



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399 Phone: (909) 797-5117

Notice and Agenda of a Regular Meeting of the Board of Directors

Wednesday, October 17, 2012 at 6:00 p.m.

- I. CALL TO ORDER - Pledge of Allegiance
- II. ROLL CALL
- III. PUBLIC COMMENTS - At this time, members of the public may address the Board of Directors on matters within its jurisdiction. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the board meeting.
- IV. CONSENT CALENDAR - All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the board considers the motion unless members of the board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar. The General Manager recommends approval of the following:
 - A. Minutes of Meetings
 - 1. Regular Board Meeting - October 3, 2012
 - 2. Board Workshop - October 9, 2012
 - 3. Board Workshop - October 15, 2012
 - B. Payment of Bills
 - 1. Approve/Ratify Invoices of Board Awarded Contracts
 - 2. Ratify General Expenses for September 2012
- V. BOARD REPORTS
 - A. City of Yucaipa Comprehensive Economic Development Strategy Committee Meeting - October 11, 2012
 - B. Reports by Board Members
- VI. STAFF REPORT

Any person with a disability who requires accommodation in order to participate in this meeting should telephone Chelsie Fogus at (909) 797-5118 at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this agenda submitted to the Board of Directors after distribution of the board meeting packet are available for public inspection during normal business hours at the District office located at 12770 Second Street, Yucaipa. Meeting material may also be available on the District's website at www.yvwd.dst.ca.us

VII. DISCUSSION ITEMS

- A. Unaudited Financial Report for the Period Ending September 30, 2012 [[Director Memorandum No. 12-088 - Page 21 of 138](#)]
RECOMMENDED ACTION: That the Board receives and files the unaudited financial report as presented.
- B. Audited Financial Statements for Fiscal Year Ending on June 30, 2012 [[Director Memorandum No. 12-089 - Page 47 of 138](#)]
RECOMMENDED ACTION: That the Board receives and files the audited financial report.
- C. Notice of Completion for the Contract with W.A. Rasic Construction Company for the Yucaipa Regional Brineline Extension Pipeline Project (Phase 3) [[Director Memorandum No. 12-090 - Page 102 of 138](#)]
RECOMMENDED ACTION: That the Board authorizes the filing of the Notice of Completion and release of the retention amount of \$887,852.93 thirty-five days after the recorded date.
- D. Ratification of Award of Contract to Merlin Johnson Construction, Inc. for the Second Place Pipeline at Harruby Drive, Calimesa [[Director Memorandum No. 12-091 - Page 107 of 138](#)]
RECOMMENDED ACTION: That the Board ratifies the award of a construction contract to Merlin Johnson Construction, Inc. for a sum not to exceed \$63,115.00.
- E. Engineering and Regulatory Support Service Contract for the Recycled Water System Conversion Process [[Director Memorandum No. 12-092 - Page 113 of 138](#)]
RECOMMENDED ACTION: That the Board approves a contract with RMC Water and Environment for a sum not to exceed \$34,925.
- F. Renewal of the Workers' Compensation Insurance Policy for the Yucaipa Valley Water District [[Director Memorandum No. 12-093 - Page 119 of 138](#)]
RECOMMENDED ACTION: Pending

VIII. DIRECTORS COMMENTS

IX. CLOSED SESSION

- A. Conference with Real Property negotiator(s) (Government Code 54956.8)
Property: Assessor's Parcel Number: 301-201-29
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Palmer General Corporation
Under Negotiation: Terms of Payment and Price

X. ANNOUNCEMENTS

- A. October 30, 2012 at 4:00 p.m. - Board Workshop
B. November 7, 2012 at 6:00 p.m. - Regular Board Meeting
C. November 13, 2012 at 4:00 p.m. - Board Workshop
D. November 21, 2012 at 6:00 p.m. - Regular Board Meeting
E. November 27, 2012 at 4:00 p.m. - Board Workshop
F. December 5, 2012 at 6:00 p.m. - Regular Board Meeting

XI. ADJOURNMENT

CONSENT CALENDAR

MINUTES OF A REGULAR BOARD MEETING

October 3, 2012

Directors Present:

Jay Bogh, President
Ian Cuthbertson, Director
Lonni Granlund, Director

Staff Present:

Joseph Zoba, General Manager
Jack Nelson, Assistant General Manager

Directors Absent:

Bruce Granlund, Vice President
Hank Wochholz, Director

Consulting Staff Present:

David Wysocki, Legal Counsel

Registered Guests and Others Present:

None

The regular meeting of the Board of Directors of the Yucaipa Valley Water District was called to order by Director Jay Bogh at 6:00 p.m. on Wednesday, September 19, 2012 at the Administrative Office Building, 12770 Second Street, Yucaipa, California.

CALL TO ORDER

Director Jay Bogh led the pledge of allegiance.

FLAG SALUTE

The roll was called and Director Jay Bogh, Director Ian Cuthbertson, and Director Lonni Granlund were present. Director Hank Wochholz and Director Bruce Granlund were absent

ROLL CALL

There were no public comments.

PUBLIC COMMENTS

Director Lonni Granlund moved to approve the consent calendar and Director Ian Cuthbertson seconded the motion.

CONSENT CALENDAR

A. Minutes of Meetings

1. Regular Board Meeting - September 19, 2012
2. Board Workshop - September 25, 2012

The consent calendar was approved by a vote of 3 - 0.

- A. Regional Water Workshop - September 27, 2012 - Director Lonni Granlund reported that the regional water meeting was productive and indicated that a significant majority of water retailers have approved the imported water allocation agreement.
- B. Reports by Board Members - There were no other reports provided by the members of the Board.

BOARD REPORTS

The staff report included the following topics:

STAFF REPORT

- General Manager Joseph Zoba mentioned the need to have a board workshop on Monday, October 15, 2012 to review the audited financial statements.
- General Manager Joseph Zoba discussed the Yucaipa Valley Regional Brineline dedication on October 18, 2012.
- General Manager Joseph Zoba stated that there would not be a closed session at this meeting.

DISCUSSION ITEMS:

Following a staff presentation by General Manager Joseph Zoba, Director Ian Cuthbertson moved and Director Lonnie Granlund seconded a motion to approve Task Order No. 1 with QVersa for a sum not to exceed \$166,865 to furnish and install SCADA system components the recycled water system. The motion was approved by a vote of 3 - 0.

DM 12-085
SUPERVISORY CONTROL
AND DATA ACQUISITION
(SCADA) SYSTEM
IMPROVEMENTS FOR THE
RECYCLED WATER
SYSTEM

Following a staff presentation by Assistant General Manager Jack Nelson, Director Lonni Granlund moved and Director Ian Cuthbertson seconded a motion to deny the claim for damages at property located at 11950 Adams Street, Yucaipa. The motion was approved by a vote of 3 - 0.

DM 12-086
CLAIM FOR WATER
DAMAGES RELATED TO
WATER MAINLINE BREAK
IMPACTING PROPERTY AT
11950 ADAMS STREET,
YUCAIPA - OTILIA WHITE

Following a staff presentation by General Manager Joseph Zoba, Director Ian Cuthbertson moved and Director Lonni Granlund seconded a motion to approve Change Order No. 2 with W. A. Rasic for a decrease in the amount of the construction contract by \$471,470.70. The motion was approved by a vote of 3 - 0.

DM 12-087
CHANGE ORDER NO. 2 TO
THE CONTRACT WITH W.
A. RASIC CONSTRUCTION
FOR THE YUCAIPA
REGIONAL BRINELINE
EXTENSION PROJECT
(PHASE 3)

There were no comments from the board members.

DIRECTOR COMMENTS

There was no closed session.

CLOSED SESSION

Director Jay Bogh directed attention to the announcements located on the board meeting agenda.

ANNOUNCEMENTS

There being no further business, the meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(Seal)

MINUTES OF A BOARD WORKSHOP

October 9, 2012 at 4:00 P.M.

Directors Present:

Jay Bogh, President
Bruce Granlund, Vice President
Ian Cuthbertson, Director
Lonni Granlund, Director

Staff Present:

Joseph Zoba, General Manager
Jack Nelson, Assistant General Manager
John Hull, Public Works Manager
Jennifer Ares, Resource Sustainability Manager
Vicky Elisalda, Controller
Bob Wall, Operations Manager
Kevin King, Operations Manager
Jeremy Costello, Engineering Technician II

Directors Absent:

Hank Wochholz, Director

Consulting Staff Present:

David Wysocki, Legal Counsel

Guests and Others Present:

John Jeter, San Geronio Pass Water Agency
Ray Morris, San Geronio Pass Water Agency
Bill Dickson, San Geronio Pass Water Agency

- I. Call to Order - 4:00 p.m.
- II. Public Comments - General Manager Joseph Zoba recognized the members of the Board of Directors, District staff and members of the public in attendance. There were no public comments.
- III. Staff Report - General Manager Joseph Zoba mentioned the following topics:
 - A workshop will be held on Monday, October 15, 2012 to discuss the audited financial statements;
 - Agenda items will be presented at the next board meeting that include a pipeline project in Calimesa and the renewal of the District's workers' compensation policy.
- IV. Capital Improvement Projects
 - A. Status Report on the Construction of the R-10 Recycled Water Reservoir and Booster Complex [Workshop Memorandum No. 12-174] - Engineering Technician II Jeremy Costello provided a detailed status report on the construction of the R-10 Reservoir Project.
 - B. Status Report on the Construction of the Crow Street Pipeline Facilities [Workshop Memorandum No. 12-175] - Engineering Technician II Jeremy Costello provided an overview of the Crow Street Pipeline Project.
 - C. Status Report on the Construction of the Recycled Water Booster Facility at the Reservoir R-12.1 Complex [Workshop Memorandum No. 12-176] - Engineering Technician II Jeremy Costello provided a detailed status report on the construction of the R-12.1 Recycled Water Booster Facility.
 - D. Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project [Workshop Memorandum No. 12-177] - Operations Manager

Kevin King provided an overview of the construction of the reverse osmosis equipment at the Wochholz Regional Water Recycling Facility.

V. Administrative Issues

- A. Unaudited Financial Report for the Period Ending on September 30, 2012 [Workshop Memorandum No. 12-178] - Controller Vicky Elisalda provided an overview of the unaudited financial report.
- B. Support Services from RMC Water and Environment for the Recycled Water Conversion Project [Workshop Memorandum No. 12-179] - Resource Sustainability Manager Jennifer Ares and Public Works Manager John Hull provided an overview of the proposed contract with RMC Water and Environment for recycled water related services.

VI. Director Comments - There were no comments from the board members.

VII. Closed Session

- Conference with Real Property negotiator(s) (Government Code 54956.8)
Property: Assessor's Parcel Number: 301-201-29
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Palmer General Corporation
Under Negotiation: Terms of Payment and Price
There was no closed session conducted.

VIII. Adjournment - The meeting was adjourned at 4:35 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(SEAL)

MINUTES OF A BOARD WORKSHOP

October 15, 2012 at 4:00 P.M.

Minutes from the board workshop will be provided for review prior to the board meeting on October 17, 2012.

Board Awarded Contracts
Consent Calendar Regular Meeting -October 17, 2012

District Awarded Contracts	Director Memorandum	Job or GL No.	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining	Encumbered Funds - Remaining Contract Amount			
										General Operating Expenses	Water Division Funds	Sewer Division Funds	Non-Potable Division Funds
Akluri & Wysocki - FY 2013 Legal Services	--	*-5-06-54107	--	--	\$8,320	\$5,590	\$13,910						
DOB Engineering Prep of the Discharge Permit Appl for WRWRF	10-070	03-5-06-54109		\$44,300	\$30,849	\$0	\$30,849	\$13,451	30%	\$13,451			
Delta Partners \$90,000 per year - Legislative Consult (exp 12/13) W/S	09-007	*-5-06-54109	--	\$90,000	\$60,000	\$7,500	\$67,500	\$22,500	25%	\$22,500			
Doty Bros. Equipment Co.	12-033	04-xxxx		\$1,889,000	\$485,974	\$149,388	\$635,362	\$1,253,638	66%				\$1,253,638
Dudek & Associates Recycle Water Phase II - Non-Potable & Brineline Project - Design (EPA)	07-080	65-178	\$415,040	\$2,219,831	\$2,163,045	\$0	\$2,163,045	\$56,786	3%				\$56,786
TO#1, Amendment #1	07-123		\$34,920										
TO#1, Amendment #2	08-038		\$79,920										
TO#1, Amendment #3	08-088		\$1,267,407										
TO#1, Amendment #4	08-089		\$37,539										
TO#1, Amendment #5	09-070		\$34,865										
TO#1, Amendment #6	09-079		\$50,900										
TO#1, Amendment #7	10-005		\$57,848										
TO#1, Amendment #8	10-007		\$8,840										
TO#1, Amendment #9	10-008		\$4,950										
TO#1, Amendment #10	10-037		\$35,800										
TO#1, Amendment #11	10-038		\$49,760										
TO#1, Amendment #12	10-084		\$24,278										
TO#1, Amendment #13	11-032		\$46,764										
TO#1, Amendment #16	11-083		\$71,000										
TO#1, Amendment #14 Design of Crow Street Infrastructure	11-073	04-5181		\$70,008	\$69,997	\$0	\$69,997	\$11	0%				\$11
TO#2, Environmental requirements for SCRAM project	10-064	88-5399		\$3,750	\$3,720	\$0	\$3,720	\$30	1%	\$30			
TO#3 (was TO#1, Amend 15)	11-082	03-7388	\$36,010	\$55,785	\$55,293	\$0	\$55,293	\$492	1%			\$492	
TO#3, Amendment #1 Biological Monitoring During Brineline Construction	12-010	03-7388	\$19,775										
TO#4 Biological Monitoring During Brineline Construction	11-096	03-7388		\$96,864	\$32,763	\$11,405	\$44,168	\$52,696	54%			\$52,696	
Environmental Services for the BCV Non-Potable Water Ext.	11-018	04-9435		\$53,454	\$50,107	\$0	\$50,107	\$3,347	6%				\$3,347
Review & Update local pretreatment limits	09-105	03-5-06-54109		\$30,700	\$24,438	\$0	\$24,438	\$6,263	20%	\$6,263			
Geoscience Yucaipa Groundwater Study	12-075	02-5-06-54109		\$52,000	\$0	\$0	\$0	\$52,000	100%		\$52,000		
Harper & Associates Engineering Prep of Tech Specs & Const Svcs for the Recoating of R13.2	12-067	65-12832		\$23,000	\$0	\$2,628	\$2,628	\$20,372	89%		\$20,372		
Krieger & Stewart TO#5, Design R-13.4 and H-2 Reservoirs for JP Ranch 60% R-13.4 and 40% H-2	05-083 05-083	65-180 65-179	\$47,400 \$31,600	\$79,000	\$50,471	\$0	\$50,471	\$28,529	36%				\$28,529
TO#6, Design of the Recycled Water R-10.3 and Booster Facility TO#9, Const Mgmt Svcs related to R-10.3 and Booster Facility	11-036 12-011	04-9945	\$233,500 \$457,700	\$691,200	\$461,258	\$39,695	\$500,954	\$190,246	28%				\$190,246
TO#7, Design of a 24" Recycled Water Pipeline	11-091	04-9435		\$220,800	\$185,708	\$0	\$185,708	\$35,092	16%				\$35,092
TO#8, Design of the Recycled Water 12.1 Booster Pump Station TO#10, Const Mgmt Svcs for Recycled Water 12.1 Booster Station	11-102 12-048	04-11107	\$178,000 \$220,400	\$398,400	\$247,095	\$31,777	\$278,872	\$119,528	30%				\$119,528
Construction Mgmt Svcs for Non-Potable/Outfall Construction Mgmt Svcs for Brineline Phase 3 Plan Review TO #2	10-022	04-7386 03-7387 03-7388	\$979,100 \$174,620	\$2,371,720	\$211,473 \$1,675,875 \$161,805	\$0 \$66,328 \$0	\$211,473 \$1,742,203 \$161,805	\$256,240	11%			\$256,240	

Board Awarded Contracts
Consent Calendar Regular Meeting -October 17, 2012

	Director Memorandum	Job or GL No.	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining	Encumbered Funds - Remaining Contract Amount			
										General Operating Expenses	Water Division Funds	Sewer Division Funds	Non-Potable Division Funds
TO#3	11-081		\$1,218,000										
TO#11, Const Mgmt Svcs for Crow Street Pipeline	12-049	04-5181		\$153,900	\$6,080	\$3,764	\$9,844	\$144,056	94%				\$144,056
TO#12, Design of Sewer Collection Facilities in Western Yucaipa	12-063	03-12357		\$53,900	\$8,332	\$10,832	\$19,164	\$34,736	64%			\$34,736	
One Stop Landscape Supply - FY 2013 Sludge Hauling & Reuse	- -	03-5-02-57031	- -	- -	\$51,263	\$25,503	\$76,766						
Pascal & Ludwig Constructors Construction of WISE Project at WWTP	12-024	03-11718		\$5,003,170	\$3,177,492	\$1,480,386	\$4,657,878	\$345,292	7%			\$345,292	
Platinum Advisors FY 2013 Lobbyist N-T-E per month FY 2013 Quarterly Filing & Misc. Expenses	09-008	02-5-06-54109 02-5-06-54109	- - - -	- - - -	\$15,000 \$250	\$5,000 \$0	\$20,000 \$250						
Qversa Furnish & Install SCADA System Components to the Recycles Water System	12-085	04-13349		\$166,865	\$0	\$0	\$0	\$166,865	100%				\$166,865
Pro-Craft Construction Construction of WISE Project at WWTP	12-071	04-5181		\$1,064,160	\$0	\$0	\$0	\$1,064,160	100%				\$1,064,160
W.A. Rasic Construction Construction of Brineline Phase 3 CO #1 - Administrative CO #2 - Decrease in Construction Contract	11-080 12-027 12-087	03-7388	\$9,350,000 (\$471,471)	\$8,878,529 \$0	\$8,700,723	\$177,806	\$8,878,529	(\$0)	0%			(\$0)	
RMC Water & Environment TO#10 SRF Assistance	05-125	03-506-54109	\$102,120	\$102,120	\$88,660	\$0	\$88,660	\$13,460	13%				
TO#24, Project Mgmt Serv related to Recycled Water & Brineline TO#24, Amendment #1 TO#24, Amendment #2	10-031 11-110 12-044		\$90,000 \$89,960 \$149,600										
Brineline Phase 1 & 2/Phase 3 Non-Potable/Outfall		03-7387/03-7388 04-7386		\$194,800 \$134,760	\$147,603 \$85,701	\$7,550 \$7,023	\$155,153 \$92,724	\$39,647 \$42,036	20% 31%			\$39,647	\$42,036
TO#25, Digester Cleaning & a Solids Process Cond Assess	12-066	88-12830		\$57,730	\$0	\$5,705	\$5,705	\$52,025	90%			\$52,025	
Local Groundwater Assistance Grant Application 50% match by San Bern Valley Muni Water Dist -rec'd \$9,725.00	12-065	02-5-06-54109		\$19,450	\$0	\$19,311	\$19,311	\$139	1%			\$139	
RSH Construction Construction of the R-10.3 Recycled Water Storage & Booster Complex CO #1 - Administrative	12-002 12-028	04-9945		\$4,177,087 \$0	\$2,188,469	\$634,507	\$2,822,976	\$1,354,111	32%				\$1,354,111
Separation Processes, Inc. TO#11, Study of Low Pressure Rev Osmosis Membranes at WRWRF	09-018	88-3971 (exp)	\$150,852	\$150,852	\$148,526	\$0	\$148,526	\$2,326	2%				
TO#12, Design Services for Salinity Concentrate Reductions	09-085	88-5396(exp)		\$144,940	\$124,567	\$1,465	\$126,032	\$18,908	13%				
TO#13, Prelim Eng Analysis of Wochholz Improved Salinity Effluent TO#13, Amendment #1 CAD Design for WISE project TO#13, Amendment #2 CAD Design for WISE project TO#13, Amendment #3 CAD Design for WISE project TO#14, Amendment #4 Elec Impr for WISE project	09-086 10-050 11-046 11-090 12-045	88-5396 (exp)	\$32,500 \$78,132 \$50,000 \$218,371 \$10,000	\$389,003	\$378,800	\$0	\$378,800	\$10,203	3%				
TO#14, Const Mgmt Services for WISE project	12-015	03-11718		\$309,383	\$178,567	\$29,747	\$208,334	\$101,049	33%			\$101,049	
State of California -Department of Health Services Water System Fees-July 1, 2011 thru June 30, 2012		02-5-01-54019	- -		\$0	\$12,592	\$12,592	\$0					

Board Awarded Contracts
Consent Calendar Regular Meeting -October 17, 2012

Encumbered Funds - Remaining Contract Amount									
District Awarded Contracts	Director Memorandum	Job or GL No.	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining
Vavrinek, Trine, Day & Company (VTD) FY 2012 Auditing Services (add \$8500 for Single Audit)	08-079	*-5-06-54108	\$32,745	\$32,745	\$11,030	\$0	\$11,030	\$21,715	66%
Wildermuth Environmental Inc. Monitoring & documenting the District's max benefit commitments	10-060	65-1138		\$10,634	\$8,159	\$0	\$8,159	\$2,475	23%
GRAND TOTALS				\$29,433,840	\$21,297,434	\$2,735,502	\$24,032,936	\$5,524,422	- -
Approval of General Expenses September 2012 (Check Register Attached)									
				General Operating Expenses	\$21,715				
				Water Division Funds	\$2,475				
				Sewer Division Funds	\$111,330				
				Non-Potable Division Funds	\$72,372				
				Other Funds	\$882,315				
					\$4,429,876				
					\$28,529				
					\$5,384,563				

Check Register - September 2012

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/04/2012	15984	Ameripride Uniform Services	450.69
09/04/2012	15985	California Municipal Treasurer	155.00
09/04/2012	15986	Crown Ace Hardware - Yucaipa	240.84
09/04/2012	15987	First American Data Tree, LLC	50.00
09/04/2012	15988	House Of Quality, Parts Plus	514.07
09/04/2012	15989	Kelly Services, Inc.	951.20
09/04/2012	15990	Konica Minolta Business Soluti	393.22
09/04/2012	15991	Krieger & Stewart	17,126.03
09/04/2012	15992	Leroy's Landscape Services	5,700.00
09/04/2012	15993	SCCI, Inc.	300.00
09/04/2012	15994	Association of San Bernardino	35.00
09/04/2012	15995	State Water Resources Control	2,923,668.75
09/04/2012	15996	The Gas Company	57.37
09/04/2012	15997	Verizon	593.25
09/04/2012	15998	Yucaipa Disposal, Inc.	1,318.04
09/04/2012	15999	Auto Care Clinic	1,027.82
09/04/2012	16000	Bernell Hydraulics, Inc.	69.82
09/04/2012	16001	Brenntag Pacific, Inc	8,419.03
09/04/2012	16002	Calolympic Glove & Safety Co.,	450.18
09/04/2012	16003	Center Electric	15,900.00
09/04/2012	16004	Custom Metal Fabrication	85.00
09/04/2012	16005	Fastenal Company	697.65
09/04/2012	16006	Alan L. Grubel Automotive Inc.	301.28
09/04/2012	16007	Hach Company	696.11
09/04/2012	16008	Inland Water Works Supply Co.	3,800.25
09/04/2012	16009	James John Brothers	6,266.00
09/04/2012	16010	JCS Welding, Inc.	492.00
09/04/2012	16011	Lowe's Companies, Inc.	656.20
09/04/2012	16012	MBC Applied Environmental Scie	1,250.00
09/04/2012	16013	Merit Oil Company	3,811.92
09/04/2012	16014	Nagem, Inc.	1,837.88
09/04/2012	16015	Pro-Pipe & Supply, Inc.	100.81
09/04/2012	16016	SB CNTY-Solid Waste Mgmt Div	12.97
09/04/2012	16017	Schaner's WasteWater Prod., In	2,555.50
09/04/2012	16018	Wilbur's	83.60
09/04/2012	16019	Dale A. Fundak	100.00
09/07/2012	16020	PAYROLL CHECK	2,382.76
09/07/2012	16021	PAYROLL CHECK	182.33
09/07/2012	16022	CA-PERS Supplemental Income 45	12,350.09
09/07/2012	16023	Public Employees' Retirement S	26,142.76
09/07/2012	16024	Hong Nelson	125.00
09/07/2012	16025	Katherine Kostelecky	581.00
09/07/2012	16026	IBEW Local 1436	325.00
09/07/2012	16027	Franchise Tax Board	150.00
09/07/2012	16028	Boot Barn #4	124.19
09/07/2012	16029	Rodd Greene	402.41
09/07/2012	16030	John Hull	60.00
09/07/2012	16031	UnitedHealthcare of California	40,132.21
09/07/2012	16032	Standard Insurance Company	2,028.40
09/07/2012	16033	Western Dental Services, Inc.	212.25
09/07/2012	16034	Workboot Warehouse	150.00
09/07/2012	16035	Robert Hines	402.41
09/07/2012	16036	Anthem Blue Cross L and H	325.40
09/07/2012	16037	Standard Insurance Company	2,677.53
09/07/2012	16038	Standard Insurance Vision Plan	439.32

Check Register - September 2012

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/07/2012	16039	MetLife Small Business Center	289.73
09/10/2012	16040	Ameripride Uniform Services	438.11
09/10/2012	16041	Corelogic, Inc.	300.00
09/10/2012	16042	Coverall North America, Inc.	1,021.00
09/10/2012	16043	Environmental Systems Research	2,157.32
09/10/2012	16044	Fedex	71.45
09/10/2012	16045	Neopost USA Inc.	208.50
09/10/2012	16046	InfoSend, Inc.	4,739.52
09/10/2012	16047	Kelly Services, Inc.	951.20
09/10/2012	16048	Konica Minolta Business Soluti	55.15
09/10/2012	16049	NAPA Genuine Parts Company	92.12
09/10/2012	16050	NetComp Technologies, Inc.	1,728.25
09/10/2012	16051	SB CNTY-Fire Protection Distri	2,645.00
09/10/2012	16052	Sims Welding & Supply Co., Inc	117.53
09/10/2012	16053	The Gas Company	14.30
09/10/2012	16054	Underground Service Alert Of S	124.50
09/10/2012	16055	George F. Siddle	106.50
09/10/2012	16056	Verizon	1,121.98
09/10/2012	16057	Armorcast Products Company	7,020.99
09/10/2012	16058	Edward S Babcock & Sons, Inc.	2,355.00
09/10/2012	16059	Calolympic Glove & Safety Co.,	111.57
09/10/2012	16060	Case Dealer Holding Co., LLC	54.80
09/10/2012	16061	Custom Metal Fabrication	62.27
09/10/2012	16062	Fastenal Company	1,925.11
09/10/2012	16063	Fisher Scientific Co.	295.65
09/10/2012	16064	Grainger	107.96
09/10/2012	16065	Alan L. Grubel Automotive Inc.	661.12
09/10/2012	16066	Harbor Freight Tools	36.61
09/10/2012	16067	I B Reprographics	399.43
09/10/2012	16068	Inland Water Works Supply Co.	2,827.92
09/10/2012	16069	Innerline Engineering	2,900.00
09/10/2012	16070	Interflon USA Inc.	550.20
09/10/2012	16071	Johnson Machinery Co.	66.49
09/10/2012	16072	JR Freeman Co. Inc.	38.03
09/10/2012	16073	Merit Oil Company	3,336.63
09/10/2012	16074	Nagem, Inc.	37.50
09/10/2012	16075	Oily's Automotive Service & Re	155.00
09/10/2012	16076	P & R Paper Supply Co., Inc.	336.40
09/10/2012	16077	Pro-Pipe & Supply, Inc.	1,829.96
09/10/2012	16078	Red Alert Special Couriers	1,019.03
09/10/2012	16079	Rosemount Analytical, Inc.	572.11
09/10/2012	16080	Test America Laboratories, Inc	240.00
09/10/2012	16081	Yucaipa Disposal, Inc.	643.01
09/10/2012	16082	ZEP Manufacturing Company	375.38
09/10/2012	16083	California Department of Fish	224.00
09/17/2012	16084	1st Enterprise Bank/Retention	19,376.00
09/17/2012	16085	Aklufi & Wysocki	3,705.00
09/17/2012	16086	California Bank & Trust	24,885.78
09/17/2012	16087	Citizens Business Bank	47,887.53
09/17/2012	16088	Delta Partners, LLC	7,500.00
09/17/2012	16089	Doty Bros. Equipment Co.	118,655.00
09/17/2012	16090	Dudek & Associates, Inc	1,442.50
09/17/2012	16091	Krieger & Stewart	101,994.50
09/17/2012	16092	One Stop Landscape Supply Inc	26,194.50
09/17/2012	16093	Pascal & Ludwig Constructors I	909,863.15

Check Register - September 2012

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/17/2012	16094	Platinum Advisors, LLC	5,250.00
09/17/2012	16095	RMC Water and Environment	10,697.50
09/17/2012	16096	Canyon Springs Enterprises	368,142.00
09/17/2012	16097	Separation Processes, Inc.	40,642.80
09/17/2012	16098	Soboba Band of Luiseno Indians	9,923.06
09/17/2012	16099	VTD, Vavrinek, Trine, Day & CO	10,630.00
09/17/2012	16100	W.A. Rasic Construction Co., I	223,972.01
09/17/2012	16101	Ralph C. Casas	77.00
09/17/2012	16102	Ameripride Uniform Services	411.06
09/17/2012	16103	AT&T Mobility	1,864.60
09/17/2012	16104	Central Communications	240.27
09/17/2012	16105	Crider Public Relations, Inc.	276.25
09/17/2012	16106	Incode Division-Tyler Technolo	350.00
09/17/2012	16107	Kelly Services, Inc.	951.20
09/17/2012	16108	San Gorgonio Pass Water Agency	5,021.00
09/17/2012	16109	Step Ahead Computers	96.91
09/17/2012	16110	The Counseling Team Internatio	600.00
09/17/2012	16111	Brenntag Pacific, Inc	9,071.59
09/17/2012	16112	Brithinee Electric	7,466.54
09/17/2012	16113	CA Hazardous Service, Inc.	950.00
09/17/2012	16114	Calolympic Glove & Safety Co.,	37.37
09/17/2012	16115	Center Electric	469.28
09/17/2012	16116	Equipco Sales & Service	928.61
09/17/2012	16117	Fastenal Company	461.48
09/17/2012	16118	Grainger	105.05
09/17/2012	16119	Harbor Freight Tools	67.86
09/17/2012	16120	Inland Water Works Supply Co.	2,778.35
09/17/2012	16121	JR Freeman Co. Inc.	962.07
09/17/2012	16122	Nagem, Inc.	1,963.55
09/17/2012	16123	Nalco Company	5,164.50
09/17/2012	16124	Odyssey Power Corporation	2,250.00
09/17/2012	16125	Q Versa, LLC	3,766.59
09/17/2012	16126	PowerPlan	567.02
09/17/2012	16127	Siemens Industry, Inc.	1,766.53
09/17/2012	16128	Smart & Final Stores, LLC	147.59
09/17/2012	16129	Test America Laboratories, Inc	247.00
09/21/2012	16130	PAYROLL CHECK	1,929.83
09/21/2012	16131	CA-PERS Supplemental Income 45	10,331.22
09/21/2012	16132	WOODS, FRED	211.71
09/21/2012	16133	NESS, RANDALL	112.94
09/21/2012	16134	Public Employees' Retirement S	26,142.76
09/21/2012	16135	Hong Nelson	125.00
09/21/2012	16136	Katherine Kostelecky	581.00
09/21/2012	16137	Franchise Tax Board	150.00
09/24/2012	16138	California Water Environment A	280.00
09/24/2012	16139	YVWD-Petty Cash	91.13
09/24/2012	16140	Water Environment Federation	358.00
09/24/2012	16141	Addiction Medicine Consultants	350.00
09/24/2012	16142	Robert Austin	2,550.00
09/24/2012	16143	Ameripride Uniform Services	436.17
09/24/2012	16144	H & T Cultural Resource Manage	510.00
09/24/2012	16145	Fedex	97.60
09/24/2012	16146	Heritage Products, Inc.	224.90
09/24/2012	16147	Incode Division-Tyler Technolo	1,309.77
09/24/2012	16148	InfoSend, Inc.	3,202.14

Check Register - September 2012

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/24/2012	16149	Kelly Services, Inc.	760.96
09/24/2012	16150	NetComp Technologies, Inc.	2,025.00
09/24/2012	16151	Pro-Pipe & Supply, Inc.	30.63
09/24/2012	16152	RFI	525.00
09/24/2012	16153	SB CNTY-Fire Protection Distri	1,342.00
09/24/2012	16154	SB CNTY-Land Use	92.00
09/24/2012	16155	Santa Ana Watershed Associatio	3,045.80
09/24/2012	16156	SCE Rosemead	32.94
09/24/2012	16157	Separation Processes, Inc.	1,927.50
09/24/2012	16158	Southern CA Emergency Medicine	75.00
09/24/2012	16159	Thomson West	88.36
09/24/2012	16160	Verizon	586.33
09/24/2012	16161	Airgas Safety Inc.	1,666.67
09/24/2012	16162	All American Sewer Tools	1,807.70
09/24/2012	16163	Ampak Chemicals, Inc.	3,935.12
09/24/2012	16164	Auto Care Clinic	776.57
09/24/2012	16165	BofA Credit Card	1,076.60
09/24/2012	16166	Calolympic Glove & Safety Co.,	61.10
09/24/2012	16167	Cemex Inc. USA	712.48
09/24/2012	16168	Center Electric	529.87
09/24/2012	16169	CHJ Consultants	9,111.13
09/24/2012	16170	Clinical Laboratory of San Ber	3,860.00
09/24/2012	16171	Victor James Valenti	5,757.44
09/24/2012	16172	Dinosaur Tire Inc.	48.08
09/24/2012	16173	Evans-Hydro Inc.	5,875.79
09/24/2012	16174	G&G Environmental Compliance,I	4,626.31
09/24/2012	16175	Global Surplus Solutions, Inc.	214.00
09/24/2012	16176	Grainger	545.03
09/24/2012	16177	Ham Radio Outlet, Inc.	1,620.92
09/24/2012	16178	Inland Water Works Supply Co.	11,841.70
09/24/2012	16179	Innerline Engineering	2,900.00
09/24/2012	16180	J.L. Wingert Co.	4,474.89
09/24/2012	16181	James John Brothers	23,397.30
09/24/2012	16182	Johnson Machinery Co.	76.02
09/24/2012	16183	JR Freeman Co. Inc.	1,107.51
09/24/2012	16184	MBC Applied Environmental Scie	1,250.00
09/24/2012	16185	Merit Oil Company	4,559.61
09/24/2012	16186	Nagem, Inc.	300.21
09/24/2012	16187	NCL Of Wisconsin Inc	622.84
09/24/2012	16188	Oily's Automotive Service & Re	34.00
09/24/2012	16189	Optics Planet, Inc.	399.00
09/24/2012	16190	Polydyne Inc.	2,849.99
09/24/2012	16191	R & R Anderson Trucking	686.88
09/24/2012	16192	Red Alert Special Couriers	1,359.53
09/24/2012	16193	Donald Kent Stone	480.00
09/24/2012	16194	Test America Laboratories, Inc	1,574.30
09/24/2012	16195	Tri County Pump Company	2,667.62
09/24/2012	16196	UPS Store#1504/ Mail Boxes Etc	24.12
09/24/2012	16197	Westech Engineering	2,594.62
09/24/2012	16198	American Family Life Assurance	2,439.34
09/24/2012	16199	SeaBright Insurance Company	12,091.00

September 2012 Check Register Total	5,293,026.45
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BOARD REPORTS



**Comprehensive Economic Development
Strategy (CEDS) Committee
Special Meeting
Agenda**

October 11, 2012 - 5:00 PM

**Community Meeting Room - Yucaipa City Hall
34272 Yucaipa Boulevard, Yucaipa, California**

ANY PUBLIC WRITINGS DISTRIBUTED BY THE CITY TO AT LEAST A MAJORITY OF THE COMMITTEE MEMBERS REGARDING ANY ITEM ON THIS SPECIAL MEETING AGENDA WILL BE MADE AVAILABLE AT THE PUBLIC SERVICE COUNTER AT CITY HALL, 34272 YUCAIPA BOULEVARD, DURING NORMAL BUSINESS HOURS.

- I. Call to Order**
- II. Self Introductions**
- III. Approval of Minutes**
- IV. Public Comment**
- V. Old Business**
 - A. Update on Dunlap EDA Application**
- VI. New Business**
 - A. City of Yucaipa Economic Development Strategy
– Focus on Attracting of Manufacturing Businesses**
- VII. Adjourn**

Next meeting is scheduled for Dec 13, 2012

STAFF REPORT

DISCUSSION ITEMS



Director Memorandum 12-088

Date: October 17, 2012

Prepared By: Vicky Elisalda, Controller
Peggy Little, Administrative Supervisor

Subject: Unaudited Financial Report for the Period Ending on September 30, 2012

Recommendation: That the Board receives and files the unaudited financial report as presented.

The following unaudited financial report has been prepared by the Administrative Department for your review. The report has been divided into six sections to clearly disseminate information pertaining to the financial status of the District. Please remember that the following financial information has not been audited.

Cash Fund Balance Report

The Cash Fund Balance Report provides a summary of how the total amount of funds maintained by financial institutions is distributed throughout the enterprise and non-enterprise funds of the District. A summary of the report is as follows:

Fund Source	Operating Funds	Restricted Funds	Total Funds
Water Division	\$134,147.39	\$6,894,904.08	\$7,029,051.47
Sewer Division	(\$1,747,004.77)	\$7,552,425.91	\$5,805,421.14
Recycled Water Division	<u>(\$3,794,670.54)</u>	<u>\$751,826.72</u>	<u>(\$3,042,843.82)</u>
Total	(\$5,407,527.92)	\$15,199,156.71	\$9,791,628.79

Most of the funds reflected in the Cash Fund Balance Report are designated for specific purposes and are therefore restricted, either by law or by District policy.

Check Register

The check register lists each check processed during the month of September 2012. The District processed 216 checks during the month of September for a total sum of \$5,293,026.45. All checks are reviewed by District staff for accuracy and completeness, and usually signed by the General Manager and one Director, but may be signed by two Directors.

The Controller will make any check, invoice or supporting documentation available for review to any board member upon request.

Financial Account Information

The District currently deposits all revenue received into the Deposit Checking account. The General Checking account is used as a sole processing account for all District checks and electronic payroll. The Investment Checking account is used for the purchase and redemption of US treasury notes and bills and for the transfer of LAIF funds. The US treasury notes and bills are booked at cost.

The LAIF investment account is a pooled money account administered by the State of California. Additional information on the LAIF account is provided below in the investment summary report.

Investment Summary

The investment summary report illustrates the District's investments in US treasury notes and bills in addition to the investments held by the Local Agency Investment Fund or LAIF. The yields for the treasury notes and bills are provided for each individual transaction. The historical annual yield for funds invested with LAIF is also provided.

Separate pooled money investment reports prepared by the State of California are maintained by the District and available for review.

Monthly Revenue Allocation

During the month of September 2012 the District received a sum total of \$2,372,890.63 in revenues from the following categories:

- A total of \$2,172,498.66 was received from 14,690 customers for utility bill payments. This is the total amount of utility bill payments received from water, sewer and recycled services.
- A total of \$2,490.50 was received for construction meter deposits, customer deposits and internet fee payments.
- A total of \$55,883.47 was received from miscellaneous water related activities (other than utility bill charges).
- A total of \$142,018.00 was received from miscellaneous sewer related activities (other than utility bill charges).
- A total of \$0.00 was received from miscellaneous recycled related activities (other than utility bill charges).
- The District received EPA Draw #22 in the amount of \$508,816.70 on September 6th
- The District received EPA Draw #21 in the amount of \$782,385.63 on September 17th

Fiscal Year 2013 Budget Status

The revenue and expense budget status for the 2013 Fiscal Year is provided for your review.

**Summary of Revenue Budget
As of September30, 2012 (21% of Budget Cycle)**

<u>Division</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Water	12,302,000	1,036,634	2,607,788	21.20%
Sewer	10,717,500	908,961	2,069,833	19.31%
Recycled Water	350,575	46,160	116,184	33.14%
District Revenue	23,370,075	1,991,755	4,793,805	20.51%

**Summary of Water Budget
As of September30, 2012 (21% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Water Resources	4,484,685	229,386	947,201	21.12%
Public works	2,184,940	111,155	415,699	19.03%
Administration	2,621,350	160,286	558,271	21.30%
Long Term Debt	2,931,025	1,952,563	1,952,563	66.62%
Asset Acquisition	80,000	0	0	0.00%
TOTAL	12,302,000	500,826	3,873,734	31.49%

**Summary of Sewer Budget
As of September30, 2012 (21% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Treatment	3,325,600	150,664	644,284	19.37%
Administration	3,320,320	211,212	666,150	20.06%
Environmental Control	1,127,980	56,097	170,139	15.08%
Long Term Debt	2,923,600	2,923,669	2,923,669	100.00%
Asset Acquisition	20,000	0	0	0.00%
TOTAL	10,717,500	3,341,642	4,404,242	41.09%

**Summary of Recycled Water Budget
As of September30, 2012 (21% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Administration	350,575	7,433	19,580	5.59%
TOTAL	350,575	7,433	19,580	5.59%
District Expenses	23,370,075	3,849,901	8,297,556	35.51%

Investment Policy Disclosure

The District is currently compliant with the portfolio of its Investment Policy and State Law.

The District is using Sandy Gage with Merrill Lynch Wealth Management (Bank of America Corporation) for Treasury investments. The District expects to meet its expenditure requirements for the next six months.

Questions or Comments

If you have any questions about a particular budget account, please do not hesitate to contact the Controller directly. If you need additional information, the members of the Administrative Department would be happy to provide you with any detailed information you may desire.

Cash Fund Balance Report - September 2012

Water Division	GL#	Balance
Project Fund - Encumbered	02-10215	\$ 720,977.22
ID 1 Construction Funds	02-10216	\$ 293,145.85
ID 2 Construction Funds	02-10217	\$ 80,409.31
Depreciation Reserves	02-10310	\$ 2,674,587.43
Infrastructure Reserves	02-10311	\$ 498,235.00
Sustainability Fund	02-10313	\$ 172,719.56
Rate Stabilization Fund	02-10314	\$ 493,209.14
Imported Water Fund - MUNI	02-10315	\$ (414,514.00)
Imported Water Fund - SGPWA	02-10316	\$ 387,189.90
FCC - Debt Service YVRWFF Phase I	02-10401	\$ 92,542.86
FCC - Future YVRWFF Phase II & III	02-10403	\$ 128,353.19
FCC - Recycled System	02-10410	\$ 198,553.13
FCC - Booster Pumping Plants	02-10411	\$ 216,418.35
FCC - Pipeline Facilities	02-10412	\$ 518,642.15
FCC - Water Storage Reservoirs	02-10413	\$ 834,434.99
Operating Funds:		\$ 134,147.39
Total Water Division		\$ 7,029,051.47

Sewer Division	GL#	Balance
Project Fund - Encumbered	03-10215	\$ 751,424.20
Depreciation Reserves	03-10310	\$ 3,158,690.31
Infrastructure Reserves	03-10311	\$ 986,000.00
Rate Stabilization Fund	03-10314	\$ 1,464,394.90
FCC - Debt Service WWTP Expansion & Upgrade	03-10405	\$ 132,303.81
FCC - Future WWTP Expansion	03-10407	\$ 323,721.08
FCC - Sewer Interceptors	03-10415	\$ 161,446.40
FCC - Lift Stations	03-10416	\$ 79,668.63
FCC - Effluent Disposal Facilities	03-10417	\$ 104,437.39
FCC - Salt Mitigation Facilities	03-10418	\$ 390,339.19
Operating Funds:		\$ (1,747,004.77)
Total Wastewater Division		\$ 5,805,421.14

Recycled Water Division	GL#	Balance
Depreciation Reserves	04-10310	\$ 485,248.00
Infrastructure Reserves	04-10311	\$ 65,120.00
FCC - Recycled System	04-10410	\$ 17,150.28
FCC - Booster Pumping Plants	04-10411	\$ 18,454.94
FCC - Pipeline Facilities	04-10412	\$ 91,840.43
FCC - Water Storage Reservoirs	04-10413	\$ 74,013.07
Operating Funds:		\$ (3,794,670.54)
Total Recycled Water Division		\$ (3,042,843.82)

DISTRICT TOTAL \$ 9,791,628.79

Future Obligations	Due Date	Amount
2004A Bond Payment - Water Division	02/23/2013	\$ 978,462.50
SBVMWD - Prior years SARI Obligation	06/01/2013	\$ 20,000.00
2004A Bond Payment - Water Division	08/27/2013	\$ 1,952,562.50
SRF Payment - Sewer Division	09/10/2013	\$ 2,923,688.75

Check Register - September 2012

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/04/2012	15984	Ameripride Uniform Services	450.69
09/04/2012	15985	California Municipal Treasurer	155.00
09/04/2012	15986	Crown Ace Hardware - Yucaipa	240.84
09/04/2012	15987	First American Data Tree, LLC	50.00
09/04/2012	15988	House Of Quality, Parts Plus	514.07
09/04/2012	15989	Kelly Services, Inc.	951.20
09/04/2012	15990	Konica Minolta Business Soluti	393.22
09/04/2012	15991	Krieger & Stewart	17,126.03
09/04/2012	15992	Leroy's Landscape Services	5,700.00
09/04/2012	15993	SCCI, Inc.	300.00
09/04/2012	15994	Association of San Bernardino	35.00
09/04/2012	15995	State Water Resources Control	2,923,668.75
09/04/2012	15996	The Gas Company	57.37
09/04/2012	15997	Verizon	593.25
09/04/2012	15998	Yucaipa Disposal, Inc.	1,318.04
09/04/2012	15999	Auto Care Clinic	1,027.82
09/04/2012	16000	Bernell Hydraulics, Inc.	69.82
09/04/2012	16001	Brenntag Pacific, Inc	8,419.03
09/04/2012	16002	Calolympic Glove & Safety Co.,	450.18
09/04/2012	16003	Center Electric	15,900.00
09/04/2012	16004	Custom Metal Fabrication	85.00
09/04/2012	16005	Fastenal Company	697.65
09/04/2012	16006	Alan L. Grubel Automotive Inc.	301.28
09/04/2012	16007	Hach Company	696.11
09/04/2012	16008	Inland Water Works Supply Co.	3,800.25
09/04/2012	16009	James John Brothers	6,266.00
09/04/2012	16010	JCS Welding, Inc.	492.00
09/04/2012	16011	Lowe's Companies, Inc.	656.20
09/04/2012	16012	MBC Applied Environmental Scie	1,250.00
09/04/2012	16013	Merit Oil Company	3,811.92
09/04/2012	16014	Nagem, Inc.	1,837.88
09/04/2012	16015	Pro-Pipe & Supply, Inc.	100.81
09/04/2012	16016	SB CNTY-Solid Waste Mgmt Div	12.97
09/04/2012	16017	Schaner's WasteWater Prod., In	2,555.50
09/04/2012	16018	Wilbur's	83.60
09/04/2012	16019	Dale A. Fundak	100.00
09/07/2012	16020	PAYROLL CHECK	2,382.76
09/07/2012	16021	PAYROLL CHECK	182.33
09/07/2012	16022	CA-PERS Supplemental Income 45	12,350.09
09/07/2012	16023	Public Employees' Retirement S	26,142.76
09/07/2012	16024	Hong Nelson	125.00
09/07/2012	16025	Katherine Kostelecky	581.00
09/07/2012	16026	IBEW Local 1436	325.00
09/07/2012	16027	Franchise Tax Board	150.00
09/07/2012	16028	Boot Barn #4	124.19
09/07/2012	16029	Rodd Greene	402.41
09/07/2012	16030	John Hull	60.00
09/07/2012	16031	UnitedHealthcare of California	40,132.21
09/07/2012	16032	Standard Insurance Company	2,028.40
09/07/2012	16033	Western Dental Services, Inc.	212.25
09/07/2012	16034	Workboot Warehouse	150.00
09/07/2012	16035	Robert Hines	402.41
09/07/2012	16036	Anthem Blue Cross L and H	325.40
09/07/2012	16037	Standard Insurance Company	2,677.53
09/07/2012	16038	Standard Insurance Vision Plan	439.32

Check Register - September 2012

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/07/2012	16039	MetLife Small Business Center	289.73
09/10/2012	16040	Ameripride Uniform Services	438.11
09/10/2012	16041	Corelogic, Inc.	300.00
09/10/2012	16042	Coverall North America, Inc.	1,021.00
09/10/2012	16043	Environmental Systems Research	2,157.32
09/10/2012	16044	Fedex	71.45
09/10/2012	16045	Neopost USA Inc.	208.50
09/10/2012	16046	InfoSend, Inc.	4,739.52
09/10/2012	16047	Kelly Services, Inc.	951.20
09/10/2012	16048	Konica Minolta Business Soluti	55.15
09/10/2012	16049	NAPA Genuine Parts Company	92.12
09/10/2012	16050	NetComp Technologies, Inc.	1,728.25
09/10/2012	16051	SB CNTY-Fire Protection Distri	2,645.00
09/10/2012	16052	Sims Welding & Supply Co., Inc	117.53
09/10/2012	16053	The Gas Company	14.30
09/10/2012	16054	Underground Service Alert Of S	124.50
09/10/2012	16055	George F. Siddle	106.50
09/10/2012	16056	Verizon	1,121.98
09/10/2012	16057	Armorcast Products Company	7,020.99
09/10/2012	16058	Edward S Babcock & Sons, Inc.	2,355.00
09/10/2012	16059	Calolympic Glove & Safety Co.,	111.57
09/10/2012	16060	Case Dealer Holding Co., LLC	54.80
09/10/2012	16061	Custom Metal Fabrication	62.27
09/10/2012	16062	Fastenal Company	1,925.11
09/10/2012	16063	Fisher Scientific Co.	295.65
09/10/2012	16064	Grainger	107.96
09/10/2012	16065	Alan L. Grubel Automotive Inc.	661.12
09/10/2012	16066	Harbor Freight Tools	36.61
09/10/2012	16067	I B Reprographics	399.43
09/10/2012	16068	Inland Water Works Supply Co.	2,827.92
09/10/2012	16069	Innerline Engineering	2,900.00
09/10/2012	16070	Interflon USA Inc.	550.20
09/10/2012	16071	Johnson Machinery Co.	66.49
09/10/2012	16072	JR Freeman Co. Inc.	38.03
09/10/2012	16073	Merit Oil Company	3,336.63
09/10/2012	16074	Nagem, Inc.	37.50
09/10/2012	16075	Oily's Automotive Service & Re	155.00
09/10/2012	16076	P & R Paper Supply Co., Inc.	336.40
09/10/2012	16077	Pro-Pipe & Supply, Inc.	1,829.96
09/10/2012	16078	Red Alert Special Couriers	1,019.03
09/10/2012	16079	Rosemount Analytical, Inc.	572.11
09/10/2012	16080	Test America Laboratories, Inc	240.00
09/10/2012	16081	Yucaipa Disposal, Inc.	643.01
09/10/2012	16082	ZEP Manufacturing Company	375.38
09/10/2012	16083	California Department of Fish	224.00
09/17/2012	16084	1st Enterprise Bank/Retention	19,376.00
09/17/2012	16085	Aklufi & Wysocki	3,705.00
09/17/2012	16086	California Bank & Trust	24,885.78
09/17/2012	16087	Citizens Business Bank	47,887.53
09/17/2012	16088	Delta Partners, LLC	7,500.00
09/17/2012	16089	Doty Bros. Equipment Co.	118,655.00
09/17/2012	16090	Dudek & Associates, Inc	1,442.50
09/17/2012	16091	Krieger & Stewart	101,994.50
09/17/2012	16092	One Stop Landscape Supply Inc	26,194.50
09/17/2012	16093	Pascal & Ludwig Constructors I	909,863.15

Check Register - September 2012

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/17/2012	16094	Platinum Advisors, LLC	5,250.00
09/17/2012	16095	RMC Water and Environment	10,697.50
09/17/2012	16096	Canyon Springs Enterprises	368,142.00
09/17/2012	16097	Separation Processes, Inc.	40,642.80
09/17/2012	16098	Soboba Band of Luiseno Indians	9,923.06
09/17/2012	16099	VTD, Vavrinek, Trine, Day & CO	10,630.00
09/17/2012	16100	W.A. Rasic Construction Co., I	223,972.01
09/17/2012	16101	Ralph C. Casas	77.00
09/17/2012	16102	Ameripride Uniform Services	411.06
09/17/2012	16103	AT&T Mobility	1,864.60
09/17/2012	16104	Central Communications	240.27
09/17/2012	16105	Crider Public Relations, Inc.	276.25
09/17/2012	16106	Incode Division-Tyler Technolo	350.00
09/17/2012	16107	Kelly Services, Inc.	951.20
09/17/2012	16108	San Geronio Pass Water Agency	5,021.00
09/17/2012	16109	Step Ahead Computers	96.91
09/17/2012	16110	The Counseling Team Internatio	600.00
09/17/2012	16111	Brenntag Pacific, Inc	9,071.59
09/17/2012	16112	Brithinee Electric	7,466.54
09/17/2012	16113	CA Hazardous Service, Inc.	950.00
09/17/2012	16114	Calolympic Glove & Safety Co.,	37.37
09/17/2012	16115	Center Electric	469.28
09/17/2012	16116	Equipco Sales & Service	928.61
09/17/2012	16117	Fastenal Company	461.48
09/17/2012	16118	Grainger	105.05
09/17/2012	16119	Harbor Freight Tools	67.86
09/17/2012	16120	Inland Water Works Supply Co.	2,778.35
09/17/2012	16121	JR Freeman Co. Inc.	962.07
09/17/2012	16122	Nagem, Inc.	1,963.55
09/17/2012	16123	Nalco Company	5,164.50
09/17/2012	16124	Odyssey Power Corporation	2,250.00
09/17/2012	16125	Q Versa, LLC	3,766.59
09/17/2012	16126	PowerPlan	567.02
09/17/2012	16127	Siemens Industry, Inc.	1,766.53
09/17/2012	16128	Smart & Final Stores, LLC	147.59
09/17/2012	16129	Test America Laboratories, Inc	247.00
09/21/2012	16130	PAYROLL CHECK	1,929.83
09/21/2012	16131	CA-PERS Supplemental Income 45	10,331.22
09/21/2012	16132	WOODS, FRED	211.71
09/21/2012	16133	NESS, RANDALL	112.94
09/21/2012	16134	Public Employees' Retirement S	26,142.76
09/21/2012	16135	Hong Nelson	125.00
09/21/2012	16136	Katherine Kostelecky	581.00
09/21/2012	16137	Franchise Tax Board	150.00
09/24/2012	16138	California Water Environment A	280.00
09/24/2012	16139	YVWD-Petty Cash	91.13
09/24/2012	16140	Water Environment Federation	358.00
09/24/2012	16141	Addiction Medicine Consultants	350.00
09/24/2012	16142	Robert Austin	2,550.00
09/24/2012	16143	Ameripride Uniform Services	436.17
09/24/2012	16144	H & T Cultural Resource Manage	510.00
09/24/2012	16145	Fedex	97.60
09/24/2012	16146	Heritage Products, Inc.	224.90
09/24/2012	16147	Incode Division-Tyler Technolo	1,309.77
09/24/2012	16148	InfoSend, Inc.	3,202.14

Check Register - September 2012

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/24/2012	16149	Kelly Services, Inc.	760.96
09/24/2012	16150	NetComp Technologies, Inc.	2,025.00
09/24/2012	16151	Pro-Pipe & Supply, Inc.	30.63
09/24/2012	16152	RFI	525.00
09/24/2012	16153	SB CNTY-Fire Protection Distri	1,342.00
09/24/2012	16154	SB CNTY-Land Use	92.00
09/24/2012	16155	Santa Ana Watershed Associatio	3,045.80
09/24/2012	16156	SCE Rosemead	32.94
09/24/2012	16157	Separation Processes, Inc.	1,927.50
09/24/2012	16158	Southern CA Emergency Medicine	75.00
09/24/2012	16159	Thomson West	88.36
09/24/2012	16160	Verizon	586.33
09/24/2012	16161	Airgas Safety Inc.	1,666.67
09/24/2012	16162	All American Sewer Tools	1,807.70
09/24/2012	16163	Ampak Chemicals, Inc.	3,935.12
09/24/2012	16164	Auto Care Clinic	776.57
09/24/2012	16165	BofA Credit Card	1,076.60
09/24/2012	16166	Calolympic Glove & Safety Co.,	61.10
09/24/2012	16167	Cemex Inc. USA	712.48
09/24/2012	16168	Center Electric	529.87
09/24/2012	16169	CHJ Consultants	9,111.13
09/24/2012	16170	Clinical Laboratory of San Ber	3,860.00
09/24/2012	16171	Victor James Valenti	5,757.44
09/24/2012	16172	Dinosaur Tire Inc.	48.08
09/24/2012	16173	Evans-Hydro Inc.	5,875.79
09/24/2012	16174	G&G Environmental Compliance,I	4,626.31
09/24/2012	16175	Global Surplus Solutions, Inc.	214.00
09/24/2012	16176	Grainger	545.03
09/24/2012	16177	Ham Radio Outlet, Inc.	1,620.92
09/24/2012	16178	Inland Water Works Supply Co.	11,841.70
09/24/2012	16179	Innerline Engineering	2,900.00
09/24/2012	16180	J.L. Wingert Co.	4,474.89
09/24/2012	16181	James John Brothers	23,397.30
09/24/2012	16182	Johnson Machinery Co.	76.02
09/24/2012	16183	JR Freeman Co. Inc.	1,107.51
09/24/2012	16184	MBC Applied Environmental Scie	1,250.00
09/24/2012	16185	Merit Oil Company	4,559.61
09/24/2012	16186	Nagem, Inc.	300.21
09/24/2012	16187	NCL Of Wisconsin Inc	622.84
09/24/2012	16188	Oily's Automotive Service & Re	34.00
09/24/2012	16189	Optics Planet, Inc.	399.00
09/24/2012	16190	Polydyne Inc.	2,849.99
09/24/2012	16191	R & R Anderson Trucking	686.88
09/24/2012	16192	Red Alert Special Couriers	1,359.53
09/24/2012	16193	Donald Kent Stone	480.00
09/24/2012	16194	Test America Laboratories, Inc	1,574.30
09/24/2012	16195	Tri County Pump Company	2,667.62
09/24/2012	16196	UPS Store#1504/ Mail Boxes Etc	24.12
09/24/2012	16197	Westech Engineering	2,594.62
09/24/2012	16198	American Family Life Assurance	2,439.34
09/24/2012	16199	SeaBright Insurance Company	12,091.00
September 2012 Check Register Total			5,293,026.45

Financial Account Information - September 2012

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
08/31/2011	bal forward	878,719.98	30,000.00	54,538.17	501,064.72	10,246,068.30	11,710,391.17
8/31	rev retained in MM				(423.59)		(423.59)
09/04/2012	Deposit	127,898.28					127,898.28
	Credit Card-8/31	779.94					779.94
	Credit Card-9/4	6,649.45					6,649.45
	Electronic	30,789.71					30,789.71
	Website-9/4	3,860.11					3,860.11
	Website-9/5	82.29					82.29
	Website-9/5	1,756.45					1,756.45
	ETS Fees	(2,182.60)					(2,182.60)
	ETS Fees	(874.80)					(874.80)
09/05/2012	Deposit	82,698.23					82,698.23
	Credit Card-9/4	612.93					612.93
	Credit Card-9/5	5,260.44					5,260.44
	Electronic	55,729.39					55,729.39
	Website-9/5	26,669.31					26,669.31
	Website-9/6	16.18					16.18
	Website-9/6	324.03					324.03
	ACH pymts	40,627.53					40,627.53
09/06/2012	Deposit	70,662.98					70,662.98
	Deposit-M/C	624.80					624.80
	Credit Card-9/5	2,215.29					2,215.29
	Credit Card-9/6	1,042.92					1,042.92
	Electronic	26,604.42					26,604.42
	Website-9/6	2,140.52					2,140.52
	Website-9/7	1,442.43					1,442.43
	TRF#1137-LAIF to Inv Ck			2,100,000.00		(2,100,000.00)	0.00
	TRF#1138-Inv Ck to Dep Ck	2,100,000.00		(2,100,000.00)			0.00
9/7/12-PR	Federal Taxes		(34,312.06)				(34,312.06)
9/7/12-PR	State Taxes		(6,271.72)				(6,271.72)
9/7/12-PR	PR Direct Deposit		(95,651.71)				(95,651.71)
9/7/12-PR	ING 457		(6,929.95)				(6,929.95)
	Ck# 15984-16039		(3,089,650.27)				(3,089,650.27)
	TRF#1138-AP & PR	(3,232,815.71)	3,232,815.71				0.00
09/07/2012	Deposit	81,399.90					81,399.90
	Credit Card	1,864.06					1,864.06
	Electronic	23,106.71					23,106.71
	Website-9/7	5,652.59					5,652.59
	Website-9/8	100.00					100.00
	Website-9/8	2,439.92					2,439.92
	Website-9/9	1,505.38					1,505.38
	Website-9/10	242.75					242.75
	Website-9/10	159.70					159.70
9/6	EPA Draw #22		508,816.70				508,816.70
9/7	TRF#1139-EPA Draw #22	508,816.70	(508,816.70)				0.00
09/10/2012	Deposit	140,322.68					140,322.68
	Credit Card-9/7	561.30					561.30
	Credit Card-9/10	9,143.49					9,143.49
	Electronic	21,105.54					21,105.54
	Website-9/10	3,667.81					3,667.81
	Website-9/11	139.46					139.46
	Website-9/11	4,801.65					4,801.65
	ACH pymts	78,389.32					78,389.32
9/6	Deposit Corr	(23.97)					(23.97)
9/11	Bank Adj-JE	0.01					0.01
09/11/2012	Deposit	60,248.72					60,248.72
	Credit Card-9/10	290.06					290.06
	Credit Card-9/11	2,987.22					2,987.22
	Electronic	29,793.09					29,793.09
	Website-9/11	1,828.56					1,828.56
	Website-9/12	133.02					133.02
	Ck# 16040-16083		(44,074.60)				(44,074.60)
	TRF#1141-AP	(44,074.60)	44,074.60				0.00

Financial Account Information - September 2012

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
08/31/2011	bal forward	878,719.98	30,000.00	54,538.17	501,064.72	10,246,068.30	11,710,391.17
09/12/2012	Deposit	46,900.55					46,900.55
	Deposit - SRF-BL Draw #6	142,018.00					142,018.00
	Credit Card-9/11	1,139.44					1,139.44
	Credit Card-9/12	4,440.56					4,440.56
	Credit Card-9/12	(399.29)					(399.29)
	Electronic	17,412.29					17,412.29
	Website-9/12	2,639.65					2,639.65
	Website-9/13	156.66					156.66
	Website-9/13	116.59					116.59
09/13/2012	Deposit	37,797.57					37,797.57
	Deposit-M/C	15,788.36					15,788.36
	Credit Card-9/12	1,464.13					1,464.13
	Credit Card-9/13	4,667.86					4,667.86
	Electronic	18,141.13					18,141.13
	Website-9/13	7,073.85					7,073.85
	Website-9/14	1,377.55					1,377.55
09/14/2012	Deposit	63,937.54					63,937.54
	Deposit-M/C	21,186.08					21,186.08
	Credit Card-9/13	186.75					186.75
	Credit Card-9/14	2,157.67					2,157.67
	Electronic	21,783.24					21,783.24
	Website-9/14	13,280.57					13,280.57
	Website-9/15	158.79					158.79
	Website-9/15	2,381.48					2,381.48
	Website-9/16	1,377.96					1,377.96
	Website-9/17	42.18					42.18
	Website-9/17	680.61					680.61
09/17/2012	Deposit	98,248.26					98,248.26
	Credit Card-9/14	247.07					247.07
	Credit Card-9/17	3,262.51					3,262.51
	Electronic	22,773.40					22,773.40
	Website-9/17	1,045.45					1,045.45
	Website-9/18	347.93					347.93
	Website-9/18	798.18					798.18
	ACH pmts	63,989.48					63,989.48
09/18/2012	Deposit	49,561.23					49,561.23
	Credit Card-9/17	566.79					566.79
	Credit Card-9/18	2,446.16					2,446.16
	Electronic	26,598.19					26,598.19
	Website-9/18	2,959.37					2,959.37
	Website-9/19	408.99					408.99
	Website-9/19	340.14					340.14
9/17	EPA Draw #21		782,385.63				782,385.63
9/18	TRF#1142-EPA Draw #21	782,385.63	(782,385.63)				0.00
09/19/2012	Deposit	39,013.54					39,013.54
	Credit Card-9/18	918.49					918.49
	Credit Card-9/19	4,139.83					4,139.83
	Electronic	14,926.93					14,926.93
	Website-9/19	1,135.91					1,135.91
	Website-9/20	228.67					228.67
	Website-9/20	108.12					108.12
9/21/12-PR	Federal Taxes		(33,931.77)				(33,931.77)
9/21/12-PR	State Taxes		(6,306.54)				(6,306.54)
9/21/12-PR	PR Direct Deposit		(95,450.12)				(95,450.12)
9/21/12-PR	ING 457		(7,247.62)				(7,247.62)
	Ck#16084-16137		(2,019,405.06)				(2,019,405.06)
	TRF#1143-AP & PR	(2,162,341.11)	2,162,341.11				0.00
09/20/2012	Deposit	51,112.14					51,112.14
	Credit Card-9/19	1,252.01					1,252.01
	Credit Card-9/20	910.50					910.50
	Electronic	12,628.32					12,628.32
	Website-9/20	1,921.93					1,921.93
	Website-9/21	676.56					676.56

Financial Account Information - September 2012

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
08/31/2011	bal forward	878,719.98	30,000.00	54,538.17	501,064.72	10,246,068.30	11,710,391.17
9/20	ACH pmts	22,533.55					22,533.55
09/21/2012	Deposit	34,204.27					34,204.27
	Credit Card-9/20	249.84					249.84
	Credit Card-9/21	2,881.58					2,881.58
	Electronic	21,502.37					21,502.37
	Website-9/21	1,759.49					1,759.49
	Website-9/21	59.23					59.23
	Website-9/22	1,886.13					1,886.13
	Website-9/23	2,301.95					2,301.95
	Website-9/24	249.86					249.86
09/24/2012	Deposit	106,815.03					106,815.03
	Credit Card-9/21	853.20					853.20
	Credit Card-9/24	3,887.49					3,887.49
	Electronic	26,581.79					26,581.79
	Website-9/24	9,964.53					9,964.53
	Website-9/25	374.56					374.56
09/25/2012	Deposit	37,274.64					37,274.64
	Credit Card-9/24	891.74					891.74
	Credit Card-9/25	2,675.79					2,675.79
	Electronic	26,169.07					26,169.07
	Website-9/25	1,394.55					1,394.55
	Website-9/26	43.92					43.92
	Website-9/26	965.31					965.31
	ACH pymts	80,691.73					80,691.73
09/26/2012	Deposit	52,893.63					52,893.63
	Credit Card-9/25	245.49					245.49
	Credit Card-9/26	6,835.94					6,835.94
	Electronic	10,943.13					10,943.13
	Website-9/26	2,236.46					2,236.46
	Website-9/27	361.29					361.29
	Website-9/27	120.23					120.23
	Ck# 16138-16199		(139,896.52)				(139,896.52)
	TRF#1144-AP	(139,896.52)	139,896.52				0.00
09/27/2012	Deposit	41,757.09					41,757.09
	Dep-Riv taxes	5,629.02					5,629.02
	Credit Card-9/26	1,098.67					1,098.67
	Credit Card-9/27	1,098.67					1,098.67
	Electronic	11,579.70					11,579.70
	Website-9/27	1,654.51					1,654.51
	Website-9/28	326.78					326.78
09/28/2012	Deposit	25,870.37					25,870.37
	Dep-M/C	12,655.21					12,655.21
	Credit Card-9/27	339.39					339.39
	Credit Card-9/28	1,747.77					1,747.77
	Electronic	14,698.51					14,698.51
	Website-9/28	1,955.97					1,955.97
	Website-9/29	2,138.35					2,138.35
	Website-9/30	2,863.23					2,863.23
	Website-10/1	801.18					801.18
	September '12 NSF's	(1,991.85)					(1,991.85)
9/30	retained in MM				423.59		423.59
	TOTALS	1,060,627.60	30,000.00	54,538.17	501,064.72	8,146,068.30	9,792,298.79

Investment Summary - September 2012

U.S. TREASURIES						
Quantity	Description	Cusip	Maturity Date	Yield	Cost of Purchase	Market Value
501,000	US Treasury Bill	9127956W6	June 27, 2013	0.080%	500,641.13	500,403.81
501,000	Total Values				500,641.13	500,403.81

Money Market Account Activity-Beginning Balance	423.59
September - Dividend/Interest	0.00
Income	0.00
Intra-Bank Transfers to/from Investment Checking	0.00
Fund Transfers	0.00
Cusip Maturity	0.00
Redemptions	0.00
Cusip Purchase	0.00
Purchases	0.00
 Ending Balance - Money Market	 423.59
 US Treasury Securities Investment Principal	 500,641.13
 Total Assets	 501,064.72

Investment Summary - August 2012

LOCAL AGENCY INVESTMENT FUND

PERIOD	TOTAL WITHDRAWAL AMOUNT	TOTAL DEPOSIT AMOUNT	ACCRUED INTEREST (QUARTERLY)	ENDING BALANCE
July 31, 2012	\$0.00	\$6,000,000.00	\$4,364.83	\$10,846,068.30
August 31, 2012	(\$600,000.00)	\$0.00	\$0.00	\$10,246,068.30
September 30, 2012	(\$2,100,000.00)	\$0.00	\$0.00	\$8,146,068.30
October 31, 2012	\$0.00	\$0.00	\$0.00	\$8,146,068.30
November 30, 2012	\$0.00	\$0.00	\$0.00	\$8,146,068.30
December 31, 2012	\$0.00	\$0.00	\$0.00	\$8,146,068.30
January 31, 2013	\$0.00	\$0.00	\$0.00	\$8,146,068.30
February 28, 2013	\$0.00	\$0.00	\$0.00	\$8,146,068.30
March 31, 2013	\$0.00	\$0.00	\$0.00	\$8,146,068.30
April 30, 2013	\$0.00	\$0.00	\$0.00	\$8,146,068.30
May 31, 2013	\$0.00	\$0.00	\$0.00	\$8,146,068.30
June 30, 2013	\$0.00	\$0.00	\$0.00	\$8,146,068.30

L.A.I.F. INCOME SUMMARY

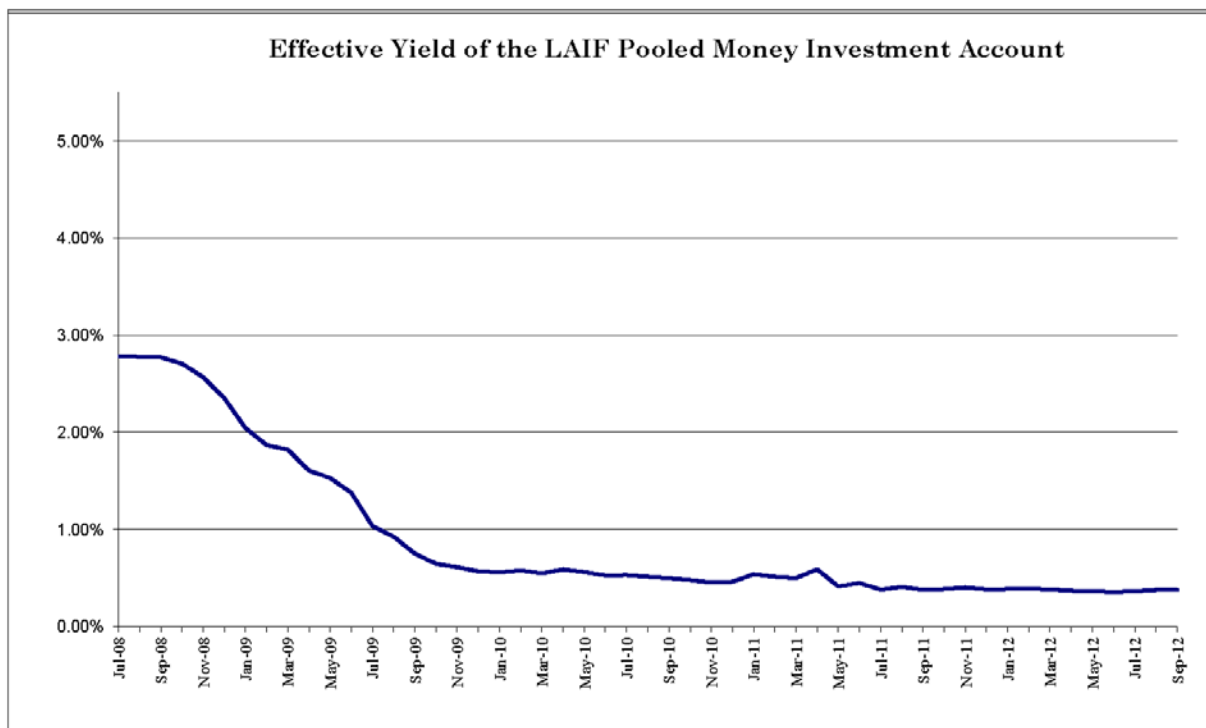
CURRENT QUARTER

FY YEAR-TO-DATE

INCOME RECEIVED

\$4,364.83

\$4,364.83



Monthly Revenue Allocation - September 2012

DATE	DESCRIPTION	QTY	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
09/04/2012	Mail & Counter	800	127,898.28	127,898.28						127,898.28					127,898.28
	Credit Cards	61	7,429.39			7,429.39				7,429.39					7,429.39
	Electronic	234	30,789.71				30,789.71			30,789.71					30,789.71
	Website - 36 fees	37	5,698.85					5,698.85		5,698.85	63.00				5,698.85
09/05/2012	Mail & Counter	738	82,698.23	82,698.23						82,698.23					82,698.23
	Credit Cards	43	5,873.37			5,873.37				5,873.37					5,873.37
	Electronic	524	55,729.39				55,729.39			55,729.39					55,729.39
	Website - 35 fees	44	27,009.52							27,009.52	61.25				27,009.52
	ACH payment	357	40,627.53						40,627.53	40,627.53					40,627.53
09/06/2012	Mail & Counter	301	70,662.98	70,662.98						70,662.98					70,662.98
	Deposit-M/C	-	624.80							0.00		624.80			624.80
	Credit Cards	19	3,258.21			3,258.21				3,258.21					3,258.21
	Electronic	237	26,604.42				26,604.42			26,604.42					26,604.42
	Website	24	3,582.95					3,540.95		3,540.95	42.00				3,582.95
09/07/2012	Mail & Counter	345	81,399.90	81,399.90						81,399.90					81,399.90
	Credit Cards	19	1,864.06			1,864.06				1,864.06					1,864.06
	Electronic	200	23,106.71				23,106.71			23,106.71					23,106.71
	Website - 52 fees	57	10,100.34					10,009.34		10,009.34	91.00				10,100.34
09/10/2012	Mail & Counter	574	140,322.68	140,322.68						140,322.68					140,322.68
	Credit Cards	41	9,704.79			9,704.79				9,704.79					9,704.79
	Electronic	174	21,105.54				21,105.54			21,105.54					21,105.54
	Website	36	8,608.92					8,545.92		8,545.92	63.00				8,608.92
	ACH pymts	458	78,389.32						78,389.32	78,389.32		(0.01)			78,389.32
	9/6 Bank Deposit Corr	-	(23.97)	(23.96)						(23.96)					(23.97)
	9/11 Bank Adjustment	-	0.01							0.00					0.01
09/11/2012	Mail & Counter	453	60,248.72	60,248.72						60,248.72					60,248.72
	Credit Cards	27	3,277.28			3,277.28				3,277.28					3,277.28
	Electronic	277	29,793.09				29,793.09			29,793.09					29,793.09
	Website - 13 fees	14	1,961.58					1,938.83		1,938.83	22.75				1,961.58
09/12/2012	Mail & Counter	320	46,900.55	46,900.55						46,900.55					46,900.55
	SRF - BL Draw #6	-	142,018.00							0.00		142,018.00			142,018.00
	Credit Cards	33	5,580.00			5,580.00				5,580.00					5,580.00
	Credit Cards	-	(399.29)	(399.29)						(399.29)					(399.29)
	Electronic	128	17,412.29				17,412.29			17,412.29					17,412.29
	Website	15	2,912.90					2,886.65		2,886.65	26.25				2,912.90
09/13/2012	Mail & Counter	234	37,797.57	37,797.57						37,797.57					37,797.57
	Deposit-M/C	-	15,788.36							0.00		15,788.36			15,788.36
	Credit Cards	14	6,131.99			6,131.99				6,131.99					6,131.99
	Electronic	114	18,141.13				18,141.13			18,141.13					18,141.13
	Website - 15 fees	16	8,451.40					8,425.15		8,425.15	26.25				8,451.40
09/14/2012	Mail & Counter	296	63,937.54	63,937.54						63,937.54					63,937.54
	Deposit-M/C	-	21,186.08							0.00		21,186.08			21,186.08
	Credit Cards	22	2,344.42			2,344.42				2,344.42					2,344.42
	Electronic	184	21,783.24				21,783.24			21,783.24					21,783.24
	Website - 60 fees	61	17,921.59					17,816.59		17,816.59	105.00				17,921.59
09/17/2012	Mail & Counter	590	98,248.26	98,248.26						98,248.26					98,248.26
	Credit Cards	30	3,509.58			3,509.58				3,509.58					3,509.58
	Electronic	178	22,773.40				22,773.40			22,773.40					22,773.40
	Website	20	2,191.56					2,156.56		2,156.56	35.00				2,191.56
	ACH payment	483	63,989.48						63,989.48	63,989.48					63,989.48

Monthly Revenue Allocation - September 2012

DATE	DESCRIPTION	QTY	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
09/18/2012	Mail & Counter	384	49,561.23	49,561.23										49,561.23
	Credit Cards	24	3,012.95			3,012.95								3,012.95
	Electronic	254	26,598.19			26,598.19								26,598.19
	Website	27	3,708.50					3,661.25		47.25				3,708.50
09/19/2012	Mail & Counter	313	39,013.54	39,013.54										39,013.54
	Credit Cards	34	5,058.32			5,058.32								5,058.32
	Electronic	137	14,926.93				14,926.93							14,926.93
	Website	14	1,364.58					1,340.08		24.50				1,364.58
	Website	1	108.12					106.37		1.75				108.12
09/20/2012	Mail & Counter	249	51,112.14	51,112.14										51,112.14
	Credit Cards	16	2,162.51			2,162.51								2,162.51
	Electronic	114	12,628.32				12,628.32							12,628.32
	Website	16	2,598.49					2,570.49		28.00				2,598.49
	ACH payment	449	22,533.55						22,533.55					22,533.55
09/21/2012	Mail & Counter	265	34,204.27	34,204.27										34,204.27
	Credit Cards	22	3,131.22			3,131.22								3,131.22
	Electronic	201	21,502.37				21,502.37							21,502.37
	Website	55	6,256.66					6,160.41		96.25				6,256.66
09/24/2012	Mail & Counter	542	106,815.03	106,815.03										106,815.03
	Credit Cards	37	4,740.69			4,740.69								4,740.69
	Electronic	240	26,581.79				26,581.79							26,581.79
	Website	25	10,339.09					10,296.34		43.75				10,339.09
09/25/2012	Mail & Counter	362	37,274.64	37,274.64										37,274.64
	Credit Cards	26	3,567.53			3,567.53								3,567.53
	Electronic	258	26,169.07				26,169.07							26,169.07
	Website	24	2,403.78					2,361.78		42.00				2,403.78
	ACH payment	516	80,691.73						80,691.73					80,691.73
09/26/2012	Mail & Counter	332	52,893.63	51,393.63						1,500.00				52,893.63
	Credit Cards	39	7,081.43			7,081.43								7,081.43
	Electronic	94	10,943.13				10,943.13							10,943.13
	Website-15 fees	16	2,717.98					2,691.73		26.25				2,717.98
09/27/2012	Mail & Counter	183	41,757.09	41,757.09										41,757.09
	Dep-Riv Taxes		5,629.02								5,629.02			5,629.02
	Credit Cards	14	2,197.34			2,197.34								2,197.34
	Electronic	90	11,579.70				11,579.70							11,579.70
	Website	20	1,981.29					1,946.29		35.00				1,981.29
09/28/2012	Mail & Counter	223	25,870.37	25,870.37										25,870.37
	Dep-M/C		12,655.21								12,655.21			12,655.21
	Credit Cards	15	2,087.16			2,087.16								2,087.16
	Electronic	134	14,698.51				14,698.51							14,698.51
	Website	63	7,758.73					7,648.48		110.25				7,758.73
Sep-12	Utility Pmt Cntr-412			(44,197.72)	44,197.72									0.00
EPA #22	\$508,816.70 - 9/16													0.00
EPA #21	\$782,395.63 - 9/17													0.00
	Sep-12 NSF's			(1,991.85)										(1,991.85)
TOTALS		14,690	2,372,890.63	1,200,503.83	44,197.72	82,012.24	432,866.93	126,686.33	286,231.61	2,490.50	55,883.47	142,018.00	0.00	2,372,890.63
TOTAL # AR PAYMENTS				7,123	412	535	3,772	585	2,263					14,690
PERCENT OF TOTAL RECEIVED				48.49%	2.80%	3.64%	25.68%	3.98%	15.41%					100%

FY 2013 - Water Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
02-40010	Sales - Water	6,156,500	108,035	966,259	664,917	1,739,212	28.25%
02-40011	Sales - Construction Water	35,000	109	2,536	2,495	5,141	14.69%
02-40012	Sales - Imported Water (SGPWA)	200,000	21,306	29,335	18,927	69,568	34.78%
02-40013	Sales - Imported Water (MUNI)	800,000	(875)	126,109	91,334	216,568	27.07%
02-40014	Sales Disc.-Multi Units Usage Chrg.	(130,000)	(2,212)	(16,245)	(12,040)	(30,498)	23.46%
02-40015	Water Wholesale Revenue	60,000	4,684	4,547	4,366	13,597	22.66%
02-40016	Service Establishment Fee	500	25	175	25	225	45.00%
02-41000	Service Demand Charges	2,350,000	39,752	212,251	212,085	464,088	19.75%
02-41001	Fire Service Standby Fees	18,000	450	1,650	1,586	3,686	20.48%
02-41003	Construction Service Charge	10,000	52	593	722	1,367	13.67%
02-41005	Sales Disc-Multi Units Service Chrg.	(100,000)	(1,964)	(9,862)	(9,862)	(21,687)	21.69%
02-41010	Unauthorized Use of Water Charge	1,500	0	0	0	0	0.00%
02-41110	Meter/Lateral Installation	25,000	0	2,625	0	2,625	10.50%
02-41112	Fire Flow Test Fees	2,500	300	75	150	525	21.00%
02-41113	Disconnect/Reconnect Fees	125,000	6,760	9,955	9,420	26,135	20.91%
02-41121	Delinquent Payment Charges	125,000	14,111	12,838	21,175	48,123	38.50%
02-42123	Management & Accounting Fees	147,000	12,250	12,250	12,250	36,750	25.00%
02-41124	Bad Debt	(24,000)	0	0	0	0	0.00%
02-43010	Interest Earned	10,000	0	0	0	0	0.00%
02-43110	Property Tax - Unsecured	100,000	0	0	5,643	5,643	5.64%
02-43120	Property Tax - Secured	2,200,000	0	0	0	0	0.00%
02-43130	Tax Collection - Prior	15,000	0	0	0	0	0.00%
02-43140	Other Taxes	125,000	310	0	0	310	0.25%
02-49150	Revenue - Misc. Non-Operating	50,000	2,105	10,866	13,440	26,410	52.82%
	WATER OPERATING REVENUE	12,302,000	205,197	1,365,957	1,036,634	2,607,788	21.20%
02-82002	Grants (FEMA)	0	0	0	0	0	
02-89901	Facility Capacity Charges	0	13,478	106,104	16,578	136,160	
02-89902	Sustainability	0	881	17,821	1,083	19,785	
	TOTAL WATER REVENUE	12,302,000	219,556	1,489,882	1,054,295	2,763,733	

FY 2013 - Sewer Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
03-40016	Sales - Establish Service Fee	500	0	0	0	0	0.00%
03-41000	Sales - Sewer Charges	10,638,500	236,171	924,942	913,580	2,074,693	19.50%
03-41005	Sales Disc-Multi Units Service Chrg.	(200,000)	(4,835)	(17,644)	(17,620)	(40,099)	20.05%
03-41110	Meter/Lateral Installation	1,000	0	0	0	0	0.00%
03-41121	Penalty Late Charges	140,000	11,542	10,496	13,001	35,039	25.03%
03-41124	Bad Debt	(20,000)	0	0	0	0	0.00%
03-42122	Revenue - Other Operating	1,000	0	180	0	180	18.00%
03-43010	Interest Earned	10,000	0	20	0	20	0.20%
03-43110	Property Tax - Unsecured	10,000	0	0	0	0	0.00%
03-43120	Property Tax - Secured	100,000	0	0	0	0	0.00%
03-43130	Tax Collection - Prior	10,000	0	0	0	0	0.00%
03-43140	Other Taxes	1,500	0	0	0	0	0.00%
03-49150	Misc. Non-Oper Revenue	25,000	0	0	0	0	0.00%
	SEWER OPERATING REVENUE	10,717,500	242,879	917,994	908,961	2,069,833	19.31%
03-82003	Grants - ARRA	0	0	0	0	0	
03-82004	Grants - Prop 50	0	0	0	0	0	
03-89901	Facility Capacity Charges	0	8,221	100,886	0	109,107	
03-89903	Contrib Capital-Front Footage Fees	0	0	0	0	0	
03-89905	Contrib Capital-Infrastructure	0	0	0	0	0	
	TOTAL SEWER REVENUE	10,717,500	251,100	1,018,881	908,961	2,178,941	

FY 2013 - Recycled Revenue

ACCOUNT#	Description	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
04-40010	Sales - Recycled Water	290,000	9,943	61,765	43,101	114,809	39.59%
04-40011	Sales - Construction Water	2,500	3	876	419	1,298	51.91%
04-41000	Sales - Service Demand Chrg.	33,000	723	(3,568)	2,178	(667)	-2.02%
04-41003	Const. Water Minimum Chrg.	4,000	14	244	294	552	13.80%
04-41110	Meter/Lateral installation	1,500	0	0	0	0	
04-41121	Penalty - Late Charge	250	25	0	167	192	76.92%
04-41122	Revenue - Other Operating	250	0	0	0	0	0.00%
04-43010	Interest Earned	75	0	0	0	0	
04-43110	Property Tax - Unsecured	1,000	0	0	0	0	0.00%
04-43120	Property Tax - Secured	15,000	0	0	0	0	0.00%
04-43130	Property Tax - Prior	1,000	0	0	0	0	0.00%
04-43140	Property Tax - Prior	1,000	0	0	0	0	0.00%
04-49150	Misc. Non-Operating Revenue	1,000	0	0	0	0	0.00%
	RECYCLED OPERATING REVENUE	350,575	10,708	59,316	46,160	116,184	33.14%
04-82001	Grants-EPA #XP989384-01	0	0	0	0	0	
04-89901	Facility Capacity Charges	0	0	0	0	0	
	TOTAL RECYCLED REVENUE	350,575	10,708	59,316	46,160	116,184	

FY 2013 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
02-5-01-50010	Labor-Water Resources	789,300	37,908	42,334	44,073	124,315	15.75%
02-5-01-50011	Labor Credit	0	0	0	0	0	
02-5-01-50013	Benefits-Fica	55,000	3,119	3,480	3,607	10,206	18.56%
02-5-01-50014	Benefits-Life Insurance	3,900	286	226	256	767	19.68%
02-5-01-50016	Benefits-Health\Defrd Comp	105,600	8,208	9,305	8,923	26,436	25.03%
02-5-01-50017	Benefits-Disability Insurance	9,500	672	667	712	2,051	21.59%
02-5-01-50019	Benefits-Workers Compensation	33,975	2,018	2,344	2,430	6,791	19.99%
02-5-01-50021	Benefits-PERS	55,010	2,310	2,784	2,729	7,824	14.22%
02-5-01-50022	Benefits-PERS-Employer	110,500	4,487	5,409	5,301	15,197	13.75%
02-5-01-50023	Benefits-Uniforms	3,300	126	174	100	400	12.13%
02-5-01-50024	Benefits-Vacation & Sick Pay	10,000	593	435	342	1,370	13.70%
02-5-01-50025	Benefits-Boot Allowance	2,200	364	0	0	364	16.56%
02-5-01-51003	R&M - Structures	200,000	4,897	10,829	7,232	22,958	11.48%
02-5-01-51011	R&M - CLA Valves	15,000	1,452	2,193	0	3,645	24.30%
02-5-01-51140	General Supplies & Expenses	2,000	0	0	0	0	0.00%
02-5-01-51210	Utilities - Power Purchases	1,400,000	58,704	173,803	0	232,507	16.61%
02-5-01-51211	Utilities - Electricity & Fuel	4,400	23	337	0	360	8.18%
02-5-01-51316	Imported Water Purchases	1,000,000	138,814	111,182	125,000	372,996	37.30%
02-5-01-54019	Licenses & Permits	25,000	0	0	1,938	1,938	7.75%
02-5-01-54110	Laboratory Services	60,000	1,215	6,871	6,391	14,477	24.13%
02-5-01-57040	YVRWFF Operating Expense	600,000	30,407	51,841	20,352	102,599	17.10%
	WATER RESOURCE TOTALS	4,484,685	293,602	424,213	229,386	947,201	21.12%
02-5-03-50010	Labor-Public Works	963,140	48,270	55,712	54,174	158,156	16.42%
02-5-03-50011	Labor Credit	0	0	0	0	0	
02-5-03-50013	Benefits-Fica	73,600	3,958	4,586	4,467	13,010	17.68%
02-5-03-50014	Benefits-Life Insurance	6,000	369	312	341	1,022	17.04%
02-5-03-50016	Benefits-Health\Defrd Comp	190,000	12,136	12,548	13,831	38,515	20.27%
02-5-03-50017	Benefits-Disability Insurance	15,000	826	870	874	2,570	17.13%
02-5-03-50019	Benefits-Workers Compensation	40,000	3,420	3,088	3,003	9,511	23.78%
02-5-03-50021	Benefits-PERS	67,400	2,824	3,572	3,565	9,962	14.78%
02-5-03-50022	Benefits-PERS Employer	135,000	5,485	6,939	6,926	19,350	14.33%
02-5-03-50023	Benefits-Uniforms	5,000	336	477	187	999	19.98%
02-5-03-50024	Benefits-Vacation & Sick Pay	5,500	400	400	400	1,201	21.83%
02-5-03-50025	Benefits-Boot Allowance	3,300	0	124	0	124	3.76%
02-5-03-51001	R & M - Vehicles & Equipment	180,000	9,037	13,694	8,744	31,475	17.49%
02-5-03-51011	R&M - Valves	10,000	0	4,954	0	4,954	49.54%
02-5-03-51020	R&M - Pipelines	275,000	23,189	52,903	7,795	83,886	30.50%
02-5-03-51021	R&M - Service Lines	120,000	10,578	8,390	1,038	20,006	16.67%
02-5-03-51022	R&M - Fire Hydrants	25,000	168	7	146	322	1.29%
02-5-03-51030	R&M - Water Meters	70,000	10,760	3,836	5,665	20,261	28.94%
02-5-03-51092	Equipment Credits	0	0	0	0	0	
02-5-03-51140	General Supplies & Expenses	1,000	0	375	0	375	37.54%
	PUBLIC WORKS TOTALS	2,184,940	131,756	172,787	111,155	415,699	19.03%

FY 2013 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
02-5-06-50010	Labor-Administration	641,470	38,023	45,992	46,168	130,184	20.29%
02-5-06-50011	Labor Credit	0	0	0	0	0	
02-5-06-50012	Director Fees	15,000	0	547	486	1,033	6.89%
02-5-06-50013	Benefits-Fica	49,000	2,967	3,470	3,463	9,899	20.20%
02-5-06-50014	Benefits-Life Insurance	2,800	291	261	277	829	29.59%
02-5-06-50016	Benefits-Health/Deird Comp	150,000	9,912	11,558	11,878	33,348	22.23%
02-5-06-50017	Benefits-Disability Insurance	9,000	577	618	632	1,827	20.30%
02-5-06-50019	Benefits-Workers Compensation	20,000	573	551	551	1,675	8.37%
02-5-06-50021	Benefits-PERS	44,900	2,589	3,258	3,230	9,078	20.22%
02-5-06-50022	Benefits PERS Employer	89,800	5,027	6,328	6,275	17,630	19.63%
02-5-06-50023	Uniforms	2,300	108	157	157	421	18.33%
02-5-06-50024	Benefits-Vacation & Sick Pay	13,000	916	943	737	2,595	19.96%
02-5-06-50025	Benefits-Boots	1,580	0	0	0	0	0.00%
02-5-06-51003	R&M - Structures	20,000	4,053	455	1,110	5,617	28.09%
02-5-06-51091	Expense Credits (overhead)	0	0	0	0	0	
02-5-06-51120	Safety Equipment/Supplies	20,000	653	966	1,765	3,384	16.92%
02-5-06-51125	Petroleum Products	120,000	6,480	13,786	6,896	27,162	22.63%
02-5-06-51130	Office Supplies & Expenses	35,000	2,101	538	1,885	4,524	12.93%
02-5-06-51140	General Supplies & Expenses	25,000	454	841	653	1,948	7.79%
02-5-06-51199	Disaster Incidences	0	0	0	0	0	
02-5-06-51211	Utilities - Electricity	28,000	194	3,174	0	3,367	12.03%
02-5-06-51213	Utilities - Natural Gas	3,000	48	35	0	83	2.76%
02-5-06-54002	Dues & Subscriptions	10,000	98	78	324	500	5.00%
02-5-06-54005	Computer Expenses	85,000	6,738	2,072	2,884	11,694	13.76%
02-5-06-54010	Postage	6,000	66	2,120	111	2,296	38.27%
02-5-06-54011	Printing & Publications	15,000	135	0	0	135	0.90%
02-5-06-54012	Education & Training	15,000	355	1,039	300	1,694	11.29%
02-5-06-54013	Utility Billing Expenses	130,000	15,419	10,366	6,610	32,395	24.92%
02-5-06-54014	Public Relations	7,500	191	0	0	191	2.55%
02-5-06-54016	Travel Related Expenses	5,000	1,248	15	0	1,264	25.27%
02-5-06-54017	Certifications & Renewals	7,000	645	280	139	1,064	15.20%
02-5-06-54020	Meeting Related Expenses	4,500	491	300	93	885	19.66%
02-5-06-54024	Utilities - Waste Disposal	2,500	166	809	0	974	38.97%
02-5-06-54025	Utilities - Telephone	32,500	2,992	2,571	451	6,014	18.50%
02-5-06-54104	Contractual Services	68,000	15,383	2,411	1,748	19,542	28.74%
02-5-06-54107	Legal	45,000	2,008	2,470	0	4,478	9.95%
02-5-06-54108	Audit & Accounting	18,000	5,315	0	0	5,315	33.22%
02-5-06-54109	Professional Fees	120,000	13,811	9,152	3,775	26,739	22.28%
02-5-06-55500	Depreciation Reserves	190,000	16,200	15,800	15,800	47,800	25.16%
	Infrastructure Replacement	400,000	33,700	33,300	33,300	100,300	25.08%
	Insurance	120,000	8,064	8,500	8,500	25,064	20.89%
02-5-06-56001	Regulatory Compliance	15,000	0	75	75	150	1.00%
02-5-06-57030	Election Related Expense	10,000	0	0	0	0	0.00%
02-5-06-57096	Beaumont Basin Watermaster	20,000	0	15,161	0	15,161	75.81%
02-5-06-57100	County Tax Collector Fees	7,500	0	0	14	14	0.19%
02-5-06-57199	Suspense	0	0	0	0	0	
	ADMINISTRATION TOTALS	2,621,350	197,990	199,996	160,286	558,271	21.30%

FY 2013 - Water Expense

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
02-5-40-57001	Asset Acq. - Water Resources	40,000	0	0	0	0	0.00%
02-5-40-57003	Asset Acq. - Public works	40,000	0	0	0	0	0.00%
02-5-40-57006	Asset Acq. - Administration	0	0	0	0	0	
02-5-40-57201	Debt Srv-Series 2004A Princ.(25009)	955,000	0	955,000	0	955,000	100.00%
02-5-40-57402	Interest-Long-Term Debt Bonds	1,976,025	0	997,563	0	997,563	50.48%
	40 - Debt & Capital Outlay	3,011,025	0	1,952,563	0	1,952,563	64.85%
	TOTAL WATER EXPENSES	12,302,000	623,348	2,749,558	500,826	3,873,733	31.49%

FY 2013 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
03-5-02-50010	Labor-WW Treatment	833,200	48,973	64,995	65,959	179,927	21.59%
03-5-02-50013	Benefits-FICA	63,700	4,021	5,332	5,399	14,752	23.16%
03-5-02-50014	Benefits-Life Insurance	4,000	371	311	341	1,023	25.57%
03-5-02-50016	Benefits-Health/Defrd Comp	150,000	11,348	13,105	12,723	37,175	24.78%
03-5-02-50017	Benefits-Disability Insurance	13,000	871	989	1,027	2,887	22.21%
03-5-02-50019	Benefits-Workers Compensation	35,000	3,233	4,386	4,426	12,045	34.41%
03-5-02-50021	Benefits-PERS	58,300	3,329	4,264	4,270	11,863	20.35%
03-5-02-50022	Benefits-PERS Employer	116,900	6,466	8,283	8,293	23,043	19.71%
03-5-02-50023	Benefits-Uniforms	3,300	312	423	241	976	29.56%
03-5-02-50024	Benefits-Vacation & Sick Pay	25,000	358	450	358	1,165	4.66%
03-5-02-50025	Benefits-Boot Allowance	2,200	75	0	0	75	3.41%
03-5-02-51003	R&M - Structures	250,000	13,267	31,191	17,356	61,813	24.73%
03-5-02-51010	R&M - Automation Control	75,000	0	1,892	6,017	7,909	10.55%
03-5-02-51106	Chemicals	500,000	42,676	30,867	11,922	85,465	17.09%
03-5-02-51111	Propane	5,000	0	0	0	0	0.00%
03-5-02-51115	Laboratory Supplies	30,000	3,398	1,364	628	5,390	17.97%
03-5-02-51140	General Supplies & Expenses	1,000	0	24	0	24	2.41%
03-5-02-51210	Utilities - Power Purchases	700,000	40,247	70,450	33	110,731	15.82%
03-5-02-54110	Laboratory Services	120,000	5,315	10,724	7,148	23,188	19.32%
03-5-02-57031	Sludge Disposal	300,000	25,068	26,195	0	51,263	17.09%
03-5-02-57033	Brine Disposal	40,000	4,524	4,524	4,524	13,572	33.93%
	TREATMENT TOTALS	3,325,600	213,852	279,768	150,664	644,284	19.37%

FY 2013 Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
03-5-06-50010	Labor-Administration	631,600	34,224	42,953	43,129	120,306	19.05%
03-5-06-50012	Directors Fees	15,000	0	547	486	1,033	6.89%
03-5-06-50013	Benefits-Fica	48,300	2,657	3,222	3,215	9,095	18.83%
03-5-06-50014	Benefits-Life Insurance	3,500	291	261	274	827	23.61%
03-5-06-50016	Benefits-HealthDefrd Comp	145,000	9,108	11,290	11,165	31,563	21.77%
03-5-06-50017	Benefits-Disability Insurance	9,000	537	586	599	1,722	19.13%
03-5-06-50019	Benefits-Workers Compensation	11,400	2,254	560	559	3,373	29.59%
03-5-06-50021	Benefits-PERS	44,500	2,381	2,992	2,991	8,364	18.79%
03-5-06-50022	Benefits PERS Employer	88,400	4,623	5,812	5,810	16,245	18.38%
03-5-06-50023	Benefits-Uniforms	2,300	68	119	58	245	10.64%
03-5-06-50024	Benefits-Vacation & Sick Pay	10,000	916	943	737	2,595	25.95%
03-5-06-50025	Benefits-Boot Allowance	1,620	0	0	0	0	0.00%
03-5-06-51120	Safety Equipment/Supplies	8,500	2,255	0	1,621	3,876	45.60%
03-5-06-51125	Petroleum Products	15,000	1,000	1,708	1,000	3,708	24.72%
03-5-06-51130	Office Supplies	3,000	37	112	0	149	4.98%
03-5-06-51140	General Supplies & Expenses	15,000	408	58	81	547	3.64%
03-5-06-51199	Disaster Incidences	0	0	0	0	0	
03-5-06-54002	Dues & Subscriptions	10,000	358	78	402	838	8.38%
03-5-06-54003	Management & Admin Services	147,000	12,250	12,250	12,250	36,750	25.00%
03-5-06-54005	Computer Expenses	75,000	5,644	1,488	2,152	9,284	12.38%
03-5-06-54011	Printing & Publications	10,000	100	0	0	100	1.00%
03-5-06-54012	Education & Training	15,000	175	150	1,085	1,410	9.40%
03-5-06-54014	Public Relations	8,000	191	0	0	191	2.39%
03-5-06-54016	Travel Related Expenses	7,000	1,080	15	189	1,284	18.35%
03-5-06-54017	Certifications & Renewals	5,500	540	0	0	540	9.82%
03-5-06-54019	Licenses & Permits	45,000	0	0	1,342	1,342	2.98%
03-5-06-54020	Meeting Related Expenses	3,500	452	154	43	649	18.54%
03-5-06-54021	Disaster Preparedness Training	0	0	0	0	0	
03-5-06-54024	Utilities - Waste Disposal	12,500	987	987	0	1,974	15.79%
03-5-06-54025	Utilities - Telephone	20,000	1,747	1,633	987	4,367	21.83%
03-5-06-54030	Drinking Water	1,000	147	98	77	322	32.20%
03-5-06-54104	Contractual Services	30,000	11,110	1,118	838	13,066	43.55%
03-5-06-54107	Legal	45,000	3,633	1,235	0	4,868	10.82%
03-5-06-54108	Audit & Accounting	16,000	5,315	0	0	5,315	33.22%
03-5-06-54109	Professional Fees	400,000	18,500	9,152	6,821	34,473	8.62%
03-5-06-55500	Depreciation Reserves	457,000	37,900	38,100	38,100	114,100	24.97%
03-5-06-56001	Infrastructure Replacement	800,000	66,300	66,700	66,700	199,700	24.96%
03-5-06-57030	Insurance	115,000	8,064	8,500	8,500	25,064	21.79%
03-5-06-57030	Regulatory Compliance	44,500	6,725	0	0	6,725	15.11%
03-5-06-57100	County Tax Collection Fees	1,200	0	143	0	143	11.92%
	ADMINISTRATION TOTALS	3,320,320	241,976	212,963	211,212	666,150	20.06%

FY 2013 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
03-5-07-50010	Labor-Environmental Control	420,000	12,452	16,121	15,765	44,338	10.56%
03-5-07-50011	Labor Credit	0	0	0	0	0	
03-5-07-50013	Benefits-FICA	32,000	955	1,238	1,210	3,403	10.63%
03-5-07-50014	Benefits-Life Insurance	2,500	85	85	85	256	10.23%
03-5-07-50016	Benefits-Health\Defrd Comp	66,000	3,846	3,539	3,518	10,903	16.52%
03-5-07-50017	Benefits-Disability Insurance	4,500	198	235	231	664	14.76%
03-5-07-50019	Benefits-Workers Compensation	22,500	1,139	1,136	1,114	3,389	15.06%
03-5-07-50021	Benefits-PERS	30,000	706	899	931	2,536	8.45%
03-5-07-50022	Benefits-PERS Employer	58,600	1,371	1,746	1,808	4,925	8.41%
03-5-07-50023	Benefits-Uniforms	2,000	76	120	57	253	12.64%
03-5-07-50024	Benefits-Vacation & Sick Pay	2,000	0	0	0	0	
03-5-07-50025	Benefits-Boot Allowance	1,380	296	0	0	296	21.43%
03-5-07-51003	R&M - Structures	320,000	9,796	30,226	26,750	66,773	20.87%
03-5-07-51140	General Supplies & Expenses	1,000	280	13	0	293	29.26%
03-5-07-51241	Lift Station #1	70,000	1,447	19,770	0	21,217	30.31%
03-5-07-51242	Lift Station #2	10,000	248	1,081	0	1,330	13.30%
03-5-07-51243	Lift Station #3	5,000	0	264	0	264	5.28%
03-5-07-51244	Lift Station #4	20,000	194	2,242	0	2,436	12.18%
03-5-07-51245	Lift Station #5	5,000	0	127	0	127	2.54%
03-5-07-51248	Lift Station #8	3,000	0	59	0	59	1.97%
03-5-07-54109	Professional Fees	50,000	0	2,051	4,626	6,677	13.35%
03-5-07-54110	Laboratory Services	2,500	0	0	0	0	0.00%
	ENVIRONMENTAL CONTROL TOTAL	1,127,980	33,088	80,954	56,097	170,139	15.08%
03-5-40-57002	Asset Acq. - Treatment		0	0	0	0	
03-5-40-57006	Asset Acq. - Administration		0	0	0	0	
03-5-40-57007	Asset Acq. - Environmental Control		0	0	0	0	
03-5-40-57009	Obligation to MUNI	20,000	0	0	0	0	0.00%
03-5-40-57202	Debt Service - Principal	1,953,500	0	0	1,953,570	1,953,570	100.00%
03-5-40-57403	Debt Service - Interest	970,100	0	0	970,099	970,099	100.00%
	Debt & Capital Outlay	2,943,600	0	0	2,923,669	2,923,669	99.32%
	TOTAL SEWER EXPENSES	10,717,500	488,917	573,684	3,341,641	4,404,242	41.09%

FY 2013 - Recycled Expenses

ACCOUNT#	Description	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
04-5-06-50010	Labor-Recycled Water	148,162	0	1,520	1,520	3,039	2.05%
04-5-06-50012	Director Fees	2,500	0	0	0	0	
04-5-06-50013	Benefits-FICA	11,300	0	124	124	247	2.19%
04-5-06-50014	Benefits-Life Insurance	600	0	(0)	1	1	0.10%
04-5-06-50016	Benefits-Health & Def Comp	17,563	402	496	738	1,636	9.31%
04-5-06-50017	Benefits-Disability Insurance	1,500	0	16	16	32	2.16%
04-5-06-50019	Benefits-Workers Compensation	5,000	0	8	8	16	0.33%
04-5-06-50021	Benefits-PERS Employee	10,000	0	0	53	53	0.53%
04-5-06-50022	Benefits-PERS Employer	20,000	0	0	103	103	0.52%
04-5-06-50023	Benefits-Uniforms	570	0	0	0	0	0.00%
04-5-06-50024	Benefits-Vacation & Sick Pay	3,000	0	0	0	0	0.00%
04-5-06-50025	Benefits-Boots	380	0	0	0	0	0.00%
04-5-06-51003	R & M-Structures	7,500	0	0	0	0	0.00%
04-5-06-51020	R & M-Pipelines	2,500	0	0	0	0	
04-5-06-51021	R & M-Service Lines	2,500	0	0	0	0	
04-5-06-51022	R & M-Fire Hydrants	2,500	0	0	0	0	0.00%
04-5-06-51030	R & M-Meters	500	0	0	0	0	0.00%
04-5-06-51140	General Supplies & Expenses	250	0	0	0	0	0.00%
04-5-06-51316	Imported Water Purchases	1,000	0	0	0	0	0.00%
04-5-06-54002	Dues & Subscriptions	3,000	0	0	0	0	0.00%
04-5-06-54005	Computer Expense	1,500	0	0	0	0	0.00%
04-5-06-54011	Printing & Publications	2,500	0	0	0	0	0.00%
04-5-06-54012	Education & Training	2,500	0	0	0	0	0.00%
04-5-06-54014	Public Relations	1,500	191	0	0	191	12.75%
04-5-06-54016	Travel Related Expenses	1,000	0	0	0	0	0.00%
04-5-06-54019	Licenses & Permits	2,500	0	0	0	0	
04-5-06-54020	Meeting Related Expenses	500	0	0	0	0	
04-5-06-54025	Telephone	500	47	44	0	91	18.17%
04-5-06-54010	Contractual Services	1,750	0	0	0	0	0.00%
04-5-06-54107	Legal	2,000	0	0	0	0	
04-5-06-54109	Professional Fees	10,000	0	0	0	0	0.00%
04-5-06-54110	Laboratory Services	1,000	0	0	0	0	
04-5-06-55500	Depreciation	8,000	630	670	670	1,970	24.63%
	Infrastructure Replacement	50,000	3,800	4,200	4,200	12,200	24.40%
04-5-06-57030	Regulatory Compliance	15,000	0	0	0	0	
04-5-06-57040	Environmental Compliance	10,000	0	0	0	0	
	TOTAL RECYCLED EXPENSES	350,575	5,070	7,077	7,433	19,580	5.59%



Director Memorandum 12-089

Date: October 17, 2012

Prepared By: Vicky Elisalda, Controller

Subject: Audited Financial Statements for Fiscal Year Ending on June 30, 2012

Recommendation: That the Board receives and files the audited financial report.

The Yucaipa Valley Water District has received the Annual Financial Statements for the Fiscal Year Ending June 30, 2012 and the Single Audit Report for the Year Ended June 30, 2012. The attached documents were reviewed in detail with the financial auditors from Vavrinek, Trine Day & Co. on Monday, October 15, 2012.

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Board of Directors
Yucaipa Valley Water District
Yucaipa, California

We have audited the financial statements of the Water, Sewer, and Recycled Water Enterprise Funds, of the Yucaipa Valley Water District (the District) for the year ended June 30, 2012, and have issued our report thereon dated October 12, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 14, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year 2011-2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of depreciation expense is based on the historical cost of the capital asset, depreciated on a straight-line basis over the asset's estimated useful life. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 12, 2012.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Rancho Cucamonga, California
October 12, 2012



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

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Annual Financial Statements

for the

Fiscal Year Ending June 30, 2012

Board of Directors

Ian Cuthbertson
Division 1

Bruce Granlund
Divisions 2

Jay Bogh
Division 3

Lonni Granlund
Division 4

Hank Wochholz
Division 5

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Financial Audit Preparation Team:

Accounting & Customer Service

Vicky Elisalda, Controller
Peggy Little, Administrative Supervisor
Erin Anton, Administrative Clerk IV
Sara Onate, Administrative Clerk IV
Luis Abrego, Administrative Clerk IV
Tysa Baeumel, Administrative Clerk II

Engineering

Linda Kilday, Engineering Technician IV
Chelsie Fogus, Engineering Technician I

Inventory Control

Joan Cadiz, Purchasing Agent
Michael Murrietta, Stock Clerk

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Transmittal Letter
Audited Financial Statements - Fiscal Year 2012

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INTRODUCTION

It is my pleasure to provide the following financial report for Yucaipa Valley Water District ("District") for the fiscal year ended June 30, 2012. The financial report was prepared by District staff 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 your understanding of the District's financial position and activities.

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

This report is organized into the following sections: (1) Transmittal Letter and District Overview; (2) Management Discussion & Analysis; and (3) Audited Financial Statements. The first section provides the reader with a general overview of the District. The Management Discussion & Analysis section offers a summary of significant financial results. The Audited Financial Statements section includes the Independent Auditors' Report.

OVERVIEW OF THE DISTRICT

The Yucaipa Valley Water District is made up of a proactive and diverse group of elected officials and employees dedicated to providing reliable water and sewer service in an efficient, cost effective manner that provides a high level of customer satisfaction. On May 1, 2002, the Board of Directors adopted the following mission statement to clearly reflect the vision and principles that guide the dedicated elected officials and employees of the District.

Yucaipa Valley Water District is committed to professionally managing the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

We are entrusted to serve the public for the benefit of the community.

We believe in responsive, innovative and aggressive service, and take pride in getting the job done right the first time.

We encourage a work environment that fosters professionalism, creativity, teamwork and personal accountability.

We treat our customers and one another with fairness, dignity, respect and compassion and exhibit the utmost integrity in all we do.

We believe in enhancing the environment by following a general philosophy of eliminating waste and maximizing recycling and reuse of our natural resources.



Transmittal Letter
Audited Financial Statements - Fiscal Year 2012

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We are committed to using the following operating principles as a guide to accomplishing our mission:

- We are proactive in our approach to issues.
- We are committed to integrity and consistently high ethical standards in all our business dealings.
- We use the strategic planning process to focus our efforts and minimize our crisis management mode.
- We make informed, rational and objective decisions.
- We aggressively pursue technological solutions to improve operations.
- We are inclusive in our decision making and delegate responsibility whenever possible.
- We design our services around customer wants and needs to the degree possible within our financial and regulatory constraints.
- We cultivate widespread commitment to common goals.

We believe our success depends on every employee knowing and sharing these values and principles

This financial report is a reflection of the District's commitment to professionally manage the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

To meet the mission of the District, the Board and staff members continue to proactively focus on water quality issues, water supply issues, infrastructure deficiencies, maintenance of existing systems and compliance with increasingly stringent regulatory requirements.

Historical Background

The District was formed as part of reorganization, pursuant to the Reorganization Act of 1965, being Division I of Title 6 of the Government Code of the State of California. This reorganization consisted of the formation of the District, dissolution of the Calimesa Water District and formation of Improvement District No. 1 of the District as successor-in-interest, and dissolution of Improvement District "A" of the San Bernardino Valley Municipal Water District and the formation of Improvement District "A" of the District as successor-in-interest. On September 14, 1971, the Secretary of State of the State of California certified and declared formation of the Yucaipa Valley County Water District. The District operates under the County Water District Law, being Division 12 of the State of California Water Code (the "Act"). Although the immediate function of the District was to provide water service, the District has assumed responsibility for providing recycled water and sewer service in Yucaipa Valley.

The District is located about 70 miles east of Los Angeles and 20 miles southeast of San Bernardino in the foothills of the San Bernardino Mountains and has an estimated population of approximately 59,599. The District is situated in both San Bernardino County and Riverside County.

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As of June 30, 2012, the District provided service to 12,136 water customers, 13,435 sewer customers and 65 recycled water customers.

Customer Type	Water Utility		Sewer Utility		Recycled Water Utility
	Number of Connections	Number of Units	Number of Connections	Number of Units	Number of Connections
Single Family	11,047	11,047	12,479	12,479	0
Multiple Units	520	5,251	651	7,469	0
Commercial	276	276	260	260	0
Institutional	59	62	44	53	0
Industrial	15	15	1	1	0
Irrigation	116	116	0	0	61
Fire Detectors	94	94	0	0	0
Construction	9	9	0	0	4
Total	12,136	16,870	13,435	20,262	65

Land and Land Use

The altitude of the District rises from about 2,000 feet above sea level at the western end of the valley to about 5,000 feet at the eastern end, with average elevation of roughly 2,650 feet. The topography of the area is characterized by rolling hills separated by deeply entrenched stream beds, namely, the Yucaipa and Wilson Creeks. The District includes the incorporated cities of Yucaipa and Calimesa which are in San Bernardino and Riverside Counties respectively.

The District expects that the undeveloped land within its boundaries will continue to be developed consistent with the general plans as provided by the City of Yucaipa and the City of Calimesa. The projected population of the District in the year 2030 will be approximately 94,800, which reflects build-out of the City of Calimesa and the Oak Valley development. Although approximately 49.8% of the land within the boundaries of the District is currently undeveloped, less than 1% of District water sales are to agricultural water users.

Governance and Management

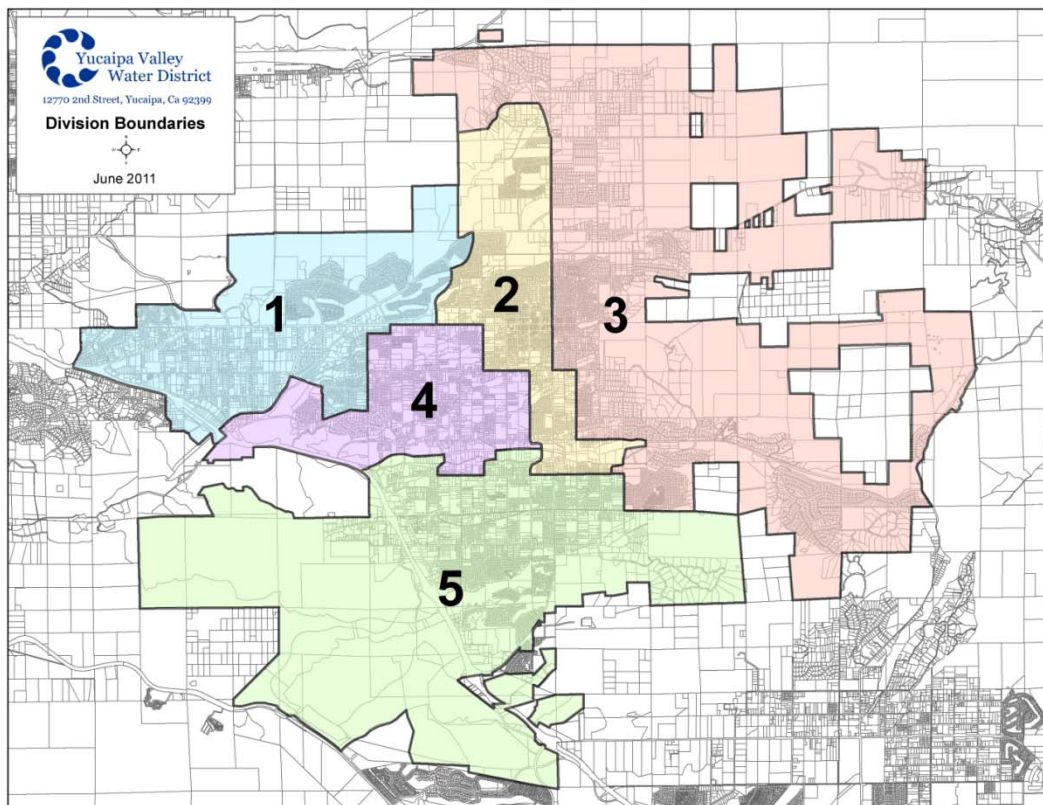
The District is governed by a 5-member board of directors (the "Board"), the members of which are elected from five separate divisions of the District for staggered 4-year terms. The current Board members, the expiration dates of their terms and their occupations are set forth below.

Member of the Board of Directors	Division	Initial Date of Service	Expiration of Term	Occupation
Jay Bogh, President	Three	09/07/2005	2014	Building Firm Manager
Bruce Granlund, Vice President	Two	12/23/1998	2014	Retired Senior District Attorney Investigator
Ian Cuthbertson, Director	One	12/05/2008	2012	Electrical Power Plant Manager
Henry Wochholz, Director	Five	11/03/1971	2014	Retired Bank Executive
Lonni Granlund, Director	Four	12/05/2008	2012	Property Manager/Real Estate Broker



Transmittal Letter
Audited Financial Statements - Fiscal Year 2012

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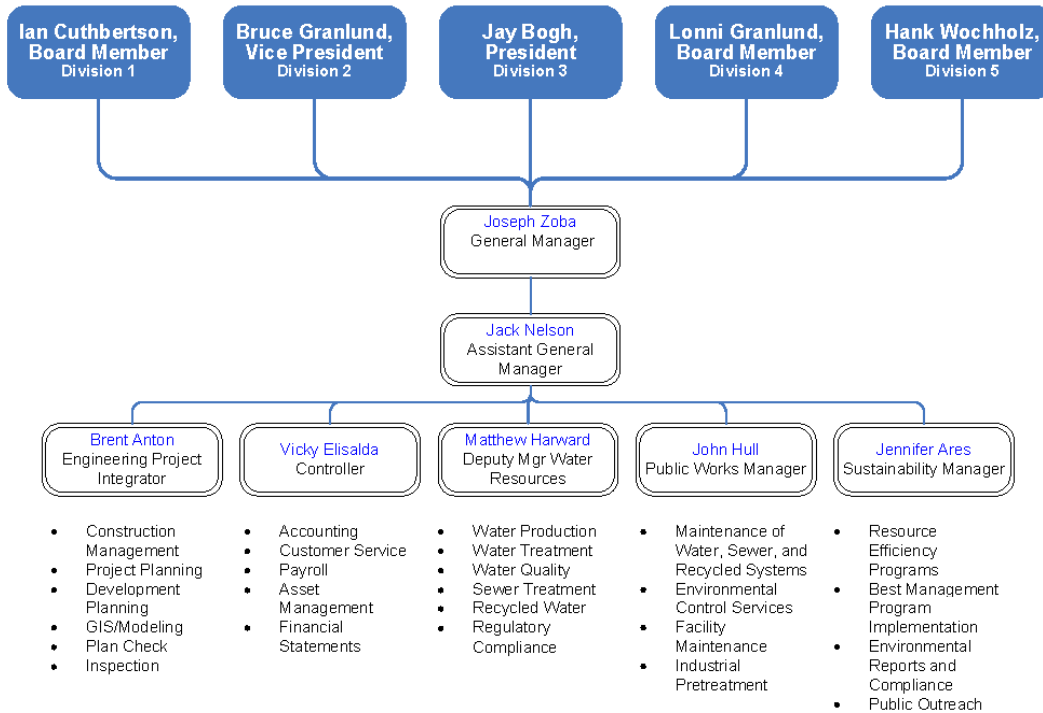


The following individuals have served as President of the Board since the District was created in 1971.

Yucaipa Valley Water District Presidents of the Board	
October 1971 to November 1973	Harold Lockwood
December 1973 to November 1975	Hank Wochholz
December 1975 to October 1977	Geno Gasponi
November 1977 to November 1979	Eve Kraft
December 1979 to December 1983	Pete Squires
January 1984 to December 1987	Fred Childs
January 1988 to November 1989	George Sardeson
November 1989 to December 1991	Hank Wochholz
January 1992 to November 1993	David Lesser
December 1993 to December 1995	Conrad Nelson
December 1995 to December 1998	Steve Copelan
January 1999 to November 2002	Conrad Nelson
December 2002 to December 2006	Bruce Granlund
December 2006 to December 2008	Tom Shalhoub
December 2008 to Present	Jay Bogh

Transmitted Letter
Audited Financial Statements - Fiscal Year 2012

Day-to-day management of the District is delegated to the General Manager who works closely with an executive team who ultimately oversee all of the District's services and functions.



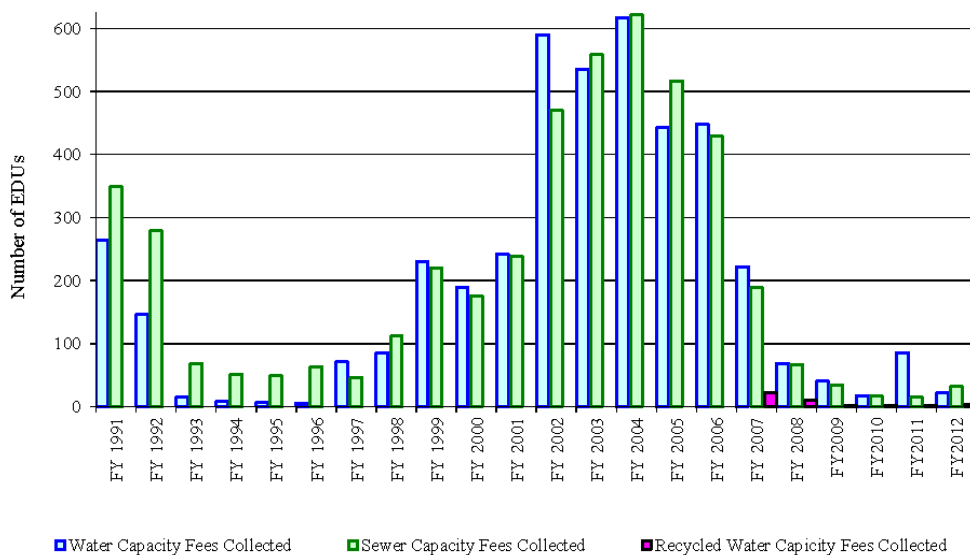
DEVELOPMENT ACTIVITY WITHIN THE DISTRICT

Facility Capacity Charges – Fiscal Year 2012

Development within the District changed this year at a pace of 22 water facility capacity charges, 32 sewer facility capacity charges, and 3 recycled water facility capacity charge. When compared to the prior year, the District received 74.4% fewer water connections, 113.3% more sewer connections and 200.0% more recycled water connections.

	Water Facility Capacity Charges	Sewer Facility Capacity Charge	Recycled Water Facility Capacity Charges
FY 2003	535	558	--
FY 2004	617	621	--
FY 2005	443	517	--
FY 2006	442	429	--
FY 2007	222	189	23
FY 2008	69	67	10
FY 2009	41	35	1
FY 2010	18	17	2
FY 2011	86	15	1
FY 2012	22	32	3

Transmittal Letter
Audited Financial Statements - Fiscal Year 2012



MAJOR INITIATIVES AND CONTROLS

Major Initiatives

California's water supply continues to be a concern due to projected population increases and limited capabilities to convey water throughout the state. On August 20, 2008 the Board of Directors adopted a *Strategic Plan for a Sustainable Future - The Integration and Preservation of Resources*. The purpose of this document was to document the proactive steps taken by the Yucaipa Valley Water District to improve the social, economic and environmental sustainability of our community. These actions have included the purchase of valuable watershed properties, protection of local water supplies and management of environmental corridors. While the decisions to embark on these actions have been generally unrelated, a look back in time indicates that the District has been progressing towards a more independent, flexible and sustainable future.

"The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, and not impaired in value."

- Theodore Roosevelt

The proactive steps taken by the District to protect and conserve our resources have been based on the concepts that: (1) resources are not limitless and therefore need to be conserved, nurtured and renewed; and (2) resources that are used to generate short-term gains result in an inefficient and inequitable consumption of resources that are not beneficial for a long-term strategy. Both of these concepts help to guide the District to make decisions that are conservative, careful and conscious of the role we currently play in a long-term strategy to protect the community.



Transmittal Letter
Audited Financial Statements - Fiscal Year 2012

The purpose of pursuing a sustainability plan is twofold. First and foremost, the sustainability plan has been designed to establish the policies and guidelines necessary to protect and preserve the natural resources entrusted to the District for our customers. It is our business to maximize the use of our limited natural resources for the long-term economic growth and expansion of the local economy. In the arid southwest, the basic fuel to create and maintain a local economy is water. Secondly, the sustainability policy has been designed to provide a means to measure performance of the organization. While performance monitoring or benchmarking is not normally associated with sustainability, this document has been created with the intention that the goals and reporting requirements are designed around performance management across a wide range of disciplines.

"Sustainable development is . . . development that meets the needs of the present without compromising the ability of further generations to meet their own needs."

- World Commission on Environment and Development, *Our Common Future*, 1987

With the use of this document the District is better equipped to:

- Identify the key challenges over the next five decades and assess the goals to overcome these challenges;
- Deal with the challenges of the future in a transparent manner involving stakeholders;
- Identify and manage risk in a reasonable and prudent manner with information, data and resources necessary to minimize the potential costs associated with certain scenarios; and
- Embark on a program to ensure that the generations that follow are provided with the necessary tools and resources to grow the community as the prior generation has done for us.

The implementation of this initiative will come about largely with the return of new development. However, the District has enacted additional measures for existing customers which largely involves the purchase of imported water to offset groundwater production by 15% beginning in January 2010.

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. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget prior to the 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 steps taken by the District are consistent with generally accepted accounting principles with monthly reporting of public documents for complete transparency and disclosure.

Transmittal Letter
Audited Financial Statements - Fiscal Year 2012

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Investment Policy

The Board of Directors adopts an investment policy annually that conforms to state law, District ordinance and resolutions, and prudent money management. The District is extremely conservative in our approach to investing to maximize safety and protection of public funds.

Audit and Financial Reporting

State law and bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Vavrinek, Trine, Day & Company, LLP has conducted the audit of the District's financial statements. Their unqualified Independent Auditor's Report is attached.





Financial Statements
Audited Financial Statements - Fiscal Year 2012

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Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Yucaipa Valley Water District
Yucaipa, California

We have audited the accompanying financial statements of the Water, Sewer, and Recycled Water Enterprise Funds of the Yucaipa Valley Water District (the District) as of, and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water, Sewer, and Recycled Water Enterprise Funds of the Yucaipa Valley Water District as of June 30, 2012, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Yucaipa Valley Water District's financial statements as a whole. The transmittal letter listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information 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 on it.

Rancho Cucamonga, California
October 12, 2012



Financial Statements
Audited Financial Statements - Fiscal Year 2012

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Management's Discussion & Analysis



Management's Discussion and Analysis
Fiscal Year 2012

This section of the Yucaipa Valley Water District's comprehensive annual financial report presents a discussion and analysis of the District's financial performance during the fiscal years ending June 30, 2011 and June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's basic financial statements following this section.

Yucaipa Valley Water District's financial statements consist of three enterprise funds: (W) water fund, (S) sewer fund and (R) recycled water fund.

FINANCIAL HIGHLIGHTS

Based on the financial information for the fiscal year ending on June 30, 2012, the following financial highlights are noted for the Yucaipa Valley Water District.

The District's net assets increased 3.45% to \$182,117,498.

The District's total revenues increased 5.77% to \$23,696,108.

The District's total expenses decreased 2.55% to \$24,578,119.

The capital contributions to the District totaled \$6,949,474 for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Yucaipa Valley Water District's basic financial statements. The District's basic financial statements are comprised of two components: Financial Statements and Notes to the Financial Statements.

The District's Basic Financial Statements are comprised of the Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows.

The *Statement of Net Assets* presents information on all District assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents information showing how net assets changed during the fiscal year.

The *Statement of Cash Flows* present information about the cash receipts and cash payments of the District during the fiscal year. When used with related disclosures and information in the other financial statements, the information provided in these statements should help financial report users assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects on the District's financial position of its cash and its non-cash investing, capital and related financing transactions during the year.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the District's financial statements. The notes are included immediately following the financial statements within this report.



Management's Discussion and Analysis
Fiscal Year 2012

FINANCIAL ANALYSIS

The following table summarizes the changes between assets, liabilities and net assets as of June 30, 2012.

	Statement of Net Assets			
	2012	2011	Change	% Change
Assets				
Current assets - W	\$ 10,217,467	\$ 9,584,145	\$ 633,322	6.6%
Current assets - S	4,401,362	8,218,383	(3,817,021)	-46.4%
Current assets - R	851,757	581,691	270,066	46.4%
Net capital assets - W	104,103,515	106,425,418	(2,321,903)	-2.2%
Net capital assets - S	127,850,302	120,162,933	7,687,369	6.4%
Net capital assets - R	22,279,121	19,692,813	2,586,308	13.1%
Other assets - W	3,488,452	3,549,898	(61,446)	-1.7%
Total Assets	273,191,976	268,215,281	4,976,695	1.9%
Liabilities				
Current liabilities - W	3,181,824	3,363,713	(181,889)	-5.4%
Current liabilities - S	4,949,710	4,350,998	598,712	13.8%
Current liabilities - R	3,215,507	1,803,337	1,412,170	78.3%
Long term liabilities - W	39,439,814	40,401,255	(961,441)	-2.4%
Long term liabilities - S	40,287,623	42,245,943	(1,958,320)	-4.6%
Long term liabilities - R	-	-	-	0.0%
Total Liabilities	91,074,478	92,165,246	(1,090,768)	-1.2%
Net Assets				
Net Invested in capital assets,				
Net of related debt - W	64,656,310	66,077,886	(1,421,576)	-2.2%
Net of related debt - S	85,897,112	76,301,960	9,595,152	12.6%
Net of related debt - R	22,279,121	19,692,813	2,586,308	13.1%
Restricted - W	4,121,263	4,413,656	(292,393)	-6.6%
Restricted - S	1,082,808	1,197,870	(115,062)	-9.6%
Restricted - R	184,444	156,079	28,365	18.2%
Unrestricted - W	6,410,223	5,302,951	1,107,272	20.9%
Unrestricted - S	34,411	4,284,545	(4,250,134)	-99.2%
Unrestricted - R	(2,548,194)	(1,377,725)	(1,170,469)	85.0%
Total Net Assets	182,117,498	176,050,035	6,067,463	3.4%
Total Liabilities and Net Assets	\$ 273,191,976	\$ 268,215,281	\$ 4,976,695	1.9%

As can be seen from the table above, net assets increased from \$176,050,035 in fiscal year 2011 to \$182,117,498 in fiscal year 2012, an increase of \$6,067,463. The decrease in the sewer fund current assets is attributed to cash expenditures submitted on the June 5, SRF draw #3 and received on July 23. The increase in recycled current assets is attributed to grants receivable. The increase to capital assets, net is attributed to construction in progress of the Yucaipa Valley Regional Brineline Project in the sewer and recycled funds. The liabilities decreased by debt service payments.

Management's Discussion and Analysis
Fiscal Year 2012

The 13.8% increase in sewer and 78.3% recycled current liabilities is attributed the accrued accounts payable for the Yucaipa Valley Regional Brineline Project. The 8.8% increase in sewer long term liabilities is attributed to the SRF 2010 loan proceeds received. Additional information on the District's SRF 2010 loan can be found in Note 6 of this report.

The following table summarizes changes in net assets as of June 30, 2012.

Statement of Revenues, Expenses and Changes in Net Assets				
	2012	2011	Change	% Change
Operating Revenues				
Water Services	\$ 9,498,351	\$ 8,786,848	\$ 711,503	8.1%
Sewer Services	10,389,205	10,127,736	261,469	2.6%
Recycled Services	369,881	303,952	65,929	21.7%
Interfund Services Provided	733,170	593,310	139,860	23.6%
Other Revenue	1,080	14,760	(13,680)	-92.7%
Total Operating Revenues	20,991,687	19,826,606	1,165,081	5.9%
Non-Operating Revenues				
Interest Income	14,818	8,273	6,545	79.1%
Property Taxes	2,490,104	2,477,843	12,261	0.5%
Other Income	199,499	91,441	108,058	118.2%
Total Non-Operating Revenues	2,704,421	2,577,557	126,864	4.9%
Total Revenues	23,696,108	22,404,163	1,291,945	5.8%
Operating Expenses				
Salaries & Benefits - W	3,135,815	3,210,093	(74,278)	-2.3%
Salaries & Benefits - S	2,502,335	2,562,871	(60,536)	-2.4%
Salaries & Benefits - R	7,039	96,508	(89,469)	-92.7%
Operating Expenses - W	3,892,681	3,843,625	49,056	1.3%
Operating Expenses - S	4,135,683	4,033,677	102,006	2.5%
Operating Expenses - R	47,376	384,683	(337,307)	-87.7%
Water Purchases - W	933,923	805,035	128,888	16.0%
Water Purchases - R	-	160,749	(160,749)	-100.0%
Depreciation & Amortization - W	3,225,314	3,270,302	(44,988)	-1.4%
Depreciation & Amortization - S	3,241,599	3,231,559	10,040	0.3%
Depreciation & Amortization - R	473,694	473,042	652	0.1%
Total Operating Expenses	21,595,459	22,072,144	(476,685)	-2.2%
Non-Operating Expenses				
Loss on Asset Disposal	30	57,163	(57,133)	-99.9%
Other Expenses	6,454	36,086	(29,632)	-82.1%
Interest Expense - Water	1,997,044	2,031,324	(34,280)	-1.7%
Interest Expense - Sewer	979,132	1,024,707	(45,575)	-4.4%
Total Non-Operating Expenses	2,982,660	3,149,280	(166,620)	-5.3%
Total Expenses	24,578,119	25,221,424	(643,305)	-2.6%

Management's Discussion and Analysis
Fiscal Year 2012

	2012	2011	Change	% Change
Income (Loss) Before Contributions - W	(944,717)	(1,647,207)	702,490	-42.6%
Income (Loss) Before Contributions - S	208,959	(365,703)	574,662	-157.1%
Income (Loss) Before Contributions - R	(146,253)	(804,351)	658,098	-81.8%
Total Income (Loss) Before Contributions	<u>(882,011)</u>	<u>(2,817,261)</u>	<u>1,935,250</u>	<u>-68.7%</u>
Contributions				
Capital Contributions - W	338,020	2,571,313	(2,233,293)	-86.9%
Capital Contributions - S	5,020,997	4,318,937	702,060	16.3%
Capital Contributions - R	1,590,457	359,974	1,230,483	341.8%
	<u>6,949,474</u>	<u>7,250,224</u>	<u>(300,750)</u>	<u>271.2%</u>
Change in Net Assets - W	(606,697)	924,106	(1,530,803)	-165.7%
Change in Net Assets - S	5,229,956	3,953,234	1,276,722	32.3%
Change in Net Assets - R	1,444,204	(444,377)	1,888,581	-425.0%
Beginning Net Assets	<u>176,050,035</u>	<u>171,617,072</u>	<u>4,432,963</u>	<u>2.6%</u>
Ending Net Assets	<u>\$ 182,117,498</u>	<u>\$ 176,050,035</u>	<u>\$ 6,067,463</u>	<u>3.4%</u>

The Statement of Revenues, Expenses and Changes in Net Assets provides the nature and source of these changes. As can be seen in the preceding table, net loss before capital contributions of \$882,011 and capital contributions of \$6,949,474 were the source of the increase in net assets of \$6,067,463 in fiscal year 2012.

The \$643,305 decrease in expenses was due primarily to decreased salary & benefits, reduced recycled water purchases and overall reduction in recycled water expenses.

The increase in capital contributions includes \$587,856 facility capacity fees, \$147,334 infrastructure contributions and \$6,211,189 in sewer and non-potable grants toward the Yucaipa Valley Regional Brineline Project and the District's non-potable water system.

Management's Discussion and Analysis
Fiscal Year 2012

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CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

At the end of fiscal year 2012, the District had invested \$254,232,938 in a broad range of infrastructure as shown below.

Statement of Capital Assets				
	2012	2011	Change	% Change
Non-Depreciable Assets				
Land & Easements	\$ 5,366,459	\$ 5,350,688	\$ 15,771	0.29%
Water Rights	4,577,141	4,557,431	19,710	0.43%
Construction in Progress	24,538,934	11,231,313	13,307,621	118.49%
Total Non-Depreciable Assets	<u>34,482,534</u>	<u>21,139,432</u>	<u>13,343,102</u>	<u>63.12%</u>
Depreciable Assets				
Structures & Improvements	290,421,200	252,905,377	37,515,823	14.83%
Equipment	5,699,734	41,891,257	(36,191,523)	-86.39%
Total Depreciable Assets	<u>296,120,934</u>	<u>294,796,634</u>	<u>1,324,300</u>	<u>0.45%</u>
Less Accumulated Depreciation	<u>(76,370,530)</u>	<u>(69,654,902)</u>	<u>(6,715,628)</u>	<u>9.64%</u>
Net Depreciable Assets	<u>219,750,404</u>	<u>225,141,732</u>	<u>(5,391,328)</u>	<u>-2.39%</u>
Total Capital Assets, Net	<u>\$ 254,232,938</u>	<u>\$ 246,281,164</u>	<u>\$ 7,951,774</u>	<u>3.23%</u>

As of June 30, 2012, construction in progress increased \$13,307,621, primarily in the sewer and recycled funds for construction of the Yucaipa Valley Regional Brineline Project and the District's non-potable water system.

Additional information on the District's capital assets can be found in Note 3 of this report.

Management's Discussion and Analysis
Fiscal Year 2012

Long-term obligations, including current portion totaled \$88,588,609 as of June 30, 2012, and \$85,757,405 as of June 30, 2011. The long-term obligations were comprised of compensated absences, water fund revenue bonds and sewer fund state revolving fund loans for the 2006 WRWRF plant expansion and the 2010 brineline project.

Statement of Liabilities

	2012	2011	Change	% Change
Long Term Obligations:				
Compensated Absences	\$ 718,524	\$ 725,884	\$ (7,360)	-1.01%
Certificates of Participation - Water	39,009,293	39,968,124	(958,831)	-2.40%
State Revolving Fund Loan - Sewer	45,674,302	41,953,190	3,721,112	8.87%
Total Long Term Obligations	85,402,119	82,647,198	2,754,921	3.33%
Current Portion of Obligations:				
Compensated Absences	277,920	282,424	(4,504)	-1.59%
Certificates of Participation - Water	955,000	920,000	35,000	3.80%
State Revolving Fund Loan - Sewer	1,953,570	1,907,783	45,787	2.40%
Total Current Obligations	3,186,490	3,110,207	76,283	2.45%
Total Obligations	88,588,609	85,757,405	2,831,204	3.30%
Other Current Liabilities	8,160,551	6,407,841	1,752,710	27.35%
Total Liabilities	\$ 96,749,160	\$ 92,165,246	\$ 4,583,914	4.97%

During the year, the District's water fund Certificates of Participation long term debt decreased \$958,831 with the normal debt service payment. The sewer fund State Revolving Fund Loans long term debt increased \$3,721,112 which is primarily attributed to the normal debt payment of the 2006 loan and increased draws received for the 2010 loan.

Additional information on the District's long-term obligations can be found in Note 7 and 8 of this report.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the Yucaipa Valley Water District for all those with an interest in the government's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Vicky Elisalda, Controller at 12770 Second Street, Yucaipa, California 92399.



Financial Statements
Audited Financial Statements - Fiscal Year 2012

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Financial Statements



YUCAIPA VALLEY WATER DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2012

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	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
ASSETS				
Current Assets:				
Cash and investments (Note 2)	\$ 2,745,038	\$ 262,704		\$ 3,007,742
Accounts receivable, net	1,555,499	1,447,396	\$ 82,977	3,085,872
Due from other funds	2,640,348			2,640,348
Taxes and assessments receivable	79,870			79,870
Grants receivable	1,281	1,608,393	584,336	2,194,010
Interest receivable	4,365	61		4,426
Inventory	711,149			711,149
Prepayments and deposits	627,133			627,133
Restricted investments (Note 2)	1,852,784	1,082,808	184,444	3,120,036
Total Current Assets	10,217,467	4,401,362	851,757	15,470,586
Noncurrent Assets:				
Capital assets, net (Note 3)	104,103,515	127,850,302	22,279,121	254,232,938
Deferred pension	37,845			37,845
Restricted investments (Note 2)	2,933,519			2,933,519
Certificates of participation issuance costs, net (Note 4)	517,088			517,088
Total Noncurrent Assets	107,591,967	127,850,302	22,279,121	257,721,390
TOTAL ASSETS	117,809,434	132,251,664	23,130,878	273,191,976
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	279,254	1,274,594	575,159	2,129,007
Retentions payable	7,582			7,582
Due to other funds			2,640,348	2,640,348
Customer deposits	112,655			112,655
Developer/construction deposits	1,007,803	747,151		1,754,954
Accrued interest payable	665,040	850,965		1,516,005
Current portion of long-term liabilities:				
Compensated absences (Note 7)	154,490	123,430		277,920
Certificates of participation (Note 4)	955,000			955,000
State Revolving Fund Loan (Note 5)		1,953,570		1,953,570
Total Current Liabilities	3,181,824	4,949,710	3,215,507	11,347,041
Long-term Liabilities:				
Compensated absences (Note 7)	430,521	288,003		718,524
Certificates of participation (Note 4)	39,009,293			39,009,293
State Revolving Fund Loan (Note 5 and 6)		39,999,620		39,999,620
Total Long-Term Liabilities	39,439,814	40,287,623	-	79,727,437
TOTAL LIABILITIES	42,621,638	45,237,333	3,215,507	91,074,478
NET ASSETS				
Invested in capital assets, net of related debt	64,656,310	85,897,112	22,279,121	172,832,543
Restricted for:				
Debt service	2,268,479			2,268,479
Capital projects	1,852,784	1,082,808	184,444	3,120,036
Unrestricted	6,410,223	34,411	(2,548,194)	3,896,440
TOTAL NET ASSETS	\$ 75,187,796	\$ 87,014,331	\$ 19,915,371	\$ 182,117,498

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



YUCAIPA VALLEY WATER DISTRICT**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

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	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
OPERATING REVENUES				
Charges for current services	\$ 9,498,351	\$ 10,389,205	\$ 369,881	\$ 20,257,437
Interfund services provided	733,170			733,170
Other revenue		1,080		1,080
Total Operating Revenues	10,231,521	10,390,285	369,881	20,991,687
OPERATING EXPENSES				
Salaries and employee benefits	3,135,815	2,502,335	7,039	5,645,189
Electrical power	1,345,028	742,285		2,087,313
Water purchases	933,923			933,923
Administrative services	348,270	937,717	19,755	1,305,742
Operating supplies	211,307	554,002		765,309
Maintenance and repairs	902,635	672,537	7,546	1,582,718
Depreciation and amortization	3,225,314	3,241,599	473,694	6,940,607
Insurance	113,943	113,290		227,233
Professional fees	290,883	706,836	20,075	1,017,794
Other	680,615	409,016		1,089,631
Total Operating Expenses	11,187,733	9,879,617	528,109	21,595,459
Operating Income (Loss)	(956,212)	510,668	(158,228)	(603,772)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	8,766	5,977	75	14,818
Property taxes	1,970,404	509,000	10,700	2,490,104
Other income	35,853	162,446	1,200	199,499
Loss on disposal of assets	(30)			(30)
Other expenses	(6,454)			(6,454)
Interest expense	(1,997,044)	(979,132)		(2,976,176)
Total Non-Operating Revenues (Expenses)	11,495	(301,709)	11,975	(278,239)
Income (Loss) Before Contributions	(944,717)	208,959	(146,253)	(882,011)
CONTRIBUTIONS				
Capital contributions	338,020	5,020,997	1,590,457	6,949,474
Total Contributions	338,020	5,020,997	1,590,457	6,949,474
Change in Net Assets	(606,697)	5,229,956	1,444,204	6,067,463
Net Assets, Beginning of Year	75,794,493	81,784,375	18,471,167	176,050,035
Net Assets, End of Year	\$ 75,187,796	\$ 87,014,331	\$ 19,915,371	\$ 182,117,498

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



YUCAIPA VALLEY WATER DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

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	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,736,800	\$ 9,122,775	\$ 350,157	\$ 19,209,732
Receipts (payments) from interfund services provided	733,170	(733,170)		
Payments to suppliers	(5,125,366)	(2,852,174)	423,254	(7,554,286)
Employment related payments	(3,103,049)	(2,509,120)	(7,039)	(5,619,208)
Net Cash Provided by/(Used for) Operating Activities	2,241,555	3,028,311	766,372	6,036,238
CASH FLOWS FROM CAPITAL AND AND RELATED FINANCING ACTIVITIES				
Capital contributions	245,101	5,019,058	1,646,811	6,910,970
Cash paid for capital assets	(786,095)	(10,927,029)	(3,338,333)	(15,051,457)
Principal paid on capital debt	(920,000)	(1,907,783)		(2,827,783)
Interest paid on capital debt	(2,012,375)	(974,511)		(2,986,886)
Net Cash Used for Capital and Related Financing Activities	(3,473,369)	(8,790,265)	(1,691,522)	(13,955,156)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property taxes received	1,970,404	509,000	10,700	2,490,104
Interfund receipts/(payments)	(1,790,944)	849,404	941,540	
Other receipts	50,293	162,446	1,200	213,939
Net Cash Provided/(Used) by Non-Capital Financing Activities	229,753	1,520,850	953,440	2,704,043
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	5,049	6,306	75	11,430
Net Cash Provided by Investing Activities	5,049	6,306	75	11,430
Net Increase/(Decrease) in Cash and Cash Equivalents	(997,012)	(4,234,798)	28,365	(5,203,445)
Balances, Beginning of Year	8,528,353	5,580,310	156,079	14,264,742
Balances, End of Year	\$ 7,531,341	\$ 1,345,512	\$ 184,444	\$ 9,061,297
Reconciliation to Statement of Net Assets:				
Cash and investments	\$ 2,745,038	\$ 262,704		\$ 3,007,742
Restricted cash and investments - Current	1,852,784	1,082,808	\$ 184,444	3,120,036
Restricted cash and investments - Non-current	2,933,519			2,933,519
Total Cash and Investments	\$ 7,531,341	\$ 1,345,512	\$ 184,444	\$ 9,061,297

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



YUCAIPA VALLEY WATER DISTRICT
STATEMENT OF CASH FLOWS, Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

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	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
RECONCILIATION OF OPERATING Income (Loss)				
TO NET CASH PROVIDED				
BY OPERATING ACTIVITIES				
Operating Income (loss)	\$ (956,212)	\$ 510,668	\$ (158,228)	\$ (603,772)
Adjustments to reconcile operating income to				
net cash provided by operating activities:				
Depreciation and amortization	3,225,314	3,241,599	473,694	6,940,607
Change in assets and liabilities:				
Receivables, net	(90,366)	(95,926)	(19,724)	(206,016)
Grants receivable	229,658	(1,171,584)		(941,926)
Compensated absences	(5,079)	(6,785)		(11,864)
Deferred pension	37,845			37,845
Prepayments and deposits	17,569			17,569
Developer and customer deposits	99,157			99,157
Inventories	(13,331)			(13,331)
Accounts and other payables (non-capital)	(303,000)	550,339	470,630	717,969
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,241,555</u>	<u>\$ 3,028,311</u>	<u>\$ 766,372</u>	<u>\$ 6,036,238</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH				
CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital assets	\$ 92,919	\$ (1,939)	\$ 56,354	\$ 147,334

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



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Reporting Entity**

Yucaipa Valley Water District (the District) is a special-purpose government district providing water distribution and sewer collection and treatment for consumers within its service area. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Basis of Presentation

Fund Financial Statements - The District solely operates as a Special-Purpose Government which means it is only engaged in business-type activities, accordingly activities are reported in proprietary funds.

The District has the following major proprietary funds:

- Water – This fund accounts for the activities of the District's water supply system.
- Sewer – This fund accounts for the activities of the District's sewage treatment plant, pumping stations, and collection systems.
- Recycled Water – This fund accounts for the activities of the District's recycled water supply system.

C. Basis of Accounting

Proprietary fund financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes apply. Property taxes are collected for the District by the Counties of San Bernardino and Riverside. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses include the costs of sales and services, the costs of employee benefits, maintenance of capital assets, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All funds of the District follow private-sector guidance including Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The District has the option of following subsequent private-sector guidance. The District has elected not to follow subsequent private-sector guidance.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**D. Capital Assets**

Capital assets purchased or constructed are carried at cost. Constructed costs include labor, materials and construction period interest expense (net of interest income, where applicable). Capitalization threshold is \$5,000. Contributed assets are stated at estimated fair market value at the time received by the District. Depreciation is calculated on the straight-line method over the following estimated useful lives of the assets:

Structures and improvements	10 – 50 years
Equipment	4 – 10 years

E. Restricted Investments

Various resources of the District are limited as to their use by law or by bond covenants and are classified on the balance sheet as restricted investments. Undisbursed bond proceeds are restricted for repayment of the bonds and project costs. Also, fees imposed on new real estate development are restricted by law for the construction of capital improvements which benefit the development projects.

F. Inventory

Inventory is stated at the lower of cost, using the average cost method, or market.

G. Cash and Cash Equivalents

All cash and investments are held in the District's cash management pool. Therefore, for purposes of the statement of cash flows, the District considers the entire pooled cash and investment balance to be cash and cash equivalents.

H. Investments

The District utilizes quoted market prices to estimate fair value.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Uncollectible Accounts

The District provides an allowance for doubtful accounts for all accounts deemed uncollectible. As of June 30, 2012, this allowance was estimated at \$24,000 in the Water Fund and \$20,000 in the Sewer Fund.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**K. Credit/Market Risk**

The District provides water and sewer services to local residential and commercial customers. As part of normal operating practices, credit is granted to local customers, on an unsecured basis.

L. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

M. New Accounting PronouncementsEffective in Future Fiscal Years

GASB Statement No. 60 – In November of 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Agreements*. This Statement provides guidance on reporting and disclosure of service concession agreements. This statement is effective as of July 1, 2012. The District has not determined the effect on the financial statements.

GASB Statement No. 61 – In November of 2010, the GASB issued Statement 61, *The Financial Reporting Entity Omnibus*. This Statement will update existing standards pertaining to financial reporting for which significant issues have been identified in practice. This statement effective as of July 1, 2012. The District has not determined the effect on the financial statements.

GASB Statement No. 62 – In December 2010, GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates FASB and AICPA pronouncements into the GASB's authoritative literature containing certain accounting and financial reporting guidance. This statement is effective as of July 1, 2012. The District has not determined the effect on the financial statements.

GASB Statement No. 63 – In June 2011, GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position*. This statement provides financial reporting guidance on deferred outflows of resources and deferred inflows of resources. This statement is not effective until July 1, 2012. The District has not determined the effect on the financial statements.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**M. New Accounting Pronouncements, (Continued)**

GASB Statement No. 65 – In March 2012, GASB issued Statement 65 *Items Previously Reported as Assets and Liabilities*. This Statement provides guidance on proper classification of certain items previously reported as assets and liabilities as deferred outflows or inflows of resources. This Statement also provides guidance on recognition of certain items that were previously reported as assets and liabilities as outflows or inflows of resources. This statement is effective as of July 1, 2013. The District has not determined the effect on the financial statements.

GASB Statement No. 66 - In March 2012, GASB issued Statement 66 *Technical Corrections—2012—an Amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to resolve conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is effective as of July 1, 2013. The District has not determined the effect on the financial statements.

GASB Statement No. 67 – In June 2012, GASB issued Statement 67, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 25*. This statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement also addresses accounting and financial reporting for the activities of pension plans that are administered through trusts. This Statement is effective as of July 1, 2013. The District has not determined the effect on the financial statements.

GASB Statement No. 68 – In June 2012, GASB issued Statement 67, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement is effective as of July 1, 2014. The District has not determined the effect on the financial statements.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified as the accompanying financial statements as follows:

Cash and investments	\$ 3,007,742
Restricted investments - Current	3,120,036
Restricted investments - Non-current	2,933,519
Total Cash and Investments	<u>\$ 9,061,297</u>

Cash and investments as of June 30, 2012, consist of the following:

Petty cash	\$ 800
Cash	784,295
Investments	8,276,202
Total Cash and Investments	<u>\$ 9,061,297</u>

Investments Authorized by the California Government Code and the Yucaipa Valley Water District's Investment Policy

The table below identifies the investment types that are authorized for the Yucaipa Valley Water District by the California Government Code and the District's policy, where more restrictive. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Yucaipa Valley Water District, rather than the general provisions of the California Government Code.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 2 – CASH AND INVESTMENTS, (Continued)**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by the bond trustee is governed by provisions of the debt agreement, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of the debt agreement that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Credit Rating
U.S. Treasury Obligations	5 years	N/A
U.S. Agency Securities	5 years	AAA
Banker's Acceptances	180 days	A
Commercial Paper	270 days	A
Repurchase Agreements	5 years	None
Negotiable Certificates of Deposit	5 years	None
Money Market Mutual Funds	N/A	AAA
Local Agency Obligations	5 years	None

Disclosures Relating to 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 Yucaipa Valley Water 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 is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Fair Value	Maturity 12 Months or Less
LAIF	\$ 4,841,703	\$ 4,841,703
U.S. Treasury Bills	500,915	500,915
Money Market Funds	65	65
2004 A Certificates of Participation Proceeds:		
Money Market Funds	2,933,519	2,933,519
Total	<u>\$ 8,276,202</u>	<u>\$ 8,276,202</u>



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 2 – CASH AND INVESTMENTS, (Continued)**Disclosures Relating to Credit Risk**

Generally, 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 rating as of year end for each investment type:

	Fair Value	Rating at June 30, 2012
LAIF	\$ 4,841,703	Unrated
U.S. Treasury Bills	500,915	AA+
Money Market Funds	65	AAA
2004A Certificates of Participation Proceeds:		
Money Market Funds	2,933,519	AAA
Total	<u>\$ 8,276,202</u>	

Concentration of Credit Risk

The investment policy of the Yucaipa Valley Water District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Other than the District's investment in U.S. Treasuries, LAIF, and money market funds, no single issuer represents five percent or more of total District investments.

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 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 California Government Code and the Yucaipa Valley Water District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2012, all of the District's deposits with financial institutions were composed of non-interest bearing deposits. Non-interest bearing deposits are fully insured in accordance with FDIC guidelines.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 2 – CASH AND INVESTMENTS, (Continued)**Investment in State Investment Pool**

The Yucaipa Valley Water District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Yucaipa Valley Water District's investment in this pool is reported in the accompanying financial statements, at amounts based upon the Yucaipa Valley Water 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.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The District is a voluntary participant in the investment pool.

NOTE 3 – CAPITAL ASSETS

The following tables summarize capital asset activity during 2011-2012:

Water Fund	Balance June 30, 2011	Increases	Decreases	Reclassification	Balance June 30, 2012
Capital assets not being depreciated:					
Land and easements	\$ 4,095,335	\$ 15,771			\$ 4,111,106
Water rights	432,941				432,941
Construction in progress	748,565	762,007	\$ (1,219,359)		291,213
Total capital assets not being depreciated	5,276,841	777,778	(1,219,359)		4,835,260
Capital assets being depreciated:					
Structures and improvements	93,781,721	1,298,067	(30)	\$ 30,430,635	125,510,393
Equipment	34,684,781	23,451	(29,781)	(30,430,635)	4,247,816
Total capital assets being depreciated	128,466,502	1,321,518	(29,811)		129,758,209
Less accumulated depreciation for:					
Structures and improvements	(13,826,070)	(3,074,551)	54,442	(9,987,357)	(16,846,179)
Equipment	(13,491,855)	(181,701)	29,781	9,987,357	(13,643,775)
Total accumulated depreciation	(27,317,925)	(3,256,252)	84,223		(30,489,954)
Total capital assets being depreciated, net	101,148,577	(1,934,734)	54,412		99,268,255
Water Fund capital assets, net	\$ 106,425,418	\$ (1,156,956)	\$ (1,164,947)	\$ -	\$ 104,103,515



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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NOTE 3 – CAPITAL ASSETS, (Continued)

Sewer Fund	Balance June 30, 2011	Increases	Decreases	Reclassification	Balance June 30, 2012
Capital assets not being depreciated:					
Land and easements	\$ 1,255,353				\$ 1,255,353
Water rights	4,124,490	\$ 19,710			4,144,200
Construction in progress	7,003,183	10,801,092	\$ (3,559)		17,800,716
Total capital assets not being depreciated	12,383,026	10,820,802	(3,559)		23,200,269
Capital assets being depreciated:					
Structures and improvements	146,018,725	52,896			146,071,621
Equipment	1,564,782	58,829	(171,693)		1,451,918
Total capital assets being depreciated	147,583,507	111,725	(171,693)		147,523,539
Less accumulated depreciation for:					
Structures and improvements	(38,596,683)	(3,166,830)		\$ 17,484	(41,746,029)
Equipment	(1,206,917)	(74,769)	171,693	(17,484)	(1,127,477)
Total accumulated depreciation	(39,803,600)	(3,241,599)	171,693		(42,873,506)
Total capital assets being depreciated, net	107,779,907	(3,129,874)			104,650,033
Sewer Fund capital assets, net	\$ 120,162,933	\$ 7,690,928	\$ (3,559)	\$ -	\$ 127,850,302

Recycled Water	Balance June 30, 2011	Increases	Decreases	Reclassification	Balance June 30, 2012
Capital assets not being depreciated					
Construction in progress	\$ 3,479,564	\$ 3,050,072	\$ (82,631)		\$ 6,447,005
Total capital assets not being depreciated	3,479,564	3,050,072	(82,631)		6,447,005
Capital assets being depreciated:					
Structures and improvements	13,104,931	91,061		\$ 5,643,194	18,839,186
Equipment	5,641,694	1,500		(5,643,194)	-
Total capital assets being depreciated	18,746,625	92,561			18,839,186
Less accumulated depreciation for:					
Structures and improvements	(1,900,207)	(473,694)		(633,169)	(3,007,070)
Equipment	(633,169)			633,169	-
Total accumulated depreciation	(2,533,376)	(473,694)			(3,007,070)
Total capital assets being depreciated, net	16,213,249	(381,133)			15,832,116
Recycled Water Fund capital assets, net	\$ 19,692,813	\$ 2,668,939	\$ (82,631)	\$ -	\$ 22,279,121

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 4 – CERTIFICATES OF PARTICIPATION PAYABLE

In June 2004, the District sold certificates of participation in the amount of \$45,730,000 to finance the acquisition of facilities for the District Water System. Proceeds were also used, to fund the deposit to the reserve fund and to pay delivery costs of the certificates. Certificates began maturing on September 1, 2005 with semi-annual interest payments due March 1 and September 1 at various interest rates from 2.00 to 5.25 percent. Principal payments are due annually September 1 at various amounts from \$770,000 to \$2,860,000. The final principal payment of the certificates is scheduled for September 1, 2034. Issuance costs of \$705,119 were capitalized and are being amortized over the life of the certificates. Amortization expense for the 2011-2012 fiscal year was \$23,504. See Note 9 for revenues pledged.

Maturities of certificates of participation payable are as follows:

Fiscal Year Ending	2004 Water System Revenue Certificates of Participation, Series 2004A		
	Principal	Interest	Total
2013	\$ 955,000	\$ 1,976,025	\$ 2,931,025
2014	995,000	1,937,025	2,932,025
2015	1,035,000	1,896,425	2,931,425
2016	1,080,000	1,848,725	2,928,725
2017	1,140,000	1,793,225	2,933,225
2018-2022	6,675,000	7,984,019	14,659,019
2023-2027	8,675,000	5,980,031	14,655,031
2028-2032	11,160,000	3,835,375	14,995,375
2033-2035	8,165,000	282,500	8,447,500
Total	\$ 39,880,000	\$ 27,533,350	\$ 67,413,350

NOTE 5 – STATE REVOLVING FUND LOAN - 2006

In August 2006, the District entered into a loan agreement with the State of California Water Resources Control Board to provide funding for the expansion and modification of the Henry N. Wochholz Wastewater Treatment Plant. The maximum amount of \$44,748,356 has been drawn. The loan accrues interest at a rate of 2.4 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred on September 10, 2009. The District has pledged all revenues and amounts legally available to repay the loan.

Fiscal Year Ending	2006 State Revolving Fund Loan		
	Principal	Interest	Total
2013	\$ 1,953,570	\$ 970,099	\$ 2,923,669
2014	2,000,455	923,214	2,923,669
2015	2,048,466	875,202	2,923,668
2016	2,097,629	826,039	2,923,668
2017	2,147,973	775,696	2,923,669
2018-2022	11,538,327	3,080,017	14,618,344
2023-2027	12,991,001	1,627,343	14,618,344
2028-2029	5,643,374	203,964	5,847,338
Total	\$ 40,420,795	\$ 9,281,574	\$ 49,702,369



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 6 – STATE REVOLVING FUND LOAN - 2010

In June 2010, the District entered into a loan agreement with the State of California Water Resources Control Board (SWRCB) to provide the funding for the construction of the Regional Brineline Extension Project. Funds are drawn on the agreement as work is completed up to a maximum amount of \$9,752,100 plus interest during the period of construction. The loan accrues interest at a rate of 2.7 percent annually. Principal and interest payments are due in 20 annual installments. In accordance with Amendment No. 1 of the loan agreement, the first payment is due December 31, 2013. As of June 30, 2012 the District had drawn funds totaling \$1,532,395. Additionally, deferred interest of \$72,227 was included in the principal balance outstanding as of June 30, 2012. The District has pledged all revenues and amounts legally available to repay the loan. Annual principal and interest payments will be determined upon project completion and final draws.

NOTE 7 – COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation, sick leave and comp time, a portion of which will be paid to employees upon separation from the District. At June 30, 2012, total accruals for Water, Sewer and Recycled Water funds amount to \$585,011, \$411,433 and \$0 respectively. The District estimated, based on historical trends, that approximately \$154,490, \$123,430, and \$0 of the Water, Sewer, and Recycled Water balances, respectively, will come due during fiscal year 2012-2013.

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities balances for the fiscal year ended June 30, 2012:

	Balance June 30, 2011	Additions	Repayments	Balance June 30, 2012	Amount Due in 2012-13
2004 Certificates of Participation	\$ 40,800,000		\$ (920,000)	\$ 39,880,000	\$ 955,000
Unamortized premium	88,124		(3,831)	84,293	
Total Certificates of Participation	40,888,124		(923,831)	39,964,293	955,000
State Revolving Fund Loan - 2006	42,328,578		(1,907,783)	40,420,795	1,953,570
State Revolving Fund Loan - 2010	1,532,395			1,532,395	
Compensated absences	1,008,308		(11,864)	996,444	277,920
Total Long-term Liabilities	\$ 85,757,405	\$ -	\$ (2,843,478)	\$ 82,913,927	\$ 3,186,490



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 9 – REVENUE PLEDGED

The District has pledged future water fund revenues, net of specified operating expenses, to repay \$45,730,000 in water system certificates of participation (COP) issued in June 2004 as disclosed in Note 4. Net revenues are defined in the COP documents as operating income, less specified operating expenses, plus specified non operating income. Proceeds from the COPs provided financing for the construction of the Yucaipa Valley Regional Water Filtration Facility (YVRWFF). The COPs are payable through 2035. Net revenues are anticipated to equal at least 110 percent of annual principal and interest payments. The total principal and interest remaining to be paid on the COPs is \$67,413,350. Principal and interest paid for the current year and total customer net revenues were \$2,932,375 and \$4,519,780, respectively.

For the 2006 and 2010 State revolving loans, the District has pledged all revenues and amounts legally available to repay the loans.

NOTE 10 – DEFINED BENEFIT PENSION PLAN**Plan Description**

The District's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administrated by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. State statutes, within the Public Employees' Retirement Law, establish benefit provisions and other requirements. The Board of Directors selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. Benefit provisions selected may be amended or modified by the District's Board of Directors. The CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, California, 95814.

Funding Policy

A contribution of 7 percent of annual covered salary is required for each active plan member. The District makes the contribution required of District employees on their behalf and for their account. Additionally, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for FY 2011-2012 was 13.510 percent of annual covered payroll. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established on an actuarially determined basis and may be amended by CalPERS.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 10 – DEFINED BENEFIT PENSION PLAN, (Continued)**Annual Pension Cost**

For the fiscal year ended June 30, 2012, the District's annual pension cost of \$497,301 was equal to the District's required contributions.

Three Year Trend Information for the Plans

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 470,257	100%	\$ -
6/30/2011	\$ 484,425	100%	\$ -
6/30/2012	\$ 497,301	100%	\$ -

The funded status of the pooled plan may be obtained from CalPERS.

NOTE 11 – COMMITMENTS

The District has entered into an agreement with the San Bernardino Valley Municipal Water District which allocates a pipeline capacity discharge right in the Santa Ana Regional Interceptor for the transmission of industrial wastewater. The District's rights under the agreement are contingent upon the construction and completion of the interceptor pipeline. Under the terms of the agreement, the District is required to make annual payments of \$19,710 through 2012. These payments are recorded as increases to capital assets in the wastewater fund.

The District has entered into contracts for various services and projects that will require payments in future fiscal years. The contract amounts and remaining commitments as of June 30, 2012, are summarized below:

Description	Contract Amounts	Remaining Commitment
General operating contracts	\$ 985,799	\$ 122,002
Sewer fund projects	17,381,722	6,520,558
Recycled Water fund projects	10,008,440	5,142,496
Other Funds	79,000	28,529
Total	<u>\$ 28,454,961</u>	<u>\$ 11,813,585</u>

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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NOTE 12 – INTERFUND ACTIVITYInterfund Services Provided

The Sewer fund reimburses the Water fund for the expenses related to administration, accounting and general services. The reimbursement is reflected in the statement of revenues, expenses and changes in net assets as the revenue "Interfund services provided" in the Water Fund and as the expense "Administrative services" in the Sewer fund. The amount reimbursed for these services was \$733,170 as of June 30, 2012.

Interfund Borrowing

As of June 30, 2012, the District's Recycled Water fund had borrowed \$2,640,348 from the Water fund to cover its deficit cash position.

NOTE 13 – 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. During the year ended June 30, 2012, the District purchased insurance through various commercial carriers to cover these risks up to its blanket limit of \$102,971,583. The District has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

NOTE 14 – PROPERTY TAXES

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to entities based on complex formulas. The property tax calendar is as follows:

Lien date	January 1
Levy date	July 1
Due date	November 1 and February 1
Collection dates	December 10 and April 10



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YUCAIPA VALLEY WATER DISTRICT
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2012

YUCAIPA VALLEY WATER DISTRICT

FOR THE YEAR ENDED JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL 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
Yucaipa Valley Water District
Yucaipa, California

We have audited the financial statements of the Water, Sewer, and Recycled Water Enterprise Funds of the Yucaipa Valley Water District (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the District's Board, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rancho Cucamonga, California
October 12, 2012

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM,
INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Yucaipa Valley Water District
Yucaipa, California

Compliance

We have audited the Yucaipa Valley Water District's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Water, Sewer and Recycled Water Enterprise Funds of the District as of and for the year ended June 30, 2012, and have issued our report thereon dated October 12, 2012 which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Directors, District management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rancho Cucamonga, California
October 12, 2012

YUCAIPA VALLEY WATER DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

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<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification Number</u>	<u>Federal Expenditures</u>
U.S. Environmental Protection Agency Congressionally Mandated Projects	66.202	XP-98938401-2	\$2,267,340
U.S. Department of the Interior ARRA - Water Reclamation and Reuse Program	15.504	R10AC35R03	2,636,071
Total Expenditures of Federal Awards			<u>\$ 4,903,411</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

YUCAIPA VALLEY WATER DISTRICT**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****FOR THE YEAR ENDED JUNE 30, 2012*****NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*****A. General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Yucaipa Valley Water District (District). The District's reporting entity is defined in Note #1 of the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the Schedule of Expenditures of Federal Awards.

B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note #1 of the District's Financial Statements.

C. Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule of Expenditures to Federal Awards agree with the amounts reported in the related federal financial reports. However, certain federal financial reports are filed based on cash expenditures. As such, certain timing differences may exist in the recognition of revenues and expenditures between the Schedule of Expenditures of Federal Awards and the federal financial reports.

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YUCAIPA VALLEY WATER DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Internal control over financial reporting:

Material Weakness(es) identified?

Significant Deficiency(ies) identified not considered to be material weaknesses?

Noncompliance material to financial statements noted?

UnqualifiedNoNone reportedNo

FEDERAL AWARDS

Internal control over major programs:

Material Weakness(es) identified?

Significant deficiency(ies) identified not considered to be material weaknesses?

Type of auditors' report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with

Circular A-133, Section .510(a)

Identification of major programs:

NoNone reportedUnqualifiedNoCFDA Number(s)66.20215.504Name of Federal Program or ClusterCongressionally Mandated ProjectsARRA-Water Reclamation and Reuse Program

Dollar threshold used to distinguish between Type A and Type B programs:

Auditee qualified as low-risk auditee?

\$ 300,000Yes

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**YUCAIPA VALLEY WATER DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

II. FINANCIAL STATEMENT FINDINGS

None reported.

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YUCAIPA VALLEY WATER DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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YUCAIPA VALLEY WATER DISTRICT

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2012

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Finding No.	Program	CFDA No.	Compliance Requirement	Status
2011-01	Congressionally Mandated Projects	66.202	Reporting	Implemented
2011-02	Congressionally Mandated Projects	66.202	Cash Management	Implemented
2011-03	Congressionally Mandated Projects	66.202	Allowable Costs	Implemented



Director Memorandum 12-090

Date: October 17, 2012

Prepared By: Brent Anton, Engineering Manager

Subject: Notice of Completion for the Contract with W.A. Rasic Construction Company for the Yucaipa Regional Brineline Extension Pipeline Project (Phase 3)

Recommendation: That the Board of Directors authorizes the filing of the Notice of Completion and release of the retention amount of \$887,852.93 thirty-five days after the recorded date.

At the regular meeting on August 17, 2011, the Board awarded a contract to W.A. Rasic Construction Company, Inc. for the construction of Phase 3 of the Yucaipa Valley Regional Brineline Extension for a sum not to exceed \$9,350,000 [DM 11-080].

Change Order No. 1 was an administrative requirement by the funding agencies to include Davis Bacon Requirements and Wage Determination in the contract and resulted in no additional project costs [DM 12-027].

Change Order No. 2 was for additions and deletions of various items of work necessary to complete the project [DM 11-085].

	Contract Changes	Contract Amount	Percentage Change from Original Bid Amount	Reference
Original Bid Amount		\$9,350,000.00	- -	DM 11-080
Change Order No. 1	-0-	\$9,350,000.00	0.0% change	DM 12-027
Change Order No. 2	(\$471,470.70)	\$8,878,529.30	5.3% decrease	DM 12-087

The project is now complete and District staff recommends that the Board authorizes the filing of the Notice of Completion and release of the retention amount of \$887,852.93 thirty-five days after the recorded date.

Financial Considerations:

The costs associated with this project were funded by a Proposition 50 Integrated Resource Grant, an American Recovery and Reinvestment Act grant and a State Revolving Fund loan.

**KRIEGER
&
STEWART**

INCORPORATED • ENGINEERING CONSULTANTS

3602 University Ave • Riverside, CA 92501 • Tel 951-684-6900 • Fax 951-684-6986

October 8, 2012

818-63.6.4 F/C

Brent Anton
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399

RECEIVED
OCT 09 2012
YUCAIPA VALLEY
WATER DISTRICT

Subject: Yucaipa Valley Regional Brineline Extension (Phase 3)
Recommendation of Acceptance of Contract Work

Dear Mr. Anton:

All work required to be performed by W.A. Rasic Construction Company, Inc. for the Yucaipa Valley Regional Brineline Extension (Phase 3) Project is essentially complete and the final Contract Amount for same is set forth as follows:

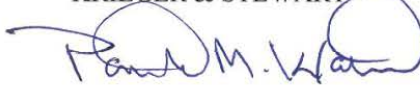
Original Contract Amount:	\$9,350,000.00
Contract Change Order No. 1	\$0.00
Contract Change Order No. 2	(\$471,470.70)
Final Contract Amount:	\$8,878,529.30

Since the Contract Work has been essentially completed in accordance with the Contract Documents, we recommend the District accept said Work. Subsequent to Board acceptance, a Notice of Completion should be filed and thereafter, following the lien period, the District should make final payment (i.e. release retained amount), provided no Stop Notices have been filed. Payment Request No. 12 (the final pay request) and the Retention Pay Request are attached.

If you have any questions, please call.

Sincerely,

KRIEGER & STEWART



Patrick M. Watson

PMW/jmw
818-63P6P4-RECACCEPT

Attachments: Payment Request No. 12
Retention Payment Request

Record Without Fee
Per Govt. Code 6103

Recording Requested By:
Yucaipa Valley Water District

And When Recorded Mail To:
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399

SPACE ABOVE THIS LINE FOR RECORDERS USE

NOTICE OF COMPLETION

Project Number: N/A CMMS Number: P-03-213
Director Memorandum Number for Authorization: DM 11-080
Director Memorandum Number for Notice of Completion: DM 12-XXX

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest in the property hereinafter described:
2. The full name of the owner is Yucaipa Valley Water District
3. The full address of the owner is 12770 Second Street, Yucaipa, CA 92399
4. A work performed hereinafter described was completed on September 13, 2012. The work done was: Construction of the Yucaipa Regional Brineline Extension Phase 3
5. The name of the contractor for such work was: W.A. Rasic Construction Co., Inc.
August 17, 2011
(Date of Contract)
6. The property on which said work was complete in the City of Redlands, Loma Linda and San Bernardino
County of San Bernardino, State of CA, and is described as APN: N/A
7. The street address of said property is None
(if no street address has been assigned, insert "none")

Dated October 15, 2012

Brent Anton, Engineering Project Integrator

Verification

I, the undersigned, say: I am the General Manager of the Declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the comments thereof; the same is true to my knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 17, 2012 at Yucaipa, CA.

Joseph B. Zoba, General Manager

Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399
(909) 797-5118

PARTIAL PAYMENT ESTIMATE # 13 (Retention)

Name of Contractor: W.A. Rasic Construction Company, Inc.		
Name of Owner: Yucaipa Valley Water District		
Date of Completion:	Amount of Contract:	Dates of Estimate:
Original 8/31/2012	Original 9,350,000.00	From N/A
Revised 9/13/2012	Revised 8,878,529.30	To N/A

Description of Job:

Yucaipa Valley Regional Brineline Extension (Phase 3)

Item #	Description	Contract Items			This Period		Total to Date	
		Quantity	Unit Price	Total	Quantity	Amount	Quantity	Amount
1	General Requirements	1	\$180,000.00	\$180,000.00	0.00	\$0.00	1.00	\$180,000.00
2	Mobilization / Demobilization	1	\$260,000.00	\$260,000.00	0.00	\$0.00	1.00	\$260,000.00
3	Excavation Safety Measures	1	\$248,500.15	\$248,500.15	0.00	\$0.00	1.00	\$248,500.15
4	20" HDPE	24,429	\$168.00	\$4,104,072.00	0.00	\$0.00	24,429.00	\$4,104,072.00
5	HDD (Santa Ana River)	1	\$565,000.00	\$565,000.00	0.00	\$0.00	1.00	\$565,000.00
6	HDD (San Timoteo Creek)	1	\$265,000.00	\$265,000.00	0.00	\$0.00	1.00	\$265,000.00
7	Flow Metering Facility	1	\$130,000.00	\$130,000.00	0.00	\$0.00	1.00	\$130,000.00
8	Jack & Bore (Barton Road and California Street)	1	\$245,000.00	\$245,000.00	0.00	\$0.00	1.00	\$245,000.00
9	Jack & Bore (Gage Canal)	1	\$110,000.00	\$110,000.00	0.00	\$0.00	1.00	\$110,000.00
10	Jack & Bore (San Timoteo Creek Channel at Van Leuven Bridge)	1	\$190,000.00	\$190,000.00	0.00	\$0.00	1.00	\$190,000.00
11	Jack & Bore (I-10 Freeway)	1	\$290,000.00	\$290,000.00	0.00	\$0.00	1.00	\$290,000.00
12	Jack & Bore (Hospitality Lane)	1	\$290,000.00	\$290,000.00	0.00	\$0.00	1.00	\$290,000.00
13	Jack & Bore (Orange Grove Road)	1	\$140,000.00	\$140,000.00	0.00	\$0.00	1.00	\$140,000.00
14	Brineline Maintenance Holes	28	\$12,000.00	\$336,000.00	0.00	\$0.00	28.00	\$336,000.00
15	Brineline Air Ventilation Valves	8	\$14,500.00	\$116,000.00	0.00	\$0.00	8.00	\$116,000.00
16	Brineline Drains	3	\$11,500.00	\$34,500.00	0.00	\$0.00	3.00	\$34,500.00
17	Brineline Transition Manhole	1	\$65,000.00	\$65,000.00	0.00	\$0.00	1.00	\$65,000.00
18	Remove/Dispose of AC Paving and Base	17,850	\$5.00	\$89,250.00	0.00	\$0.00	17,850.00	\$89,250.00
19	AC Base Pavement and Base	17,850	\$14.50	\$258,825.00	0.00	\$0.00	17,850.00	\$258,825.00
20	Remove/Dispose of Reinforced Concrete Road Bed (Redlands Boulevard)	1,022	\$50.00	\$51,100.00	0.00	\$0.00	1,022.00	\$51,100.00
21	Owner Directed Geotextile Fabric Wrap	1,000	\$10.00	\$10,000.00	0.00	\$0.00	1,000.00	\$10,000.00

Yucaipa Valley Regional Brineline Extension (Phase 3)
Project No. P-03-213

Partial Payment Form
57444-4C
K-1

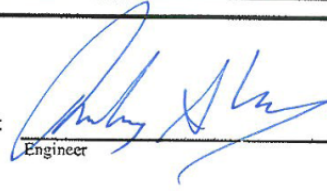
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399
(909) 797-5118

PARTIAL PAYMENT ESTIMATE # 13 (Retention)

I hereby certify that I have carefully inspected the work and as a result of my inspection and to the best of my knowledge and belief, the quantities shown in this estimate are correct and have not been shown in previous estimates and the work has been performed in accordance with the contract documents.

DATE: 10/5/12
W.A. NASIC CONSTRUCTION, INC
Name of Contractor
BY: H. Tom
Director, Public Works Div.
Title

YUCAIPA VALLEY WATER DISTRICT

BY: 

Engineer

BY: _____

Inspector

Yucaipa Valley Regional Brineline Extension (Phase 3)
Project No. P-03-213

Partial Payment Form
57444-4C
K-3



Director Memorandum 12-091

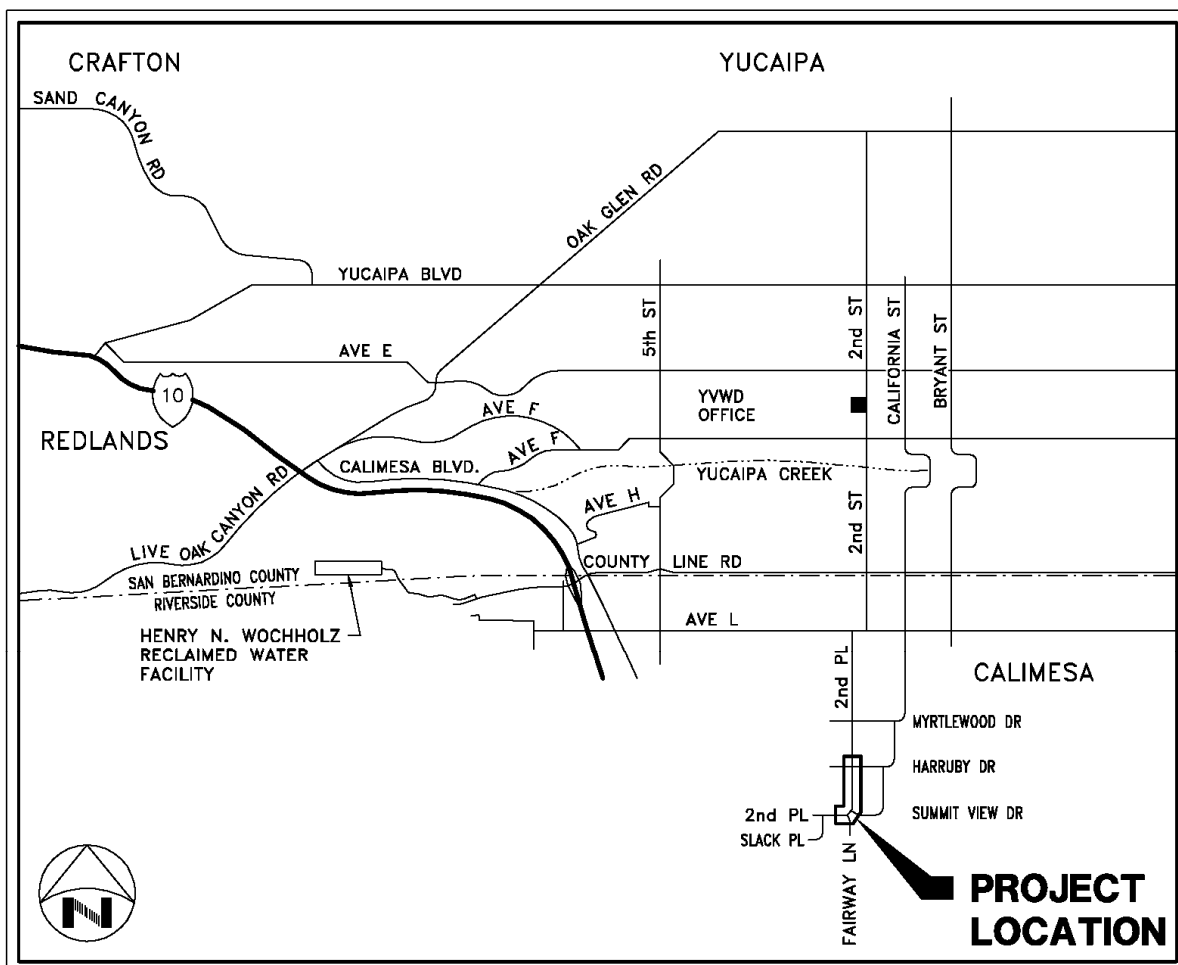
Date: October 17, 2012

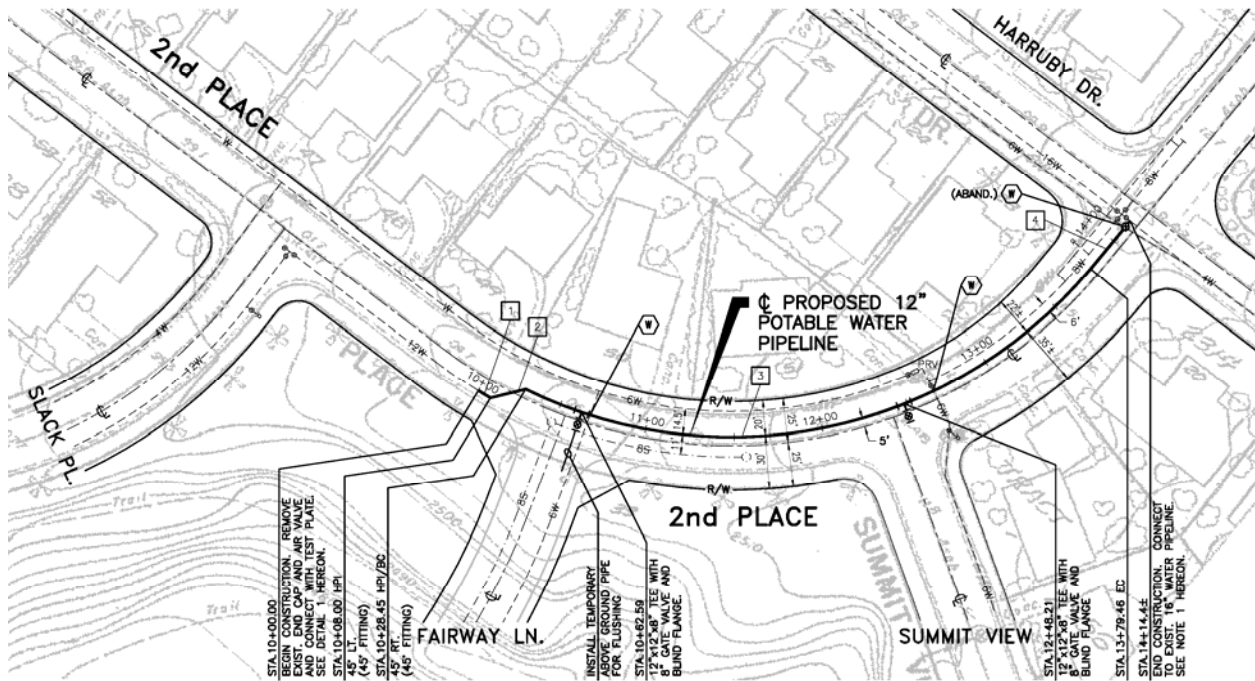
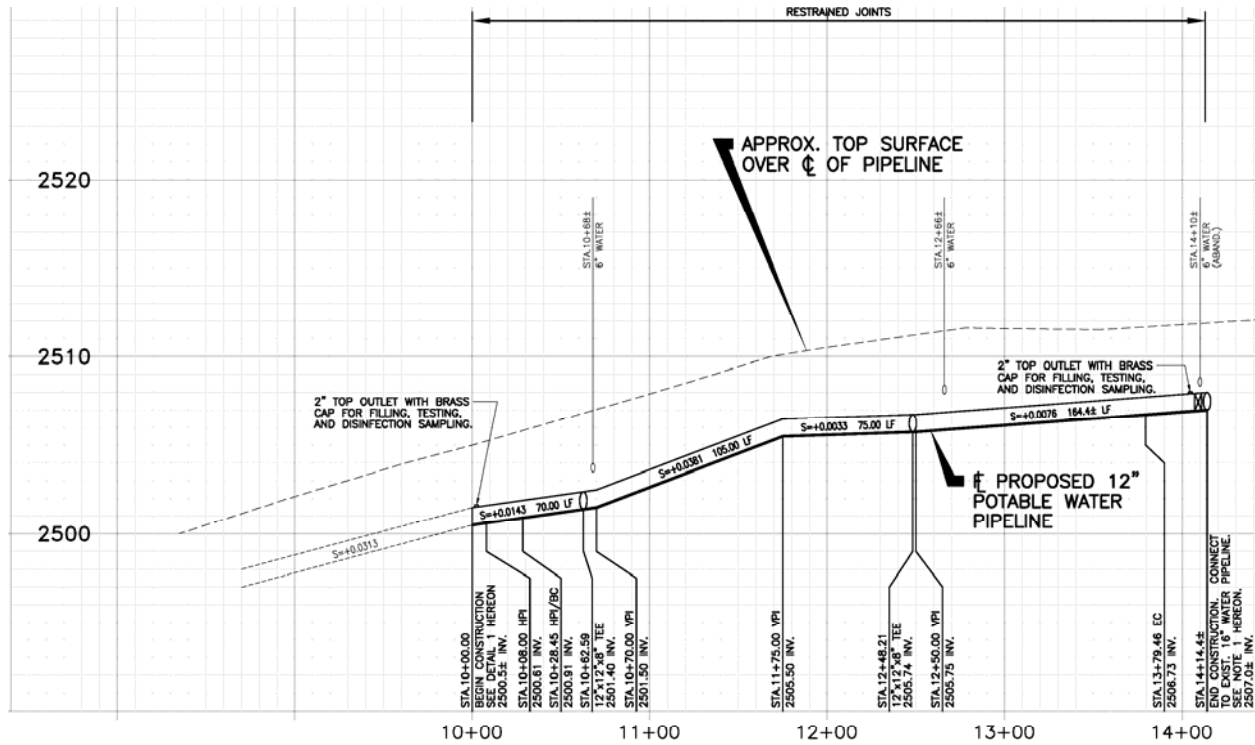
Prepared By: Brent Anton, Engineering Manager

Subject: Ratification of Award of Contract to Merlin Johnson Construction, Inc. for the Second Place Pipeline at Harruby Drive, Calimesa

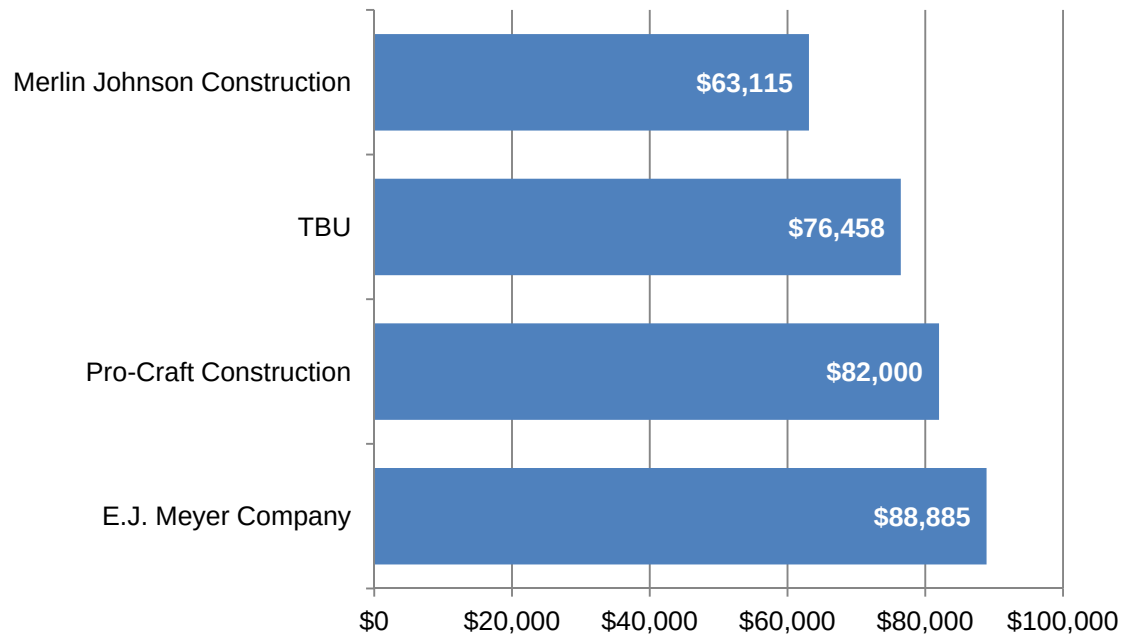
Recommendation: That the Board ratifies the award of a construction contract to Merlin Johnson Construction, Inc. for a sum not to exceed \$63,115.00.

The District staff has been working with the MasterCraft development to extend a water source of supply from Pressure Zone 13 to the area south of the Calimesa Country Club. New pipelines have been installed by the developer except for a length of 400 feet which is the responsibility of the District. Rather than have District staff members install this pipeline, the District elected to solicit proposals from local contractors to complete the remaining pipeline.





On Wednesday, September 26, 2012, the Yucaipa Valley Water District opened bids for the Second Street Pipeline south of Harruby Drive, Calimesa. The District staff awarded a construction contract to the low bidder to keep the overall project on schedule and to facilitate the construction schedule for the contractors. The bid breakdown is as follows:



PROPOSALPROPOSAL TO: YUCAIPA VALLEY WATER DISTRICT

The undersigned bidder hereby proposes to furnish all labor, materials, equipment, tools, and services necessary to perform all work required under the Bidding Schedule of the Owner's Specifications entitled:

2ND PLACE PIPELINE AT HARRUBY

in accordance with the intent of said Specifications and Drawings issued by said Owner prior to opening of the proposals.

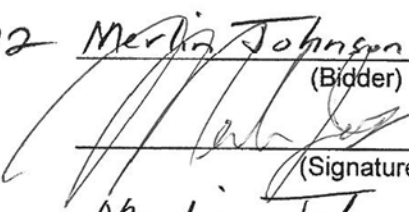
Said bidder agrees that, within 1 working days after receipt of the contract from said Owner, he will execute said contract in the required form, of which the Proposal, Specifications, and Drawings issued by said Owner are a part, and will secure the required insurance and furnish the required insurance certificates.

Said bidder fully understands the scope of the work and has checked carefully all words and figures inserted in the Bid and he/she further understands that the Owner will in no way be responsible for any errors or omissions in the preparation of this Bid.

The undersigned is licensed in accordance with the Laws of the State of California:

License: General Engineering Number: 467306 Class: A

Said bidder further agrees to complete all work required under the contract within the time stipulated in said Specifications, and to accept in full payment therefore the price(s) named in the above-mentioned Bidding Schedule(s).

Dated: Sept. 25, 2012 Merlin Johnson Construction, Inc
(Bidder)

(Signature)
Merlin Johnson, President

2nd Place Pipeline at Harruby
9/19/2012

Proposal C-1

PROPOSAL BIDDING SCHEDULEfor
2ND PLACE PIPELINE AT HARRUBY

Bidder Schedule shall be complete in its entirety or will be rejected.

Item No.	Estimated Quantity/Unit	Description	Unit Price	Extended Price
101	L.S.	Furnish project insurance and project bond.	L.S.	1835
102	L.S.	Mobilization and demobilization.	L.S.	1600
103	L.S.	State required line item for Sections 6705 and 6707, excavation safety measures.	L.S.	500
104	L.S.	Furnish and install 410'± of 12" cement mortar lined ductile iron pipe, per Construction Drawings, including rock in pipe zone, excavation, export of native material, import and backfill of sand for pipe zone, import and backfill of Class II base above pipe zone, compaction, and end connections to existing water.	L.S.	41,000
105	L.S.	Test and disinfect water pipeline.	L.S.	1,200
106	L.S.	Furnish and install AC pavement over mainline per City of Calimesa Standards (Appendix B).	L.S.	16,980

Sum of Bid Items 101 through 106: \$ 63,115Total Bid in Words: Sixty Three thousand one hundred Fifteen and No/1002nd Place Pipeline at Harruby
9/19/2012

Proposal C-2

Item #	Description	Merlin Johnson Construction	TBU, Inc.	Pro-Craft Construction, Inc.	E.J. Meyer Company
101	Furnish Project Insurance & Project Bond	\$1,835.00	\$3,000.00	\$2,000.00	\$3,000.00
102	Mobilization & Demobilization	\$1,600.00	\$10,000.00	\$2,000.00	\$5,000.00
103	Excavation Safety Measures	\$500.00	\$1,000.00	\$1,000.00	\$2,000.00
104	Furnish & Install 410' of 12" DIP	\$41,000.00	\$38,458.00	\$64,000.00	\$63,888.00
105	Test & Disinfect Water Pipeline	\$1,200.00	\$2,000.00	\$1,000.00	\$5,000.00
106	Furnish & Install AC Pavement	\$16,980.00	\$22,000.00	\$12,000.00	\$10,000.00
Total:		\$63,115.00	\$76,458.00	\$82,000.00	\$88,888.00



Director Memorandum 12-092

Date: October 17, 2012

Prepared By: Jennifer Ares, Resource Sustainability Manager
John Hull, Public Works Manager

Subject: Engineering and Regulatory Support Service Contract for the Recycled Water System Conversion Process

Recommendation: That the Board approves a contract with RMC Water and Environment for a sum not to exceed \$34,925.

Yucaipa Valley Water District is near completion of the Wochholz Improved Salinity Effluent (WISE) Project. This will allow for the District to supply recycled water to customers. In order to convert the non-potable water currently in the recycled system to recycled water, the District needs to conduct several steps to meet regulatory requirements.

RMC Water and Environment has prepared a Scope of Services to assist district staff with various tasks needed to comply with Title 22 and permit requirements. The Scope of Services is attached for review.

**YUCAIPA VALLEY WATER DISTRICT
RECYCLED WATER CUSTOMER SUPPORT SERVICES**

SCOPE OF SERVICES

**RMC WATER AND ENVIRONMENT
OCTOBER 2012**

BACKGROUND

In the last several years the Yucaipa Valley Water District (District) constructed an extensive non-potable water distribution system to help satisfy increasing demands and to reduce the growing overdraft of local groundwater supplies. The sources of non-potable water distributed through the system is intended to be a mixture of advanced tertiary treated wastewater (recycled water) generated at the Henry N. Wochholz Water Recycling Plant (WWRP), untreated imported water from the State Water Project, Microfiltration (MF) backwash water and Nanofiltration (NF) concentrate from the Yucaipa Valley Regional Water Filtration Facility (YVRWFF). Deliveries began in 2002.

The District will connect the WWRP with completion of the Phase II expansion of the recycled water system around the end of 2012. As such, it will be necessary for the District to verify compliance with the Title 22 and permit requirements for each customer that has been receiving non-potable water. These customers include:

1. Bryant-Glen Sport Complex
2. Parkview Middle School
3. Ridgeview Elementary School
4. Chapman Heights common areas
5. Yucaipa Valley Golf Club
6. 7th Street Park
7. Yucaipa City Hall
8. Meadow Creek Elementary School

The District's permit for recycled water requires the following:

7. *Prior to delivering recycled water to any new user, the Discharger shall submit to the Regional Water Board, the California Department of Health Services and the County Environmental Health Department a report containing the following information for review and approval:*
 - a. *The average number of persons estimated to be served at each use site area on a daily basis.*
 - b. *The specific boundaries of the proposed use site area including a map showing the location of each facility, drinking water fountain, and impoundment to be used.*

- c. *The person or persons responsible for operation of the recycled water system at each use area.*
 - d. *The specific use to be made of the recycled water at each use area.*
 - e. *The methods to be used to assure that the installation and operation of the recycled system will not result in cross connections between the recycled water and potable water piping systems. This shall include a description of the pressure, dye or other test methods to be used to test the system.*
 - f. *Plans and specifications which include following:*
 - 1) *Proposed piping system to be used.*
 - 2) *Pipe locations of both the recycled and potable systems.*
 - 3) *Type and location of the outlets and plumbing fixtures that will be accessible to the public.*
 - 4) *The methods and devices to be used to prevent backflow of recycled water into the potable water system.*
 - 5) *Plan notes relating to specific installation and use requirements.*
8. *The Discharger shall require the user(s) to designate an on-site supervisor responsible for the operation of the recycled water distribution system within the recycled water use area. The supervisor shall be responsible for enforcing this Order, prevention of potential hazards, the installation, operation and maintenance of the distribution system, maintenance of the distribution and irrigation system plans in "as-built" form, and for the distribution of the recycled wastewater in accordance with this Order.*

Much of this information was collected when these customers were originally connected to the non-potable system. This information needs to be updated, compiled into a report and submitted to the regulatory agencies.

SCOPE OF SERVICES

This Scope of Services is to provide the District with engineering and regulatory support services associated with recycled water customers. The proposed services include:

- Assistance with Recycled Water Customer Regulatory Report
- Assistance with development of a Site Supervisor Training program

The following describes the specific tasks proposed to be performed in support of the Recycled Water program for the items identified.

Task 1 – Assistance with Recycled Water Customer Regulatory Report

This task involves assisting District staff to prepare the report for RWQCB and CDPH that is required in the permit. Specific tasks include the following:

- Research files and coordinate with staff to identify status of information previously prepared.

- Participate with staff in field visits to identify any changes to site conditions
- Update drawings as needed for existing sites
- Prepare new drawings if needed
- Assist staff with any cross-connection testing needed
- Compile information into a report for submittal to the RWQCB and CDPH
- Attend meeting with Regulatory Agencies to review the report
- Revise report based on comments received from the regulatory agencies

New drawings will be prepared as required for review by the District. If needed, existing drawings will be modified. RMC will use aerial photos as the background for the new site drawings if Record Drawings are not available. Drawings will include a color-coded site plan showing the existing and proposed site piping and a plumbing schematic showing proposed piping modifications in an isometric view. Drawings will include (1) a cover page, (2) details and legend, and (3), one to two sheets of the site plan and design in order adequately cover the entire customer site area at scale.

Task 1 Deliverables:

- Draft Report for review by District
- Updated Report for submittal to RWQCB and CDPH
- Final Report that incorporates comments from regulatory agencies

Task 2 Assumptions:

- 3 customer sites will require new drawings
- Two days of field visits will be required during preparation of the Report
- District to coordinate all site visits
- 2 customer sites will require cross connection testing to verify integrity of the systems. RMC will assist the District with cross connection testing.

Task 2 – Recycled Water Site Supervisor Training

This task involves the effort associated with assisting District staff with development and conducting Site Supervisor Training classes as required to comply with requirements for recycled water use. The purpose of the training classes is to ensure that Site Supervisors receive appropriate training for proper use and operation of onsite recycled water systems. The goal is that Site Supervisors receive relevant and practical information that is appropriate given their level of knowledge about recycled water application. Each training class will be conducted in a half-day. One planning meeting with District staff will be held in preparation for the training classes and to review training materials.

Task 2 Deliverables:

- Power point presentation that summarizes training material

Task 2 Assumptions:

- One planning meetings with District staff to review site supervisor training material and power point presentation
- District responsible for copies of training material for distribution to site supervisors
- District responsible for coordinating with site supervisors regarding dates and location of training classes
- Conduct one training classes at venue provided by District

Task 3 – Meetings and Coordination

This task involves meetings and coordination with District staff and others as may be necessary during the project. Monthly status reports will be provided with invoices to document the activities of RMC.

**YUCAIPA VALLEY WATER DISTRICT
RECYCLED WATER CUSTOMER SUPPORT SERVICES**

**Exhibit A
RMC WATER AND ENVIRONMENT - ESTIMATED LEVEL OF EFFORT**

Item Task	Principal		Project Engineer		CAD Designer		Clerical		Total Labor Hrs	Total Cost
	Hrs	\$	Hrs	Cost	Hrs	Cost	Hrs	Cost		
Hourly rate										
1 Assistance with Recycled Water Customer Report										
Review Existing Documentation	2	\$ 450	4	\$ 700		\$ -		\$ -	6	\$ 1,150
Participate in field visits to verify conditions		\$ -	16	\$ 2,800		\$ -		\$ -	16	\$ 2,800
Update drawings as needed		\$ -	8	\$ 1,400	16	\$ 1,840		\$ -	8	\$ 1,400
Prepare new drawings as needed (3 sites assumed)	1	\$ 225	16	\$ 2,800	24	\$ 2,760		\$ -	17	\$ 3,025
Assist with cross connection testing		\$ -	16	\$ 2,800		\$ -		\$ -	16	\$ 2,800
Prepare Report for RWQCB and CPDH	4	\$ 900	24	\$ 4,200	4	\$ 460		\$ -	28	\$ 5,100
Attend meeting with Regulatory Agencies	4	\$ 900	4	\$ 700		\$ -		\$ -	8	\$ 1,600
Revise Report based on comments	1	\$ 225	4	\$ 700	2	\$ 230		\$ 90	6	\$ 1,015
Subtotal	12	\$ 2,700	92	\$ 16,100	46	\$ 5,290	1	\$ 90	105	\$ 18,890
2 Recycled Water Site Supervisor Training										
Planning Meetings w/ District (1)	4	\$ 900	4	\$ 700		\$ -		\$ -	8	\$ 1,600
Develop Draft Training Materials	4	\$ 900	12	\$ 2,100		\$ -		\$ -	16	\$ 3,000
Develop Final Training Materials	2	\$ 450	8	\$ 1,400		\$ -		\$ -	10	\$ 1,850
Conduct Training Workshops (1)	5	\$ 1,125		\$ -		\$ -		\$ -	5	\$ 1,125
Subtotal	15	\$ 3,375	24	\$ 4,200	0	\$ -	0	\$ -	39	\$ 7,575
3 Meetings and Coordination										
Meetings with staff and others	16	\$ 3,600	4	\$ 700		\$ -		\$ -	20	\$ 4,300
Preparation of monthly status reports	8	\$ 1,800	8	\$ 1,400		\$ -	4	\$ 360	20	\$ 3,560
Subtotal	24	\$ 5,400	12	\$ 2,100	0	\$ -	4	\$ 360	40	\$ 7,860
Direct Costs									\$	600
Total	51	\$ 11,475	128	\$ 22,400	46	\$ 5,290	5	\$ 450	184	\$ 34,925



Director Memorandum 12-093

Date: October 17, 2012

Prepared By: Jack Nelson, Assistant General Manager
Sara Onate, Administrative Clerk IV

Subject: Renewal of the Workers' Compensation Insurance Policy for the Yucaipa Valley Water District

Recommendation: Pending

The District staff is in the process of finalizing the annual renewal of our workers' compensation insurance for a new term starting on November 1, 2012. The attached information is currently being reviewed by District staff and discussed with our insurance provider. A recommendation from District staff will be provided at the board meeting.



Workers' Compensation Insurance Proposal

Yucaipa Valley Water District

Effective 10/31/2012 to 10/31/2013

Presented by:
David McNeil, ARM
Vice-President
949.417.9138
dmcneil@edgewoodins.com

Bill Spitzel, ARM, CLCS
Account Executive
949.417.9148
bspitzel@edgewoodins.com

Deb Bailey
Account Manager
949.417.9105
dbailey@edgewoodins.com

License OB29370

19000 macarthur blvd., suite 900, Irvine, ca 92612
telephone 949.263.0606 ~ Facsimile 949.263.0906 ~ www.edgewoodins.com

Insurance Summary

Carriers Approached

Carrier	Best's Rating	Result
SeaBright Ins. Co.	A-IX	Quote Attached - \$182,031
BHHC – Oak River Ins. Co.	A++XIII	Quote Attached - \$244,406
State Compensation Ins. Fund	NR	Indication - \$256,459
Chartis Ins.	AXV	Indication - \$250,000+
Liberty Ins. Co.	AXV	Pending
Crum & Forster Ins.	AXIII	Declined Due to Loss History
Chubb Ins. Co.	A++	Do Not Write Mono-Line W.C.
CNA Ins. Co.	AXV	Do Not Write Mono-Line W.C.
Everest Ins. Co.	A+XV	Do Not Write Class of Business
Fireman's Fund Ins.	AXV	Do Not Write Mono-Line W.C.
Hartford Ins. Co.	AXV	Do Not Write Mono-Line W.C.
Ins. Co. of the West (ICW)	A-XV	Does Not Write Sanitation
Old Republic Ins.	A+XI	Do Not Write Class of Business
Tower Ins. Co.	A	Over Minimum Premium
Travelers Ins. Co.	A+	Do Not Write Mono-Line W.C.
Zurich Ins.	A+	Do Not Write Mono-Line W.C.

Workers Compensation Renewal Comparison YUCAIPA VALLEY WATER DISTRICT							
		2011 – 2012 SeaBright Insurance			2012-2013 SeaBright Insurance		
State/Class Code	Description	Estimated Payroll	Base Rate	Net Rate	Estimated Payroll	Base Rate	Net Rate
7520	Waterworks Ops	2,129,699	8.39	5.15	1,943,401	9.96	6.23
7580	Sanitation	844,996	11.62	7.14	698,214	12.24	7.65
8810	Clerical – NOC	672,300	.83	.51	745,370	1.01	.63
8742	Salespersons O/S	329,573	.99	6.25	401,354	1.15	.72
	Experience Modification Factor	1.12			1.14		
TOTALS: Estimated Annual Premium				\$175,488			\$182,031

Premium Does Not Include State Taxes and Fees



SeaBright Insurance Company
Workers Compensation Insurance Proposal for:
Yucaipa Valley Water District

Effective 10/31/12 to 10/31/13

Guaranteed Cost Plan

Edgewood Partners Insurance Center

SeaBright Insurance Company is a specialized Workers' Compensation insurer and services provider dedicated to delivering quality service consistent with responsible pricing.

SeaBright has a rating of 'A-' or 'Excellent' from A.M. Best. A.M. Best assigns this rating to companies who have, in their opinion, 'an excellent ability to meet their ongoing obligations to policyholders'. Best has also assigned SeaBright to Financial Size Category IX, which includes companies with adjusted policyholder surplus of \$250 million to \$500 million.

A.M. Best ratings from 'A++' to 'B+' are considered 'Secure'. A.M. Best issues ratings ranging from 'A++' (excellent) to 'F' (liquidation).

All Certificates of Insurance should reflect the insurer:
SeaBright Insurance Company
A.M. Best #11755

SeaBright Policyholder Loss Information Reports are available via the internet from BrightVIEW, a proprietary internet based loss information system accessed via the following address: <http://www.sbic.com/brightview.html>.

BrightVIEW is a powerful interactive database where policyholders are able to view, sort and analyze their loss data according to their individual preferences. Users may create unique report formats that can be saved and used again as needed.

After binding coverage with SeaBright, policyholders will receive a claims kit that includes instructions and forms for enrollment and activation of their BrightVIEW account. Sign up forms, instructions and web demo are available at the SeaBright website.

Yucaipa Valley Water District
Effective 10/31/12 to 10/31/13
Guaranteed Cost Plan

IMPORTANT NOTICE CONCERNING

TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2007.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means, for the period beginning on January 1, 2008, and ending on December 31, 2014, an amount equal to 20% of our direct earned premiums, over the calendar year immediately preceding the applicable Program Year.

"Program Year" refers to each calendar year between January 1, 2008 and December 31, 2014, as applicable.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a Program Year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed \$100,000,000 in a Program Year, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.



Yucaipa Valley Water District
Effective 10/31/12 to 10/31/13
Guaranteed Cost Plan

IMPORTANT NOTICE CONCERNING
CALIFORNIA INSURABILITY REQUIREMENTS

If California is included in item 3A or 3C of the Information Page, the following insurability requirements exist.

MEDICAL PROVIDER NETWORK (MPN):

Your acceptance of this coverage confirms that you agree to participate in SeaBright Insurance Company's Medical Provider Network (MPN). SeaBright Insurance Company considers your participation in our MPN to be material to your insurability with us. We believe failure to participate in our MPN increases the potential for severe loss and it inhibits our ability to efficiently investigate, adjust and settle claims on your behalf.

Information on how policyholders can enroll their employees in SeaBright's BrightCure Customized Medical Provider Network can be found in the Claims section of our website at <http://www.sbic.com/resources/forms.html>.

RETURN TO WORK (RTW):

Your acceptance of this coverage confirms that you agree to implement and utilize a Return to Work (RTW) program for your injured employee which also includes light duty early return to work. SeaBright Insurance Company considers the implementation and utilization of the RTW program by you to be material to your insurability with us. We believe failure to utilize a RTW program increases the potential for severe loss and also inhibits our ability to investigate, adjust and settle claims on your behalf.



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Yucaipa Valley Water District
Effective 10/31/12 to 10/31/13
Guaranteed Cost Plan

General Policy Information

Item 2 **Effective Period**
10/31/12 to 10/31/13

Item 3A **Workers Compensation Insurance**
Part One of the policy applies to the Workers Compensation Law of the states listed here:
CA

Item 3B **Employers Liability Insurance**
Part Two of the policy applies to work in each state listed in Item 3A.
The limits of our liability under Part Two are:

Bodily Injury by Accident	\$1,000,000	each accident
Bodily Injury by Disease	\$1,000,000	policy limit
Bodily Injury by Disease	\$1,000,000	each employee

Item 3C **Other States Insurance**
Part Three of the policy applies to the states, if any, listed here:
All States Except ND, NY, OH, WA, WV, WY

Employer's Identification Number 95-2742131
Bureau Identification Number WCIRB: 2542155

Plan Terms**Guaranteed Cost Plan****Billing Terms**

Estimated Annual Premium	\$182,031	
20% Down Payment	\$36,406	
CA-Anti-Fraud Surcharge	\$482	(0.002648)
CA-Ins Guaranty Assoc Assessment	\$4,159	(0.022850)
CA-Labor Enforcement and Compliance Fund Assessment	\$433	(0.002380)
CA-Occupational Safety & Health Fund	\$428	(0.002350)
CA-Subsequent Inj Benefits Trust Fund Assessment	\$228	(0.001255)
CA-Uninsured Empl Benefit Trust Fund Assessment	\$248	(0.001362)
CA-User Fund Assessment	\$1,760	(0.009669)
Total Due At Policy Inception	\$44,144	(See Premium Payment Methods)
No Stipulated Installments	\$0	

Collateral Due At Policy Inception
None



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Yucaipa Valley Water District
Effective 10/31/12 to 10/31/13
Guaranteed Cost Plan

* Monthly payroll reporting with check due to SeaBright Insurance Company the 15th of the month.

Premium Payment Methods

ACH and Wire Transfer

SeaBright Insurance Company
Wells Fargo Bank
ABA Number: 121000248
Account Number: 412-2256878

US Mail

SeaBright Insurance Company
Lockbox # 774268
4268 Solutions Center
Chicago, IL 60677-4002

****Make checks payable to: SeaBright Insurance Company**

Security Requirements



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Yucaipa Valley Water District
Effective 10/31/12 to 10/31/13
Guaranteed Cost Plan

Terms and Agreements

All coverage extensions offered are detailed in this proposal. Coverage extensions and endorsements not specifically mentioned regardless of their presence in the submission, are not included. All Premiums are subject to change due to changes in rates, experience modifications or any other items due to changes required from regulatory entities having jurisdiction over such areas.

A service audit will be performed within the first ninety days of coverage to ensure proper classification of exposure.

This Quote expires on the proposed effective date or in 30 days from the date of the Quote, whichever comes first.

If during the course of the policy a new entity is acquired or the scope of your operations materially changes, we reserve the right to change the pricing and/or program based on the exposures, losses and risk characteristics of the new operations.

Please note that this quote may not contain all of the coverages that were requested on the application. Please review this quote for coverage accuracy.

Conditional Forms

<u>WC 00 04 06 A</u>	Premium Discount Endt - Table 9	
	Linked/Companion Policy Numbers	N/A
<u>WC 99 06 01</u>	Payroll Reporting/Billing Schedule	

Mandatory Forms

<u>WC 00 00 00 B</u>	WC & EL Insurance Policy
<u>WC 00 00 01 A</u>	Policy Information Page
<u>WC 99 03 02</u>	Named Insured Schedule
<u>WC 00 04 19</u>	Premium Due Date Endorsement
<u>WC 00 04 21 C</u>	Catastrophe (other than Certified Acts of Terrorism) Premium Endt
<u>WC 00 04 22 A</u>	Terrorism Risk Ins Program Reauthorization Act Disclosure Endt
<u>WC 04 03 01 B</u>	CA Policy Amendatory Endt
<u>WC 04 03 10</u>	CA Duty to Defend
<u>WC 04 04 22</u>	CA Short-Rate Cancellation Endt
<u>WC 04 06 01 A</u>	CA Cancellation Endt



Yucaipa Valley Water DistrictEffective 10/31/12 to 10/31/13
Guaranteed Cost Plan**Rating Exhibit***Please note that for all calculations, unless otherwise specified, the premium base used will be the result from the prior line.***California State Act 10/31/12-10/31/13****Yucaipa Valley Water District-CA Ops - Second St 10/31/12-10/31/13**

<u>Class Code</u>	<u>Description</u>	<u>Payroll/Count</u>	<u>Rate</u>	<u>Premium</u>
7520	Waterworks--Operation--All Employees-- Including Construction or Extension of Lines.	\$1,943,401	\$9.96	\$193,563
7580	Sanitary or Sanitation Districts Operation--All Employees.	\$698,214	\$12.24	\$85,461
8742-1	Salespersons--Outside.	\$401,354	\$1.15	\$4,616
8810-1	Clerical Office Employees--N.O.C.	\$745,370	\$1.01	\$7,528

<u>Class Code</u>	<u>Factor Description</u>	<u>Factor</u>	<u>Amount</u>	<u>Premium</u>
	Manual Premium		\$291,168	\$291,168
9812	Employer Liability Inc Limits (Applied to Manual Premium)	0.00 %	\$0	\$291,168
9898	Experience Modification Factor	1.140	\$40,764	\$331,932
9887	Schedule Credit	40.00 %	(\$132,773)	\$199,159
0063	Premium Discount (Applied to Standard Premium)	8.60 %	(\$17,128)	\$182,031
9740	Terrorism	0.000	\$0	\$182,031
Premium for Yucaipa Valley Water District-CA Ops - Second St 10/31/12-10/31/13				\$182,031

	Payroll for California State Act	\$3,788,339
Premium for California State Act		\$182,031

Payroll for California	\$3,788,339	
Total Payroll for Yucaipa Valley Water District	\$3,788,339	
Premium for California		\$182,031
Total Estimated Annual Premium for Yucaipa Valley Water District		\$182,031

*Includes Premium Charge for Terrorism	\$0
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*Includes Premium Charge for Catastrophe (other than Certified Acts of Terrorism)	\$0
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Yucaipa Valley Water District

Effective 10/31/12 to 10/31/13

Guaranteed Cost Plan

CA-Anti-Fraud Surcharge 10/31/12 - 10/31/13	0.002648	\$482
CA-Ins Guaranty Assoc Assessment 10/31/12 - 10/31/13	0.022850	\$4,159
CA-Labor Enforcement and Compliance Fund Assessment 10/31/12 - 10/31/13	0.002380	\$433
CA-Occupational Safety & Health Fund 10/31/12 - 10/31/13	0.002350	\$428
CA-Subsequent Inj Benefits Trust Fund Assessment 10/31/12 - 10/31/13	0.001255	\$228
CA-Uninsured Empl Benefit Trust Fund Assessment 10/31/12 - 10/31/13	0.001362	\$248
CA-User Fund Assessment 10/31/12 - 10/31/13	0.009669	\$1,760

Quote 1
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WORKERS COMPENSATION QUOTE PROPOSAL**Berkshire Hathaway Homestate Companies***Cypress Insurance Company***INSURED:** YUCAIPA VALLEY WATER DISTRICT12770 SECOND ST.
YUCAIPA, CA 92399**PRODUCER:** DEB BAILEY
Edgewood Partners Insurance Center
19000 MacArthur Blvd.
Penthouse Floor
Irvine, CA 92612
Phone: (949) 263-0606
Fax: (949) 263-0906**POLICY PERIOD: 10/31/2012 - 10/31/2013****Renewal of Policy #**

Quote Expires: 10/31/2012

Base Premium	236,205
Ex-Mod Adjustment (114%)	33,069
Standard Premium	269,274
Risk Adjustment	-24,868

Estimated Annual Premium 244,406

CA - Taxes & Fees 10,391

Total Premium 254,797

Minimum Premium: 2,979

Deposit (including Taxes & Fees): 47,051

Installments: 9 @ 23,082

CLASS CODE	DESCRIPTION	ESTIMATED ANNUAL PAYROLL	NET RATE	BASE RATE	EST. ANNUAL PREMIUM
7520	WATERWORKS - operation - all employees - including construction or extension of lines	1,943,401	8.36	8.08	162,479
7580	SANITARY OR SANITATION DISTRICTS OPERATION - all employees	698,214	10.27	9.93	71,740
8742	SALESPERSONS - Outside	401,354	0.96	0.93	3,862
8810	CLERICAL OFFICE EMPLOYEES - N.O.C.	745,370	0.85	0.82	6,324

UNDERWRITER COMMENTS

This quote provides coverage for the state of California only. In addition, the quote does not provide any coverage for volunteers or USL&H exposures.

Berkshire Hathaway Homestate Companies
Cypress Insurance Company
PO Box 881236 San Francisco, CA 94188
Phone: (888) 495-8949 Fax: (866) 228-4613

Your EPIC Account Team & Contact Information

David McNeil, ARM

Vice-President

dmcneil@edgewoodins.com

949.417.9138

Overall Account Management

Deb Bailey

Account Manager

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949.417.9105

Daily Account Management

Marie Engstrom

Claims Consultant

Property & Casualty

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949.417.9118

Dan Ryan

Principal

Overall Client Satisfaction

dryan@edgewoodins.com

949.417.9118

Bill Spitzel, ARM

Account Executive

bspitzel@edgewoodins.com

949.417.9148

Overall Account Management

General Contact Information

Main Number 949.263.0606

Main Toll Free 800.345.7242

Facsimile 949.263.0906

Certificates 949.263.0906

Claims Toll Free 877.342.2526

Private Client 866.722.2526

Employee Benefits 877.225.2648

We Are EPIC

As a full service brokerage, EPIC provides you with a wide array of risk management, commercial insurance, personal insurance & employee benefits products and services

EPIC is a premier Independent Insurance Brokerage firm with expertise in the development, coordination and marketing of insurance portfolios. We already are one of the top insurance brokers in the United States of America with premium volume in excess of \$200 million.

Our client base is loyal and diversified which provides us with opportunities to trouble shoot the most complex of issues facing clients. We believe this experience makes us invaluable to our clients. Your challenges become our opportunities to prove our value to you. Our philosophy is "The client always comes first". We accomplish this through action as we do not have the corporate edits or bureaucracy many of our competitor's must endure.

With EPIC Partner's acquisition of Calco, we not only remain flexible and hands-on, we have \$100 million in financial and corporate backing to provide the resources our clients need. EPIC's backing will enable our clients to have the best of both worlds! We believe this is an unbeatable combination.

The principals of EPIC each bring over 25 years of industry experience working with clients like Salesforce, Yahoo, Peoplesoft and Sanmina, to name a few. Our expansion will continue in California with a focus on Employee Benefits, Business Insurance, Technology, Wind & Energy, Construction and other specialized industry segments. Plans are in place to open several new locations including San Francisco and the East Bay, along with explosive growth in Sacramento and Southern California.

Commercial Insurance

Property, Casualty, Auto, Environmental, Directors and Officers, Employment Practices Liability, Professional Liability, Excess, Workers' Compensation, Crime, K&R, Fiduciary, Marine, Multinational, Warranty/Recall, Patent Infringement, Internet & Cyber Liability, and more ...

Emphasis in particular Industry segments: Technology, Construction, Wind & Energy, Real Estate and more ...

Employee Benefits

Toll free HELP Line, On-line Human Resource Services, Health & Benefits Fairs, 5500 Filing Signature Ready, Compliance Audit, COBRA Compliance Audit, Employee Communications Materials, Multinational Benefits, Benefits Management, 125 Plans, ERISA & HIPAA Compliance, Industry Surveys and more

Medical, Dental, Vision, Key Man Life, Executive Benefits, STD/LTD, Life/AD&D, Flex Spending Accounts, Long-term Care, 401K, Cobra Administration, EAP and more ...

Private Client

Provides personalized coverage and service to protect personal assets such as Homes of any value, standard and unique Automobiles, Excess Liability (Umbrella) for that extra level of protection, Watercraft from Yachts to Sailboats, Personal Articles such as Jewelry, Fine Arts, Wine Collections, Silverware, Musical Instruments, Sports Memorabilia .Our Private Client Division goes the extra mile to provide the best service possible by offering clients an Asset Protection Review, and more ...

EPIC's Service Commitment

EPIC will provide you with the following services:

- Return all telephone calls within 24 hours.
- Issue Certificates of Insurance on a 24-hour turnaround or same day if received before 3:00 PM (as needed).
- Process requests for insurance program changes promptly.
- Track the status of all open claims.
- Review estimated payrolls and receipts.
- Review coverages with you as needed or at least.
- Present renewal insurance program in a timely manner.
- Keep you up-to-date about important insurance industry developments throughout the year.

When to Notify EPIC

It is very important that we are informed whenever a significant change in your operation takes place.

We should be notified promptly of any change, such as:

- Additional locations, new construction/projects
- Change in property values
- Change of ownership
- Sudden changes in sales/income/payroll
- Change in hazards (increase or decrease)
- Change in security or protection
- Change in product line
- New contractual obligations
- Change of vehicles/drivers
- Change of operation
- Change in shipment
- Leased, rented and borrowed equipment

The above are listed as *examples* of situations we should be made aware of; there are many others as well. If any questions arise, please call us.

EPIC's Claims Advocacy

Claim reporting is simple!

Choose the most convenient method to report your claim:

- **Telephone:** Call our toll free number 800.282.2526
- **Fax:** Complete your paperwork and fax it to us at 949-263-0906
- **Internet:** Workers' Compensation Claims and questions
Email EPIC or Carrier directly for assistance
- **Internet:** Property & Casualty Claims and questions
Email Marie Engstrom - mengstrom@edgewoodins.com

Your EPIC Claims Team...second to none.

We have highly effective Claims Advocacy and Specialists with extensive depth and breadth. They have held positions with insurance carriers, insurance brokers and managing general agents representing reinsurance carriers. This experience provides our clients with broad-based claims expertise in multiple areas of insurance. Because of this diversity they are successful in communicating with all parties including claims adjusters, attorneys and you.

Our dedicated team responds to all of your Commercial Insurance claims needs including:

- Assisting you with reporting of Property & Casualty claims
- Providing you with Workers' Compensation claims reviews & advocacy
- Acting as liaison between you and the insurance carrier
- Reviewing summons and complaints prior to insurance carrier submission

DIRECTOR COMMENTS

ANNOUNCEMENTS