07	
	3602337	1N4W26A03S	PL 24B	0.00	\$0.00	47.41	\$550.90	
	3601671	1N4W26A02S	PL 24A	0.00	\$0.00	236.15	\$2,744.06	
	3602370	1N4W25F04S	PL 107	0.00	\$0.00	0.00	\$0.00	
	3601675	1N4W25A01S	PL 27	0.00	\$0.00	0.00	\$0.00	
	3603734	1S3W02P06S	PL 147	0.00	\$0.00	712.68	\$11,274.19	
	3602274	1N3W30J05S	PL 39	0.00	\$0.00	501.13	\$5,823.13	
	3600855	1N3W28P01S	PL 54 / Seeley	0.00	\$0.00	0.00	\$0.00	
	3603926	01S03W06L06S	PL 151	0.00	\$0.00	1454.01	\$16,895.60	
	3603904	01S03W05D03S	PL 132/Cull 5	0.00	\$0.00	827.41	\$9,614.50	
	3601639	1S3W03R01S	PL 146	0.00	\$0.00	16.31	\$189.52	
	3601673	1N4W25C02S	PL 25A	0.00	\$0.00	550.19	\$6,393.21	
	3602564	1S4W12B07S	PL 28A	0.00	\$0.00	466.00	\$5,414.92	
					\$0.00		\$95,580.55	<u>\$95,580.55</u>
Fairview Water Company (B Marcum)								
	3600554	1S3W17R	Fairview 1	11.90	\$38.44	0.00	\$0.00	
					\$38.44		\$0.00	<u>\$38.44</u>
Gage Canal Company								
	3600787	1S4W23A02S	26-1	302.00	\$975.46	0.00	\$0.00	
	3600788	1S4W23H01S	27-1	210.00	\$678.30	0.00	\$0.00	
	3600789	1S4W23K01S	27-2	569.00	\$1,837.87	0.00	\$0.00	

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3600798	1S4W23G01S	Cowlane	0.00	\$0.00	0.00	\$0.00	
	3602331	1S4W23G03S	66-1	945.00	\$3,052.35	0.00	\$0.00	
	3600790	1S4W23K02S	29-1	254.00	\$820.42	0.00	\$0.00	
	3600796	1S4W23A05S	51-1	830.00	\$2,680.90	0.00	\$0.00	
					\$10,045.30		\$0.00	<u>\$10,045.30</u>
General American Life Insurance Co. (Cushman & Wakefield)								
	3601352	1S3W19N	Langford	0.00	\$0.00	93.68	\$1,088.56	
					\$0.00		\$1,088.56	<u>\$1,088.56</u>
George & Diane Everett								
	WP0003068		Everett Well	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
George Meadows								
	WP0002552	E085386	Meadows Well	0.00	\$0.00	0.25	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Gladysta Well & Water Company (B Marcum)								
	3600182	1S3W20H02S		70.30	\$227.07	0.00	\$0.00	
					\$227.07		\$0.00	<u>\$227.07</u>
Greenspot Mutual Well Company								
	3600266	1S2W16C01S	Greenspot Mutual					
Happe Mutual Well Company								
	3603921	01S04W13G04S	Gauge 46-1R	0.00	\$0.00	0.00	\$0.00	
	3600238	1S2W29M01S	1	105.60	\$340.96	0.00	\$0.00	

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
					\$340.96		\$0.00	<u>\$340.96</u>
Inland Valley Development Agency								
	0000087	1S4W12C	Local 3					
	0000089	1S4W12F	Local 5					
	0000086	1S4W12B	Local 2A					
	0000091	1S4W12Q	Palm Meadows					
J.G. Golfing Enterprises, Inc.								
	3602499	1S4W22A01S	Paine					
	3601478	1S4W22B03S	Thorn 10 & 11					
Jack Dangermond								
	3602188	01S02W29K01	Rancho Ladera Roladera	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Laranni Gunter Well								
	3600160	1S3W32G01S	Gunter					
Larry Jacinto Construction								
	3602020	1S2W20K	F A R	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Loma Linda University Power Plant								
	3602781	1S4W25D06S	Anderson 2	2.30	\$7.43	14.00	\$162.68	
	3602855	1S4W25D07S	Anderson 3	80.90	\$261.31	485.50	\$5,641.51	

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Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
					\$268.74		\$5,804.19	\$6,072.93
Loma Linda, City of								
	3603776	01S04W24B03S	Mt. View #5	0.00	\$0.00	0.00	\$0.00	
	3603927	01S04W24L07	Richardson 6	0.00	\$0.00	525.39	\$6,166.69	
			Mt. View #6	0.00	\$0.00	542.09	\$6,362.71	
			Richardson 5	0.00	\$0.00	903.12	\$10,600.24	
	3603719	1S4W24A05S	Mt. View 3	0.00	\$0.00	390.78	\$4,586.72	
	3603523	1S4W24P04S	Richardson 3	0.00	\$0.00	261.33	\$3,067.32	
	3603057	1S4W24C02S	Richardson 1	0.00	\$0.00	0.00	\$0.00	
	3603720	1S4W24F	Richardson 4	0.00	\$0.00	0.00	\$0.00	
	3603721	1S4W24R08S	Mt. View #4	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$30,783.68	\$30,783.68
Lucky Farms, Inc./Spring Pacific Properties								
	3600757	1S3W19L	Mission Marigold					
	3603554	1S3W19A01S	California St.					
	3600418	1S3W19G	Lugonia					
Meeks & Daley Water Co.								
	3603215	1S4W15M11S	Station 91	0.00	\$0.00	0.00	\$0.00	
	3601887	01S04W15L03S	Station 59(2)-3602863?	0.00	\$0.00	0.00	\$0.00	
			Raub 7	0.00	\$0.00	1551.36	\$18,026.80	
	3603906	1S4W14N09S	Raub 5	0.00	\$0.00	674.27	\$7,834.99	
	3603905	1S4W14N115S	Raub 8	0.00	\$0.00	844.67	\$9,815.11	

As of Thursday, September 04, 2014

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3602864	1S4W14N10S	Raub 6	0.00	\$0.00	1109.56	\$12,893.10	
	3603903	1S4W22H04S	Warren 1-3601887?	0.00	\$0.00	184.01	\$2,138.16	
	3601887	1S4W15L03S	Station 59	0.00	\$0.00	0.00	\$0.00	
	3602863	1S4W22H02S	Warren 4	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$50,708.16	<u>\$50,708.16</u>
Mentone Citrus Groves								
	3600139	1S2W18R01S	1 - PRH Ranch	0.00	\$0.00	0.00	\$0.00	
	3602280	1S2W18Q	2	360.00	\$1,175.54	0.00	\$0.00	
					\$1,175.54		\$0.00	<u>\$1,175.54</u>
Monte LLC (Dangermond)								
	3600494	01S03W29K	New Well	30.00	\$96.90	0.00	\$0.00	
					\$96.90		\$0.00	<u>\$96.90</u>
Montecito Memorial Park and Mortuary								
	3603949	1S4W26F	2	61.15	\$197.65	0.00	\$0.00	
	3600119	1S4W26F01S	1	61.15	\$197.65	0.00	\$0.00	
					\$395.30		\$0.00	<u>\$395.30</u>
Mountain View Mortuary & Cemetery								
	3600743	1N4W26M	1	0.00	\$0.00	92.00	\$1,069.04	
	3600742	1N4W26N	2	0.00	\$0.00	71.00	\$825.02	
					\$0.00		\$1,894.06	<u>\$1,894.06</u>
Mountainview Generating Station								
	3601014	1S3W18N03S	SB STPM 66 (DW#2)	0.00	\$0.00	182.79	\$2,124.02	
	3603796	01S03W18N01S	Edison Mid Aquifer Well B	0.00	\$0.00	18.90	\$219.62	

As of Thursday, September 04, 2014

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3601015	1S3W18N02S	SB STMP2 67 (DW#1)	0.00	\$0.00	2.49	\$28.93	
	3603795	01S03W18N06S	Edison Mid Aquifer Well A	0.00	\$0.00	942.60	\$10,953.01	
					\$0.00		\$13,325.58	<u>\$13,325.58</u>
National Orange Show								
	3601924	1S4W15D		0.00	\$0.00	21.00	\$244.02	
					\$0.00		\$244.02	<u>\$244.02</u>
New England Water Co. (B Marcum)								
	3602320	1S3W16L		142.20	\$459.31	0.00	\$0.00	
					\$459.31		\$0.00	<u>\$459.31</u>
Patton State Hospital								
	3602381	1N3W29M	14	0.00	\$0.00	0.00	\$0.00	
	3600931	1N3W29N01S	Patton 10	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Pharaoh's Splash Kingdom								
	3600415	1S3W29J01S		2.35	\$7.59	14.50	\$168.49	
					\$7.59		\$168.49	<u>\$176.08</u>
Pioneer Mutual Water Company								
	3600642	1S3W14P01S	San Bernardino 1	13.80	\$44.53	0.00	\$0.00	
					\$44.53		\$0.00	<u>\$44.53</u>
Ramirez, J.J. Citrus Mgmt								
	3600527	1S3W16A	Midas	69.07	\$225.34	0.00	\$0.00	
	3600484	1S3W16F	Buckeye 2	0.00	\$0.00	0.00	\$0.00	
	3601046	1S3W21A	1 Stowe	0.00	\$0.00	0.00	\$0.00	

As of Thursday, September 04, 2014

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3601728	1S3W30K	Frink 1	0.00	\$0.00	0.00	\$0.00	
					\$225.34		\$0.00	<u>\$225.34</u>
Ramirez, Laura								
	3601649	1S3W28M	Hoover	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Raught Mutual Well Company								
	3602193	1S3W14R01S	Raught	64.76	\$209.18	0.00	\$0.00	
					\$209.18		\$0.00	<u>\$209.18</u>
Redlands Custom Estates, LLC								
	3601126	1S2W30H	1					
Redlands Unified School District								
	3601641	1S2W30C01S	Opal St.	0.00	\$0.00	30.40	\$353.25	
					\$0.00		\$353.25	<u>\$353.25</u>
Redlands, City of								
	3600054	1S3W31A03S	Bryn Mawr 2	0.00	\$0.00	0.00	\$0.00	
	3603766	01S03W10K01S	N. Orange #1	0.00	\$0.00	1046.70	\$12,284.28	
	3601295	1S3W35H04S	14	0.00	\$0.00	0.00	\$0.00	
	3601299	1S4W24K01S	34	0.00	\$0.00	0.00	\$0.00	
	3600055	1S3W31A06S	Bryn Mawr	0.00	\$0.00	0.00	\$0.00	
	3602109	1S3W31B01S	Bryn Mawr 4	0.00	\$0.00	0.00	\$0.00	
	3602065	1S3W32J02S	Lee Well	0.00	\$0.00	0.00	\$0.00	
	3600053	1S3W31A02S	Bryn Mawr 1	0.00	\$0.00	0.00	\$0.00	

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3602211	1S3W26C01S	37 Sylvyn	0.00	\$0.00	0.00	\$0.00	
	3600756	1S3W19L01S	Mission 1	0.00	\$0.00	0.00	\$0.00	
	3602549	01S03W19J01E	California St. IRR	0.00	\$0.00	270.30	\$3,172.29	
	3600748	1S3W24A01S	Mentone Acres #1	33.60	\$109.00	0.00	\$0.00	
	3600628	1S3W15G	Redlands Trap & Skeet	0.00	\$0.00	0.00	\$0.00	
	3601284	1S2W21E01S	Maguet 2	0.00	\$0.00	0.00	\$0.00	
	3601281	1S2W36F01S	Maguet 1	0.00	\$0.00	0.00	\$0.00	
	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	
	3602032	1S3W22A02S	35	0.00	\$0.00	0.00	\$0.00	
	3601301	1S3W28H01S	41	44.60	\$145.50	0.00	\$0.00	
	3600918	2S3W01E01S	Redlands Heights IRR	0.00	\$0.00	186.60	\$2,189.97	
	3601296	1S3W35H03S	16 IRR	209.80	\$684.43	0.00	\$0.00	
	3603767	01S03W10K02S	N. Orange #2	0.00	\$0.00	1157.60	\$13,585.83	
	3601308	1S2W19K01S	Agate 1	0.00	\$0.00	0.00	\$0.00	
	3602792	01S02W19A01S	Agate #2 IRR.	0.00	\$0.00	411.10	\$4,824.75	
	3602654	1S2W19J02S	Crafton	299.60	\$977.39	0.00	\$0.00	
	3601292	1S3W35G07S	11 IRR	0.00	\$0.00	39.80	\$467.10	
	3601291	1S3W35G08S	10	0.00	\$0.00	42.80	\$502.31	
	3601294	1S3W35G09S	13	0.00	\$0.00	76.50	\$897.82	
	3603760	1S3W29Q02S	Well #39	0.00	\$0.00	378.10	\$4,437.46	
	3603655	1S3W29Q01S	38	0.00	\$0.00	839.60	\$9,853.71	

As of Thursday, September 04, 2014

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3600019	1S3W23A05S	Rees Well 1	0.00	\$0.00	874.90	\$10,268.00	
	3602895	1S3W13H02S	Airport 1	0.00	\$0.00	827.50	\$9,711.71	
	3602036	1S3W21H07S	31-A	0.00	\$0.00	26.70	\$313.36	
	3601586	1S3W15F01S	Orange St.	0.00	\$0.00	879.70	\$10,324.34	
	3603656	1S3W14E01S	Church St	0.00	\$0.00	328.50	\$3,855.34	
	3602031	1S3W21H06S	30-A	0.00	\$0.00	4.10	\$48.12	
	3601287	1S2W21B02S	East Lugonia 3	0.00	\$0.00	16.60	\$194.82	
	3603762	1S3W13M01S	Airport 2	0.00	\$0.00	134.60	\$1,579.69	
	3602792	1S2W19A01S	Agate 2	0.00	\$0.00	411.10	\$4,824.75	
	3602896	1S2W20D01S	Madeira	0.00	\$0.00	426.90	\$5,010.18	
	3602346	1S3W28J02S	New York St. IRR	484.80	\$1,581.56	0.00	\$0.00	
	3601298	1S3W21H01S	32	0.00	\$0.00	116.80	\$1,370.79	
	3600749	1S3W13Q	Mentone Acres #2	0.00	\$0.00	825.70	\$9,690.58	
	3602082	02S03W03K01S	36 (Irrigation)	0.00	\$0.00	98.10	\$1,151.32	
					\$3,497.88		\$110,558.52	\$114,056.40
Riverside, City of								
	3601431	1S4W27H01S	Stewart 20	0.00	\$0.00	0.00	\$0.00	
	3601470	1S4W22B07S	Thorn 12	0.00	\$0.00	24.70	\$286.89	
	3601467	1S4W02Q06S	Garner 4	0.00	\$0.00	5.80	\$67.36	
	3601228	1S4W11D02S	Cooley H	0.00	\$0.00	155.20	\$1,802.84	
	3601243	1S4W22H02S	Warren 4	0.00	\$0.00	323.60	\$3,759.65	
	3310031	01S04W11D0	Cooley J	0.00	\$0.00	772.40	\$8,975.40	
	3601238	1S4W23C03S	Raub 4	0.00	\$0.00	893.10	\$10,377.78	

As of Thursday, September 04, 2014

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3601473	1S4W22G16S	Thorn 5	0.00	\$0.00	0.00	\$0.00	
	3602773	1S4W27A10S	Hunt 11	0.00	\$0.00	0.00	\$0.00	
	3602771	1S4W27A11S	Hunt 6	0.00	\$0.00	0.00	\$0.00	
	3603555	1S4W14N10S	Raub 8	0.00	\$0.00	0.00	\$0.00	
	3602772	1S4W27A09S	Hunt 10	0.00	\$0.00	192.90	\$2,241.80	
	3603254	1S4W02P09S	Garner 6	0.00	\$0.00	1486.40	\$17,271.56	
	3601230	1S4W22H03S	Warren 3	0.00	\$0.00	0.00	\$0.00	
	3302794	1S4W02Q11S	Garner 7	0.00	\$0.00	1599.00	\$18,580.62	
	3602484	1S4W14N09S	Raub 5	0.00	\$0.00	0.00	\$0.00	
	3601463	1S4W02A03S	Stiles	0.00	\$0.00	497.00	\$5,775.04	
	3601465	1S4W02Q03S	Garner 2	0.00	\$0.00	0.00	\$0.00	
	3601474	1S4W22G18S	Thorn 6	0.00	\$0.00	0.00	\$0.00	
	3601475	1S4W22G17S	Thorn 7	0.00	\$0.00	0.00	\$0.00	
	3601476	1S4W22G19S	Thorn 8	0.00	\$0.00	0.00	\$0.00	
	3601231	1S4W22H01S	Warren 2	0.00	\$0.00	0.00	\$0.00	
	3601464	1S4W02P06S	Garner 1	0.00	\$0.00	5.80	\$67.40	
	3602778	1S4W14N10S	Raub 6	0.00	\$0.00	0.00	\$0.00	
	3601479	1S4W22B05S	Thorn 11	0.00	\$0.00	240.70	\$2,797.17	
	3601229	1S4W11D03S	Cooley I	0.00	\$0.00	685.30	\$7,963.42	
	3601468	1S4W02P01S	Garner 5	0.00	\$0.00	1050.10	\$12,202.31	
	3601489	1S4W02L01S	Scheuer	0.00	\$0.00	541.90	\$6,297.22	
					\$0.00		\$98,466.46	\$98,466.46

San Bernardino County (Dave Lovell)

As of Thursday, September 04, 2014

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3603900	1S2W15	Domestic Well No. 3					
San Bernardino Valley MWD								
	3603116	1S3W13Q01S	SB Ave. 1/Big Bear	0.00	\$0.00	229.30	\$2,586.50	
					\$0.00		\$2,586.50	<u>\$2,586.50</u>
San Bernardino, City of								
	3600731	1S4W02K02S	Antil 5	0.00	\$0.00	0.00	\$0.00	
	3600733	1S4W02K04S	Antil 1	0.00	\$0.00	0.00	\$0.00	
	3600732	1S4W02K05S	Antil 2	0.00	\$0.00	0.00	\$0.00	
	3602422	1S4W02K08S	Antil 6	0.00	\$0.00	0.00	\$0.00	
	3602124	1S4W14J	Central Ave.	0.00	\$0.00	0.00	\$0.00	
	3602126	1S4W24F	Gould 2 New	0.00	\$0.00	0.00	\$0.00	
	3600730	1S4W02K01S	Antil 3	0.00	\$0.00	0.00	\$0.00	
	3602125	1S4W24F04S	Gould 1 Old	0.00	\$0.00	0.00	\$0.00	
	3602128	1S4W14A	Gifford Park	0.00	\$0.00	0.00	\$0.00	
	3602123	1S4W14J	Norman Road	0.00	\$0.00	0.00	\$0.00	
	3601316	1S4W23N	Inter City	0.00	\$0.00	0.00	\$0.00	
	3601115	1N4W26P03S	Perris Hill 5	0.00	\$0.00	0.00	\$0.00	
	3603582	1S4W15P05S	Chandler	0.00	\$0.00	229.90	\$2,671.44	
	3603581	1S4W22C05S	Century	0.00	\$0.00	360.90	\$4,193.66	
	3600727	1N4W26G	Lynwood	0.00	\$0.00	300.30	\$3,489.49	
	3600734	1S4W02K03S	Antil 4	0.00	\$0.00	0.00	\$0.00	
	3603649	1S3W7A6S	Local 11	0.00	\$0.00	0.40	\$4.65	

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3602066	1S4W02B	Van Loon 1	0.00	\$0.00	0.00	\$0.00	
	3601114	1N4W35C01S	Perris Hill 2	0.00	\$0.00	0.00	\$0.00	
	3601116	1N4W35C02S	Perris Hill 3	0.00	\$0.00	0.00	\$0.00	
	3601117	1N4W35C03S	Perris Hill 4	0.00	\$0.00	0.00	\$0.00	
	3600729	1N4W35M03S	Gilbert St.	0.00	\$0.00	347.10	\$4,033.30	
					\$0.00		\$14,392.54	<u>\$14,392.54</u>
San Bernardino, County of								
	3601171	1S3W20F	Crim 1	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Solano Well Company								
	3602003	1S2W16C	Solano 3					
Stater Bros.								
	3602917	1S3W33D01S	Stater Well	0.00	\$0.00	5.38	\$62.48	
					\$0.00		\$62.48	<u>\$62.48</u>
Tennessee Mutual Well Company								
	3601161	1S3W16L	Pioneer 1	80.10	\$258.72	0.00	\$0.00	
					\$258.72		\$0.00	<u>\$258.72</u>
Tennessee Water Company (P. Marcum)								
	3600474	1S3W16L	1					
Trojan Groves								
	3600451	1S3W15M						

As of Thursday, September 04, 2014

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GWA Number 42

Period January 1, 2014 to June 30, 2014

AgRate \$3.23

NonAgRate \$11.62

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
University of California, Riverside								
	3601222	1S4W27A11S	Hunt 6	0.00	\$0.00	0.00	\$0.00	
	3601245	1S4W27A10S	Hunt 11	0.00	\$0.00	0.00	\$0.00	
	3601244	1S4W27A09S	Hunt 10	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Williams Well Corporation, LTD (B. Marcum)								
	3600828	1S3W16J	-	161.20	\$520.68	0.00	\$0.00	
					\$520.68		\$0.00	<u>\$520.68</u>
Total Ag Payment: \$18,585.24 Total Non-Ag Payment: \$427,634.31 Total Ag + Non-Ag Payment: \$446,219.55								



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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

Email: info@sbvwcd.org
www.sbvwd.org

Memorandum No. 1286

To: Board of Directors

From: General Manager, Daniel Cozad

Date: September 10, 2014

Subject: Fourth Quarter Financial Review and Approval for FY 2013-2014

RECOMMENDATION

The Finance & Administration Committee (Committee) recommend the Board review the Quarterly Financial Reports and receive and file the reports as presented to them at the August 25th Committee meeting.

BACKGROUND

At the August 25th Finance & Administration Committee meeting the Committee requested minor formatting changes for the next Quarterly Financial Budget to actual report. These will include the totaling of general ledger categories such as: field operations, vehicle operations, utilities, general administration, salaries, benefits, director's expenses, and administrative/staff expenses. The Committee hopes this will allow all members to easily identify any anomalies.

The report in the package indicates that revenue for the year was higher than budgeted and forecast because of the Wash Plan and groundwater revenue. Several agencies paid their full 2 year cost-share during this fiscal year. Based on the budget, agencies had the option to pay 60% of their cost-share in FY 13-14 and remaining 40% in FY 14-15. Groundwater revenue exceeded budget projections due to higher production needed due to the drought.

Additionally expenses were lower than anticipated due to savings and deferral of work in Wash Plan, professional services, legal and capital repairs. Some delayed billing by consultants will be rectified this fiscal year and delayable capital work will be accomplished next year. The report was also adjusted to show the proper values for salaries. Staff reviewed the costs and separated employer payroll taxes which had been included in both GL 6230 Regular Salaries and in GL 6160 payroll taxes-employer.

FISCAL IMPACT

Fiscal impacts are included in the quarterly financial spreadsheet for FY 2013-2014.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
Manual Aranda, Jr.
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

	4th Quarter			San Bernardino Valley Water Conservation District Enterprise Budget to Actual Report																		
GL ACCT:	GL DESCRIPTION:	Approved 2013-2014 Budget	Amended 2013-2014 Budget	Expended/Received to Date as of 6/30/2014	Projected Annual Costs (7/1/13-6/30/14)	Actual Over/Under Budget	Notes	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY-MENTONE HOUSE			LAND RESOURCE (MINING)			WASH PLAN		
	Based upon the Amended Budget 2013-2014							2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:
	INCOME:																					
4012	INTEREST INCOME-LAIF	2,000.00	1,800.00	796.61	1,800.00	(1,003.39)		1,800.00	100.00%		0.00			0.00			0.00			0.00		
4013	INTEREST INCOME-CALTRUST	60,000.00	60,000.00	65,159.10	60,000.00	5,159.10		60,000.00	100.00%		0.00			0.00			0.00			0.00		
4021	GROUNDWATER CHARGE-AG	38,465.00	43,357.64	52,598.64	47,536.32	5,062.32	All Received	0.00			43,357.64	100.00%	No Rate increase	0.00			0.00			0.00		
4023	GROUNDWATER CHARGE-NON AG	716,280.00	792,252.81	866,738.56	821,728.39	45,010.17	All received	0.00			792,252.81	100.00%	No Rate lincrease	0.00			0.00			0.00		
4031	PLANT SITE CEMEX	48,000.00	48,000.00	48,000.00	48,000.00	-		0.00			0.00			0.00			48,000.00	100.00%	PER LEASE MIN	0.00		
4032	CEMEX - ROYALTY/LEASE	308,333.33	308,333.33	308,333.34	308,333.33	0.01		0.00			0.00			0.00			308,333.33	100.00%	Per Lease Agreement	0.00		
4034	REDLANDS AGGREGATE 5% ROYALTY	36,000.00	36,000.00	36,000.00	36,000.00	-		0.00			0.00			0.00			36,000.00	100.00%	PER CONTRACT	0.00		
4036	AGGREGATE MAINTENANCE	23,500.00	23,500.00	42,004.92	47,464.25	(5,459.33)		0.00			0.00			0.00			23,500.00	100.00%	EST FROM 2010	0.00		
4040	MISCELLANEOUS INCOME	25,000.00	25,000.00	156,996.25	157,996.25	(1,000.00)	Insurance payments	18,750.00	75.00%	ESTIMATE	0.00			0.00			6,250.00	25.00%	ESTIMATE	0.00		
4050	PROPERTY TAX	76,000.00	76,000.00	106,903.25	76,000.00	30,903.25		76,000.00	100.00%	Assessor \$70K plus \$6K RDA	0.00			0.00			0.00			0.00		
4055	SBVMWD LEASE AGREEMENT	350,000.00	354,550.00	354,550.00	354,550.00	-		212,730.00	60.00%	General and Reserve	117,001.50	33.00%	Allocation to Cost	0.00			24,818.50	7.00%	Land Lease Cost	0.00		
4062	MENTONE PROPERTY INCOME	18,900.00	18,900.00	18,900.00	18,900.00	-		0.00		Lower rental value	0.00			18,900.00	100.00%	PER LEASE	0.00			0.00		
4065	REDLANDS PLAZA	91,883.56	139,063.00	144,799.22	142,063.00	2,736.22	All units full	0.00			0.00			139,063.00	100.00%	Estimated via revised leases	0.00			0.00		
4066	REDLANDS PLAZA CAM	20,000.00	31,198.00	31,639.96	31,198.00	441.96		0.00			0.00			31,198.00	100.00%	Estimated via revised leases	0.00	0.00%		0.00		
4080	EXCHANGE PLAN	30,000.00	30,000.00	0.00	30,000.00	(30,000.00)	Payment not received yet	0.00			30,000.00	100.00%	HISTORIC	0.00			0.00			0.00		
4025	WASH PLAN REVENUE	415,800.00	415,800.00	518,586.24	471,893.94	46,692.30	some agencies paid in full	0.00		Per Wash Plan Budget	0.00			0.00			0.00			415,800.00	100%	
4086	PLUNGE CREEK IRWMP	190,000.00	190,000.00	0.00	-	-	Likely 2015 FY due to Grant reimbursement	8,550.00	4.50%		0.00			0.00			180,500.00	95.00%		0.00		
	TOTAL INCOME:	2,450,161.89	2,593,754.78	2,752,006.09	2,653,463.48	98,542.61		377,830.00			982,611.95			189,161.00			627,401.83			415,800.00		
	EXPENSES:																					
5080	LAFCO CONTRIBUTION/FEES	9,345.83	9,345.83	994.57	2,867.07	(8,351.26)	no extra costs expced this FY	9,345.83	100.00%		0.00			0.00			0.00			0.00		
5081	WASH PLAN	0.00	0.00	14,862.04	27.54	14,862.04		0.00			0.00			0.00			0.00			0.00		
5082	PLUNGE CREEK LABOR EXPENSE	8,617.03	8,617.03	0.00	8,617.03	(8,617.03)	waiting on grant reimbursement	0.00	0.00%		0.00			0.00			8,617.03	100.00%		0.00		
5083	REPAYMENT OF WASH PLAN ADVANCE	0.00	188,365.40	188,365.40	188,365.40	-	Paid by SBVMWD	0.00	0.00%		0.00			0.00			0.00			188,365.40	100%	
5120	MISC. PROFESSIONAL SERVICES	120,000.00	120,000.00	48,150.03	77,562.52	(71,849.97)	Reduced consultant work	120,000.00	100.00%	Accounting/Sub.	0.00	0.00%		0.00	0.00%		0.00			0.00		
5122	WASH PLAN PROFESSIONAL SERVICES	127,000.00	100,000.00	55,092.26	100,000.00	(44,907.74)		0.00		Per Wash Plan Budget	0.00			0.00			0.00			100,000.00	100%	Per Wash Plan Budget
5124	PLUNGE CREEK PROFESSIONAL SERVICES	179,510.00	179,510.00	2,375.00	7,375.00	(177,135.00)	Likely 2015 FY due to Grant reimbursement	0.00			17,951.00	10.00%		0.00			161,559.00	90.00%		0.00		
5125	ENGINEERING SERVICES	15,000.00	15,000.00	1,490.21	15,000.00	(13,509.79)		0.00			15,000.00	100.00%	GENERAL ENG./GIS	0.00			0.00			0.00		
5130	AERIAL PHOTO/SURVEYING/MARKET	1,000.00	1,000.00	14,059.00	1,000.00	13,059.00	Cty Flood Lidar Agreement	0.00		Complete 2013	0.00			0.00			1,000.00	100.00%		0.00		
5133	Regional River HCP Contribution	0.00	20,000.00	20,000.00	20,000.00	-		0.00			0.00			0.00			20,000.00	100.00%		0.00		
5143	Wash Plan District Contribution	0.00	78,176.00	78,176.00	78,176.00	-		0.00			0.00			0.00			78,176.00	100.00%		0.00		
5145	ENVIRONMENTAL SERVICES (WASH PLAN)	213,000.00	250,000.00	-	150,000.00	(250,000.00)	Slower billing to be moved to FY 15	0.00		Per Wash Plan Budget	0.00			0.00			0.00			250,000.00	100%	Per Wash Plan Budget
5160	IT SUPPORT	7,500.00	7,500.00	8,517.49	7,500.00	1,017.49	virus-spamhaus	2,750.00	36.67%		4,000.00	53.33%	% OF 2010	0.00			750.00	10.00%		0.00		
5170	AUDIT	19,000.00	19,000.00	26,550.00	19,000.00	7,550.00		1,900.00	10.00%		10,640.00	56.00%	ON REVENUE	2,850.00	15.00%	ON REVENUE	3,610.00	19.00%	ON REVENUE	0.00		
5175	LEGAL-WASH PLAN	42,000.00	42,000.00	8,940.70	42,000.00	(33,059.30)		0.00		Per Wash Plan Budget	0.00			0.00			0.00			42,000.00	100%	Per Wash Plan Budget
5180	LEGAL	120,000.00	100,227.77	51,339.84	122,572.18	(48,887.93)	CEMEX Arbitration	30,068.33	30.00%		50,113.89	50.00%	Collaborative Agreement Etc.	10,022.78	10.00%	REV/NO WASH PLAN	10,022.78	10.00%		0.00		
	FIELD OPERATIONS:																					
5123	TEMP FIELD LABOR	0.00	0.00	3,571.97	0.00	3,571.97	basin cleanout help	0.00			0.00	100.00%		0.00			0.00			0.00		
5210	EQUIPMENT MAINTENANCE	8,000.00	8,000.00	2,473.38	8,000.00	(5,526.62)		0.00			8,000.00	100.00%	EST. FROM 2010	0.00			0.00			0.00		
5215	PROPERTY MAINTENANCE	7,500.00	7,500.00	3,499.60	7,674.92	(4,000.40)	Canyon shop	0.00			7,500.00	100.00%	EST. FROM 2010	0.00			0.00			0.00		
	VEHICLE OPERATIONS:																					
5310	VEHICLE MAINTENANCE	15,000.00	15,000.00	7,836.25	15,000.00	(7,163.75)	Reduced expected costs	0.00			15,000.00	100.00%	EST. FROM 2010 BASE	0.00			0.00			0.00		
5320	FUEL	16,500.00	16,500.00	10,336.42	15,500.00	(6,163.58)	Reduced fuel costs	0.00			16,500.00	100.00%	EST. PLUS FUEL COST	0.00			0.00			0.00		
	UTILITIES:																					
5410	ALARM SERVICE	3,000.00	3,000.00	2,521.81	3,716.60	(478.19)	Alarm Changes	1,500.00	50.00%		1,500.00	50.00%		0.00			0.00			0.00		
5420	ELECTRICITY	14,000.00	14,000.00	8,196.10	14,000.00	(5,803.90)		3,920.00	28.00%		2,800.00	20.00%	% OF 2010	7,280.00	52.00%		0.00			0.00		
5430	MOBILE PHONES	1,000.00	1,000.00	1,592.50	1,613.75	592.50		26.67	2.67%		973.33	97.33%	% OF 2010	0.00			0.00			0.00		
5440	TELEPHONE	7,400.00	7,400.00	6,164.72	7,500.00	(1,235.28)		5,180.00	70.00%		2,220.00	30.00%	% OF 2010	0.00			0.00			0.00		
5450	NATURAL GAS	1,500.00	1,500.00	776.98	1,141.11	(723.02)	Mild Winter	900.00	60.00%		600.00	40.00%	% OF 2010	0.00			0.00			0.00		
5460	WATER / TRASH / SEWER	11,660.00	11,660.00	1,471.60	1,937.60	(10,188.40)	Redlands Municipal expenses moved to CAM	5,830.00	50.00%		4,664.00	40.00%	% OF 2010	0.00			1,166.00	10.00%		0.00		
5470	INTERNET SERVICES	7,500.00	7,500.00	4,195.56	7,500.00	(3,304.44)	changed service	3,750.00	50.00%		2,250.00	30.00%		375.00	5.00%		1,125.00	15.00%		0.00		
	GENERAL ADMINISTRATION:																					
6001	GENERAL ADMIN-OTHER	7,500.00	7,500.00	548.29	7,500.00	(6,951.71)		3,750.00	50.00%		3,750.00	50.00%		0.00			0.00			0.00		
6002	WEBSITE ADMINISTRATION	3,100.00	3,100.00	1,783.19	3,100.00	(1,316.81)		3,100.00	100.00%		0.00			0.00			0.00			0.00		
6003	PROPERTY TAX	2,170.00	2,170.00	-	2,170.00	(2,170.00)	Most now in Redlands Plaza	2,170.00	100.00%		0.00			0.00			0.00			0.00		
6004	MEETING EXPENSES	5,200.00	5,200.00	881.02	5,200.00	(4,318.98)		3,900.00	75.00%		0.00			0.00			1,300.00	25.00%		0.00		
6006	PERMITS	1,648.00	1,648.00	50.00	1,648.00	(1,598.00)		824.00	50.00%		824.00	50.00%	% OF 2010	0.00			0.00			0.00		
6007	INTER DISTRICT COSTS	10,000.00	10,000.00	-	10,000.00	(10,000.00)		1,000.00	10.00%		3,750.00	37.50%		0.00			5,250.00	52.50%		0.00		
6009	LICENSES	1,300.00	1,300.00	850.14	1,300.00	(449.86)		260.00	20.00%		1,040.00	80.00%	% OF 2010	0.00			0.00			0.00		
6010	SURETY BOND	2,000.00	2,000.00	1,815.00	2,000.00	(185.00)		0.00	0.00%		0.00			0.00			2,000.00	100.00%		0.00		
6012	OFFICE MAINTENANCE	3,000.00	3,000.00	3,431.03	4,007.79	431.03	Repairs	1,200.00	40.00%		0.00			1,800.00	60.00%	upkeep	0.00			0.00		
6013	OFFICE LEASE PAYMENT	-	59																			

GL ACCT:	GL DESCRIPTION:	Approved 2013-2014 Budget	Amended 2013-2014 Budget	Expended/Received to Date as of 6/30/2014	Projected Annual Costs (7/1/13-6/30/14)	Actual Over/Under Budget	Notes	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCE (MINING)			WASH PLAN		
	Based upon the Amended Budget 2013-2014							2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:	2013 BUDGET:	% BUDGET	BASIS:
6042	PAYROLL PROCESSING FEES	1,500.00	1,728.40	2,102.20	2,170.85	373.80	added staff and interns	1,728.40	100.00%		0.00			0.00			0.00			0.00		
6045	BANK SERVICE CHARGES	3,000.00	3,000.00	895.31	2,179.66	(2,104.69)	higher balances = lower costs	3,000.00	100.00%		0.00			0.00			0.00			0.00		
6051	UNIFORMS	1,450.00	1,450.00	1,022.29	1,450.00	(427.71)		580.00	40.00%		870.00	60.00%	% OF 2010	0.00			0.00			0.00		
6060	OUTREACH	5,000.00	5,000.00	14,417.95	16,525.02	9,417.95	Cost sharing with SBVMWD-CV Strategies	2,500.00	50.00%		2,000.00	40.00%	Estimate	0.00			500.00	10.00%		0.00		
6087	EDUCATIONAL REIMBURSEMENT	2,000.00	3,135.00	4,796.99	4,959.63	1,661.99		3,135.00	100.00%		0.00			0.00			0.00			0.00		
6090	SUBSCRIPTIONS/PUBLICATIONS	1,500.00	1,500.00	606.95	1,500.00	(893.05)		1,500.00	100.00%		0.00			0.00			0.00			0.00		
6091	PUBLIC NOTICES	2,000.00	2,000.00	2508.20	2,508.20	508.20	higher fees	200.00	10.00%		1,600.00	80.00%	% OF 2010	0.00			200.00	10.00%		0.00		
6093	MEMBERSHIPS	20,000.00	20,000.00	14,129.00	16,129.00	(5,871.00)	savings	20,000.00	100.00%	ACWA CSDA see subsheet	0.00			0.00			0.00			0.00		
	BENEFITS:					-																
6110	VISION INSURANCE	1,612.80	1,612.80	1,688.11	1,612.80	75.31		258.95	16.06%	7% INCREASE FORECAST	1,001.02	50.87%	Based on percent of hours	100.40	5.10%		293.01	14.89%		257.26	13.07%	
6120	WORKER'S COMP INSURANCE	18,072.08	18,072.08	14,296.00	18,072.08	(3,776.08)		2,901.65	16.06%	BASE ON LABOR	11,216.80	50.87%	Based on percent of hours	1,125.07	5.10%		3,283.30	14.89%		2,882.75	13.07%	
6130	DENTAL INSURANCE	6,462.00	8,028.69	8,035.97	8,028.69	7.28	Actual Increases	1,289.08	16.06%	BASE ON LABOR	4,983.17	50.87%	Based on percent of hours	499.82	5.10%		1,458.64	14.89%		1,280.69	13.07%	
6150	MEDICAL INSURANCE	74,962.52	80,416.69	84,635.40	80,416.69	4,218.71	Actual Increases	12,911.68	16.06%	Policy Reduction	49,912.25	50.87%	Based on percent of hours	5,006.29	5.10%		14,609.97	14.89%		12,827.60	13.07%	
6160	PAYROLL TAXES - EMPLOYER	45,521.63	34,756.60	44,462.81	34,756.60	9,706.21	close to orig estimation	5,580.51	16.06%	Consolidated	21,572.39	50.87%	Based on percent of hours	2,163.75	5.10%		6,314.52	14.89%		5,544.17	13.07%	
6170	PERS RETIREMENT	118,780.01	118,780.01	108,157.97	118,780.01	(10,622.04)		19,071.29	16.06%	Actual increase	73,723.23	50.87%	Based on percent of hours	7,394.58	5.10%		21,579.75	14.89%		18,947.09	13.07%	
	SALARIES:					-			16.06%	Overhead Offset 22%		50.87%		1.22	5.10%			14.89%			13.07%	41,739.56
6230	REGULAR SALARIES					-				145,088.92												
Sub	Field Supervisor	32,784.00	32,784.00	87.65	10,102.45	(32,696.35)	Reduced Usage and Availability	0.00			39,996.48	100.00%	Salary+overhead 20% % time	0.00	0.00%		0.00			0.00		
Sub	Field Tech II	61,066.21	61,066.21	61,339.08	61,066.21	272.87	Emergency Overtime	0.00		Increase COLA 2%/RP - EMP PB	70,775.74	95.00%	Salary+overhead 20% % time	3,725.04	5.00%		0.00			0.00		
Sub	Field Tech I	35,006.46	35,006.46	33,134.01	35,006.46	(1,872.45)	Emergency Overtime	0.00		Increase COLA 2%/RP - EMP PB	42,707.88	100.00%	Salary+overhead 20% % time	0.00			0.00			0.00		
Sub	Lands and Habitat Mgr.	119,973.00	119,973.00	122,774.94	119,973.00	2,801.94		11,997.30	10.00%	Increase COLA 2%/RP - EMP PB	43,910.12	30.00%	Salary+overhead 20% % time	0.00	0.00%		43,910.12	30.00%		43,910.12	30.00%	
Sub	Admin Services Spec.	58,309.46	58,309.46	57,129.68	58,309.46	(1,179.78)		23,323.78	40.00%	Increase COLA 2%/RP - EMP PB	31,300.52	44.00%	Salary+overhead 20% % time	3,556.88	5.00%		2,134.13	3.00%		5,691.00	8.00%	
Sub	Admin Services Spec.	51,866.27	51,866.27	47,814.60	51,866.27	(4,051.67)		12,966.57	25.00%	Increase COLA 2%/RP - EMP PB	18,983.05	30.00%	Salary+overhead 20% % time	15,819.21	25.00%		6,327.68	10.00%		6,327.68	10.00%	
Sub	Engineering Intern	14,380.80	14,380.80	12,113.54	14,380.80	(2,267.26)		0.00	0.00%	crease hrs COLA 2%/RP-EMP PB	14,035.66	80.00%	Salary+overhead 20% % time	0.00			1,754.46	10.00%		1,754.46	10.00%	
Sub	GIS Intern/contract	13,353.60	13,353.60	5,359.42	13,353.60	(7,994.18)		0.00	0.00%	Increase COLA 2%/RP - EMP PB	11,403.97	70.00%	Salary+overhead 20% % time	0.00			1,629.14	10.00%		3,258.28	20.00%	
Sub	General Manager	176,728.62	176,728.62	177,443.58	176,728.62	714.96	bonus	58,320.44	33.00%	Increase COLA 2%/RP - EMP PB	64,682.67	30.00%	Salary+overhead 20% % time	10,780.45	5.00%		43,121.78	20.00%		25,873.07	12.00%	
Sub	Doc Imaging Intern	1,200.00	4,822.17	4,369.65	4,822.17	(452.52)	Limited availability	1,928.87	40.00%	Increase COLA 2%/RP - EMP PB	2,941.52	50.00%	Salary+overhead 20% % time	0.00	0.00%		588.30	10.00%		0.00	0.00%	
						-				Labor Total	\$ 564,668.42			0.48			0.05		0.14			86,814.61
	INSURANCE:					-																128,554.18
6310	PROPERTY / AUTO INSURANCE	6,924.00	6,924.00	1798.75	4,516.00	(5,125.25)	estimated high	346.20	5.00%		5,193.00	75.00%	FROM INSURER	1,038.60	15.00%		346.20	5.00%		0.00		
6320	GENERAL LIABILITY INSURANCE	20,124.00	19,209.30	27,504.22	32,306.55	8,294.92	pre-paid for next FY	960.47	5.00%		14,406.98	75.00%	FROM INSURER	2,881.40	15.00%		960.47	5.00%		0.00		
	DIRECTOR'S EXPENSES:					-																
6401	DIRECTOR'S FEES	79,000.00	79,000.00	66,192.00	79,000.00	(12,808.00)		79,000.00	100.00%	Based on board Policy and 201	0.00			0.00			0.00			0.00		
6410	MILEAGE	3,000.00	3,000.00	3,298.46	3,208.27	298.46		3,000.00	100.00%	Based on board Policy and 201	0.00			0.00			0.00			0.00		
6415	AIR FARE	4,750.00	4,750.00	4,173.65	4,750.00	(576.35)		4,750.00	100.00%	Based on board Policy and 201	0.00			0.00			0.00			0.00		
6420	OTHER TRAVEL	500.00	500.00	236.25	500.00	(263.75)		500.00	100.00%	Based on board Policy and 201	0.00			0.00			0.00			0.00		
6425	MEALS	2,930.37	2,930.37	1,889.11	2,930.37	(1,041.26)		2,930.37	100.00%	Based on board Policy and 201	0.00			0.00			0.00			0.00		
6430	LODGING	3,500.00	3,500.00	3,446.66	5,068.66	(53.34)	ACWA	3,500.00	100.00%	Based on board Policy and 201	0.00			0.00			0.00			0.00		
6435	CONF/SEMINAR REGISTRATIONS	4,590.00	4,590.00	5,800.00	6,975.00	1,210.00	ACWA	4,590.00	100.00%	Based on board Policy and 201	0.00			0.00			0.00			0.00		
6440	ELECTION FEES/REDISTRICTING	100,000.00	0.00	300.00	300.00	300.00	No Elections held	0.00	100.00%	2x\$50K from registrar	0.00			0.00			0.00			0.00		
	ADMINISTRATIVE/STAFF EXPENSES:					-				\$ 198,270												
6510	MILEAGE	1,900.00	2,672.72	3,783.35	3,165.14	1,110.63	Additional Work	2,004.54	75.00%		534.54	20.00%	Allocation of 2011	0.00			133.64	5.00%		0.00		
6515	AIR FARE	1,500.00	1,500.00	338.30	1,500.00	(1,161.70)	Additional meetings in Sac	1,125.00	75.00%		300.00	20.00%	Allocation of 2011	0.00			75.00	5.00%		0.00		
6520	OTHER TRAVEL	500.00	1,327.28	520.78	1,327.28	(806.50)	CSDA/ACWA	995.46	75.00%		265.46	20.00%	Allocation of 2011	0.00			66.36	5.00%		0.00		
6525	MEALS	1,500.00	1,500.00	921.90	1,500.00	(578.10)		1,125.00	75.00%		300.00	20.00%	Allocation of 2011	0.00			75.00	5.00%		0.00		
6530	LODGING	1,200.00	2,128.50	2,300.21	4,060.21	171.71	CSDA/ACWA	1,596.38	75.00%		425.70	20.00%	Allocation of 2011	0.00			106.43	5.00%		0.00		
6535	CONF/SEMINAR REGISTRATIONS	2,631.32	2,631.32	4,287.00	5,519.00	1,655.68	Additional meetings and conferences	2,631.32	100.00%		0.00			0.00			0.00			0.00		
	CONSTRUCTION/CAPITAL COSTS:					-																
7010	MATERIALS	7,500.00	7,500.00	0.00	7,500.00	(7,500.00)		0.00			7,500.00	100.00%	Field Security Changes	0.00			0.00			0.00		
7050	BASINS - CAPITAL ANNUAL REPAIRS	60,000.00	60,000.00	106,473.15	120,272.00	46,473.15	Clean up of dike D and Mill Creek	0.00			60,000.00	100.00%	ANNUAL MAINTENANCE	0.00			0.00			0.00		
7055	PLUNGE CREEK EXPANSION	0.00	0.00	0.00	0.00	-		0.00			0.00			0.00			0.00			0.00		
	3 year Maintenance	30,000.00	30,000.00	0.00	0.00	(30,000.00)		0.00			30,000.00	100.00%	25% OF \$120K IN 3 YEARS	0.00			0.00			0.00		
	LAND & BUILDINGS					-																
7110	PROPERTY - CAPITAL REPAIRS	30,000.00	30,000.00	0.00	30,000.00	(30,000.00)	New Sign and Landscape moved to FY 14/15	0.00			27,000.00	90.00%	Allocation of 2011	0.00			3,000.00	10.00%		0.00		
7130	MENTONE PROPERTY (HOUSE) CAPITAL REPAIRS	1,746.00	1,746.00	0.00	1,746.00	(1,746.00)		0.00			0.00			1,746.00	100.00%		0.00			0.00		
7140	MENTONE PROPERTY (SHOP) CAPITAL REPAIRS	15,500.00	15,500.00	0.00	15,500.00	(15,500.00)	Canyon Shop Repairs	0.00			15,500.00	100.00%	Field Shop capital repairs	0.00			0.00			0.00		
7150	MILL CREEK MAINTENANCE PERMITTING	-	50,000.00	0.00	50,000.00	(50,000.00)	Maintenance Permit Cost	0.00			47,500.00	95.00%		0.00			2,500.00	5.00%				
	EQUIPMENT & VEHICLES					-																
7210	COMPUTER HARDWARE CAPITAL REPAIRS	4,500.00	4,500.00	3196.76	4,500.00	(1,303.24)		4,050.00	90.00%		450.00	10.00%	Allocation of 2011	0.00			0.00			0.00		
7220	COMPUTER SOFTWARE	3,500.00	3,500.00	5,037.06	5,765.95	1,537.06	Computer changes/Additions	1,225.00	35.00%		1,050.00	30.00%	Allocation of 2011	0.00			1,225.00	35.00%		0.00		
7230	FIELD EQUIPMENT / VEHICLES	35,000.00	78,480.00	77,603.01	80,603.01	(876.99)	Tractor Loader purchase	0.0														



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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

Email: info@sbvwcd.org
www.sbvwd.org

Memorandum No. 1287

To: Board of Directors

From: General Manager, Daniel Cozad

Date: September, 10, 2014

Subject: 2014 Audit Report Presentation

RECOMMENDATION

The Ad Hoc Audit Committee (Committee) recommends the Board review and accept the 2014 Audit Report presented by Eadie and Payne LLP.

BACKGROUND

Eadie and Payne LLP. was selected by the Board of Directors in March 2014 as the District's auditor. The auditor contract is a one year agreement with two, one year extensions subject to evaluation of performance. The Committee met on July 12, 2014 to discuss the audit and anticipated schedule. Staff worked together to produce the materials for the audit. The auditor reviewed and prepared a preliminary draft report and presented it to the Committee on September 2, 2014. The Auditor made the requested clarifications and updates and prepared the report and management letter attached to this memo for presentation and approval. As indicated by the management letter the audit is a "clean" audit no audit recommendations were made in 2014.

DISCUSSION

Deborah Crowley, CPA Partner will present the Audit Opinion and Management Reports and respond to any questions the Board may have.

FISCAL IMPACT

The audit was conducted in accordance with the approved 2014-2015 budget, costs for the selected auditor slightly exceed the approved budget but will be made up by reductions on other areas.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
Manual Aranda, Jr.
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad



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Memorandum No. 1288

To: Board of Directors

From: General Manager, Daniel Cozad

Date: September 10, 2014

Subject: Unaudited Financial Reports for August 2014

RECOMMENDATION

Review and approve the unaudited financials for August 2014.

BACKGROUND

The financials are attached for the Board review and approval.

FISCAL IMPACT

None.

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OF
DIRECTORS

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Division 2: David E.
Raley

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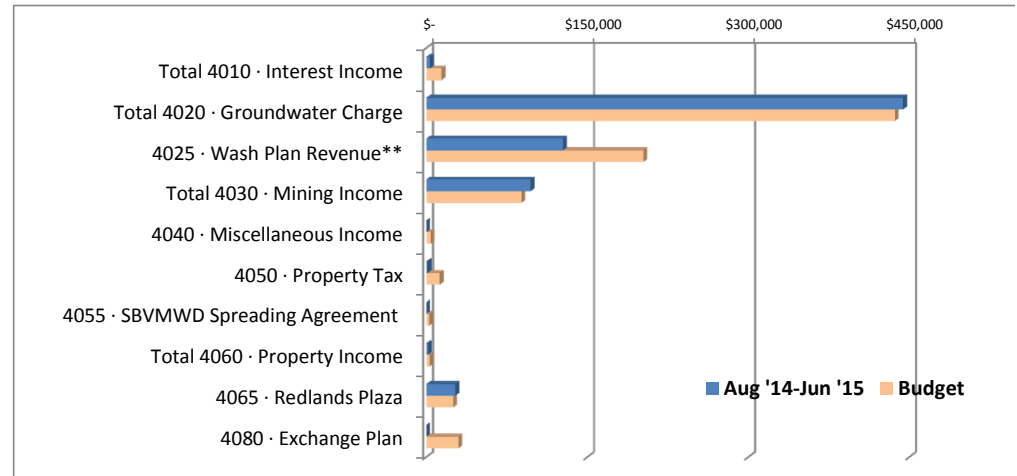
GENERAL
MANAGER

Daniel B. Cozad

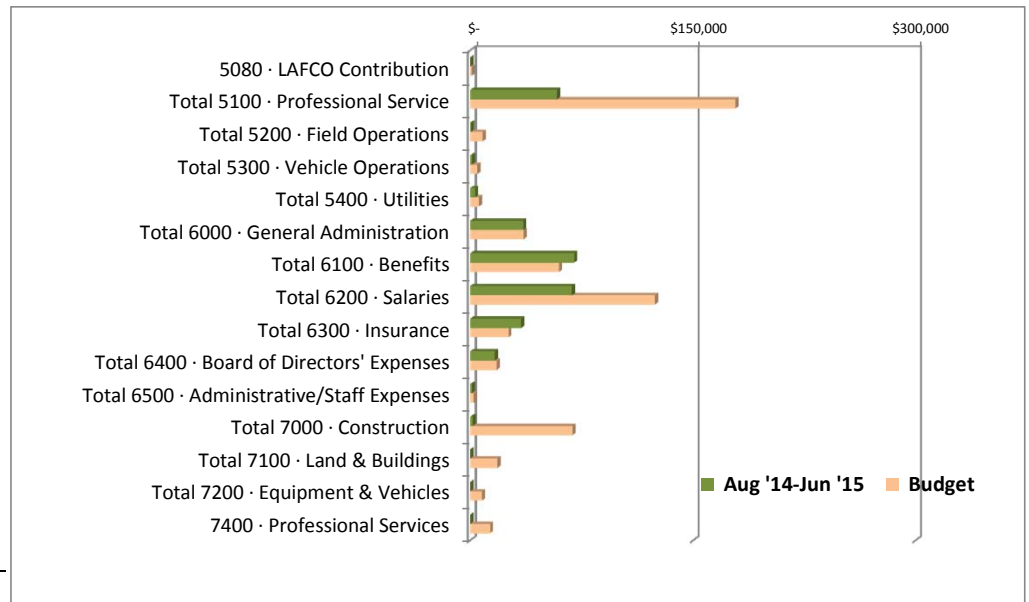
SBVWCD - All Enterprises Budget and Actual
August 2014

REVENUE	Aug '14-Jun '15	Budget
Total 4010 · Interest Income	\$ 3,467	\$ 14,367
Total 4020 · Groundwater Charge	\$ 444,360	\$ 436,648
4025 · Wash Plan Revenue**	\$ 127,472	\$ 202,350
Total 4030 · Mining Income	\$ 97,339	\$ 88,722
4040 · Miscellaneous Income	\$ 19	\$ 4,167
4050 · Property Tax	\$ 1,235	\$ 12,667
4055 · SBVMWD Spreading Agreement	\$ -	\$ 2,992
Total 4060 · Property Income	\$ 1,575	\$ 3,200
4065 · Redlands Plaza	\$ 27,124	\$ 25,100
4080 · Exchange Plan	\$ -	\$ 30,000
Total Revenue	\$ 702,591	\$ 820,212

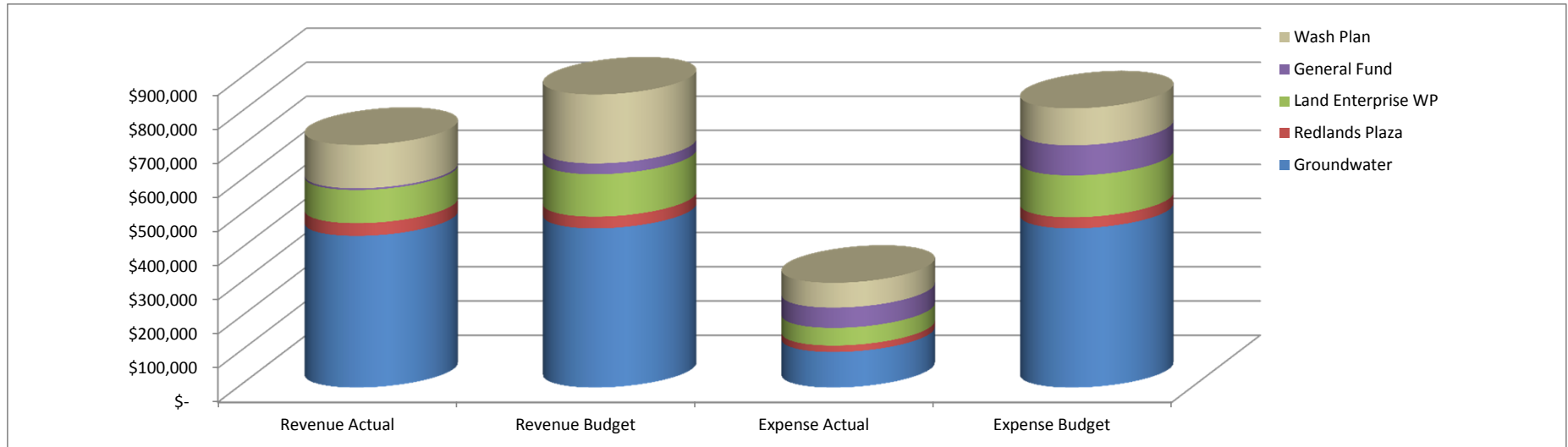
**4025 reported on cash basis



EXPENSES Operating and Capital	Aug '14-Jun '15	Budget
5080 · LAFCO Contribution	\$ -	\$ 891
Total 5100 · Professional Service	\$ 58,320	\$ 178,455
Total 5200 · Field Operations	\$ 540	\$ 8,493
Total 5300 · Vehicle Operations	\$ 1,115	\$ 4,917
Total 5400 · Utilities	\$ 3,296	\$ 5,827
Total 6000 · General Administration	\$ 35,679	\$ 35,879
Total 6100 · Benefits	\$ 69,928	\$ 59,764
Total 6200 · Salaries	\$ 68,498	\$ 124,285
Total 6300 · Insurance	\$ 34,313	\$ 25,709
Total 6400 · Board of Directors' Expenses	\$ 16,524	\$ 17,879
Total 6500 · Administrative/Staff Expenses	\$ 1,072	\$ 2,434
Total 7000 · Construction	\$ 1,678	\$ 68,788
Total 7100 · Land & Buildings	\$ -	\$ 18,384
Total 7200 · Equipment & Vehicles	\$ -	\$ 7,946
7400 · Professional Services	\$ -	\$ 13,340
Total Expense	\$ 290,963	\$ 572,991



Enterprises to Date (August 2014)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 444,360	\$ 466,648	95%
Groundwater Expense	\$ 104,177	\$ 209,169	50%
Revenue -Expense	\$ 340,183	\$ 257,479	
Redlands Plaza Revenue	\$ 37,337	\$ 34,150	109%
Redlands Plaza Expense	\$ 18,851	\$ 32,299	58%
Revenue -Expense	\$ 18,487	\$ 1,852	
Land Enterprise Revenue	\$ 97,339	\$ 124,589	78%
Land Enterprise Expense	\$ 51,874	\$ 122,841	42%
Revenue -Expense	\$ 45,465	\$ 1,748	
General Fund Revenue	\$ 5,014	\$ 31,658	16%
General Fund Expense	\$ 59,189	\$ 88,532	67%
Revenue -Expense	\$ (54,174)	\$ (56,874)	
Wash Plan Revenue	\$ 127,472	\$ 202,350	63%
Wash Plan Expense	\$ 72,892	\$ 108,413	67%
Revenue-Expense	54,579	93,937	
Total All Revenue - Expense	\$ 404,540	\$ 298,141	

Cash Status	As of 7/1/2014	As of 8/31/2014
LAIF	\$ 445,236.84	\$ 445,482.41
Cal Trust	\$ 7,476,144.42	\$ 7,479,365.54
Citizens Bank	\$ 696,980.76	\$ 1,002,914.54
Total Cash	\$ 8,618,362.02	\$ 8,927,762.49
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Cash Position	\$ 3,618,362.02	\$ 3,927,762.49

Increase of \$ 309,400.47

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

	Jul - Aug 14	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 • Interest Income				
4012 • LAIF	245.57	1,200.00	-954.43	20.46%
4013 • Caltrust Investment Income	3,221.12	85,000.00	-81,778.88	3.79%
Total 4010 • Interest Income	3,466.69	86,200.00	-82,733.31	4.02%
4020 • Groundwater Charge				
4021 • Assessments - Ag	16,725.64	44,305.00	-27,579.36	37.75%
4023 • Assessments - Non-Ag	427,634.30	828,990.00	-401,355.70	51.59%
Total 4020 • Groundwater Charge	444,359.94	873,295.00	-428,935.06	50.88%
4025 • Wash Plan Revenue	221,401.45	404,700.00	-183,298.55	54.71%
4030 • Mining Income				
4031 • Plant Site - CEMEX	8,000.00	48,000.00	-40,000.00	16.67%
4032 • Cemex - Royalty / Lease	58,333.34	408,333.33	-349,999.99	14.29%
4034 • Redlands Aggregate 5% Royalty	0.00	36,000.00	-36,000.00	0.0%
4036 • Aggregate Maintenance	31,005.64	40,000.00	-8,994.36	77.51%
Total 4030 • Mining Income	97,338.98	532,333.33	-434,994.35	18.29%
4040 • Miscellaneous Income	19.42	25,000.00	-24,980.58	0.08%
4050 • Property Tax	1,235.31	76,000.00	-74,764.69	1.63%
4055 • SBVMWD Spreading Agreement Reim	0.00	359,017.34	-359,017.34	0.0%
4060 • Property Income				
4062 • Mentone Property	1,575.00	19,200.00	-17,625.00	8.2%
Total 4060 • Property Income	1,575.00	19,200.00	-17,625.00	8.2%
4065 • Redlands Plaza	27,123.92	150,602.69	-123,478.77	18.01%
4066 • Redlands Plaza CAM	8,638.48	35,099.64	-26,461.16	24.61%
4072 • Reimbursed Expenses	293.06			
4080 • Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
4086 • Plunge Creek IRWMP	0.00	200,000.00	-200,000.00	0.0%
Total Income	805,452.25	2,791,448.00	-1,985,995.75	28.85%
Gross Profit	805,452.25	2,791,448.00	-1,985,995.75	28.85%
Expense				
5050 • Regional Programs				
5080 • LAFCO Contribution	0.00	5,345.83	-5,345.83	0.0%
5081 • Wash Plan	186.35			
5082 • Plunge Creek	0.00	0.00	0.00	0.0%
Total 5050 • Regional Programs	186.35	5,345.83	-5,159.48	3.49%
5100 • Professional Service				
5120 • Misc. Professional Services	26,134.34	149,995.00	-123,860.66	17.42%
5122 • Wash Plan Professional Services	24,234.50	162,000.00	-137,765.50	14.96%
5124 • Plunge Creek Prof Services	0.00	204,510.00	-204,510.00	0.0%
5125 • Engineering Services	0.00	16,000.00	-16,000.00	0.0%
5130 • Aerial Photography & Surveying	0.00	1,000.00	-1,000.00	0.0%
5145 • Environmental Services (WP)	2,880.00	305,000.00	-302,120.00	0.94%
5160 • IT Support	450.00	3,500.00	-3,050.00	12.86%
5170 • Audit	0.00	14,800.00	-14,800.00	0.0%
5175 • Legal - Wash Plan	0.00	53,700.00	-53,700.00	0.0%
5180 • Legal	4,621.40	125,227.77	-120,606.37	3.69%
Total 5100 • Professional Service	58,320.24	1,035,732.77	-977,412.53	5.63%
5133 • Regional River HCP Contribution	0.00	25,000.00	-25,000.00	0.0%
5143 • Wash Plan District Contribution	17,511.40	33,033.00	-15,521.60	53.01%
5175.01 • Legal Expense	0.00	0.00	0.00	0.0%
5200 • Field Operations				
5210 • Equipment Maintenance	302.98	8,458.00	-8,155.02	3.58%
5215 • Property Maintenance	236.74	42,500.00	-42,263.26	0.56%
Total 5200 • Field Operations	539.72	50,958.00	-50,418.28	1.06%
5300 • Vehicle Operations				

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

	Jul - Aug 14	Budget	\$ Over Budget	% of Budget
5310 • Vehicle Maintenance	142.63	13,000.00	-12,857.37	1.1%
5320 • Fuel	972.62	16,500.00	-15,527.38	5.9%
Total 5300 • Vehicle Operations	1,115.25	29,500.00	-28,384.75	3.78%
5400 • Utilities				
5410 • Alarm Service	452.70	3,200.00	-2,747.30	14.15%
5420 • Electricity	1,285.04	12,500.00	-11,214.96	10.28%
5430 • Mobile Phone	253.75	1,000.00	-746.25	25.38%
5440 • Telephone	933.73	5,400.00	-4,466.27	17.29%
5450 • Natural Gas	0.00	1,200.00	-1,200.00	0.0%
5460 • Water / Trash / Sewer	214.36	4,160.00	-3,945.64	5.15%
5470 • Internet Services	155.98	7,500.00	-7,344.02	2.08%
Total 5400 • Utilities	3,295.56	34,960.00	-31,664.44	9.43%
6000 • General Administration				
6001 • General Administration - Other	32.12	7,500.00	-7,467.88	0.43%
6002 • Website Administration	300.00	3,100.00	-2,800.00	9.68%
6003 • Property Tax	0.00	2,235.10	-2,235.10	0.0%
6004 • Meeting Expenses	46.30	5,200.00	-5,153.70	0.89%
6006 • Permits	0.00	1,697.44	-1,697.44	0.0%
6007 • Inter District Costs	0.00	12,500.00	-12,500.00	0.0%
6009 • Licenses	0.00	1,339.00	-1,339.00	0.0%
6010 • Surety Bond	0.00	2,060.00	-2,060.00	0.0%
6012 • Office Maintenance	0.00	3,090.00	-3,090.00	0.0%
6013 • Office Lease Payment	9,954.00	60,000.00	-50,046.00	16.59%
6015 • Mentone House Maintenance	200.00	3,050.00	-2,850.00	6.56%
6016 • Redlands Plaza Maintenance	0.00	14,500.00	-14,500.00	0.0%
6018 • Janitorial Services	1,271.00	8,593.29	-7,322.29	14.79%
6019 • Janitorial Supplies	0.00	315.00	-315.00	0.0%
6020 • Vacancy Marketing-Redlands Plaz	3,546.00	6,010.00	-2,464.00	59.0%
6024 • Computer Equip Maint.	0.00	200.00	-200.00	0.0%
6026 • Redlands Plaza CAM expenses	3,175.78	24,500.00	-21,324.22	12.96%
6027 • Computer Supplies	212.32	669.51	-457.19	31.71%
6030 • Office Supplies	1,286.62	4,250.67	-2,964.05	30.27%
6033 • Office Equipment Rental	1,160.46	8,062.84	-6,902.38	14.39%
6036 • Printing	12,151.84	1,111.00	11,040.84	1,093.78%
6039 • Postage and Overnight Delivery	531.15	1,656.00	-1,124.85	32.07%
6042 • Payroll Processing	267.30	1,780.25	-1,512.95	15.02%
6045 • Bank Service Charges	168.78	3,150.00	-2,981.22	5.36%
6051 • Uniforms	461.83	1,800.00	-1,338.17	25.66%
6060 • Outreach	218.42	17,000.00	-16,781.58	1.29%
6087 • Educational Reimbursement	0.00	4,135.00	-4,135.00	0.0%
6090 • Subscriptions/Publications	94.90	1,000.00	-905.10	9.49%
6091 • Public Notices	0.00	2,500.00	-2,500.00	0.0%
6093 • Memberships	600.00	17,500.00	-16,900.00	3.43%
Total 6000 • General Administration	35,678.82	220,505.10	-184,826.28	16.18%
6046 • Interest expense	0.00	0.00	0.00	0.0%
6100 • Benefits				
6110 • Vision Insurance	283.92	1,985.40	-1,701.48	14.3%
6120 • Workers' Comp. Insurance	0.00	22,262.61	-22,262.61	0.0%
6130 • Dental Insurance	1,342.76	7,561.98	-6,219.22	17.76%
6150 • Medical Insurance	14,426.91	115,493.77	-101,066.86	12.49%
6160 • Payroll Taxes-Employer	5,182.82	55,770.50	-50,587.68	9.29%
6170 • PERS Retirement	48,691.58	155,512.16	-106,820.58	31.31%
6100 • Benefits - Other	0.00	0.00	0.00	0.0%
Total 6100 • Benefits	69,927.99	358,586.42	-288,658.43	19.5%
6200 • Salaries				
6230 • Regular Salaries	68,498.08	745,709.39	-677,211.31	9.19%
Total 6200 • Salaries	68,498.08	745,709.39	-677,211.31	9.19%
6250 • Allocated Overhead	0.00	0.00	0.00	0.0%
6300 • Insurance				
6310 • Property/ Auto Insurance	2,717.25	6,924.00	-4,206.75	39.24%
6320 • General Liability Insurance	31,595.40	25,709.32	5,886.08	122.9%

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

	Jul - Aug 14	Budget	\$ Over Budget	% of Budget
Total 6300 · Insurance	34,312.65	32,633.32	1,679.33	105.15%
6400 · Board of Directors' Expenses				
6401 · Directors' Fees	13,199.00	82,000.00	-68,801.00	16.1%
6410 · Mileage	453.06	2,750.00	-2,296.94	16.48%
6415 · Air Fare	1,682.20	6,412.50	-4,730.30	26.23%
6420 · Other Travel	98.25	750.00	-651.75	13.1%
6425 · Meals	141.74	2,430.37	-2,288.63	5.83%
6430 · Lodging	0.00	4,900.00	-4,900.00	0.0%
6435 · Conf/Seminar Registrations	950.00	8,032.50	-7,082.50	11.83%
6440 · Election Fees / Re-Districting	0.00	0.00	0.00	0.0%
Total 6400 · Board of Directors' Expenses	16,524.25	107,275.37	-90,751.12	15.4%
6500 · Administrative/Staff Expenses				
6510 · Mileage	248.95	2,940.00	-2,691.05	8.47%
6515 · Air Fare	309.40	1,850.00	-1,540.60	16.72%
6520 · Travel, Other (rental car, taxi)	9.00	1,367.09	-1,358.09	0.66%
6525 · Meals	136.81	1,500.00	-1,363.19	9.12%
6530 · Lodging	0.00	3,128.51	-3,128.51	0.0%
6535 · Conf/Seminar Registrations	368.00	3,820.31	-3,452.31	9.63%
Total 6500 · Administrative/Staff Expenses	1,072.16	14,605.91	-13,533.75	7.34%
6700 · Depreciation Expense	0.00	0.00	0.00	0.0%
8010 · Capital Reserve GWE/Rate Stabil	0.00	20,000.00	-20,000.00	0.0%
9999 · Contribution to Capital Maint.	0.00	421,038.87	-421,038.87	0.0%
Total Expense	306,982.47	3,134,883.98	-2,827,901.51	9.79%
Net Ordinary Income	498,469.78	-343,435.98	841,905.76	-145.14%
Other Income/Expense				
Other Expense				
7000 · Construction				
7010 · Materials	0.00	7,725.00	-7,725.00	0.0%
7050 · Basins- Capital Annual Repair	1,678.00	75,000.00	-73,322.00	2.24%
7055 · Plunge Creek Expansion	0.00	155,000.00	-155,000.00	0.0%
Total 7000 · Construction	1,678.00	237,725.00	-236,047.00	0.71%
7100 · Land & Buildings				
7110 · Property Capital Repairs	0.00	54,999.50	-54,999.50	0.0%
7130 · Mentone Property (House)-CapRep	0.00	1,798.38	-1,798.38	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	3,500.00	-3,500.00	0.0%
7150 · Mill Creek Maint. Permitting	0.00	50,000.00	-50,000.00	0.0%
Total 7100 · Land & Buildings	0.00	110,297.88	-110,297.88	0.0%
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	0.00	4,500.00	-4,500.00	0.0%
7220 · Computer Software	0.00	41,940.00	-41,940.00	0.0%
7230 · Field Equipment / Vehicles	0.00	0.00	0.00	0.0%
7240 · Office Equipment	0.00	1,235.99	-1,235.99	0.0%
Total 7200 · Equipment & Vehicles	0.00	47,675.99	-47,675.99	0.0%
7400 · Professional Services Capital				
7438 · Engineering Services-Other	0.00	80,000.00	-80,000.00	0.0%
Total 7400 · Professional Services Capital	0.00	80,000.00	-80,000.00	0.0%
Total Other Expense	1,678.00	475,698.87	-474,020.87	0.35%
Net Other Income	-1,678.00	-475,698.87	474,020.87	0.35%
Net Income	496,791.78	-819,134.85	1,315,926.63	-60.65%



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Email: info@sbvwcd.org
www.sbvwd.org

Memorandum No. 1289

To: Board of Directors

From: General Manager, Daniel Cozad

Date: September 10, 2014

Subject: Groundwater Top Five Producers and Investigation List

RECOMMENDATION

Review and discuss groundwater production and potential producers to investigate due to late payment or non-responsiveness for GWA #42. Report and update to be received and filed.

BACKGROUND

The District produced notices to all producers as it does every 6 months. GWA 42 is for the period from January to June 30, 2014. After each assessment period staff follows the procedure; sending late notices, calling and attempting to assist any producer who has filed incorrect statements or has failed to file or pay or both. Each groundwater assessment cycle has both late-payers or non-paying producers. Staff makes several attempts to contact producers who have not paid and find owners for wells that have new owners or managers.

Contact has been made with most of the producers included in the attached list. The vast majority of the producers have filed and paid for GWA #42. For some who are late, we expect payment soon. Staff will describe several that we would like to have field staff visit the property and determine if the well still exists and is being utilized or to help producers who are in need of assistance calculating their production or whom have requested District assistance.

FISCAL IMPACT

Staff time to visit limited number of producers is included the attached budget.

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Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

Top 5 Groundwater Producers

August 31, 2014

Producer	Assessment #42			Assessment #41			Assessment #40			Assessment #39			Assessment #38		
	Jan-Jun 2014			Jul-Dec 2013			Jan-Jun 2013			July-Dec 2012			Jan-Jun 2012		
	Paid	Ag	Non-Ag	Paid	Ag	Non-Ag	Paid	Ag	Non-Ag	Paid	Ag	Non-Ag	Paid	Ag	Non-Ag
1. City of Redlands	\$114,056	1072.4	9420	\$94,016	1,736	7,846	\$106,069	570.5	9,245	\$120,468	1,072	10,381	\$78,850	-	7,038
2. City of Riverside	\$98,466	-	8474	\$87,096	-	7,722	\$88,140	-	7,814	\$90,213	-	7,998	\$64,423	633	6,391
3. EVWD	\$95,581	-	7968	\$96,599	-	8,564	\$102,712	-	9,106	\$108,761	-	9,642	\$82,556	-	8,416
4. Meeks and Daley	\$50,708	-	4364	\$45,440	-	4,028	\$41,769	-	3,703	\$33,502	-	2,970	\$40,662	-	4,145
5. City of Loma Linda	\$30,784	-	2623	\$34,101	-	3,023	\$28,359	-	2,514	\$35,377	-	3,136	\$25,419	-	2,591

Ag-Agriculture Production in acre-feet

Non-Ag-Non-Agricultural Production in acre-feet

PAST DUE GW #42 PRODUCERS

PRODUCERS		WELL CODE	RECORDATION	LAST PAYMENT/REPORTING
1. AHD Limited		2S3W05A02S	3601632	\$0.00/GW #41 (Jul-Dec 2013)
2. Cram Patterson Well Co.		1S2W16C	3600188	\$0.00/GW #33 (Jul-Dec 2009)
3. Greenspot Mutual Well Co		1S2W16C01S	3600266	\$0.00/GW #38 (Jan-Jun 2012)
4. Inland Valley Development Agency		1S4W12C	87	\$0.00/GW #41 (Jul-Dec 2013)
		1S4W12F	89	\$0.00/GW #41 (Jul-Dec 2013)
		1S4W12Q	91	\$0.00/GW #41 (Jul-Dec 2013)
		1S4W12B	86	\$0.00/GW #41 (Jul-Dec 2013)
5. J.G. Golfing Enterprises, Inc.		1S4W22A01S	3602499	\$365.87/GW #41 (Jul-Dec 2013)
		1S4W22B03S	3601478	\$873.09/GW #41 (Jul-Dec 2013)
6. Laranni Gunter Well		1S3W32G01S	3600160	\$0.00/GW #34 (Jan-Jun 2010)
7. Lucky Farms, Inc./Spring Pacific Properties		1S3W19L	3600757	\$567.07/GW #41 (Jul-Dec 2013)
8. Redlands Custom Estates		1S2W30H	3601126	\$83.99/GW #41 (Jul-Dec 2013)
9. San Bernardino County (Dave Lovell)		1S2W15	3603900	\$8.65/GW #28 (Jan-Jun 2007)
		1S3W32D	3601130	\$0.00/GW #34 (Jan-Jun 2010)
10. Solano Well Company		1S2W16C	3602003	none known
11. Tennessee Water Company (P. Marcum)		1S3W16L	3600474	\$0.00/GW #35 (Jul-Dec 2010)
12. Trojan Groves		1S3W15M	3600451	\$0.00/GW #36 (Jan-Jun 2011)
13. unknown well owner maybe Barton Development		1S3W19G	3600418	\$0.00/GW #40 (Jan-Jun 2013)
		1S3W19A01S	3603554	\$0.00/GW #40 (Jan-Jun 2013)



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Memorandum No. 1290

To: Board of Directors

From: General Manager, Daniel Cozad

Date: September 10, 2014

Subject: CSDA Committee and Expert Feedback Team Appointments for 2015

RECOMMENDATION

Review and consider appointing Director Raley to the Fiscal Committee for 2015. The term of office is one year, January 1, 2015-December 31, 2015.

BACKGROUND

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

- Audit Committee
- Professional Development Committee
- Elections & Bylaws Committee
- Fiscal Committee
- Membership Services Committee
- Legislative Committee

A detailed listing is attached of the topics each committee focuses on as well as a listing of Expert Feedback Teams. The teams do not require travel only occasional feedback via email. The District utilizes CSDA for training and attends the CSDA Annual Conference. Currently the General Manager participates in the Experts group for the Legislative Committee. Director Raley participates as a member of the Fiscal Committee and Director Aranda participates as a member of the Education Committee.

At the August 13th meeting the Board approved Director Aranda's request for nomination to the Professional Development Committee previously known as Education Committee. Director Raley did not request such nomination at that time; however is requesting reconsideration for his appointment to the Fiscal Committee for 2015.

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Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

All correspondence and forms must be in the CSDA office no later than October 10, 2014.

FISCAL IMPACT

There is no change in Fiscal Impact if Director Raley is reappointed. Staff included this level of expenses in the approved 2014-15 budget. CSDA does not reimburse any expenses for this participation.



**California Special
Districts Association**

Districts Stronger Together

**2015 COMMITTEE AND EXPERT FEEDBACK TEAM
INTEREST FORM**

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

Name: _____

Title/Position: _____

District/Organization: _____

District Address: _____

Personal Address: _____

Telephone:(District) _____ (Contact): _____

Fax (District): _____ (Contact): _____

E-mail: _____

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

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

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

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

_____ **Professional Development Committee:** Plans, organizes and directs the professional development and events for CSDA. Commitment: Meets at least twice annually.

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

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

_____ **Member Services Committee:** Responsible for recruitment of new members, member retention, development of new member benefits and review of current programs. Commitment: Meets at least twice annually.

_____ **Legislative Committee (space is limited):** Develops CSDA's legislative agenda; reviews, directs and assists with legislative/public policy issues. Commitment: Meets six times a year in Sacramento. Attending CSDA's Special Districts Legislative Days (May 19-20) and Annual Conference (September 21-24) is expected if you serve on this committee. All 2015 Legislative Committee applicants are invited to join the 2014 committee members and CSDA staff for a legislative planning session on November 7, 2014.

Each Legislative Committee member will be assigned to 1 or 2 working groups. Please rank from 1 to 6 which working groups you prefer to serve on (1 being most preferred):

- _____ Budget, Finance & Taxation Working Group
_____ Environment Working Group
_____ Formation & Reorganization Working Group
_____ Governance Working Group
_____ Human Resources & Personnel Working Group
_____ Public Works & Contracting Working Group

I prefer to serve on ____ (1 or 2) Legislative Committee working groups

_____ **Alternative Option: CSDA Blog and Legislative Distribution List** - Because seats are limited on the Legislative Committee, CSDA has created an alternative option whereby members can receive the same legislative information via email that Legislative Committee members receive. Members on this list will be subscribed to receive "real-time" e-mail updates from the CSDA Blog and will be copied on Legislative Committee e-mails. Select this option instead of the Legislative Committee if you are unable to meet the requirements of serving on the Legislative Committee, but still want to keep informed of the latest legislative issues impacting special districts and provide input to CSDA as appropriate.

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

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

_____ **Environment:** CEQA; Greenhouse Gas Emissions; Natural Resources; Renewable Energy; Sustainable Communities

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

_____ **Governance:** Audits and Reporting; Brown Act; Elections; Ethics; Public Records Act; Political Reform Act; Transparency and Accountability

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

_____ **Legal:** General legal matters affecting special districts

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

Committee and Expert Feedback Team participation is open to both member district/agency Board Members and Staff. **Please note that the Association does not reimburse any expenses incurred from this participation.** CSDA is committed to keeping travel costs to a minimum for committee members and handles a significant amount of committee work through webinars, conference calls and e-mail; however, most committees do meet at least two times a year in person.

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

*Signature: _____ Date: _____

Please return this completed form to Charlotte Lowe at CSDA by mail, fax (916) 442-7889 or email charlottel@csla.net no later than **5:00 PM on Friday, October 10, 2014**

CSDA, 1112 I St., Suite 200, Sacramento, CA 95814, T - (916) 442-7887, F - (916) 442-7889 www.csla.net



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Memorandum No. 1291

To: Board of Directors

From: General Manager, Daniel Cozad

Date: September 10, 2014

Subject: ASBCSD Board of Directors Opening

RECOMMENDATION

If any member wishes to serve consider nominating the Board member for election to the Association of the San Bernardino County Specials Districts Board (ASBCSD). Authorize the President of the Board of Directors to submit a letter of recommendation.

BACKGROUND

Staff received email notification from ASBCSD notifying the District of a Board Member opening on August 26, 2014. The ASBCSD meets monthly. Appendix C to the Board Policy Manual appoints a primary and alternate to attend general dinner meetings at the request of the District.

FISCAL IMPACT

Cost for one director to participate are included in the approved budget, so no additional expense would be incurred if the nominated member is or becomes the primary representative to ASBCSD. However, if this is not the case the unbudgeted cost for a second Board member to participate is estimated at \$2,552 for Director's fees and average meal cost but not including mileage.

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MANAGER

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September 11, 2014

The Association of the San Bernardino County Special Districts
Cheryl Vermette
PO Box 205
Montclair, CA 91763

RE: Letter of Recommendation

On September 10th the Board of Directors approved this letter of recommendation on behalf of Director _____ for Association of the San Bernardino County Special Districts (ASBCSD) Board Member. The Water Conservation District Board recommends him for the open elected member position of The Association of San Bernardino Special Districts Board.

In the same action the Board committed to pay applicable mileage reimbursement for Director _____ participation at ASBCSD meetings, if elected.

Sincerely,

Richard Corneille
President

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MANAGER

Daniel B. Cozad



Wash Plan Update

August 6, 2014 through Sept. 3, 2014



Work continues on the “screen check” revised HCP document. The document will first be circulated within the project team and then provided to the Task Force for comment at their September meeting. After receiving Task Force comment, the document will be provided to the Fish and Wildlife Service and the CA Department of Fish and Game for initial review. This will be the first formal review of our efforts by CA DFW. As the standard for mitigation of covered activities is different under CA State law this will inform the Task Force for some important policy decisions.

To help meet the State mitigation standard, staff hosted a Spineflower Working Group meeting with species-specific experts from US FWS, CA DFW, the University of California and other conservation agencies. The process is similar to one used in by the State in Natural Resources Conservation Planning (NCCP), a method used to meet State mitigation requirements. The group discussed the importance of managing invasive grass species, providing sheet flow to refresh habitat and the need to manage the seed bank or population of seeds present in the soil. These seeds likely persist for years and only germinate under very narrow window of environmental conditions. Therefore, successful recovery of the species depends on the viability of the seed bank, not just the yearly population of plants observed in a survey. Fortunately, the seed bank remains viable in the soil for a long period of time and will persist through periods of drought. The seed bank of invasive grasses is not as robust. Input from the group was added to the Habitat Management Plan (HMP) portion of the HCP document. Additionally, the group volunteered agreed to review specific management plans as they are developed.

Last month staff developed a detailed series of maps showing where specific management activities would be appropriate. This level of detail allows more precise calculations of costs for management activities. Using these data, staff developed a strategy that applies the lowest cost treatment option to an area. This strategy incorporates the unique requirements of each cover species and is divided into three tiers. Full treatment costs will be approximately \$500 per acre for initial treatment, partial treatment is approximately \$300 per acre and spot treatment is \$100 per acre. The management goal is to improve habitat to where it can be managed using spot treatment every one to two years. Although cost effective, because of the rocky terrain, mowing or mechanized cutting will be difficult to implement and may be cost prohibitive. Burning and sheep grazing remains the highest priority for initial treatment where appropriate as it provides a high level of invasive grass/vegetation removal at a much lower cost. Highest priority areas for treatment will be the 288 acre linkage between the Santa Ana River and Plunge Creek, as well as quality habitat areas adjacent to ecological process areas.

Staff developed a formal notice so that the Fish and Wildlife Service and the Bureau of Land Management can develop a joint supplemental Environmental Impact Statement (EIS) in tandem with a supplemental Environmental Impact Report (EIR) to meet California requirements. This

formal Notice of Intent (NOI) has been reviewed at the regional level by our Federal partners and is still under agency and legal review. This NOI document will be published in the Federal Register and is the first step in environmental compliance.

Work on the draft “screen check” HCP is nearly complete. ICF will complete the Task Order for this work in September. With a complete HCP document, Baker Company will be able to ramp up activity on the supplemental EIR/EIS document and should have a draft for circulation by year’s end. This Task Order is scoped for work through the public hearing and Notice of Availability of the draft document. Significant comments are not anticipated on either document and can be addressed with existing budget resources.

WASH PLAN

PROFIT & LOSS BUDGET VS ACTUAL

FY 2014-2015 AND TOTAL BUDGET through August 2014

Ordinary Income/Expense

	FY 2014-2015 Wash Plan				TOTAL as of August 31, 2014			
	Jul '14 - Jun 15	Budget	\$ Over Budget	% of Budget	Jul '14 - Jun 15	Budget	\$ Over Budget	% of Budget
Income								
4025 · Wash Plan Revenue	127,471.60	404,700.00	-277,228.40	31.5%	646,057.84	820,500.00	-174,442.16	78.74%
Total Income	127,471.60	404,700.00	-277,228.40	31.5%	646,057.84	820,500.00	-174,442.16	78.74%
Expense								
5083 · Repayment of Wash Plan Advance	0.00	0.00	0.00	0.0%	188,365.40	0.00	188,365.40	100.0%
* 5122 · Wash Plan Professional Services	24,234.50	162,000.00	-137,765.50	14.96%	91,265.30	262,000.00	-170,734.70	34.83%
5145 · Environmental Services (WP)	2,880.00	305,000.00	-302,120.00	0.94%	5,760.00	555,000.00	-549,240.00	1.04%
5175 · Legal - Wash Plan	0.00	44,500.00	-44,500.00	0.0%	8,940.70	86,500.00	-77,559.30	10.34%
District Support-overhead, benefits, salary	28,266.54	144,952.94	-116,686.40	19.5%	99,458.00	279,479.11	-180,021.11	35.59%
Total Expense	55,381.04	656,452.94	-601,071.90	8.44%	393,789.40	1,182,979.11	-789,189.71	33.29%
Net Income	72,090.56	-251,752.94	323,843.50	-28.64%	252,268.44	-362,479.11	614,747.55	-69.6%

Accounts Receivable:

Cemex	\$ 175,355.50
Robertson's	\$73,306.80
City of Highland	\$19,092.15
City of Redlands	\$19,092.15
Flood Control	\$19,092.15
Total	\$ 305,938.75

*WP Professional Services

Baker (RBF Consulting) (EIS)-12% spent
 ICF Jones & Stokes (HCP)-64% spent
 Jericho Systems (survey work)-28% spent
 Randy Scott (management)-38% spent



General Manager's Report

For August 9 to September 5, 2014

Daniel B. Cozad

The following report covers the three weeks between meetings and the efforts and activities during the reporting period.

1. **Water Conservation – Plan Goal 1** – Water recharge related work continues to be mostly maintenance and reconstruction of impacted facilities. District Staff are planning for winter storms to bring recharge waters. Staff expects to complete cleanout work in basins, canal clearing and other maintenance in both Mill Creek and in Santa Ana Spreading grounds through September. Staff and interns have continued work on improvements to the Mill Creek diversion to be reviewed by the Operations Committee on September 12th. These changes are intended to minimize the floating debris and rock. After the August 3rd storms staff with assistance from Jacinto put the diversion back and recharged 88 acre feet of water from the storms in August. At \$600 per acre foot this is nearly \$50,000 worth of water. However in the drought this water is critical to the wells near the spreading ground.
2. **Facility Maintenance - Plan Goal 1** – Staff worked with contractors and permittees for their on-site field work. Aggregate management by Upland Rock and Munoz Construction continued. Staff issued a notice to Ranch Rock for removal of stored materials due to expiration of access permit and non-payment of monthly fees or relinquish ownership, to date they have not responded.
3. **Personnel/Administration/Staff – Plan Goal 6** – Staff updated costs made available to the District for health care; costs are generally in line with the approved budget.
4. **Finance/Budget/Audit – Plan Goal 6** – Staff supported the audit during August and reviewed the audit draft report with the Ad Hoc Committee on September 2, 2014. The Draft Audit is to be presented to the Board at the September meeting.
5. **Big Bear Watermaster – Plan Goal 7** – No Action this period.
6. **East Branch Extension – Plan Goal 7** – Staff continues to work closely with DWR, contractors and SBVMWD on field activities, coordinating maintenance, management of facilities. Construction of replacement facilities by DWR as part of the East Branch Extension II, included completion of the Diversion and exception for concrete temperature. Another revision submitted by the contractor was related to a culvert near Mill Creek Basin #3, under the Flood Control Levee, differences in actual condition required removal part of our facility and replacement in a revised manner. Much of Mill Creek work is complete. Testing of replaced facilities will continue when water is available.

7. **Collaborative Enhanced Recharge Project** – *Plan Goal 7* – Coordination and cooperation with California Department of Fish and Wildlife permitting and jurisdictional delineation are ongoing. MOU with BLM for construction of enhanced recharge operations were discussed on September 3rd plans made to finalize the agreement.
8. **Wash Plan** – *Plan Goal 2* – Additional meetings and efforts continued in July. Several meetings were held with CDFW, USFWS, SB Flood Control, BLM, many project proponents and consultants. Next Task Force Meeting is scheduled for mid-September.
9. **Property/Redlands Plaza** – *Plan Goal 3* – Staff is working with two companies who have submitted quotes to bring a recommended project to the Board in October. Staff supported one tenant with financing to upgrade HVAC for their suite, to be repaid over 6 years.
10. **Mining** – *Plan Goal 2/3* – Management and District Counsel are working with CEMEX to set the royalty market rate under the terms of the Agreement. District staff and CEMEX Management also reviewed mining operations and potential future agreements.
11. **Plunge Creek Grant** – *Plan Goals 1/4/7* – Staff worked with several consultants to answer questions related to the RFP and coordinated with SAWPA for OWOW 2 Approval and Contracting for the grant.
12. **Public Outreach and Legislative** – *Plan Goal 4* – Staff coordinated and attended meetings with partners and communities related to Wash Plan, water management, drought, and groundwater issues, Flood Control USFWS, BLM and CDFW for Wash Plan and Mill Creek issues. Staff participated in numerous activities and meetings related to the iEfficient.com campaign and supporting the Landscaper education efforts.
13. **Current Board Action Implementation** – *Plan Goal 3* – Staff is implementing the priorities and prepared project plans for trails and stormwater capture studies. Student interns are working on trail planning and will present their progress to the Operations Committee in September. Field staff are working with the City of Redlands, County of SB on limiting trespass onto District Lands. Staff has a design for review with SBC Flood Control to review Mill Creek debris solutions for additional recharge in Mill Creek. Staff participated in the coordinated drought messages and communications program.
14. **Future Board Activities** – Expected short term items for consideration
 - a. Reserve targets assessment to Finance and Admin Committee
 - b. Plunge Creek Contract and Engineering Design Contract in October
15. **District Successes** – *Plan Goal 6*
 - a. District staff supported the Audit over the past month and with the assistance of the Ad Hoc Audit Committee have complete a first year audit a month earlier than any prior audit. We appreciate the work of Eadie and Payne LLP in performing the audit.
 - b. Field staff was able to recharge 88 AF of water from dirty summer storms.

San Bernardino Valley Water Conservation District

Monthly Recharge Report

From: 8/1/2014
To: 8/31/2014



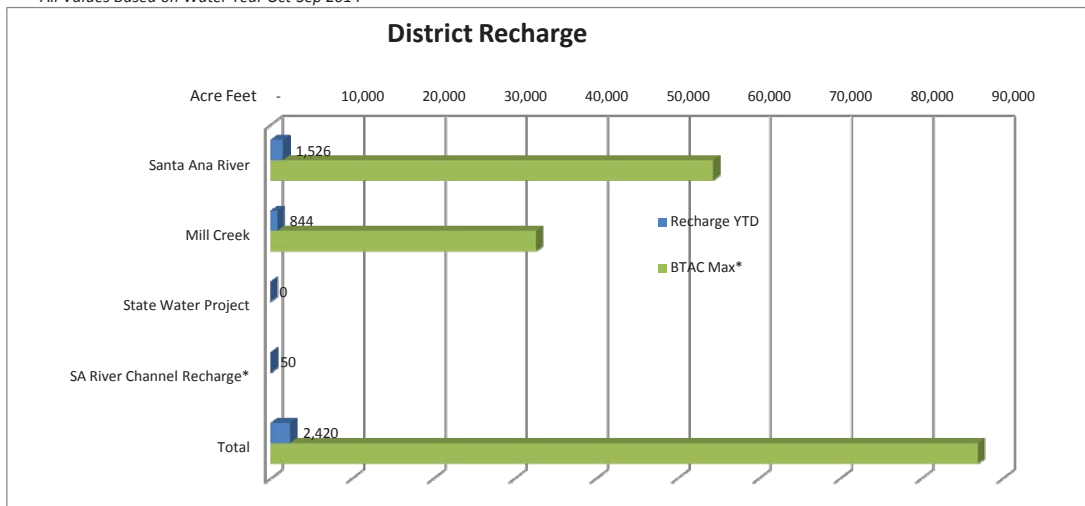
	August				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	0.3	10	1,526	54,375	3%
Mill Creek	2.8	88	844	32,625	3%
State Water Project	0.0	0	0	NA	NA
In River Channel Recharge**	0.5	14	50	NA	NA
Total	4	112	2,420	87,000	3%

Values in Acre Feet

*BTAC Revised Max in October 2012

**Monitoring began in Mid-April 2011

*** All Values Based on Water Year Oct-Sep 2014





Board Member Meeting Report

Prepared by: John Longville

Date: May 31, 2014

Meeting Name: San Bdo. Generation Now Community Festival

Meeting Location: Perris Hill Park, San Bdo.

Meeting Purpose and Value to District:

Connect citizens in San Bdo. with reps of govt. agencies and provide info re our role and activities ~ I was asked to speak by organizers

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

Candidly, most notable thing about meeting was relative apathy of most attendees. ~ Good discussions with a few individuals (incl. fellow speaker Co. Assessor Larry Walker) but considering time spent waiting my turn to speak probably was not very effective use of time. Every time I do something like this I am reimpresed with just how few people even realize our agency exists, let alone what we do.

Recommendations or Concerns

None to report.

Member or Members Attending

John Longville

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Board Member Meeting Report

Date: 8/2/2014

Meeting Name: Boe

Meeting Location: Muni Office

Meeting Purpose and Value to District: Regular Monthly Meet

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

Topics Discussed

1. UPDATE ON THE PUBLIC OUTREACH C.U. STRATEGIES
2. Report on the Update of the Upper Santa Ana River Watershed Integrated Regional Water Management Plan
3. Report from Eng Sub Committee
4. Report from Project Implementation Group
5. Staff/Advisory Panel Allocation Plan Budget

Recommendations or Concerns

Continue attending meet. Good reports
in face of drought

Member or Members Attending

David, Moody, DAN, Manny

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Review
10/7/215
8:00 AM



Board Member Meeting Report

Date: 8/6/2014

Meeting Name: SBCC

Meeting Location: SBCC OFFICE

Meeting Purpose and Value to District:

Koffee, Cash: week 14

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

Regular weekly meetg

speaker: Jeff Baxter rep of Health Base

Cenry Co.

Talk Directed to Small Buss: How to keep their
offices, store, warehouse clean & healthy.
Water Innovation.

Recommendations or Concerns

Continued going to these weekly meetings

Member or Members Attending

Aranda

This form is not required for regular Board or Committee Meetings, nor District Requested meetings attended by the primary or alternate in place of the primary attendee. It is required for all meetings categorized in Appendix C where it indicates (WRR).



Board Member Meeting Report

Date: 8/20

Meeting Name: S.B.C.C.

Meeting Location: S.B.C.C. office

Meeting Purpose and Value to District:

Weekly meeting of Chapter

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

Made presentation on "Conservation"
Response was good. 2 requests for programs

Recommendations or Concerns

Will continue presentation

Member or Members Attending

Melody Hanz

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Board Member Meeting Report

Date: 8/14/2014

Meeting Name: Upper Santa Ana

Meeting Location: District Office

Meeting Purpose and Value to District:

Bring up to date on what other water
agencies are doing re: Drought in the Basin

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

Made legislative Report to USA
Don Hirsch gave report on activities of
Yuma
Joe G. of Yucapt outlined his plan to
gently nudge & push his water users to
conserve water. 2 citations plus ^{SP's} spgs

Recommendations or Concerns

All should attend the meeting

Member or Members Attending

Manny Melody, Board

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Board Member Meeting Report

Date: 8/23/2014

Meeting Name: Campus Hill: University L.H.

Meeting Location: Campus Hill

Meeting Purpose and Value to District:

Presentation

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

Made presentation on Draft
Entitled: CONSERVATION

Recommendations or Concerns

Continue Presentation

Member or Members Attending

Mary

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Board Member Meeting Report

Date: 08/08/14

Meeting Name: ACWA State Legislative Committee

Meeting Location: ACWA office Sacramento

3895

Meeting Purpose and Value to District:

To guide legislation coming into law regarding water policy in CA.

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

Agenda & topics of things discussed is attached.

Federal update, Ken Coposas new guy at EPA

Waters of the US deadline to comment October 5.

Discussion on water bond and which version is likely to pass. Heated discussion on groundwater bills, AB 1739 & SB 1168 now identical bills that are going forward. August 19th SLC conference call meeting. Review of the must haves in amendments.

Annual planning meeting Bill sponsorship process, deadline to submit is September 5th and a resolution is required.

Formation of Low income Rate Stabilization workgroup, vs Prop 218 depth com 5 changes

Recommendations or Concerns

Member or Members Attending

Melody McDonald,

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ACWA State Legislative Committee

August 8, 2014

10:00 a.m.

AGENDA

- | | |
|---|-------------------------|
| 1. Welcome | Paul Bartkiewicz, Chair |
| 2. Self-Introductions | Members, Guests, Staff |
| 3. Executive Director's Report | Tim Quinn |
| A. Federal Update | |
| B. Drought Action Group | |
| 4. Deputy Executive Director's Report | Cindy Tuck |
| A. 2014 Water Bond Legislative Work Update | |
| 5. Groundwater Sustainability Legislation | Whitnie Wiley |
| 6. Drought-Related SWRCB Activities: Emergency Regulations on
Urban Water Conservation and Curtailment of Diversions | Dave Bolland |
| 7. Annual Planning Meeting Bill Sponsorship Proposal Process | Antonio Alfaro |
| 8. Video Image Web-Based WebEx Conferencing Update | Wendy Ridderbusch |
| 9. Formation of Low-Income Rate Subsidization Workgroup | Wendy Ridderbusch |
| 10. Review of any Hand-Carries | Wendy Ridderbusch |
| 11. Review of Bill Packet #1 | Wendy Ridderbusch |
| 12. Other Business | |
| 13. Adjourn | |

Annual Planning Meeting

October 24, 2014, 10:00 a.m. –

**Last month of legislative session update including Water Bond and consideration and discussion of
potential ACWA - Sponsored bills for 2015**

Location: ACWA Board Room

BILL PACKET

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Board Member Meeting Report

Date: 08/12/14

Meeting Name: Water Management Committee

Meeting Location: ACWA office Sacramento



2 pgs

Meeting Purpose and Value to District:

To help create sound water policy.

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

Water Management Committee Meeting

Update on Water Transfer group, going over guidelines, meeting in about a month with the stakeholders to discuss the Water Transfers Initiative.
CalDesal update SWRCB Ocean Plan Amendment, establishing a salinity plan. New staff at the State Board is attentive and engaged.
Draft set of rules and regs are out there, brine disposal component, informal workshop, shared initial feedback of document. Hearing is August 19th for those discharging into ocean.
Ca air board AB 32 scoping plan amendment, title paragraph put in last minute loading plan order that PUC requires. Letters of opposition put in for that. The Energy Commission looking at loading orders.
Water reuse reports, has conf call regarding water bond.
Urban Water conservation
Mandates handed down from State Board, October 15th an estimate of reductions is required from retailers. There is a web portal on SWRCB site for reporting
Flood and Stormwater Management
Locally some agencies are going to be caught off guard
Statewide flood management completed last year.

Recommendations or Concerns

Yes. Implementation on mandates being handed down. Currently a lot of these ordinances are already on the books at municipalities and not being enforced or taken seriously

Member or Members Attending

Melody McDonald

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Committee Agenda

Water Management Committee

August 12, 2014

1:00 PM - 3:45 PM

ACWA Boardroom, Sacramento

Conference call-in number (559) 726-1000; passcode 306687#

Chair, Thaddeus Bettner

Vice-Chair, Paul Shoenberger

- I. Welcome and Introductions - Thaddeus Bettner
- II. Issue Updates (90 Min)
 - Headwaters Framework Project Update – Danielle Blacet (20 min)
 - CA Water Conservation Council Report - Greg Weber (40 min)
 - CUWCC Strategic Planning
 - BMP 1.4 Conservation Rates Process
 - CalDesal Report - Ron Davis (20 min)
 - SWRCB Ocean Plan Amendment: Desalination
 - WaterReuse Report - Bert Michalczyk (10 Min)
- III. Subcommittee Status Reports (60 min)
 - Urban Water Conservation - Jim Peifer (20 Min)
 - Emergency Drought Regulations and Implementation
 - Integrated Regional Water Management - Ruanne Mikkelsen (10 Min)
 - Recycled and Potable Reuse - Bert Michalczyk (5 min)
 - Agricultural Water Use Efficiency - Lewis Bair (5 min)
 - Surface Storage - Lewis Bair and Mario Santoyo (5 min)
 - Flood and Stormwater Management - David Peterson (5 min)
 - Water Transfers Workgroup - Ted Trimble (5 min)
- IV. Adjournment - Thaddeus Bettner

Next Meeting: December 2, 2014 10-11:45 AM at Fall Conference, Manchester Grand Hyatt, San Diego

All information and materials related to committees, including presentations and minutes, are available to Committee Members on ACWA's website at: <http://www.acwa.com/content/acwa-committees>

Board Member Meeting Report

Date: 8/19/14

Meeting Name: ACWA Special State Legislative Committee Meeting

Meeting Location: Conference call Web-Ex

Meeting Purpose and Value to District:

Participate in the creation of groundwater legislation



2 pgs
plus
documents

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

See attached agenda

A copy of AB1739 & SB 1168 Outstanding Issues, all amendments, summaries, and Recommendations For Achieving Groundwater Sustainability will be available to anyone wanting to view them.

Recommendations or Concerns

Yes. ACWA staff did an excellent job in getting most of our must haves in the outstanding issues. However there is some disagreement among water agencies in the state over the surface water nexus in these bills, they strongly feel the no harm rule in ACWA's Blueprint has been ignored.

Member or Members Attending

Melody McDonald

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ACWA Special State Legislative Committee Meeting Via WebEx

August 19, 2014

2:30- 4:00pm

AGENDA

- | | |
|--|-------------------------|
| 1. Welcome | Chair, Paul Bartkiewicz |
| 2. Roll Call of Committee Members and Approved Alternates | Wendy Ridderbusch |
| 3. Review of Agenda and Participant Protocol | Paul Bartkiewicz |
| 4. Comments from Executive Director | Tim Quinn |
| 5. Comments from ACWA President | John Coleman |
| 6. Groundwater Legislation Overview <i>midnight 8/31/14 end of session</i> | Whitnie Wiley |
| 7. Comments and Questions from State Legislative Committee Members | Whitnie Wiley |
| 8. Comments and Questions from Guests | Whitnie Wiley |
| 9. Motions on | Paul Bartkiewicz |
| • SB 1168 (Pavley) – Groundwater Management | |
| • AB 1739 (Dickinson) – Groundwater Management | |
| 10. Discussion of Motions | Paul Bartkiewicz |
| 11. Roll-Call Vote | Wendy Ridderbusch |
| 12. Annual Planning Meeting Announcement | Wendy Ridderbusch |
| 13. Adjourn | Paul Bartkiewicz |

Annual Planning Meeting

October 24, 2014, 10:00 a.m. –

Last month of legislative session update including Water Bond and consideration and discussion of potential ACWA - Sponsored bills for 2015

Location: ACWA Board Room



Board Member Meeting Report

Date: 08/20/14

Meeting Name: SB Chamber

Meeting Location: SB Chamber of Commerce

1.29

Meeting Purpose and Value to District:

Visibility in the community

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

Manny gave an excellent presentation of water use efficiency and the effects of the drought.

Recommendations or Concerns

None

Member or Members Attending

Melody McDonald, Manny Aranda

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Board Member Meeting Report

Date: 08/22/14

Meeting Name: San Bernardino County Water Conference

Meeting Location: CSUSB



Meeting Purpose and Value to District:

To hear and learn what experts are saying about our current water situation, solutions on meeting California water demands in years to come.

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

See attached notes.

Recommendations or Concerns

Yes. Extreme Drought.

Member or Members Attending

Melody McDonald, Richard Corneille, Manny Aranda, John Longville

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OF SOUTHERN CALIFORNIA



Schedule of ACTIVITIES

8:00 A.M. WELCOME / OPENING REMARKS

- Carlos Rodriguez - CEO, Building Industry Association, Baldy View Chapter
- Terry Kent - President, Building Industry Association, Baldy View Chapter
- Dr. Andrew Bodman - Provost and Vice President, Academic Affairs, CSUSB
- Supervisor Janice Rutherford - Chair, San Bernardino County Board of Supervisors, 2nd District

8:10 A.M. DROUGHT, ARE WE IN OR OUT?

- Bill Patzert - Oceanographer, California Institute of Technology's NASA Jet Propulsion Laboratory

8:40 A.M. BREAK AND VENDOR SHOWCASE

9:05 A.M. PANEL 1A - LOCAL ISSUES: SURVIVING A ZERO ALLOCATION YEAR

Our group of experts will discuss how we handle zero imports from the State Water Project.

Moderator: Javier Saunders - Water/Wastewater Market and Practice Director, Harris & Associates

- Robert Craig - Board Chairman, Chino Basin Watermaster
- Larry McKinney - General Counsel, SAWPA
- Jeff Sims - Asst. General Manager, Western Municipal Water District

9:05 A.M. PANEL 1B - FINANCING SUSTAINABLE WATER

How do we achieve revenue stability and still reduce demand so there is enough supply to meet it?

Moderator: Mary Ann Dickinson - President & CEO, Alliance for Water Efficiency

- Justin Scott Coe - Public Affairs Director, Monte Vista Water District
- Thomas Chesnutt - President, A&N Technical Services
- Stephanie Reimer - Controller, Monte Vista Water District

9:55 A.M. BREAK

10:05 A.M. PANEL 2A - STATEWIDE ISSUES AND THE DROUGHT

Our panel will discuss how the drought is impacting statewide issues such as the Bay Delta Conservation Plan, the Colorado River and the 2014 Water Bond - will we see one and what will be in the legislation.

Moderator: Jennifer Bowles - Executive Director, Water Education Foundation

- Richard Arwater - Executive Director, Southern California Water Committee
- Tim Quinn - Executive Director, Association of California Water Agencies
- Steve Arakawa - Manager Bay Delta Initiatives, Metropolitan Water District

10:05 A.M. PANEL 2B - COORDINATING LAND USE AND WATER

How can highly-coordinated regional Urban Water Management Plans linked to city and county General Plans make the County of San Bernardino more business friendly?

Moderator: Paeter Garcia - Partner, Best Best & Kreiger

- Terry Kent - President, Building Industry Association, Baldy View Chapter
- Doug Headrick - General Manager, San Bernardino Valley Municipal Water District
- Ray Casey - City Manager, City of Yucaipa
- Joe Zoba - General Manager, Yucaipa Valley Water District
- Mike Podegracz - City Manager, City of Hesperia

10:55 A.M. BREAK AND VENDOR SHOWCASE

11:25 A.M. IE H2O HERO AWARDS

- Water Resources Institute, CSUSB
- Wyland Foundation

11:35 A.M. CALIFORNIA'S RESIDENTIAL INDOOR WATER USE

According to a study released by the California Homebuilding Foundation new homes built to current building codes use far less water than homes built 20 years ago. Our speaker will show how addressing water use of existing homes is a key component of reducing water use for California.

- Robert E. Raymer, PE - Senior Engineer and Technical Director, California Building Industry Association

12:00 P.M. CLOSING REMARKS

Bill Patzert-Oceanographer, California Institute of Technology's NASA Jet Propulsion Laboratory

1980s & 1990s were 2 of the wettest decades in 200 years; we are currently 60% drier than normal.

82% of CA is in extreme drought

Lake Orville 38% of capacity

Pacific Decadal Oscillation Sea Surface temperature pattern, the Positive phase & Negative phase is longer lasting than El Niño & La Niña.

Wet & Dry decades, PDO drives these, warm wet, cool dry.

Lake Mead is at 39% of capacity.

Drought will end when the PDO shifts, El Niño September 2002 I told you so.

Mega droughts, dry for 100 years

LA 1902 & 2014 pictures of growth

What flips the PDO?

El Niño subtropical rain storm is wimping out.

Local Issues: Surviving a zero allocation year.

Larry McKinney, watershed overview SAWPA INTEGRATED Planning.

Robert Craig Chino Basin Watermaster Chair, talked about their spreading basins and their Producers and appropriators. Watermaster encourages collaboration.

Drought is affecting everyone, but agencies are resolving issues.

Jeff Sims Asst. GM WMWD gave overview of their service area. Jeff spoke on Local agencies struggles on water reliability. Stormwater capture and recharge 19 years 2009 water rights permit issued. Riverside aquifer recharge project, groundwater management plans with city. WMWD has water rights in SB Basin???

Currently their population 900 thousand will be 1.5 million by 2030. They have 8 retail agencies, 23000+ retail customers, and use 85000 acre feet of water annually.

Chino desalter cost 45 million \$

Statewide issues and the drought

Tim Quinn, major step on the bond with the Governor. 7.5 Billion Bond. Future droughts long term future, and leveraged by state with local funds.

Attwater spoke on coalition of support for bond, and will be all local revenue.

We need to protect the supply from the State Water Project as well as the Colorado aqueduct

Capacity at Diamond Valley is at 53%, we've increased capacity 19 fold.

Groundwater bills

Tunnels and finance, we've lost millions of acre feet, export pumps at bottom. Tunnels are needed for supply and reliability fixing a broke Delta. It's all about earthquake reliability. We've added 5 million people and using less water from State systems. You are solving a transportation problem with the tunnels; they are not solving supply problems. Delta is out of the bond. Governor wants to get BDCP going.

So California water agencies have led the link between storage and demand reduction.

Bay Area is working on storage like MWD.

Customer response is good to drought regulations, not new as agencies have had ordinances around for a long time.. State Board mandate is not new, just brought back up to the public awareness. Rebates request have gone from 5million to 60 million.

2 billion for watersheds

2.7 billion Storage continuously appropriated.

Ca Water Commission will be the ones to make decision on where the surface storage reservoirs will be built.

Transfers are an invaluable tool

Diamond Valley has 430 thousand acre feet

900 thousand in bond for groundwater cleanup

Chino basins cleanup

LA Basin



COORDINATING LAND USE AND WATER

San Bernardino County Water Conference

August 22, 2014

COUNTYWIDE VISION WATER ELEMENT GROUP

Since January 2012, leaders representing public and private water agencies, regulators, planners, education, and business have been working together to develop a long-range plan to ensure water sustainability for San Bernardino County's future. This effort by the Countywide Vision Water Element Group marked the first time that San Bernardino County endeavored to address its water needs in a comprehensive, collaborative environment that incorporated multiple watersheds.

The Countywide Vision Water Element Group has produced:

- A countywide water inventory that revealed the County has enough water to supply residents, business, and agricultural needs through 2035, if there is a commitment from the whole community to invest in capital projects and programs to store new water supplies, protect current water supplies, and increase water conservation efforts.
- A countywide inventory of water conservation programs.
- A map that identified land recommended for protection for future local water recharge projects.

COLLABORATIVE LAND USE AND WATER PLANNING

During the past year, the leaders of the Water Element Group have met with County and city managers and County and city planning directors to discuss how they can work together to ensure there is a sufficient, sustainable water supply to accommodate expected population and economic growth.

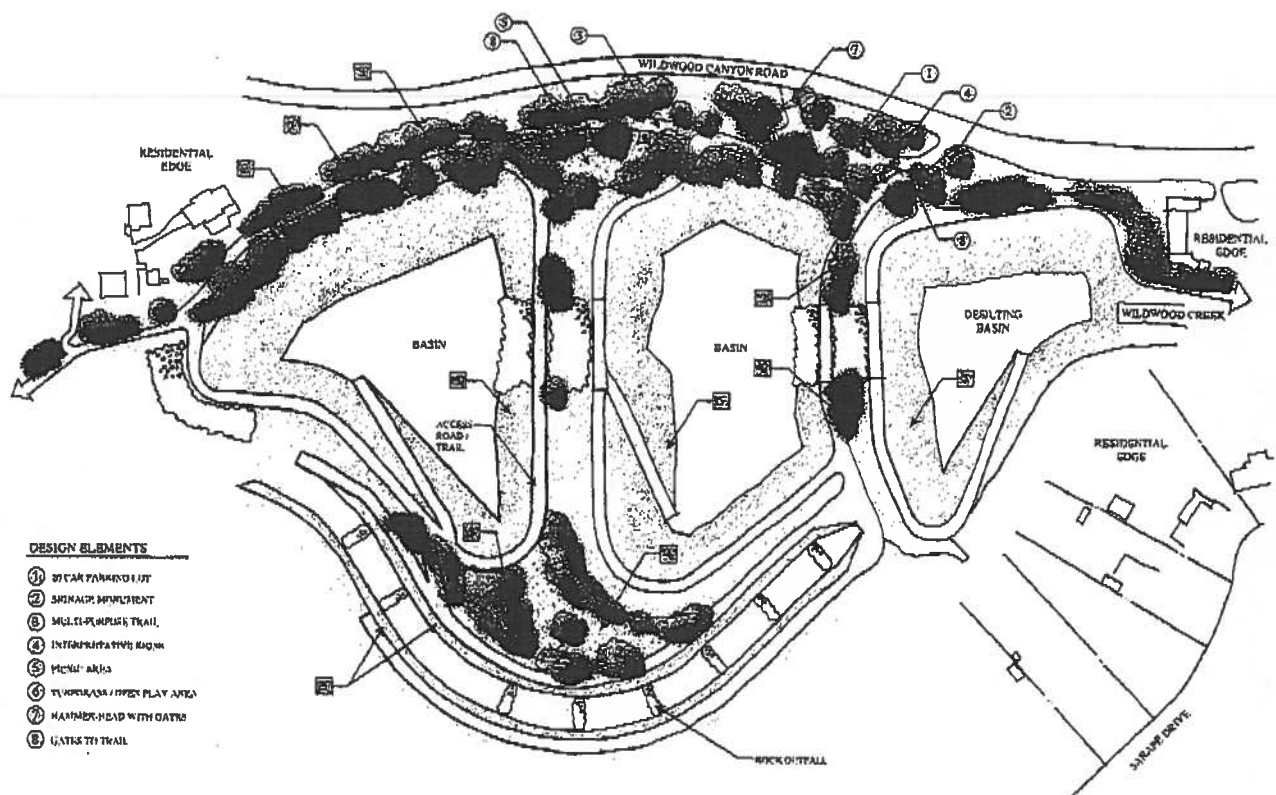
They are improving their common understanding of current water resource realities, such as identifying gaps in infrastructure needed to move water to residents and businesses throughout the county. And, they are aiming to make the county more business friendly by preparing to collaborate regionally on the upcoming 2015 Urban Water Management Plans to ensure they are more closely linked to County and city general plans.



GREAT EXAMPLES OF COLLABORATION

YUCAIPA DETENTION BASIN PROJECTS

When the City of Yucaipa began to conceptually design the Oak Glen and Wildwood Creek detention basins to improve flood protection and address stormwater quality in the city, officials also saw an opportunity to improve the sustainability of the groundwater basin through active and passive recharge. The City sought input from the flood control district, water agencies and resource conservation district to complete balanced designs for the two projects that provide multiple benefits. Both basins were constructed with diversified funding from City accounts, federal and state grants and contributions from the flood control district, water agencies, resource conservation district and developers.



2010 SAN BERNARDINO VALLEY REGIONAL URBAN WATER MANAGEMENT PLAN

San Bernardino Valley Municipal Water District and the retail water agencies within its service area were able to successfully combine the efficiencies of a regional urban water management plan with the flexibility of an individualized plan. The first chapters of the *2010 San Bernardino Valley Regional Urban Water Management Plan* are not unlike many other regional urban water management plans, providing an overview of regional water supplies and demands. What makes this plan unique, is that there is no "one size fits all" approach to achieving state mandated water use reductions for the region. Instead, each participating water agency was given the freedom, through its own chapter in the plan, to provide its personalized approach toward meeting its water conservation targets. This innovative approach to urban water management planning was praised by both the California Department of Water Resources and the participating water agencies.



Board Member Meeting Report

Prepared by: Richard Corneille

Date: 7-22-14

Meeting Name: iEfficient Kickoff at 66ers Game

Meeting Location: 66ers Stadium in San Bernardino

Meeting Purpose and Value to District:

Kick-off event for iEfficient water conservation campaign

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

- Handouts for water conservation campaign provided to all who attended the game.
- The 66ers won the game!

Recommendations or Concerns

- None

Member or Members Attending

Richard Corneille & wife, John Longville and wife, plus staff (Daniel, Manuel, & Bill)

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Board Member Meeting Report

Prepared by: Richard Corneille

Date: 8-11-14

Meeting Name: Lunch with EVWD Director Ron Coats

Meeting Location: Mi Cocina in Highland

Meeting Purpose and Value to District:

- To discuss the Conservation District's Activities to new EVWD Board Member Ron Coats
- Director Coats has been requested by his Board to attend our meetings.

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

- Discussed and gave Director Coats a copy of the presentation on the District to the EVWD Board in March of 2013 before they supported our sphere reinstatement
- Discussed and gave him a copy our April 28th letter on Drought and Basins Management Recommendations.
- Offered to have Daniel Cozad review our District Budget in detail with him.

Recommendations or Concerns

-None

Member or Members Attending

Richard Corneille

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Board Member Meeting Report

Prepared by: Richard Corneille

Date: 8-22-14

Meeting Name: SB County Water Conference

Meeting Location: Ca. State University San Bernardino

Meeting Purpose and Value to District:

-Support of local SB County Water Conference

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

-JPL weather expert Dr. Bill Patzert gave a very informative presentation on the drought, the PDO, and El Nino. Bottom line is that El Nino next year is not likely now.
-Urban Water Management Plan updates by Agencies due next year and will need to consider the "new normal" and the drought.
-Still could save some water by inside retrofitting of the pre-1980 9 million homes in California.

Recommendations or Concerns

-Supply projections in the Urban Water Management Plan Updates need to be more realistic and consider the "new normal" of long-term water supply.

Member or Members Attending

Richard Corneille, Manny Aranda, John Longville

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Board Member Meeting Report

Prepared by: Richard Corneille

Date: 8-27-14

Meeting Name: East Valley Water District Board Meeting

Meeting Location: EVWD Headquarters Highland

Meeting Purpose and Value to District:

- Water Partner Board Meeting
- EVWD Water Reclamation Plant Feasibility Study Update

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

- Entered into agreement with Chevron Energy Solutions for solar (250 KW) PV at new shade structures at the EVWD Headquarters, and at Plant 39 for 1 megawatt; plus studies for advanced metering, fuel cell power, natural gas engines, and educational partnerships.
- Approved funding their portion (\$162,470) for regional Santa Ana HCP.
- Consultant presented preliminary costs of options with 6 and 10 mgd plants operated by EVWD, or staying with City of San Bernardino. When the value of recycled water included with the local option (estimated at \$662/AF), the 10 mgd option looks best.
- EVWD Directors will be visiting similar reclamation plants both locally and out of state
- Preliminary decision time frame on local plant in October.

Recommendations or Concerns

- District proposing groundwater recharge for reclamation plant. If possible, want a location for recharge close to treatment plant which is on 3rd Street and Sterling in San Bernardino, rather than pumping uphill to our main basins.

Member or Members Attending

Richard Corneille

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Board Member Meeting Report

Prepared by: Richard Corneille

Date: 9-3-14

Meeting Name: ACWA Groundwater Committee

Meeting Location: ACWA Headquarters Sacramento

Meeting Purpose and Value to District:

Quarterly Groundwater Committee Meeting

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

- Extensive discussion of "landmark" Groundwater Management Bills (SB 1168, AB 1739, & SB 1319) just passed by the legislature and awaiting Governor Brown's signature.
- DWR representative said they are concerned about the Department meeting all the requirements in the legislation within the time frames required.
- Impact on Adjudicated Basins (like the Bunker Hill) with court appointed water master have fewer requirements.
- ACWA will be producing Fact sheets and summaries of the new legislation within the next month for distribution to members.

Recommendations or Concerns

- Need to follow the implementation of these new requirements closely.

Member or Members Attending

Richard Corneille

This form is not required for regular Board or Committee Meetings, nor District Requested meetings attended by the primary or alternate in place of the primary attendee. It is required for all meetings categorized in Appendix C where it indicates (WRR).



**SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT**

ANNUAL FINANCIAL REPORT

JUNE 30, 2014



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT
 FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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INTRODUCTORY SECTION



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
www.sbvwd.dst.ca.us

September 10, 2014

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, 2014 following guidelines set forth by the Governmental Accounting Standards Board. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance the Board and public understanding of the District's financial position and activities.

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

Generally Accepted Accounting Principles (GAAP) requires that District management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

District Structure and Leadership

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

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2:
David E. Raley

Division 3:
Manual Aranda, Jr.
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

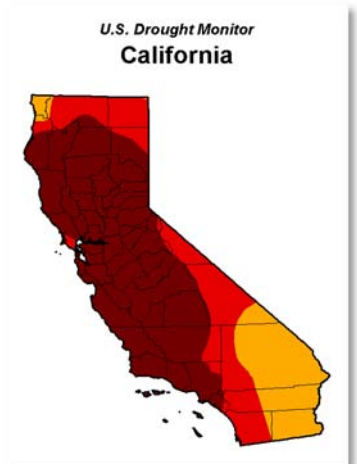
The General Manager administers the day-to-day operations of the District in accordance with powers established in Resolution 493 and the policies and procedures established by the Board of Directors. In addition to the general manager the District employs five regular employees, two in the field and three in the office. The District's Board of Directors generally meets once each month. Meetings are publicly noticed and the public and the press frequently attend its Board meetings and District workshops.

In 2013, the Board approved a Community Strategic Plan which was developed with input from the water, mining and other partners and the communities the District serves. This Strategic Plan focused on the District's services, efforts and strategic direction in support of the needs of the District's communities, rate payers and partners. This strategic plan provided additional focus on the District Priorities that are revised each January. The District is also finalizing policy principals to help translate the norms, values and desires of the Board.

District Services

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

To accomplish the recharge, the District maintains 71 water percolation basins in the Mill Creek and Santa Ana River spreading grounds. The District also plans for, maintains or leases over 3600 acres in the Santa Ana River Wash at and below the confluence of the Santa Ana River and Mill Creek. Water year 2014 has been an exceptionally dry year. The District recharged all water that was available; 8,153 acre feet of water successfully recharged into the groundwater basin for the water year ending September 30, 2013. This year has seen extreme drought grip California and the west as shown in the US Drought Monitor graphic from July 29, 2014 shown at right. Consequently the District has focused additional effort on conservation and outreach and performed additional maintenance of the basins and canals. At the same time the State Water Board has implemented emergency regulations for conservation and the District has supported the efforts of the BTAC Conservation committee to address these needs.



Significant Initiatives

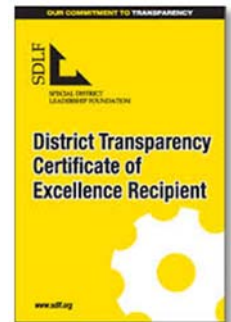
The District has several initiatives ongoing that are organizationally and financially significant.

Santa Ana River Wash Plan - The Wash Plan is a long term environmental and infrastructure planning effort that the District has led for many years. The District has been able to work with the USFWS to refocus efforts and reinitiate progress toward completion of the Wash Plan Habitat Conservation Plan. This plan will contribute the significant environmental improvements to habitat for several endangered species including the San Bernardino Kangaroo Rat and the Santa Ana River Woolly Star plant in the wash. The plan also allows expanded water conservation facilities, mining, transportation and trails. The communities served by the District are very involved in the effort through the Wash Plan Task Force. This effort was transitioned to have its own fund for accounting during this fiscal year and received funding beyond its current year costs.

Plunge Creek Water and Habitat Conservation - This project was developed and was selected from more than 100 projects within the Santa Ana Watershed for Proposition 84 Integrated Regional Water Management Planning funding. The District will receive an allocation of \$500,000 in grant funding for the project. This significant project planned with the US Fish and Wildlife Service will ultimately develop about 100 acres of new high quality SBKR habitat and create an additional 1,600 AF of groundwater recharge per year on District owned lands. The project is awaiting a grant funding contract from DWR and SAWPA for the project to begin. This is expected to take place in fiscal 2015.

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

Policy Development - Staff continues to work to better document the principals, policy, practices and procedures used by the District. Many changes were made in the practices of the staff in the past years and this fiscal year many of these changes have been made to the Board's procedures and policies. The documentation of these proper policies and the redesign of the District website to make financial and policy information easily available to the public has resulted in the District receiving the Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF), affiliated with the California Special District Association.



Additionally, SDLF recognized SBVWCD with the District of Distinction accreditation. To make the award, the SDLF committee of volunteers, made up of district controllers, finance directors and certified general managers reviewed the independent audits and the District's operations to ensure prudent fiscal practices are followed and ensure the District's Board of Directors and executive staff have appropriate educational training in public governance, and compliance with ethics and harassment prevention training. The Board of Directors and staff completed training and development, and performed a self-assessment of performance. Both the Board and Staff are proud of these recognitions as they demonstrate our commitment to do the public's business transparently and to act as a professional special district measured by the highest standards and benchmarks.



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 experienced significant economic growth with the rest of the Inland Empire in the mid 2000's. During the last six to seven years, it has also experienced the downturn as a result of the housing market collapse. This downturn in building and the larger economy greatly impacted the District's revenues. The downturn in building caused the District to experience near elimination of mining royalties collected on aggregate mined from District leased properties. A 2011 revision to the land lease and mining agreement with CEMEX now provides for minimum annual guaranteed revenue. This has shown to be a significant improvement and will help to mitigate revenue variability given future uncertainty.

The broader economic outlook for the Inland Empire has improved from the real estate recession. Housing prices have risen and development activities are being initiated in the District and the region. Historically, the Inland Empire recovers somewhat slower than Los Angeles and coastal Southern California. The ongoing financial crisis remnants may continue to impact District's mining royalties for the next few years. The California State budget has improved from the late 2000 deficits and should have less impact to the District. County property tax revenues are now also recovering.

Internal Control Structure

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

Budgetary Control

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

In 2011 the District's Board of Directors adopted an enterprise model for financial management as well as reserve and other pertinent policies to implement the enterprise model. These changes were made to provide better internal accountability and provide greater public transparency for the finances of the District. In 2013/14 several of these policies were updated to revisit levels of reserves and provide implementation when revenue was available.

Investment Policy

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

District Revenues

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

Audit and Financial Reporting

State Laws require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Eadie and Payne, LLP CPAs has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

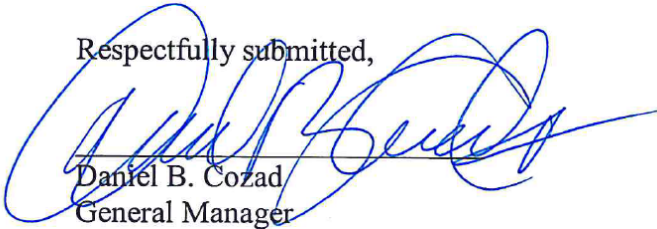
Other References

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

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that the staff of the District. We would also like to thank the members of the Ad Hoc Audit Committee and the Board of Directors for their continued support in planning and implementation of the San Bernardino Valley Water Conservation District's fiscal policies.

Respectfully submitted,



Daniel B. Cozad
General Manager

Service Since 1932

San Bernardino Valley Water Conservation District Board of Directors as of June 30, 2014

Name	Division	Title	Current Term Ending
Richard Corneille	1	President	December 14, 2015
Melody Henriques-McDonald	5	Vice-President	December 11, 2017
Manuel Aranda Jr.	3	Director	December 14, 2015
John Longville	4	Director	December 11, 2017
David E. Raley	2	Director	December 11, 2017

**San Bernardino Valley Water Conservation District
Daniel B. Cozad, General Manager
1630 West Redlands Blvd., Suite A
P.O. Box 1839
Redlands, California 92373
(909) 793-2503 - www.sbvacd.org**

FINANCIAL SECTION



CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the fiduciary fund of San Bernardino Valley Water Conservation District (District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary fund of the District, as of June 30, 2014 and, where applicable, the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior-Period Financial Statements

The financial statements of the San Bernardino Valley Water Conservation District as of June 30, 2013, were audited by other auditors whose report dated October 9, 2013, expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 17 and schedules of funding progress on pages 40 and 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, schedules of operating revenues and expenses, and schedules of Wash Plan additions and reductions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of operating revenues and expenses and schedules of Wash Plan additions and reductions are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating revenues and expenses and schedules of Wash Plan additions and reductions are fairly stated in all material respects in relation to the basic financial statements as a whole. The 2013 balances on page 42 and 43 were subjected to the auditing procedures applied in the 2013 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2013 financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 44 and 45.

Eadie and Payne, LLP

September 10, 2014
Redlands, California

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Bernardino Valley Water Conservation District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2014 and 2013. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

The District's net position increased 17.0% or \$731,789 to \$5,043,733 in fiscal year 2014 as the result of operations. In 2013, The District's net position increased 45.7% or \$1,353,056 to \$4,311,944 as the result of one-time payments and operations.

The District's operating revenues for fiscal year 2014 were \$1,303,888, which was \$8,558 less than its operating expenses. Depreciation expense was \$94,204 and net nonoperating income was \$834,551 resulting in a net change in net position of \$731,789.

Required Financial Statements

This annual report consists of a series of financial statements. The statement of net position, statement of revenues, expenses, and changes in net position and statement of cash flows provide information about the activities and performance of the District using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of the District's investments in resources (assets and deferred outflows) and the obligations to creditors (liabilities and deferred inflows). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness.

The final required financial statement is the statement of cash flows, which provides information about the District's cash receipts and cash payments during the reporting period. The statement of cash flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, noncapital 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.

In addition, the financial statements include a statement of fiduciary net position - agency fund, which reports the assets and liabilities of the Wash Plan. The annual report also includes required supplementary information and other supplementary information.

Financial Analysis of the District

The analysis in this section is focused on the primary activities of the District and do not include Agency Fund balances and activities.

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.

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities"? The statement of net position and the statement of revenues, expenses and changes in net position report information about the District in a way that helps answer this question.

These two statements report the District's *net position* and changes in it. You can think of the District's net position - the difference between assets and deferred outflows less liabilities and deferred inflows - as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other nonfinancial 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 23 through 39.

Condensed Statements of Net Position

	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>Percentage Change</u>
Assets:				
Current assets	\$ 8,894,590	\$ 8,143,031	\$ 751,559	9.2%
Capital assets, net	<u>1,278,721</u>	<u>1,283,635</u>	<u>(4,914)</u>	-0.4%
Total assets	<u>10,173,311</u>	<u>9,426,666</u>	<u>746,645</u>	7.9%
Liabilities:				
Current liabilities	85,995	52,289	33,706	64.5%
Noncurrent liabilities	<u>5,043,583</u>	<u>5,062,433</u>	<u>(18,850)</u>	-0.4%
Total liabilities	<u>5,129,578</u>	<u>5,114,722</u>	<u>14,856</u>	0.3%
Net position:				
Net investment in capital assets	1,278,721	1,283,635	(4,914)	-0.4%
Unrestricted	<u>3,765,012</u>	<u>3,028,309</u>	<u>736,703</u>	24.3%
Total net position	<u>\$ 5,043,733</u>	<u>\$ 4,311,944</u>	<u>\$ 731,789</u>	17.0%

The total net position of the District may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of the District exceeded liabilities plus deferred inflows \$5,043,733 and \$4,311,944 as of June 30, 2014 and 2013, respectively.

By far, the largest portion of the District's net position, 25.4% as of June 30, 2014 and 29.8% as of June 30, 2013, reflects the District's investment in capital assets (net of accumulated depreciation). The District uses these capital assets to provide services to groundwater producers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2014 and 2013, the District showed a positive balance in its unrestricted net position of \$3,765,012 and \$3,028,309, respectively, which may be utilized in future years.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2014	2013	Change	Percentage Change
Revenues:				
Operating revenues	\$ 1,303,888	\$ 1,579,538	\$ (275,650)	-17.5%
Nonoperating revenues	946,321	932,498	13,823	1.5%
Total revenues	<u>2,250,209</u>	<u>2,512,036</u>	<u>(261,827)</u>	-10.4%
Expenses:				
Operating expenses	1,312,446	931,716	380,730	40.9%
Depreciation expense	94,204	101,985	(7,781)	-7.6%
Nonoperating expenses	111,770	125,280	(13,510)	-10.8%
Total expenses	<u>1,518,420</u>	<u>1,158,981</u>	<u>359,439</u>	31.0%
Change in net position	731,789	1,353,055	(621,266)	-45.9%
Net position, beginning of year	<u>4,311,944</u>	<u>2,958,889</u>	<u>1,353,055</u>	45.7%
Net position, end of year	<u>\$ 5,043,733</u>	<u>\$ 4,311,944</u>	<u>\$ 731,789</u>	17.0%

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased by \$731,789 and \$1,353,055 in fiscal years ended June 30, 2014 and 2013, respectively.

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

- The District's net position increased 17.0% or \$731,789 to \$5,043,733 in fiscal year 2014 as the result of operations. In 2013, The District's net position increased 45.7% or \$1,353,055 to \$4,311,944 as the result of one-time payments and operations.
- The District's operating revenues decreased by 17.5% or \$275,650 in 2014 primarily due to a \$298,838 reduction in revenue from operating agreements. In 2013, the District's operating revenues increased 84.0% or \$721,048 due to a one-time payment of \$496,090 for completion of reimbursable contracts for water spreading and a \$224,958 increase in groundwater assessments from increased production.

- The District's nonoperating revenues increased by 1.5% or \$13,823 in 2014 primarily due to a \$151,382 increase in royalty income resulting from new contracts with minimum annual royalty payments and a \$43,346 increase in the fair-market value of investments, which was offset by a reduction in other nonoperating revenues of \$171,565. The reduction in other nonoperating revenues was due to the prior year one-time revenue which was partially offset by a \$124,016 insurance reimbursement. In 2013, The District's nonoperating revenues increased by 83.0% or \$422,788 primarily due to a \$52,876 increase in property tax revenues, a \$63,848 increase in royalty revenues, and a \$311,818 increase in other nonoperating revenues related to a one-time payment for the East Branch Extension II Easement Condemnation.
- The District's operating expenses increased 40.9% or \$380,730 in 2014 primarily due to increases in salaries and benefits of \$155,382 due to the addition of a Land Resources Manager, basin maintenance expenses of \$100,740, and contributions to regional programs of \$92,421. In 2013, the District's operating expenses decreased 14.1% or \$152,844 primarily due to decreases in maintenance expenses of \$73,110, professional services of \$28,591, and employee benefits costs of \$16,747.
- The District's nonoperating expenses decreased 10.8% or \$13,510 in 2014 primarily due to the increase in the fair-market value of investments recovering the previous losses, which was offset by a \$23,111 increase in rental property expense. In 2013, the District's nonoperating expenses increased 10.0% or \$11,361 primarily due to a \$16,368 decrease in the fair-market value of investments at year-end, a \$6,702 increase in rental property expense, which was offset by an \$11,709 decrease in interest expense.

Capital Asset Administration

At the end of fiscal years 2014 and 2013, the District's net investment in capital assets amounted to \$1,278,721 and \$1,283,635, respectively. This investment in capital assets includes land, diversion facilities, recharge basins, buildings, equipment, and vehicles. Major capital asset additions during the year include improvements to the District's buildings and equipment.

Changes in capital assets in 2014 were as follows:

	Balance 2013	Additions	Disposals/ Transfers	Balance 2014
Capital assets:				
Nondepreciable assets	\$ 219,383	-	-	\$ 219,383
Depreciable assets	2,123,146	\$ 89,290	\$ (81,556)	2,130,880
Accumulated depreciation	(1,058,894)	(94,204)	81,556	(1,071,542)
Total capital assets	<u>\$ 1,283,635</u>	<u>\$ (4,914)</u>	<u>\$ -</u>	<u>\$ 1,278,721</u>

Changes in capital assets in 2013 were as follows:

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

District Reserves

The District builds, maintains and uses reserves to prepare for expected and unexpected costs. In accordance with the District's reserve policy, funds are allocated based on enterprise or fund performance and targets set by the Board based on benchmarks, best practices, and risk. Reserves may greatly exceed the minimums set by the Board for many reasons. Likewise, some reserves fall below the target level because they are funded over many years and have not been fully funded. The Board revises targets or reallocates funds to reserves annually. Additionally, it should be noted that the Prepaid Royalties Reserve/Liability is unearned revenue related to a deposit of funds in anticipation of aggregate mining under the Wash Plan. Additionally, the overall reserves are about 17% above targets. The reserves that are above their target levels are the land resources reserve and groundwater recharge enterprise reserve, which contain deferred capital project costs anticipated for 2015 and 2016.

Reserve	Target	Balance	% Funded
Groundwater Recharge Enterprise Reserve	\$ 200,000	\$ 1,524,057	762%
Groundwater ER Maintenance Reserve	250,000	100,000	40%
GWA Rate Stabilization	400,000	38,340	10%
Redlands Plaza Reserve	65,000	55,127	85%
Land Resources Reserve	50,000	927,180	1854%
Prepaid Royalties Reserve/Liability	5,000,000	5,000,000	100%
Habitat Management Reserve/Trust	-	-	
PERS/Post-Employment Expense Trust	32,423	32,423	100%
Self Insurance Reserve	50,000	15,000	30%
Capital Improvement/Equipment Reserve	60,000	60,000	100%
General Fund Reserve	1,048,000	640,324	61%
	<u>\$ 7,155,423</u>	<u>\$ 8,392,451</u>	<u>117%</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 review the District website at www.sbvwd.org or contact the District's General Manager at 1630 West Redlands Blvd., Suite A, P.O. Box 1839, Redlands, CA 92373.

BASIC FINANCIAL STATEMENTS

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	\$ 916,307	\$ 1,469,699
Investments (Note 2)	7,476,144	6,041,653
Accrued interest receivable	3,484	3,378
Accounts receivable	62,553	45,361
Assessments receivable - groundwater charge	427,746	380,585
Advances to Wash Plan (Note 3)	-	188,365
Prepaid expenses	8,356	13,990
	<u>8,894,590</u>	<u>8,143,031</u>
NONCURRENT ASSETS		
Capital assets (Note 4)	2,350,264	2,342,530
Accumulated depreciation	<u>(1,071,543)</u>	<u>(1,058,895)</u>
Total Noncurrent Assets	<u>1,278,721</u>	<u>1,283,635</u>
TOTAL ASSETS	<u>10,173,311</u>	<u>9,426,666</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	34,560	10,535
Accrued wages and related payables	25,781	15,358
Customer deposits for rentals	9,291	6,767
Compensated absences (Note 5)	16,363	19,629
Total Current Liabilities	<u>85,995</u>	<u>52,289</u>
NONCURRENT LIABILITIES		
Unearned revenue (Note 6)	5,000,000	5,000,000
Compensated absences (Note 5)	31,296	59,315
Other post-employment benefits payable (Note 8)	12,287	3,118
Total Noncurrent Liabilities	<u>5,043,583</u>	<u>5,062,433</u>
TOTAL LIABILITIES	<u>5,129,578</u>	<u>5,114,722</u>
NET POSITION		
Net investment in capital assets	1,278,721	1,283,635
Unrestricted	<u>3,765,012</u>	<u>3,028,309</u>
TOTAL NET POSITION	<u>\$ 5,043,733</u>	<u>\$ 4,311,944</u>

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

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Groundwater assessments	\$ 919,338	\$ 896,150
Operating agreements	354,550	653,388
Services for other agencies	30,000	30,000
Total Operating Revenues	<u>1,303,888</u>	<u>1,579,538</u>
OPERATING EXPENSES		
District operations	1,026,077	773,563
Regional programs	99,171	6,750
General and administrative	187,198	151,403
Total Operating Expenses	<u>1,312,446</u>	<u>931,716</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION EXPENSE	(8,558)	647,822
DEPRECIATION EXPENSE	<u>94,204</u>	<u>101,985</u>
OPERATING INCOME (LOSS)	<u>(102,762)</u>	<u>545,837</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	108,138	129,852
Investment earnings	26,387	45,343
Gain on disposal of assets	5,500	
Increase (decrease) in fair-market value of investments	43,346	(36,590)
Royalty income	416,294	264,912
Rental income	189,587	163,758
Rental property expense	(111,770)	(88,659)
Interest expense	-	(31)
Other nonoperating revenues and expenses	157,069	328,634
Total Nonoperating Revenues	<u>834,551</u>	<u>807,219</u>
CHANGE IN NET POSITION	731,789	1,353,056
NET POSITION, BEGINNING OF YEAR	<u>4,311,944</u>	<u>2,958,888</u>
NET POSITION, END OF YEAR	<u><u>\$ 5,043,733</u></u>	<u><u>\$ 4,311,944</u></u>

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

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from groundwater assessments and other agencies	\$ 1,239,535	\$ 1,579,538
Cash paid to vendors and suppliers for materials and services	(793,651)	(340,949)
Cash paid to employees for salaries and wages	(500,829)	(399,932)
Net Cash Provided By (Used In) Operating Activities	<u>(54,945)</u>	<u>838,657</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from property taxes	108,138	129,852
Proceeds from royalty income	416,294	264,912
Proceeds from rental revenue, net of expenses	80,341	75,098
Proceeds from other sources	157,069	-
Receipts from (advances to) Wash Plan	188,365	(26,459)
Interest paid on pension debt	-	(31)
Net Cash Provided By Noncapital Financing Activities	<u>950,207</u>	<u>443,372</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Acquisition of capital assets	(89,290)	(12,212)
Proceeds from disposal of capital assets	5,500	-
Net Cash Provided By (Used In) Capital Financing Activities	<u>(83,790)</u>	<u>(12,212)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,741,601)	(500,000)
Sale of investments	2,350,350	-
Interest and investment earnings	26,387	37,743
Net Cash Provided By (Used In) Investing Activities	<u>(1,364,864)</u>	<u>(462,257)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(553,392)	807,560
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,469,699</u>	<u>662,139</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 916,307</u></u>	<u><u>\$ 1,469,699</u></u>

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

STATEMENTS OF CASH FLOWS (Continued)

	<u>2014</u>	<u>2013</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ (102,762)	\$ 545,837
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities		
Depreciation expense	94,204	101,985
Other nonoperating revenues (expenses), net		292,044
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Operating Assets		
Accounts receivable	(17,192)	(15,361)
Assessments receivable - groundwater charge	(47,161)	(85,430)
Prepaid expenses and other	5,634	(12,490)
Increase (Decrease) in Operating Liabilities		
Accounts payable and accrued expenses	24,025	(12,497)
Accrued wages and related payables	10,423	5,765
Customer deposits for rentals	-	2,050
Compensated absences	(31,285)	15,598
Other post-employment benefits payable	<u>9,169</u>	<u>1,156</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (54,945)</u>	<u>\$ 838,657</u>
NONCASH INVESTING, CAPITAL, AND FINANCING TRANSACTIONS		
Change in fair-market value of investments	<u>\$ 43,346</u>	<u>\$ (16,368)</u>

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

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
STATEMENTS OF FIDUCIARY NET POSITION - AGENCY FUND
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 180,178	-
Due from other entities	<u>212,009</u>	<u>\$ 188,365</u>
Total Assets	<u>392,187</u>	<u>188,365</u>
LIABILITIES		
Budgeted expenditures for Wash Plan	392,187	
Advances from District for Wash Plan	<u>-</u>	<u>188,365</u>
Total Liabilities	<u>392,187</u>	<u>188,365</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>

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

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 water 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 more than 200 producing wells by more than 50 different producers.

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

B. Basis of Accounting

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

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

The District also maintains a fiduciary fund for reporting the Wash Plan assets and liabilities. A Task Force was established, under the leadership of the District to coordinate land uses within the wash area. The members include the District, the County of San Bernardino, the Cities of Highland and Redlands, the San Bernardino Valley Municipal Water District, East Valley Water District, and two aggregate miners. The Wash Plan is accounted for as an agency fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

Both the enterprise fund and the fiduciary fund report using an economic resources measurement focus.

C. **Accounting Pronouncements**

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

D. **Net Position**

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

- (1) ***Net Investment in Capital Assets*** - Investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) ***Restricted*** - Restricted consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- (3) ***Unrestricted*** - Unrestricted consists of any remaining balance of the District's net position that do not meet the definition of "restricted" or "net investment in capital assets."

The District's policy is to first apply disbursements to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

E. **Use of Estimates**

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

NOTES TO FINANCIAL STATEMENTS (Continued)

F. **Cash and Cash Equivalents**

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

G. **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.

H. **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 in the period for which they are levied.

I. **Compensated Absences**

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

J. **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 royalties from mining activities.

NOTES TO FINANCIAL STATEMENTS (Continued)

K. 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

K. Budgetary Policies

The District adopts an annual nonappropriated 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.

2. CASH AND INVESTMENTS

Cash and investments as of June 30 are classified in the statements of net position as follows:

	2014	2013
STATEMENTS OF NET POSITION		
Cash and cash equivalents	\$ 916,307	\$ 1,469,699
Investments	7,476,144	6,041,653
TOTAL CASH AND INVESTMENTS	<u>\$ 8,392,451</u>	<u>\$ 7,511,352</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

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

	<u>2014</u>	<u>2013</u>
Cash on hand - undeposited funds	-	\$ 32,940
Deposits with financial institutions	\$ 470,949	992,498
Deposits held with the California Local Agency Investment Fund	445,358	444,261
Deposits Held with CalTrust		
Short-Term Trust Fund	3,734,031	
Medium-Term Fund	<u>3,742,113</u>	<u>6,041,653</u>
TOTAL CASH AND INVESTMENTS	<u><u>\$ 8,392,451</u></u>	<u><u>\$ 7,511,352</u></u>

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

	<u>2014</u>	<u>2013</u>
California Local Agency Investment Fund	232 Days	278 Days
Investment Trust of California (CalTrust Short-Term Fund)	500 Days	N/A
Investment Trust of California (CalTrust Medium-Term Fund)	748 Days	741 Days

A. **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 (Code), the District may invest in 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;
- Investment Trust of California - CalTrust;
- Checking accounts or passbook savings account demand deposits; and
- Money market mutual funds.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 the District's allowable deposits or investments or address the specific types of risk to which the government is exposed, including its exposure to a concentration of credit risk.

B. Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the 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. The District's cost basis in LAIF was \$445,237 at June 30, 2014 and its fair value was \$445,358.

C. Investment Trust of California (CalTrust)

(CalTrust) is organized as a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A Board of Trustees supervises and administers the investment program of the Trust. CalTrust has four pools, money market account, short-term, medium-term, and long-term. The District has deposits in the Short-Term Fund and the Medium-Term Fund. The District's investment in these pools are reported in the accompanying financial statements at fair value based on the District's pro-rata share of the respective pools as reported by CalTrust. The average cost of the District's investment in the Short-Term Fund as of June 30, 2014 was \$3,727,420 and its fair value (withdrawal value) was \$3,734,031. The average cost of the District's investment in the Medium-Term Fund as of June 30, 2014 was \$3,752,446 and its fair value (withdrawal value) was \$3,742,113.

NOTES TO FINANCIAL STATEMENTS (Continued)

D. 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 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 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).

E. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

F. 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 Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

	MINIMUM LEGAL RATING		RATING AS OF YEAR-END	
	2014	2013	2014	2013
California Local Agency Investment Fund	None	None	Not rated	Not rated
Investment Trust of California (CalTrust Short-Term Fund)	None	None	AAf / S1+	AAf / S1+
Investment Trust of California (CalTrust Medium-Term Fund)	None	None	Not rated	Not rated

G. Concentrations 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 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, 2014 and 2013.

3. ADVANCES TO WASH PLAN

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

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

	2014	2013
Beginning balance	\$ 188,365	\$ 161,906
Advances	150,043	26,459
Receipts	338,408	-
ENDING BALANCE	\$ -	\$ 188,365

NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Changes in capital assets for 2014 were as follows:

	BALANCE 7/1/13	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE 6/30/14
Land	\$ 219,383	-	-	\$ 219,383
Buildings	1,174,848	-	-	1,174,848
Vehicles and equipment	140,484	-	\$(14,857)	125,627
Office equipment	155,232	\$ 6,704	(24,504)	137,432
Field equipment	208,704	79,623	(42,195)	246,132
Spreading basins	330,192	-	-	330,192
Improvements	94,404	2,963	-	97,367
Equipment	19,283	-	-	19,283
	<u>2,342,530</u>	<u>89,290</u>	<u>(81,556)</u>	<u>2,350,264</u>
Less: Accumulated depreciation	<u>(1,058,895)</u>	<u>(94,204)</u>	<u>81,556</u>	<u>(1,071,543)</u>
TOTAL CAPITAL ASSETS, NET	<u><u>\$1,283,635</u></u>	<u><u>\$ (4,914)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,278,721</u></u>

Changes in capital assets for 2013 were as follows:

	BALANCE 7/1/12	ADDITIONS	DISPOSALS/ TRANSFERS	BALANCE 6/30/13
Land	\$ 219,383	-	-	\$ 219,383
Buildings	1,174,847	-	-	1,174,847
Vehicles and equipment	140,484	-	-	140,484
Office equipment	174,534	\$ 6,567	\$(25,866)	155,235
Field equipment	208,701	-	-	208,701
Spreading basins	330,192	-	-	330,192
Improvements	94,404	-	-	94,404
Equipment	13,638	5,645	-	19,283
	<u>2,356,183</u>	<u>12,212</u>	<u>(25,866)</u>	<u>2,342,529</u>
Less: Accumulated depreciation	<u>(982,775)</u>	<u>(101,985)</u>	<u>25,866</u>	<u>(1,058,894)</u>
TOTAL CAPITAL ASSETS, NET	<u><u>\$1,373,408</u></u>	<u><u>\$ (89,773)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,283,635</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)

5. COMPENSATED ABSENCES

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

BALANCE 7/1/13	ADDITIONS	DELETIONS	BALANCE 6/30/14	CURRENT	LONG TERM
<u>\$78,944</u>	<u>\$24,152</u>	<u>\$ (55,437)</u>	<u>\$47,659</u>	<u>\$16,363</u>	<u>\$31,296</u>
BALANCE 7/1/12	ADDITIONS	DELETIONS	BALANCE 6/30/13	CURRENT	LONG TERM
<u>\$63,346</u>	<u>\$35,639</u>	<u>\$ (20,041)</u>	<u>\$78,944</u>	<u>\$19,629</u>	<u>\$59,315</u>

6. UNEARNED REVENUE

In 1993, the District entered into a lease agreement for the extraction of rock, sand, and gravel from Section 7 property within the Wash Plan area. The District received a \$5,000,000 prepayment against future rentals and royalties on 12,000,000 tons of material to be earned when mining was initiated. The lease commencement date was December 31, 2002, but due to delays in the Wash Plan the agreement was subsequently amended in 2003. This amendment linked the commencement of operations to the approval of the Wash Plan. The initial term of the lease is for ten years with four successive five-year renewal periods, minimum annual rent of \$1,000,000 after the initial prepayment is exhausted. In the event the leasee is unable to obtain necessary permits for operations within the Wash Plan area the prepaid \$5,000,000 would then become refundable without interest, upon a one-year notice.

7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

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

NOTES TO FINANCIAL STATEMENTS (Continued)

B. Funding Policy

The contribution rate for Plan members in CalPERS, under funding Policy 2.5% at 55 Risk Pool Retirement Plan is 7.888% 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 2014, 2013, and 2012 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. For fiscal years 2014, 2013, and 2012, the District's annual contributions for the CalPERS Plan were equal to the Agency's required and actual contributions for each fiscal year as follows:

THREE-YEAR TREND INFORMATION FOR CALPERS

FISCAL YEAR	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION	APC PERCENTAGE OF PAYROLL
2011-2012	\$ 63,658	100 %	-	14.532 %
2012-2013	67,671	100	-	19.171
2013-2014	96,258	100	-	19.537

8. OTHER POST-EMPLOYMENT BENEFITS PAYABLE

A. 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:

	2014	2013	2012
Active Plan members	6	6	5
Retirees and beneficiaries receiving benefits	-	-	-
Separated Plan members entitled to but not yet receiving benefits	-	-	-
TOTAL PLAN MEMBERSHIP	6	6	5

NOTES TO FINANCIAL STATEMENTS (Continued)

B. 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.

C. Funding Policy and Annual Other Post-employment Costs

The District's annual OPEB expense is calculated based on 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 30 years. The current ARC rate is 1.83% of the annual covered payroll.

The District funds the plan on a pay-as-you-go basis. The District will pay up to 100% of the cost of the post-employment benefit plan. The District has established reserves (and records a liability) for the difference between pay-as-you-go and the actuarially determined ARC cost. The District's annual OPEB cost for the current year and two preceding years and the related information for the Plan are shown below:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
ANNUAL OPEB EXPENSE			
Annual required contribution (ARC)	\$ 9,169	\$ 1,156	\$ 1,000
Interest on net OPEB obligation	125	-	-
Adjustment to annual required contribution	<u>(125)</u>	<u>-</u>	<u>-</u>
Total Annual OPEB Expense	<u>9,169</u>	<u>1,156</u>	<u>1,000</u>
CHANGE IN NET OPEB PAYABLE OBLIGATION			
Age-adjusted contributions made	<u>-</u>	<u>-</u>	<u>-</u>
Total Change in Net OPEB Payable Obligation	<u>9,169</u>	<u>1,156</u>	<u>1,000</u>
OPEB PAYABLE, BEGINNING OF YEAR	<u>3,118</u>	<u>1,962</u>	<u>962</u>
OPEB PAYABLE, END OF YEAR	<u>\$12,287</u>	<u>\$3,118</u>	<u>\$1,962</u>

The District's current-year OPEB cost, which is equal to the current-year annual required contribution, has been recognized as a part of the general and administrative expenses in the accompanying statement of revenues, expenses and changes in net position.

NOTES TO FINANCIAL STATEMENTS (Continued)

D. Funded Status

The funded status of the Plan as of June 30, 2014, based on the July 1, 2014 actuarial valuation, is as follows:

	<u>AMOUNT</u>
Actuarial Accrued Liability (AAL)	\$ 32,423
Actuarial value of trust assets	<u>-</u>
UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	<u>\$ 32,423</u>
Funded ratio (actuarial value of trust assets/AAL)	0%

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation, and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the unfunded actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Valuation date	July 1, 2014
Actuarial cost method	Entry age normal actuarial cost method
Amortization method	Level percent of payroll amortization
Remaining amortization period	23 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%
Medical Insurance Premium	
Increases	
Years 1 and 2	8.00%
Years 3 and 4	7.00%
Year 5	6.00%
Years 6-10	5.00%
Years 11-21	4.00%
Thereafter	3.00%

9. 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 District is the lessor of commercial building space under operating leases expiring in various years through the year ending June 30, 2019.

NOTES TO FINANCIAL STATEMENTS (Continued)

Minimum future rentals to be received on noncancelable leases as of June 30 are as follows:

<u>YEAR</u>	<u>RENTAL</u>	<u>ROYALTIES</u>	<u>TOTAL</u>
2015	\$ 156,315	\$ 434,667	\$ 590,982
2016	107,642	516,667	624,309
2017	72,307	550,000	622,307
2018	49,255	550,000	599,255
2019	8,249	550,000	558,249
2020	-	183,333	183,333
TOTAL	<u>\$ 393,768</u>	<u>\$ 2,784,667</u>	<u>\$ 3,178,435</u>

The District is the lessee of a copier with monthly payments of \$335. Minimum future rentals to be paid on noncancelable leases as of June 30, 2014 were as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$ 4,024
2016	4,024
2017	4,024
2018	4,024
2019	3,020
TOTAL	<u>\$ 19,116</u>

10. 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, 2014:

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

NOTES TO FINANCIAL STATEMENTS (Continued)

11. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2014, that have effective dates that may impact future financial presentations.

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

In June 2012, the GASB issued Statement No. 68 - Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

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

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

C. **Governmental Accounting Standards Board Statement No. 71**

In November 2013, the GASB issued Statement No. 71 - Pension Transition for Contributions made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

NOTES TO FINANCIAL STATEMENTS (Continued)

12. 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.

13. SUBSEQUENT EVENTS

Events occurring after June 30, 2014 have been evaluated for possible adjustment to the financial statements or disclosure as of September 10, 2014, which is the date the financial statements were available to be issued.

14. RESTATEMENTS

Certain items in the prior year financial statements have been restated to agree with the current year presentation. There was no effect on net position or the changes in net position as a result of the restatements.

REQUIRED SUPPLEMENTARY INFORMATION

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
SCHEDULE OF FUNDING PROGRESS - RETIREMENT PLAN
FOR THE YEAR ENDED JUNE 30, 2014

CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Miscellaneous 2.5% at 55 Risk Pool

The table below displays a short history of the Entry Age Normal Accrued Liability, the Actuarial Value of Assets, the Unfunded Liability (or Excess Assets). Funded Status (i.e., the ratio of the Actuarial Value of Assets to Entry Age Normal Accrued Liability), the estimated annual covered payroll and the Unfunded Actuarial Accrued Liability (UAAL) as a percentage of the covered payroll. The table represents amounts for the entire pool of which the San Bernardino Valley Water Conservation District is only one participating employer.

VALUATION DATE	ENTRY AGE NORMAL ACCRUED LIABILITY (a)	ACTUARIAL VALUE OF ASSETS (b)	UNFUNDED LIABILITY (EXCESS ASSETS) (a)-(b)	FUNDED STATUS (b)/(a)	ANNUAL COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL [(a)-(b)]/c
6-30-2008	\$1,537,909,933	\$1,337,707,835	\$200,202,098	87.0%	\$333,307,600	60.1%
6-30-2009	1,834,424,640	1,493,430,831	340,993,809	81.4%	355,150,151	96.0%
6-30-2010	1,972,910,641	1,603,482,152	369,428,489	81.3%	352,637,380	104.8%
6-30-2011	2,135,350,204	1,724,200,585	411,149,619	80.8%	350,121,750	117.4%
6-30-2012	2,254,622,362	1,837,489,422	417,132,940	81.5%	339,228,272	123.0%

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
SCHEDULE OF FUNDING PROGRESS - OTHER POST-EMPLOYMENT
BENEFITS PLAN
FOR THE YEAR ENDED JUNE 30, 2014

OTHER POST-EMPLOYMENT BENEFITS PLAN

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%
7-1-2014	-	32,423	32,423	0.00%	630,544	5.14%

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

SUPPLEMENTARY INFORMATION

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
SCHEDULES OF OPERATING REVENUES AND EXPENSES
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Groundwater Assessments		
Groundwater charge assessment - agricultural	\$ 52,599	\$ 987
Groundwater charge assessment - nonagricultural	866,739	895,163
Operating Agreements		
Enhanced recharge agreement	354,550	157,298
Close-out of prior agreement		496,090
Services for other agencies	30,000	30,000
Total Operating Revenues	<u>1,303,888</u>	<u>1,579,538</u>
OPERATING EXPENSES		
District Operations		
Professional services	147,998	139,159
Field operations	30,891	35,564
Utilities	20,526	27,015
Benefits	240,222	158,293
Salaries/staff	479,967	406,514
Repairs and maintenance	106,473	7,018
Total District Operations	<u>1,026,077</u>	<u>773,563</u>
Regional Programs		
Regional programs LAFCO contribution	995	6,750
Regional River HCP contribution	20,000	
Wash Plan contribution	78,176	-
Total Regional Programs	<u>99,171</u>	<u>6,750</u>
General and Administrative		
Directors' fees/expense	85,336	95,319
Staff travel and education	12,151	6,238
Insurance	23,974	3,552
Other administrative expenses	65,737	46,294
Total General and Administrative	<u>187,198</u>	<u>151,403</u>
Total Operating Expenses	<u>1,312,446</u>	<u>931,716</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION EXPENSE	(8,558)	647,822
DEPRECIATION EXPENSE	<u>94,204</u>	<u>101,985</u>
OPERATING INCOME (LOSS)	<u>\$ (102,762)</u>	<u>\$ 545,837</u>

An insurance reimbursement of \$108,508 was received to cover some of the costs to repair damages incurred.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
SCHEDULES OF WASH PLAN ADDITIONS AND REDUCTIONS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ADDITIONS	<u>\$ 730,595</u>	<u>-</u>
	<u>\$ 730,595</u>	<u>\$ -</u>
REDUCTIONS		
Professional services	\$ 55,092	\$ 16,870
Environmental services	14,862	-
Legal expenses	8,941	9,590
Allocated District Expenses		
Salaries and benefits	65,176	
Office expense	5,972	
	<u>150,043</u>	<u>26,460</u>
Repayment of prior liability	<u>188,365</u>	<u>-</u>
	<u>\$ 338,408</u>	<u>\$ 26,460</u>

REPORT ON INTERNAL CONTROLS AND COMPLIANCE



**CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROLS OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Bernardino Valley Water Conservation District (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 10, 2014.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eddie and Payne, LLP".

September 10, 2014
Redlands, California