Notice and Agenda of a Meeting of the Beaumont Basin Watermaster

Wednesday, October 1, 2014 at 10:00 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: Jennifer Ares)

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 August 6, 2014

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

VII. Discussion Items
      Recommendation:  That the Watermaster Committee receives and files the 2013 Consolidated Annual Report and Engineering Report.

VIII. Topics for Future Meetings
   A. 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, December 3, 2014 at 10:00 a.m.

XI. Recess the Meeting to a Beaumont Basin Watermaster Special Project Committee

   - - - - - Meeting Recess- - - - -

XII. Reconvene the Meeting of the Beaumont Basin Watermaster - Special Project
      Committee of Beaumont Cherry Valley Water District, City of Banning, Yucaipa
      Valley Water District, and South Mesa Mutual Water Company

   A. Status Report on the Beaumont Basin Groundwater Model and Redetermination of
      Safe Yield [Memorandum No. 14-11, Page 11 of 11]
      Recommendation: That the Special Project Committee sets workshops
      meetings at 10:00 am on October 15, 2014, October 29, 2014 and November
      12, 2014, to review and discuss the model and final report.

XIII. Adjournment
Date: October 1, 2014

From: Joseph Zoba, Treasurer

Subject: Overview of the 2013 Consolidated Annual Report and Engineering Report

Recommendation: That the Watermaster Committee receives and files the 2013 Consolidated Annual Report and Engineering Report.

At the Beaumont Basin Watermaster meeting held on December 4, 2013, the Watermaster members authorized our consultant Alda, Inc. to prepare a consolidated Annual Report and Engineering Report for 2013 (“Consolidated Report”).

On August 6, 2014, our consultant provided an overview of the Consolidated Report.

On August 7, 2014, the draft Consolidated Report was added to the Watermaster’s website and notice was provided by email to subscribers following the activities of the Beaumont Basin Watermaster.

The purpose of this agenda item is to receive and file the Consolidated Report.
Date: October 1, 2014

From: Joseph Zoba, Treasurer


The Beaumont Basin Watermaster 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, 2014. The independent financial review was conducted under the same terms and scope as the prior fiscal year.

At the beginning of the 2013-2014 fiscal year, the Beaumont Basin Watermaster had unrestricted net assets in the amount of $219,553. During the fiscal year, the Watermaster collected $50,407 in revenues and expended $247,903. As of June 30, 2013, the Watermaster had unrestricted net assets in the amount of $22,057.

The following illustration provides a summary of the annual revenues and expenses of the Beaumont Basin Watermaster since its formation in 2004.
BEAUMONT BASIN WATERMASTER

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

June 30, 2014
INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

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 as of June 30, 2014 and for the year then ended. The District and Watermaster are 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, 2013.

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.
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, 2013 to the beginning check number for the period beginning on July 1, 2013. Note any breaks in check sequence for the period of July 1, 2013 through June 30, 2014.

Finding

No exceptions were noted as a result of applying the procedure. We noted a break in the sequence which was due to two voided checks. The Watermaster was able to provide the original copies of the voided checks.

5. Procedure

Based on the population of checks issued during July 1, 2013 through June 30, 2014, 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, 2013 to June 30, 2014. 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 Watermaster and the District and is not intended to be and should not be used by anyone other than the specified party.

August 19, 2014
San Bernardino, CA
## Beaumont Basin Watermaster

**Schedule of Assets, Liabilities and Net Assets**

(Unaudited)

June 30, 2014

<table>
<thead>
<tr>
<th><strong>Assets</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td><strong>$ 22,057</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Liabilities</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Net assets</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td><strong>$ 22,057</strong></td>
</tr>
</tbody>
</table>
### Exhibit B

**Beaumont Basin Watermaster**  
**Schedule of Revenues and Expenses**  
*(Unaudited)*  
**For the year ended June 30, 2014**

<table>
<thead>
<tr>
<th>Revenues</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments</td>
<td>$50,253</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>154</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>50,407</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Special projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition/computation and annual report</td>
<td>47,443</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>187,591</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meetings and miscellaneous</td>
<td>432</td>
<td></td>
</tr>
<tr>
<td>Legal and professional</td>
<td>12,428</td>
<td></td>
</tr>
<tr>
<td>Bank charges</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>247,903</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in net assets</th>
<th>(197,496)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Unrestricted net assets, beginning of year</th>
<th>219,553</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Unrestricted net assets, end of year</th>
<th>$22,057</th>
</tr>
</thead>
</table>
Date: October 1, 2014

From: Joseph Zoba, Treasurer

Subject: Status Report on the Beaumont Basin Groundwater Model and Redetermination of Safe Yield

Recommendation: That the Special Project Committee sets workshops meetings at 10:00 am on October 15, 2014, October 29, 2014 and November 12, 2014, to review and discuss the model and final report.

As a result of litigation initiated by the City of Beaumont, the Beaumont Groundwater Model and Redetermination of Safe Yield has been classified as a Special Project of the Watermaster to include the following Watermaster Committee Members:

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

To complete the model and associated report, the Watermaster Committee will discuss setting tentative workshop meetings on October 15th, October 29th, and November 12th, to review and discuss the model and finalize the report.