

# Notice and Agenda of a Meeting of the Beaumont Basin Watermaster

Wednesday, April 10, 2013 at 9:00 a.m.

---

## Meeting Location:

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

## Watermaster Members:

City of Banning  
City of Beaumont  
Beaumont Cherry Valley Water District  
South Mesa Water Company  
Yucaipa Valley Water District

---

### I. Call to Order

### II. Roll Call

City of Banning: Duane Burk (Alternate: Arturo Vela)

City of Beaumont: Dave Dillon (Alternate: Kyle Warsinski)

Beaumont Cherry Valley Water District: Eric Fraser (Alternate: Tony Lara)

South Mesa Water Company: George Jorritsma (Alternate: Dave Armstrong)

Yucaipa Valley Water District: Joseph Zoba (Alternate: Jack Nelson)

### III. Pledge of Allegiance

**IV. Public Comments** At this time, members of the public may address the Beaumont Basin Watermaster on matters within its jurisdiction; however, no action or discussion may take place on any item not on the agenda. To provide comments on specific agenda items, please complete a Request to Speak form and provide that form to the Secretary prior to the commencement of the meeting.

### V. Consent Calendar

A. Meeting Minutes

1. Approval of Meeting Minutes for February 6, 2013
2. Approval of Meeting Minutes for March 25, 2013

### VI. Reports

- A. Report from Engineering Consultant - Hannibal Blandon, ALDA Engineering
- B. Report from Legal Counsel - Keith McCullough, Alvarado Smith

### VII. Discussion Items

- A. Status Report on the Preparation of the 2012 Annual Report and Operating Safe Yield [\[Memorandum No. 13-07, Page 11 of 30\]](#)

Recommendation: No recommendation

- B. Independent Accountant's Financial Report of Agreed-Upon Procedures for the Beaumont Basin Watermaster [\[Memorandum No. 13-08, Page 16 of 30\]](#)

Recommendation: That the Watermaster Committee receives and files the Independent Accountant's Financial Report for the period ending June 30, 2012.

- C. Review of Draft Application for Groundwater Storage Agreement [Memorandum No. 13-09, Page 24 of 30]

Recommendation: No recommendation.

#### **VIII. Topics for Future Meetings**

- A. Review and Approval of the 2012 Beaumont Basin Watermaster Annual Report
- B. Review and Approval of the Operating Budget for Fiscal Year 2013-14
- C. Other Topics

#### **IX. Comments from the Watermaster Committee Members**

#### **X. Announcements**

- A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, June 5, 2013 at 10:00 a.m.

#### **XI. Recess the Meeting to a Beaumont Basin Watermaster Study Session**

- - - - Meeting Recess- - - -

#### **XII. Reconvene to Meeting to a Beaumont Basin Watermaster Study Session**

- A. Presentation by the Beaumont Basin Overlyers Conservation Association [Page 30 of 30]

#### **XIII. Adjournment**

# Consent Calendar

**Record of the Minutes of the  
Beaumont Basin Watermaster  
February 6, 2013**

**Meeting Location:**

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

**I. Call to Order**

Chairman Duane Burk called the meeting to order at 10:06 a.m.

**II. Roll Call**

City of Banning	Duane Burk	Present
City of Beaumont	Dave Dillon	Absent
Beaumont-Cherry Valley Water District	Eric Fraser	Present
South Mesa Water Company	George Jorritsma	Present
Yucaipa Valley Water District	Joseph Zoba	Present

Kyle Warsinski was present as the alternate representing the City of Beaumont in the absence of Member Dave Dillon. Keith McCullough was present representing legal counsel for the Watermaster.

Members of the public who registered their attendance were: R. Morris, John Jeter, Mary Ann Melleby, Gail Papariam, Pasty Reeley, John M. Halliwill, Gordon Woodward, Fran Flanders, and Jack Nelson.

**III. Pledge of Allegiance**

Keith McCullough led the pledge of allegiance.

**IV. Public Comments**

John Ohanian has asked the Committee to have a study session with the overlyers at the next meeting to allow the overlyers and the appropriators an opportunity to discuss as a group and in public the management of the basin.

Mark St. Angelo stated that the Committee failed to make a timely decision on the application for a storage account by the Morongo Band of Mission Indians and has requested that the Committee add to their next meeting an agenda item to make a decision on the application.

**V. Consent Calendar**

**A. Meeting Minutes**

1. Approval of Meeting Minutes for January 9, 2013

Member Joseph Zoba motioned to approve the item of the consent calendar. Member Kyle Warsinski seconded the motion. The motion passed 5-0.

## **VI. Reports**

### **A. Report from Engineering Consultant – Anibal Blandon, Alda Engineering**

Anibal Blandon stated that he has provided the Committee with the revised storage application that was prepared, in conjunction with legal counsel, as directed by the Committee in December. Mr. Blandon also stated that a meeting with the overlyers would be helpful in getting the necessary information for producing correct numbers that have been difficult to get.

### **B. Report from Legal Counsel – Keith McCullough, Alvarado Smith**

Keith McCullough stated that there have been no further responses received to the production data requests that were previously mailed out. Mr. McCullough also stated that the Committee should agendaize the review of the application that was developed and presented to the Committee. Mr. McCullough then gave an overview of the application process to date of the Morongo Band of Mission Indians stating that the application is still pending.

## **VII. Discussion Items**

### **A. Discussion Regarding the Annual Report for Calendar Year 2011 [Memorandum No. 13-04]**

Recommendation: That the Watermaster Committee receives and files the Calendar Year 2011 Annual Report.

Anibal Blandon discussed the changes that were made and provided an overview of the Report. Member Eric Fraser advised the Committee and Mr. Blandon that earlier this morning the overlyer information that the Beaumont-Cherry Valley Water District has accumulated had been sent to him and that it would change the information presented in the 2011 report, but that should the Committee desire it could just be included in the 2012 report which is currently in progress since it changes figures from the inception. Member Joseph Zoba stated that he would like to review the methodology of the overlyer calculation and suggested that it be addressed as a separate item at the next meeting.

After discussion by the Committee, a motion was made by Member Joseph Zoba to receive and file the Calendar Year 2011 Annual Report. The motion was seconded by Kyle Warsinski. The motion passed 5-0.

### **B. Discussion Regarding the Engineer's Report No. 3 – 2008 to 2011 [Memorandum No. 13-05]**

Recommendation: That the Watermaster Committee receives and files the Engineer's Report No. 3 – 2008 to 2011.

Anibal Blandon discussed the Engineer's Report stating the issues were the same as with the Annual Report.

A motion was made by Member Eric Fraser to receive and file the Engineer's Report No. 3 – 2008 to 2011. The motion was seconded by Chairman Duane Burk. The motion passed 5-0.

C. Discussion Regarding Task Order No. 3 with Alda, Inc. for the Groundwater Model Update and Redetermination of Safe Yield [Memorandum No. 13-06]

Recommendation: No recommendation.

The City of Beaumont has sent a letter to the Committee members indicating its disputes with Task Order No. 3. Mr. Anibal Blandon discussed the concerns presented with the Committee. Member Kyle Warsinski stated that the City of Beaumont believes that some of the items in the Task Order should be brought to the Committee as separate Task Orders and that some of them should not be split evenly.

After discussion by the Committee, the engineering consultant, and legal counsel, a motion was made by Member Joseph Zoba to approve Task Order No. 3 not to exceed \$229,210. The motion was seconded by Chairman Duane Burk. The motion passed 4-1, with Member Kyle Warsinski in opposition.

**VIII. Topics for Future Meetings**

A. Financial Audit for Fiscal Year Ending June 30, 2012

B. Other Topics

The Committee discussed having the workshop after the next meeting to include the following items: draft ground water storage agreement, the coordination of overlayers and appropriators, and the Beaumont-Cherry Valley Water District spreadsheet and its related methodology.

**IX. Comments from the Watermaster Committee Members**

Member Kyle Warsinski and the Committee requested that legal counsel provide an opinion as to whether the application by the Morongo Band of Mission Indians was considered to fall under the Permit Streamlining Act.

Member Eric Fraser commented that the Watermaster Committee did not need to consist of the current membership. Legal counsel confirmed that a current member could petition the court to be removed.

**X. Announcements**

A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, April 10, 2013 at 10:00 am.

**XI. Adjournment**

Chairman Duane Burk adjourned the meeting at 11:17 a.m.

---

Duane Burk, Chairman  
Beaumont Basin Watermaster

**Record of the Minutes of the  
Beaumont Basin Watermaster  
March 25, 2013**

**Meeting Location:**

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

**I. Call to Order**

Chairman Duane Burk called the meeting to order at 10:00 a.m.

**II. Roll Call**

City of Banning	Duane Burk	Present
City of Beaumont	Dave Dillon	Absent
Beaumont-Cherry Valley Water District	Eric Fraser	Present
South Mesa Water Company	George Jorritsma	Present
Yucaipa Valley Water District	Joseph Zoba	Present

Kyle Warsinski was present as the alternate representing the City of Beaumont in the absence of Member Dave Dillon. Keith McCullough was present representing legal counsel for the Watermaster.

Members of the public who registered their attendance were: John Halliwill, Fran Flanders and Anibal Blandon.

**III. Pledge of Allegiance**

Keith McCullough led the pledge of allegiance.

**IV. Public Comments**

John Halliwill inquired as to who would reply to the litigation if it is filed against San Timoteo Watershed Management Authority when it has been dissolved.

Luwana Ryan inquired as to why a member of the Watermaster is included in the closed session, when the member is a plaintiff to the case.

**VI. Comments from the Watermaster Committee Members (item moved ahead of the Closed Session)**

Kyle Warsinski advised Anibal Blandon with Alda, Inc. that the City of Beaumont has submitted to him the 2011 and 2012 waste water information.

No other comments were made.

**V. Closed Session (item moved after Comments from the Watermaster Committee Members)**



- A. Conference with Legal Counsel – Existing Litigation (Government Code 54956.9[a]), Notice of and Motion for Enforcement of Judgment by the City of Beaumont, et. Al; Riverside County Superior Court; Case No. RIC 389197.

Chairman Duane Burk adjourned the meeting to closed session at 10:07 a.m.

Chairman Duane Burk reconvened the meeting from closed session at 10:26 a.m.

Legal Counsel Keith McCullough reported that the Watermaster Board has requested him to file a friend of the court opinion brief with the Court.

## **VII. Announcements**

- A. The next regular meeting of the Beaumont Basin Watermaster is scheduled for Wednesday, April 10, 2013 at 10:00 a.m.

Chairman Burk made the above announcement.

## **VIII. Adjournment**

Chairman Duane Burk adjourned the meeting at 10:28 a.m.

---

Duane Burk, Chairman  
Beaumont Basin Watermaster

# Discussion Items

# **BEAUMONT BASIN WATERMASTER**

## **MEMORANDUM NO. 13-07**

**Date:** April 10, 2013

**From:** Joseph Zoba, Treasurer

**Subject:** Status Report on the Preparation of the 2012 Annual Report and Operating Safe Yield

**Recommendation:** No recommendation

---

At the Beaumont Basin Watermaster meeting on January 9, 2013, the Watermaster Committee approved Task Order No. 2 from Alda, Inc. for professional engineering services related to the preparation of the 2012 Annual Report and Operating Safe Yield.

The purpose of this agenda item is to receive information from Mr. Hannibal Blandon on the status of the 2012 Annual Report for the Beaumont Basin Watermaster.

Beaumont Basin Watermaster – Task Order No. 2  
2012 Annual Report and Operating Safe Yield

---

3-Jan-13

## **TASK OBJECTIVES**

The objectives of Task No. 2 are as follows:

- A. Conduct the annual report for Calendar Year 2012
- B. Estimate the Operating Safe Yield for Calendar Year 2012

## **SCOPE OF SERVICES**

### **Task 1 – Data Collection**

The ALDA/TH&Co team will collect, compile, and tabulate the following data:

- ✓ Monthly water production from member agencies
- ✓ Monthly imported water recharge by each party
- ✓ Monthly rainfall from the USGS, Army Corps, and National Weather Service
- ✓ Monthly static groundwater levels at dedicated monitoring wells and selected production wells from the water agencies
- ✓ Monthly deliveries of imported water, groundwater from other basins, and surface water diversions from various water agencies
- ✓ Semi-annual static groundwater levels from production wells
- ✓ Annual water quality from production wells from the water agencies

It should be noted that field collection of static water levels at dedicated monitoring wells and/or production wells is not part of this scope of services.

### **Task 2 – Preparation of Annual Report**

The ALDA/TH&Co team will prepare a draft and a final annual report documenting the operations of the Beaumont Basin Watermaster. This includes water levels, water transfers between agencies, water production, assessment of basin conditions, carryovers, and replenishment obligations. In addition, the report will incorporate the results of the Operating Safe Yield analysis, conducted under Task 3. The report will also include the annual independent financial reports (prepared by others) and a description of Watermaster activities and Board actions.

Ten color copies of the draft and final annual reports will be provided along with a digital file of the report. In addition, an editable database will be provided that includes all supporting information for the annual report.

### **Task 3 – Annual Determination of the Operating Safe Yield**

The ALDA/TH&Co team will review groundwater levels, groundwater production, groundwater recharge and groundwater quality data for the Beaumont Basin area as a basis for determining the annual operating safe yield (OSY) of the basin for the Calendar Year 2012. The focus of the review will be groundwater level trends at the eight monitoring wells previously reported in the

Beaumont Basin Watermaster – Task Order No. 2  
2012 Annual Report and Operating Safe Yield

---

3-Jan-13

annual reports. Groundwater level trends will be evaluated in the context of groundwater production and basin and artificial recharge in order to make a determination of OSY.

The ALDA/TH&Co team will generate an Annual OSY Technical Memorandum (TM) that summarizes the analysis and provides a recommended OSY for the upcoming year. The TM will be suitable for incorporation into the Annual Report.

#### **Task 4 – Review of Rules and Regulations**

The ALDA/TH&Co team will review the existing Rules and Regulations annually to determine whether it reflects current policies/practices and will make recommendations that will be documented as part of the annual report.

#### **Task 5 – Meeting Attendance and Agenda Assistance**

The ALDA/TH&Co team will prepare for, attend, and participate in up to six (6) Watermaster meetings in 2013. In addition, the ALDA/TH&Co team will assist in agenda preparation as required by Watermaster.

### **SCHEDULE**

A draft of the annual report and operating safe yield will be presented to the Beaumont Basin Watermaster at the April 2013 Board meeting. Comments on the draft annual report will be addressed and presented at the June 2013 Board meeting.

### **COST ESTIMATE**

Our estimated cost to perform the scope of work as outlined herein is estimated at \$51,800.00; this estimate is based on 414 technical and administrative hours and is summarized in the attached table by task and sub-task.

Beaumont Basin Watermaster – Task Order No. 2  
2012 Annual Report and Operating Safe Yield

3-Jan-13

Beaumont Basin Watermaster - Task Order No. 2  
Preparation of Annual Report and Operating Safe Yield

Task / Subtask	ALDA Inc.					Thomas Harder & Co.				Total Hours	Cost (\$)
	Project Manager	Project Engineer	Staff Engineer	Graphics	Clerical	Principal Hydro-geologist	Staff Hydro-geologist	Graphics	Clerical		
<b>Task 1 - Data Collection</b>	16	24	32							72	\$ 9,160
<b>Task 2 - Annual Report</b>										178	\$ 20,040
2.1 - Pumping for metered wells	4	8								12	\$ 1,680
2.2 - Pumping for parties with non-metered wells	4	16	8							28	\$ 3,640
2.3 - Document basin activities	4	8								12	\$ 1,680
2.4 - Prepare draft report	16	16	6	20	24			16		98	\$ 9,940
2.5 - Prepare final report	4	12		4	8					28	\$ 3,100
<b>Task 3 - Operating Safe Yield</b>										60	\$ 7,200
3.1 - Review of data for 2011-12						8	12			20	\$ 2,360
3.2 - Preparation of OSY TMs for 2011-12	4					16	12	4	4	40	\$ 4,840
<b>Task 4 - Rules and Regulations</b>	16									16	\$ 2,400
<b>Task 5 - Meeting Attendance</b>										88	\$ 13,000
5.1 - Assistance with agenda preparation	12	8	8							28	\$ 3,760
5.2 - Attend Watermaster meetings	36					24				60	\$ 9,240
<b>TOTALS:</b>	<b>116</b>	<b>92</b>	<b>54</b>	<b>24</b>	<b>32</b>	<b>48</b>	<b>24</b>	<b>20</b>	<b>4</b>	<b>414</b>	<b>\$ 51,800</b>

Beaumont Basin Watermaster – Task Order No. 2  
2012 Annual Report and Operating Safe Yield

3-Jan-13

## **BILLING RATES**

### **Billing Rates for ALDA Inc. for Calendar Year 2013**

<b><u>Position</u></b>	<b><u>Hourly Rate</u></b>
Project Manager	\$150.00
Project Engineer	\$135.00
Staff Engineer	\$110.00
Graphics / Designer Drafter	\$ 90.00
Drafter	\$ 75.00
Clerical	\$ 65.00

### **Billing Rates for Thomas Harder and Company for Calendar Year 2013**

<b><u>Position</u></b>	<b><u>Hourly Rate</u></b>
Principal Hydro-geologist	\$160.00
Staff Hydro-geologist	\$ 90.00
Field Technician	\$ 70.00
Graphics	\$ 85.00
Clerical	\$ 65.00
Expert Witness	\$ 320.00

# BEAUMONT BASIN WATERMASTER

## MEMORANDUM NO. 13-08

**Date:** April 10, 2013

**From:** Joseph Zoba, Treasurer

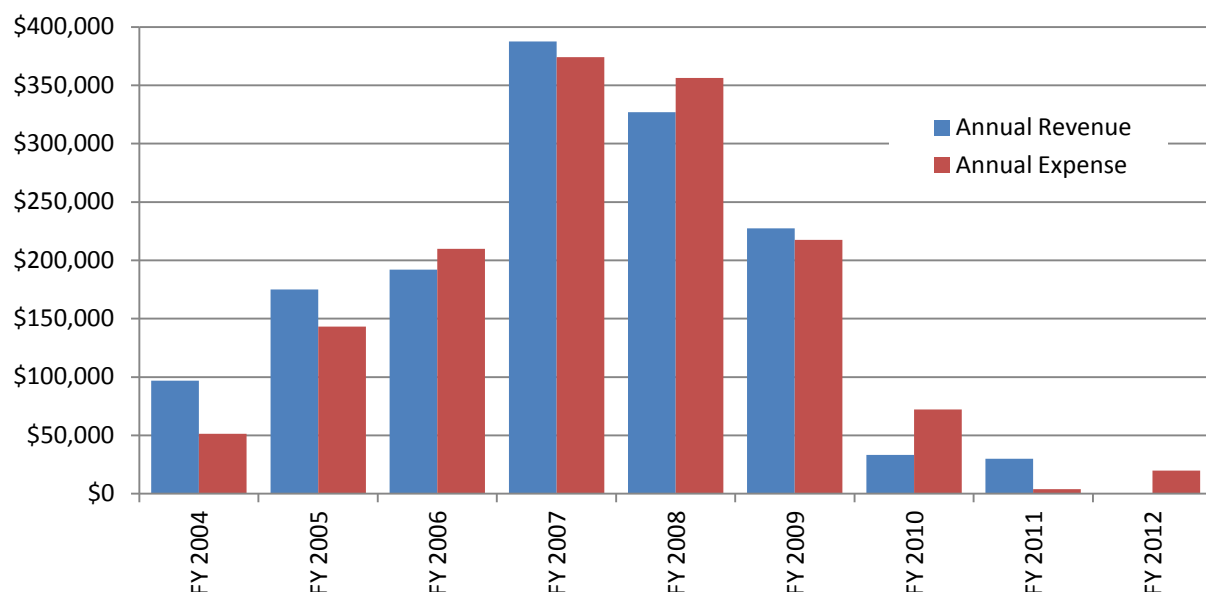
**Subject:** Independent Accountant's Financial Report of Agreed-Upon Procedures for the Beaumont Basin Watermaster

**Recommendation:** That the Watermaster Committee receives and files the Independent Accountant's Financial Report for the period ending June 30, 2012.

The Beaumont Basin Watermaster has engaged the firm of Rogers, Anderson, Malody & Scott to perform an independent financial review of the Watermaster activities for the fiscal year ending June 30, 2012. The independent financial review was conducted under the same terms as the prior fiscal year.

At the beginning of the 2011-2012 fiscal year, the Beaumont Basin Watermaster had unrestricted net assets in the amount of \$40,430. During the fiscal year, the Watermaster earned \$3 interest and expended \$20,275 for professional, legal and bank related expenses. No financial contributions were made by the Watermaster Committee members during the fiscal year. As of June 30, 2012, the Watermaster had unrestricted net assets in the amount of \$20,158 with no reportable liabilities.

The following graphic provides an overview of the annual revenues and expenses of the Beaumont Basin Watermaster since our formation in 2004.







ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
ramscpa.net

February 26, 2013

#### PARTNERS

Brenda L. Odle, CPA, MST  
Terry P. Shea, CPA  
Kirk A. Franks, CPA  
Matthew B. Wilson, CPA, MSA  
Scott W. Manno, CPA  
Leena Shanbhag, CPA, MST  
Jay H. Zercher, CPA (Retired)  
Philip H. Walker, CPA (Retired)

Beaumont Basin Watermaster  
Office of the Watermaster Secretary  
c/o Yucaipa Valley Water District  
P.O. Box 730  
Yucaipa, CA 92399

#### MANAGERS / STAFF

Nancy O'Rafferty, CPA, MBA  
Bradford A. Welebir, CPA, MBA  
Jenny Liu, CPA, MST  
Katie L. Milson, CPA  
Papa Matar Thaw, CPA, MBA  
Maya S. Ivanova, CPA, MBA  
William C. Clayton, CPA  
Peter E. Murray, CPA  
Genevieve Schwarzkopf, CPA  
Peggy Hackney, CPA  
Seong-Hyeon Lee, CPA, MBA  
Charles De Simoni, CPA

We are pleased to confirm our understanding of the services we are to provide for Beaumont Basin Watermaster.

We will examine the compliance of all assessments and expenditures with the Rules and Regulations of the Beaumont Basin Watermaster during the period of July 1, 2011 to June 30, 2012. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include tests of your records and other procedures we consider necessary to enable us to express an opinion as to whether you have complied with the assessments and expenditures, in all material respects. If, for any reason, we are unable to complete the examination, we will not issue a report as a result of this engagement.

Our examination does not provide a legal determination on Beaumont Basin Watermaster's compliance with specified requirements.

Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, fraud, or other violations of laws or regulations, that may exist. However, we will inform you of any material errors or fraud that comes to our attention. We will also inform you of any other violations of laws or regulations that come to our attention, unless clearly inconsequential.

#### MEMBERS

American Institute of  
Certified Public Accountants

PCPS The AICPA Alliance  
for CPA Firms  
Governmental Audit  
Quality Center

California Society of  
Certified Public Accountants

We understand that you will provide us with the basic information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria or assist in the development of the subject matter, but the responsibility for the subject matter remains with you.

At the end of the engagement, we will require a representation letter from management. The report will be intended for the information and use of the Watermaster Members and management and should not be used by anyone other than these specified parties.

STABILITY. ACCURACY. TRUST.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Scott Manno is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We expect to begin our examination on approximately March 5, 2013. Our fees for these services will \$1,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the examination. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Rogers Anderson Manno & Scott, LLP*

RESPONSE:

This letter correctly sets forth the understanding of Beaumont Basin Watermaster.

By: *[Signature]*

Title: Treasurer

Date: 2/28/2013

**BEAUMONT BASIN WATERMASTER  
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES  
ON THE BEAUMONT BASIN WATERMASTER SCHEDULES**

**June 30, 2012**



**ROGERS, ANDERSON, MALODY & SCOTT, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
ramscca.net

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

### PARTNERS

Brenda L. Odle, CPA, MST  
Terry P. Shea, CPA  
Kirk A. Franks, CPA  
Matthew B. Wilson, CPA, MSA  
Scott W. Manno, CPA  
Leena Shanbhag, CPA, MST  
Jay H. Zercher, CPA (Retired)  
Phillip H. Waller, CPA (Retired)

### MANAGERS / STAFF

Nancy O'Rafferty, CPA, MBA  
Bradford A. Welebir, CPA, MBA  
Jenny Liu, CPA, MST  
Katie L. Millsom, CPA  
Papa Matar Thaw, CPA, MBA  
Maya S. Ivanova, CPA, MBA  
William C. Clayton, CPA  
Peter E. Murray, CPA  
Genivive Schwarzkopf, CPA  
Seong-Hyea Lee, CPA, MBA  
Charles De Simoni, CPA

Yucaipa Valley Water District as treasurer  
of the Beaumont Basin Watermaster  
Yucaipa, California

We have performed the procedures enumerated below, which were agreed to by the Yucaipa Valley Water District (District), as treasurer of the Beaumont Basin Watermaster (Watermaster), solely to assist the District in evaluating certain amounts reported in the Watermaster Schedules (Schedules), attached as Exhibit A and Exhibit B, on the full accrual basis of accounting. The District and Watermaster is responsible for the accuracy of the Schedules. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### 1. Procedure

Agree the opening equity on Exhibit B to the ending equity noted on the trial balance for the fiscal year ended June 30, 2011.

#### Finding

No exceptions were noted as a result of applying the procedure.

### 2. Procedure

Agree the cash balance reported on Exhibit A to the bank reconciliation, bank statement and trial balance. Select all of the deposits in transit and outstanding checks and trace their clearing to the subsequent month's bank statement.

#### Finding

No exceptions were noted as a result of applying the procedure.

MEMBERS  
American Institute of  
Certified Public Accountants

PCPS The AICPA Alliance  
for CPA Firms

Governmental Audit  
Quality Center

California Society of  
Certified Public Accountants

STABILITY. ACCURACY. TRUST.

**3. Procedure**

Trace all member agency assessments recorded in the schedule to invoices and the bank statements.

**Finding**

No exceptions were noted as a result of applying the procedure.

**4. Procedure**

Compare the ending check number for the fiscal year ended June 30, 2011 to the beginning check number for the period beginning on July 1, 2011. Note any breaks in check sequence for the period of July 1, 2011 through June 30, 2012.

**Finding**

No exceptions were noted as a result of applying the procedure. No breaks in check sequence were noted during the period of July 1, 2011 through June 30, 2012.

**5. Procedure**

Based on the population of checks issued during July 1, 2011 through June 30, 2012, select all payments and trace the check to supporting invoice noting whether the activity pertains to the Watermaster. Agree the dollar amount and vendor on the invoice to the check for accuracy.

**Finding**

No exceptions were noted as a result of applying the procedure.

**6. Procedure**

Obtain the general ledger detail for the period of July 1, 2011 to June 30, 2012. Select all journal entries and trace the transaction to an approved journal entry and documentation supporting the nature and rationale of the journal entry.

**Finding**

No exceptions were noted as a result of applying the procedure.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the schedules of assets, liabilities and equity (Exhibit A) and assessments and expenses (Exhibit B) or the related internal control structure. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Beaumont Basin Watermaster and the District and is not intended to be and should not be used by anyone other than the specified party.

*Rogers Anderson Maloney & Scott, LLP*

March 6, 2013

Exhibit A

**Beaumont Basin Watermaster  
Schedule of Assets, Liabilities and Net Assets  
(Unaudited)  
June 30, 2012**

**Assets**

Cash and cash equivalents

\$ 20,158**Liabilities**

Accounts payable

-**Net assets**

Unrestricted

\$ 20,158

Exhibit B

**Beaumont Basin Watermaster  
Schedule of Assessments and Expenses  
(Unaudited)  
For the year ended June 30, 2012**

**Revenues**

Assessments	\$ -
Interest	<u>3</u>
Total revenues	<u>3</u>

**Expenses**

Administrative	
Legal and professional	19,867
Bank charges	<u>408</u>
Total expenses	<u>20,275</u>

Change in net assets	(20,272)
Unrestricted net assets, beginning of year	<u>40,430</u>
Unrestricted net assets, end of year	<u><u>\$ 20,158</u></u>

# **BEAUMONT BASIN WATERMASTER**

## **MEMORANDUM NO. 13-09**

**Date:** April 10, 2013

**From:** Joseph Zoba, Treasurer

**Subject:** Review of Draft Application for Groundwater Storage Agreement

**Recommendation:** No recommendation.

---

At the Beaumont Basin Watermaster meeting on January 9, 2013, our legal counsel reported on the preparation of an Application for Groundwater Storage agreement. The attached document will be presented for review and comment from the Watermaster Committee members.



**BEAUMONT BASIN WATERMASTER**  
**APPLICATION**  
**FOR**  
**GROUNDWATER STORAGE AGREEMENT**

**1.- APPLICANT INFORMATION**

Name of Applicant: \_\_\_\_\_

Address for Notice: \_\_\_\_\_

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

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

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

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

Date of Application: \_\_\_\_\_

**For Staff Use Only**

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

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

Amount Requested: \_\_\_\_\_ ac-ft

Amount Approved: \_\_\_\_\_ ac-ft

Agreement No. \_\_\_\_\_

 Yes ☐ - No ☐      Analysis and Written  
 Summary Fee Collected
**2.- AMOUNT REQUESTED** \_\_\_\_\_ ac-ft**3.- PURPOSE OF STORAGE**☐ Stabilize or reduce future water cost / assessments☐ Facilitate utilization of other available sources of supply☐ Facilitate replenishment under certain well sites☐ Preserve pumping right for a changed future potential use☐ Other, explain \_\_\_\_\_

\_\_\_\_\_

THIS APPLICATION IS SUBJECT TO REVIEW AND FURTHER CONSIDERATION BY WATERMASTER

**4.- METHOD OF PLACEMENT IN STORAGE**

- ☐ Artificial Recharge
- ☐ Transfer of Water from One Storage Account to Another Storage Account (If checked, proceed to No. 15 below)

**5.- SOURCE OF WATER FOR RECHARGE**

- ☐ State Water Project ☐ Colorado River
- ☐ Captured Storm Water ☐ Recycled Water
- ☐ Other, explain \_\_\_\_\_

Has any portion of the water proposed for storage been characterized as reclaimed water, production from the Beaumont Basin, production from another basin, or in any way claimed as part of a water right or entitlement of any other person or entity? Yes ☐ – No ☐. If YES, please explain in detail.

---

---

---

**6.- RECHARGE SOURCE WATER QUALITY – Provide a copy of the latest full Title 22 drinking water analysis report documenting the quality of water to be stored.**

---

---

---

**7.- METHOD OF RECHARGE**

- ☐ Surface Spreading Basin(s)
- ☐ Injection Well(s)

**8.- METHOD OF CONVEYANCE FROM SOURCE TO RECHARGE FACILITY**

- ☐ Open Unlined Channel
- ☐ Open Lined Channel
- ☐ Pipeline

THIS APPLICATION IS SUBJECT TO REVIEW AND FURTHER CONSIDERATION BY WATERMASTER

9.- LOCATION VICINITY MAP – Include as an attachment a project location map at a scale of 1-inch = 2,000 ft or larger. Map shall include, as a minimum, the following, where applicable:

- ✓ Proposed recharge facilities
- ✓ Existing production, monitoring, and abandoned wells within one mile of project site
- ✓ Existing or proposed raw water conveyance facilities
- ✓ Existing creeks and other water features

10.- CURRENT GROUNDWATER LEVELS – Provide quantitative 5-yr history of static (non-pumping) groundwater levels in the vicinity of proposed storage location. Include groundwater level hydrographs for two or more existing wells located down-gradient of recharge site and within a one-mile radius of proposed storage site.

---

---

---

11.- CURRENT GROUNDWATER QUALITY – Provide quantitative description of current groundwater quality conditions in the vicinity of proposed storage location including water quality trends for TDS and Nitrate over the last five years. Include copies of the most recent drinking water quality reports for two or more existing wells located down-gradient of recharge site and within a one-mile radius of proposed storage site.

---

---

---

12.- WATER QUANTITY – Provide an estimate of the quantity of water to be stored on an annual basis including estimates for maximum and minimum annual amounts.

---

---

---

THIS APPLICATION IS SUBJECT TO REVIEW AND FURTHER CONSIDERATION BY WATERMASTER

- 13.- IMPACTS TO OTHER PARTIES – Describe in detail any potential positive/negative impacts to any party to the Stipulated Judgment or entity located within the Beaumont Basin that may result from the implementation of this project.

---

---

---

- 14.- ENVIRONMENTAL REVIEW – Indicate whether the proposed water storage operation is subject to review under the California Environmental Quality Act? If so, describe the means of CEQA compliance and attach any responsive written review. If not, identify the basis for non-application and/or exemption.

---

---

---

- 15.- TRANSFERS OF WATER FROM ONE STORAGE ACCOUNT TO ANOTHER

From: \_\_\_\_\_

To: \_\_\_\_\_

THIS APPLICATION IS SUBJECT TO REVIEW AND FURTHER CONSIDERATION BY WATERMASTER

# Study Session Material

**Joseph Zoba**

---

**From:** Ohanian John [jwohanian@verizon.net]  
**Sent:** Tuesday, March 12, 2013 2:46 PM  
**To:** Hannibal Blandon  
**Cc:** Roger Meyer; Mark St. Angelo; Lou Monville; Kathi Berman; Fred Riedman; blemann@flsd.com; almartini@aol.com; Rod Smith  
**Subject:** Watermaster Study Session

**Mr. Blandon:**

**In order to enhance the sustainability of the Beaumont Basin by protecting both the quantity and quality of water in the Basin, the overwhelming majority of those who have overlyer water rights in the Basin have formed an association called The Beaumont Basin Overlyers Conservation Association (BBOCA).**

**On behalf of the BBOCA, we would like to suggest the following topics for inclusion on the agenda for the study session to be held after the Watermaster meeting of April 10, 2013, in order to work with the Watermaster to protect and preserve the water in the Basin.**

- 1. Creation of a storage account for each overlyer to encourage the overlyers to use their overlyer water rights wisely and in a manner that will not damage the Basin or lessen the current or future availability of water for use by the Appropriators (as defined in the Judgment).**
- 2. Development of an orderly system for the marketing and transfer of water within the Basin to enable all interested parties (overlyers, Appropriators, and residents) to obtain the maximum possible benefit from the water available in the Basin both now and in the future.**
- 3. Review and revision of the Watermaster rules and regulations to ensure that they are consistent with the Judgment and are fair to all interested parties.**
- 4. Discussion of the potential implications for all interested parties if the engineering study about to be conducted determines that the actual safe yield of the Basin is significantly less than the Safe Yield as currently defined by the Judgment.**

**Our hope is that we will be able to have a very open discussion with the Watermaster and interested members of the public. Our goal is to protect the rights of all parties while at the same time enhancing the sustainability of the Basin. In that regard, we believe that the effective management of the Beaumont Basin water resources can only happen if all parties come together in the spirit of cooperation and honesty. We look forward to a productive study session.**

**John Ohanian**