



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, November 18, 2015 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.
 - A. Minutes of Meetings
 - 1. Regular Board Meeting - November 4, 2015
 - 2. Board Workshop - November 10, 2015
 - B. Payment of Bills
 - 1. Approve/Ratify Invoices for Board Awarded Contracts
 - 2. Ratify General Expenses for October 2015
- V. **BOARD REPORTS**
 - A. Recycled Water Fill Station Training Session for Residential Customers - November 12, 2015
 - 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 Tysa Baeumel at (909) 797-5117 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 is also be available on the District's website at www.yvwd.dst.ca.us

VII. DISCUSSION ITEMS

- A. Discussion Regarding the Audited Financial Statements for the Period Ending on June 30, 2015 [[Director Memorandum No. 15-105 - Page 22 of 141](#)]
RECOMMENDED ACTION: That the Board receives and files the audited financial statements.
- B. Consideration of Executing a Financial Audit Contract with Vavrinek, Trine, Day & Company [[Director Memorandum No. 15-106 - Page 81 of 141](#)]
RECOMMENDED ACTION: That the Board authorizes the District staff to execute audit engagement contracts with Vavrinek, Trine, Day & Co. through Fiscal Year 2018-19 for a sum not to exceed \$23,900 per year for the preparation of basic audited financial statements, excluding single audit reports if needed.
- C. Unaudited Financial Report for the Period Ending on October 31, 2015 [[Director Memorandum No. 15-107 - Page 94 of 141](#)]
RECOMMENDED ACTION: That the Board receives and files the unaudited financial report as presented.
- D. Change Order No. 1 and Notice of Completion for the Construction Contract with Borden Excavating for the 30" and 12" Drinking Water Pipelines in Second Street, Yucaipa [[Director Memorandum No. 15-108 - Page 123 of 141](#)]
RECOMMENDED ACTION: That the Board approves Change Order No. 1 for a decrease of \$8,375.00 and authorizes the filing of the Notice of Completion and release of the retention amount of \$26,419.00 thirty-five days after the recorded date.
- E. Authorization to Solicit Bids for the Construction of an 8-Inch Drinking Water Pipeline in Date Street, Dodd Street, Panorama Drive, Lennox Street, Verona Street and Calvin Street [[Director Memorandum No. 15-109 - Page 132 of 141](#)]
RECOMMENDED ACTION: That the Board of Directors authorize the District staff to solicit bids for the construction of 740 linear feet of 8-inch ductile iron pipe in Date Street, 800 linear feet of 8-inch ductile iron pipe in Dodd Street, 691 linear feet of 8-inch ductile iron pipe in Panorama Drive, 426 linear feet of 8-inch ductile iron pipe in Lennox Street, 428 linear feet of 8-inch ductile iron pipe in Verona Street and 438 linear feet of 8-inch ductile iron pipe in Calvin Street.

VIII. DIRECTORS COMMENTS

IX. ANNOUNCEMENTS

- A. November 24, 2015 at 4:00 p.m. - Board Workshop
- B. December 2, 2015 at 6:00 p.m. - Regular Board Meeting
- C. December 8, 2015 at 4:00 p.m. - Board Workshop
- D. December 16, 2015 at 6:00 p.m. - Regular Board Meeting
- E. January 6, 2016 at 6:00 p.m. - Regular Board Meeting

X. CLOSED SESSION

- A. Conference with Real Property Negotiator(s)
Property: Assessor's Parcel Numbers: 0301-211-020 and 0301-201-030
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Mesa Verde Ventures LLC c/o Betek Corporation
Under Negotiation: Terms of Payment and Price

XI. ADJOURNMENT

Consent Calendar



Yucaipa Valley Water District

MINUTES OF A REGULAR BOARD MEETING

November 4, 2015 at 6:00 P.M.

Directors Present:

Lonni Granlund, President
Jay Bogh, Vice President
Bruce Granlund, Director
Ken Munoz, Director

Staff Present:

Joseph Zoba, General Manager
Jack Nelson, Assistant General Manager
Vicky Elisalda, Controller
John Hull, Public Works Manager
Jennifer Ares, Water Resource Manager
John Wrobel, Regulatory & Environmental Control
Manager
Bob Wall, Operations Manager
Brent Anton, Engineering Manager

Directors Absent:

Tom Shalhoub, Director

Consulting Staff Present:

David Wysocki, Legal Counsel

Registered Guests and Others Present:

David Duron, Customer
Alan Malagon, Customer
Vanessa Register, Customer
Karen DaSilva, News Mirror
Leonard Stevenson, San Gorgonio Pass Water Agency
Bill Hemsley, City of Yucaipa

The regular meeting of the Board of Directors of the Yucaipa Valley Water District was called to order by Director Lonni Granlund at 6:00 p.m. at the Administrative Office Building, 12770 Second Street, Yucaipa, California.

CALL TO ORDER

Director Lonni Granlund led the pledge of allegiance.

FLAG SALUTE

The roll was called and Director Jay Bogh, Director Bruce Granlund, Director Lonni Granlund, and Director Ken Munoz were present. Director Tom Shalhoub was absent.

ROLL CALL

There were no public comments.

PUBLIC COMMENTS

Director Bruce Granlund moved to approve the consent calendar and Director Ken Munoz seconded the motion to approve the consent calendar.

CONSENT CALENDAR

A. Minutes of Meetings

1. Regular Board Meeting - October 21, 2015
2. Board Workshop - October 27, 2015

The motion was approved by the following vote:

Director Jay Bogh - Yes

Director Bruce Granlund - Yes
Director Lonni Granlund - Yes
Director Ken Munoz - Yes
Director Tom Shalhoub - Absent

Reports by Board Members

- Water Resource Manager Jennifer Ares provided information about the San Gorgonio Pass Regional Water Alliance meetings held on October 28, 2015.
- Director Bruce Granlund reported on the Recycled Water Fill Station training session held on October 29, 2015.
- Director Jay Bogh reported on the Community Water meeting held on October 29, 2015.
- Director Bruce Granlund reported on the San Gorgonio Pass Water Agency meeting held on November 2, 2015.
- The board members reported on the first day of operating the Recycled Water Fill Station on Tuesday, November 3, 2015.

BOARD REPORTS

General Manager Joseph Zoba discussed the following items:

- The District staff was able to open the Recycled Water Fill Station on Tuesday, November 3, 2015. The next training session will be held on November 12th at 5:00 p.m.
- The City of Beaumont will be meeting with regional agencies to discuss sewer collection and treatment issues on November 30, 2015.
- Representatives from Congressman Paul Cook's office will be attending the board workshop on Tuesday, November 10, 2015.

STAFF REPORT

Following a staff presentation by Water Resource Manager Jennifer Ares, Director Jay Bogh moved and Director Ken Munoz seconded a motion to authorize the District staff to execute the Authorization to Proceed with Dudek for a sum not to exceed \$59,747.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Yes
Director Lonni Granlund - Yes
Director Ken Munoz - Yes
Director Tom Shalhoub - Absent

DISCUSSION ITEMS:

DM 15-098
AUTHORIZATION TO
INSTALL
GROUNDWATER
OBSERVATION WELLS
NEAR SAN TIMOTEO
CREEK

Following a staff presentation by Operations Manager Bob Wall, Director Bruce Granlund moved and Director Ken Munoz seconded a motion to award a contract to Workhorse Diving and Salvage for a sum not to exceed \$40,850.

The motion was approved by the following vote:

- Director Jay Bogh - Yes
- Director Bruce Granlund - Yes
- Director Lonni Granlund - Yes
- Director Ken Munoz - Yes
- Director Tom Shalhoub - Absent

DM 15-099
AUTHORIZATION TO
AWARD A CONTRACT
FOR ANNUAL WATER
STORAGE
RESERVOIR
CLEANING AND
INSPECTION
SERVICES

Following a staff presentation by Regulatory & Environmental Control Manager John Wrobel, Director Ken Munoz moved and Director Bruce Granlund seconded a motion to approve Amendment No. 14 with ADS Environmental Services.

The motion was approved by the following vote:

- Director Jay Bogh - Yes
- Director Bruce Granlund - Yes
- Director Lonni Granlund - Yes
- Director Ken Munoz - Yes
- Director Tom Shalhoub - Absent

DM 15-100
AUTHORIZATION TO
EXECUTE
AMENDMENT NO. 14
WITH ADS
ENVIRONMENTAL
SERVICES FOR THE
INSTALLATION OF
THREE ADS TRITON+
SEWER COLLECTION
SYSTEM FLOW
MONITORS

Following a staff presentation by Regulatory & Environmental Control Manager John Wrobel, Director Ken Munoz moved and Director Jay Bogh seconded a motion to authorize the District staff to execute the purchase of monitoring equipment from SmartCover Systems.

The motion was approved by the following vote:

- Director Jay Bogh - Yes
- Director Bruce Granlund - Yes
- Director Lonni Granlund - Yes
- Director Ken Munoz - Yes
- Director Tom Shalhoub - Absent

DM 15-101
AUTHORIZATION TO
PROCURE, INSTALL
AND ACTIVATE NINE
(9) SMARTCOVER
SYSTEMS TO EXPAND
THE SEWER
COLLECTION SYSTEM
AND SEWER LIFT
STATIONS
MONITORING
NETWORK

Following a staff presentation by Public Works Manager John Hull, Director Jay Bogh moved and Director Ken Munoz seconded a motion to authorize the District staff to execute Quotation No. 15-3156s-R1 for a sum not to exceed \$33,312.96 and Quotation No. 15-3171s for a sum not to exceed \$11,998.36.

The motion was approved by the following vote:

- Director Jay Bogh - Yes
- Director Bruce Granlund - Yes
- Director Lonni Granlund - Yes
- Director Ken Munoz - Yes
- Director Tom Shalhoub - Absent

DM 15-102
AUTHORIZATION TO
INSTALL A FUEL
AUTOMATION
SYSTEM FOR THE
DISTRICT FLEET OF
VEHICLES AND
CONSTRUCTION
EQUIPMENT

Following a staff presentation by Engineering Manager Brent Anton, Director Ken Munoz moved and Director Bruce Granlund seconded a motion to approve Change Order No. 1 and authorizes the filing of the Notice of Completion and release of the retention amount of \$20,212.50 thirty-five days after the recorded date.

The motion was approved by the following vote:

- Director Jay Bogh - Yes
- Director Bruce Granlund - Yes
- Director Lonni Granlund - Yes
- Director Ken Munoz - Yes
- Director Tom Shalhoub - Absent

General Manager Joseph Zoba provided a brief overview of recent actions taken by the State Water Resources Control Board against water retail purveyors. No action was taken.

There were no comments from the Board of Directors during this portion of the meeting.

Director Lonni Granlund called attention to the announcements listed on the agenda.

A closed session conference was not conducted during this board meeting.

The meeting was adjourned at 6:35 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

DM 15-103
CHANGE ORDER NO.
1 AND NOTICE OF
COMPLETION FOR
THE CONSTRUCTION
CONTRACT WITH
BORDEN
EXCAVATING, INC.
FOR THE CEDAR
AVENUE, ADAMS
STREET, ADAMS
COURT AND
COMBERTON STREET
REPLACEMENT
PIPELINES

DM 15-104
DISCUSSION
REGARDING FINES
ASSESSED BY THE
STATE WATER
RESOURCES
CONTROL BOARD
PURSUANT TO THE
EMERGENCY WATER
CONSERVATION
REGULATIONS

DIRECTOR
COMMENTS

ANNOUNCEMENTS

CLOSED SESSION

ADJOURNMENT

(Seal)

MINUTES OF A BOARD WORKSHOP

November 10, 2015 at 4:00 P.M.

Directors Present:

Lonni Granlund, President
Bruce Granlund, Director
Ken Munoz, Director
Tom Shalhoub, Director

Staff Present:

Joseph Zoba, General Manager
Jack Nelson, Assistant General Manager
Vicky Elisalda, Controller
John Wrobel, Regulatory & Environmental Control
Manager
Jennifer Ares, Water Resource Manager
Brent Anton, Engineering Manager
Kevin King, Operations Manger
Mike Kostelecky, Senior Plant Operator
Dale Fundak, Integrated Operator III

Directors Absent:

Jay Bogh, Vice President

Consulting Staff Present:

David Wysocki, Legal Counsel
Phil White, Vavrinek, Trine, Day & Company

Guests and Others Present:

David Duron, Customer
Richard Siegmund, Customer
Vanessa Register, Customer
Jan Leja, Representative for Congressman Paul Cook
John Sobel, Chief of Staff for Congressman Paul Cook
Timothy Itnyre, Legislative Director for Congressman Paul Cook
Peter Rescigno, Legislative Correspondent for Congressman Paul Cook
Claire Cozad, Legislative Assistant for Congressman Paul Cook
Matthew Groves, Legislative Counsel for Congressman Paul Cook
Michael Frequez, Senior Advisor for Congressman Paul Cook
Kassandra Taira, Staff Assistant for Congressman Paul Cook
Kellie Hartl, Executive Assistant for Congressman Paul Cook
Rosilicie Bogh, Representative of Assemblymember Chad Mayes
John Covington, Beaumont Cherry Valley Water District
Leonard Stevenson, San Gorgonio Pass Water Agency
Bill Hemsley, City of Yucaipa

- I. Call to Order - 4:00 p.m.
- II. Public Comments - General Manager Joseph Zoba recognized the members of the Board of Directors and District staff in attendance.
 - No public comments were provided at this point in the workshop meeting.
- III. Staff Report:
 - The District staff briefly discussed the following items:
 - The Yucaipa Valley Water District will be conducting a recycled water fill station training session on Thursday, November 12, 2015 at 5:00 p.m.

- Information about Senate Bill No. 163 regarding a renewable water portfolio supply was discussed.
- The City of Beaumont, Beaumont Cherry Valley Water District and the Yucaipa Valley Water District will be meeting at the offices of the Beaumont Cherry Valley Water District on November 30, 2015 at 7:00 pm to discuss regional sewer collection and treatment issues.

IV. Presentations

- A. Overview of Proposed Plans to Expand the Yucaipa Valley Water District's Recycled Water System [Workshop Memorandum No. 15-220] - General Manager Joseph Zoba, the Board of Directors and the office staff from Congressman Paul Cook's office discussed various plans and projects to expand the use of recycled water in the region.
- B. Overview of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2015 [Workshop Memorandum No. 15-221] - Phil White from Vavrinek, Trine, Day & Company provided a detailed overview of the audited financial statements for the period ending on June 30, 2015.
- C. Overview of the California Drought and Yucaipa Valley Water District's Action Plan Related to the State Water Resources Control Board Mandatory Restrictions to Achieve a 36% Reduction in Potable Urban Water Use [Workshop Memorandum No. 15-222] - General Manager Joseph Zoba provided information about the current status of the Governor's mandate to reduce water consumption in the Yucaipa Valley Water District's service area by 36%.
- D. Discussion Regarding a Cooperative Partnership with Curiosity Quest to Create Informational Videos for Various District Programs [Workshop Memorandum No. 15-223] - General Manager Joseph Zoba provided an overview of a proposal for the CQ Productions to produce additional videos for the District.

V. Capital Improvement Projects

- A. Status Report on the Construction of a 6.0 Million Gallon Drinking Water Reservoir R-12.4 - Calimesa [Workshop Memorandum No. 15-224] - Engineering Manager Brent Anton provided an overview of the Reservoir R-12.4 project construction.
- B. Status Report on the Installation of a 30" Drinking Water Pipeline and a 12" Drinking Water Pipeline in Second Street, Yucaipa [Workshop Memorandum No. 15-225] - Engineering Manager Brent Anton provided an overview of the pipeline construction project on Second Street.
- C. Status Report on the Installation of New Recycled Water Services and Recycled Water Pipelines throughout the Service Area of the Yucaipa Valley Water District [Workshop Memorandum No. 15-226] - Engineering Manager Brent Anton provided information about the recycled water pipelines under construction in the District's service area.
- D. Status Report on the Digester Cleaning and Cover Replacement Project at the Wochholz Regional Water Recycling Facility [Workshop Memorandum No. 15-227] - Operations Manager Kevin King provided an update on the digester cover replacement project.
- E. Status Report on the Construction of Drinking Water Replacement Pipelines in Date Street, Dodd Street, Panorama Drive, Lennox Street, Verona Street and Calvin Street [Workshop Memorandum No. 15-228] - Engineering Manager Brent Anton provided an overview of the proposed pipeline construction projects.

VI. Administrative Items

- A. Review of the Unaudited Financial Report for the Period Ending on October 31, 2015 [Workshop Memorandum No. 15-229] - General Manager Joseph Zoba provided an overview of the unaudited financial report.
- B. Discussion Regarding the Increased Implementation and Distribution of Weather-Based Wi-Fi Irrigation Controllers for Residential Water Customers of the Yucaipa Valley Water District [Workshop Memorandum No. 15-230] - General Manager

Joseph Zoba provided an overview of a renewed implementation strategy for the distribution and installation of Skydrop irrigation controllers in the Yucaipa Valley Water District's service area.

- C. Discussion Regarding a Draft Surplus Recycled Water Exchange Agreement between Yucaipa Valley Water District and Beaumont Cherry Valley Water District [Workshop Memorandum No. 15-231] - General Manager Joseph Zoba presented a draft recycled water exchange agreement with Beaumont Cherry Valley Water District. The Board of Directors and the public provided suggested modifications to the agreement.
 - D. Discussion Regarding a Draft Joint Use Agreement for the Nobel Creek Recharge Facility [Workshop Memorandum No. 15-232] - General Manager Joseph Zoba presented a draft water recharge agreement with Beaumont Cherry Valley Water District. The Board of Directors and the public provided suggested modifications to the agreement.
- VII. Director Comments
- Director Tom Shalhoub discussed the scheduled Veteran's Day ceremony and events.
- VIII. Adjournment - The meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

Board Awarded Contracts
Consent Calendar Regular Meeting -November 18, 2015

District Awarded Contracts	Director Memorandum	Job or GL #	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	Other Funds
Aklufi & Wysocki - FY 2016 Legal Services (Operating Funds)	--	*-5-06-54107	--	--	\$12,825	\$3,675	\$16,500							
Borden Excavating (W-Depreciation Funds)	15-069	02-17849	\$507,000	\$404,250	\$384,038	\$0	\$384,038	\$20,213	5%		\$20,213			
Construction of 8" Pipeline-Cedar St, Adams St, Adams Ct, Comberton	15-103		(\$102,750)											
Borden Excavating (W-Depreciation Funds)	15-070	02-15776	--	\$536,755	\$0	\$501,961	\$501,961	\$34,794	6%		\$34,794			
Construction of 30" and 12" Pipeline in 2nd Street														
Burgeson's Heating and Air Conditioning/Miller Electric (S-Reserves)	15-021	65-14780	--	\$41,511	\$39,285	\$0	\$39,285	\$2,226	5%			\$2,226		
Air Conditioning System at Lift Station No. 1														
DDB Engineering (R-Depreciation Funds)	15-086	04-19771	--	\$35,900	\$0	\$0	\$0	\$35,900	100%				\$35,900	
Application to DDW for the Recharge at Wilson Creek Basins														
Delta Partners \$90,000 per year-LegislativeConsult (exp 12/18) WIS Oper	13-079	*-5-06-54109	--	\$90,000	\$67,500	\$7,500	\$75,000	\$15,000	17%	\$15,000				
Dudek (S-Operating Funds)	15-087	03-5-06-54109	--	\$38,650	\$0	\$5,015	\$5,015	\$33,635	87%			\$33,635		
Max Benefit Monitoring for San Timoteo/Yucaipa Mgmt Zones														
Dudek (R-Operating Funds)	15-098	04-5-06-57030	--	\$59,747	\$0	\$0	\$0	\$59,747	100%				\$59,747	
Install Groundwater Observation Wells near San Timoteo Creek														
Fuel Serv	15-102	0X-5-40-57006	--	\$45,331	\$0	\$0	\$0	\$45,331	100%					\$45,331
Install Fuel Automation System														
Gateway Pacific Contractors, Inc. (Scip Funds)	14-091	SCIP funding	--	\$7,520,080	\$5,310,790	\$426,149	\$5,736,939	\$1,783,141	24%					\$1,783,141
Construction of 6.0 MG Reservoir R-12.4														
Geoscience (R-Operating Funds)		04-5-06-54109		\$51,710	\$40,690	\$0	\$40,690	\$11,020	21%	\$11,020				
Preparation of a groundwater model for the Gateway Basin	14-070		\$35,320											
CO #1 - preparation of groundwater model	15-010		\$16,390											
Harper & Associates (W-Operating Funds)	15-062	02-5-01-57040	\$16,615	\$16,615	\$3,032	\$0	\$3,032	\$13,583	82%	\$13,583				
Engineering, Project Mgmt & Inspection Svcs for coating repairs YVRWFF														
Krieger & Stewart														
Initiate Design of R-12.4 (W-Reserves)	04-164	65-295	\$74,900	\$482,500	\$257,607	\$22,692	\$280,299	\$202,201	42%		\$202,201			
TO#4 Revised	05-075		\$600											
TO#4, Amendment #2	14-014		\$45,000											
TO#5- Construction Mgmt Services	14-092		\$482,500											
TO#5, Design R-13.4 and H-2 Reservoirs for JP Ranch	05-083	65-180	\$47,400	\$79,000	\$50,471	\$0	\$50,471	\$28,529	36%					\$28,529
60% R-13.4 and 40% H-2	05-083	65-179	\$31,600											
TO#7, Design of a 24" Recycled Water Pipeline	11-091	04-9435	\$220,800	\$269,800	\$268,707	\$0	\$268,707	\$1,093	0%				\$1,093	
TO#7, Amendment #1 Addtl Design Costs	14-012		\$49,000											
One Stop Landscape Supply FY 2016 Sludge Hauling\Reuse (S-Oper)	--	03-5-02-57031	--	--	\$68,598	\$21,823	\$90,421							
Pascal & Ludwig (S-Depreciation Funds)	15-041	03-14500	--	\$2,175,000	\$435,500	\$0	\$435,500	\$1,739,500	80%			\$1,739,500		
Cleaning & replacement of 4 digester covers at WRWRF														
Platinum Advisors (WIS Operating Funds)														
FY 2016 Lobbyist N-T-E per month	13-080	02-5-06-54109	--	--	\$20,000	\$5,000	\$25,000							
FY 2016 Quarterly Filing & Misc. Expenses		02-5-06-54109	--	--	\$0	\$0	\$0							
Redlands Ford (W-Depreciation Funds)	15-048	02-13601	--	\$152,378	\$152,410	\$0	\$152,410	(\$32)	0%		(\$32)			
3 Ford F-550 (2016) Service Body Trucks for Public Works														
RMC Water & Environment														

Board Awarded Contracts
Consent Calendar Regular Meeting -November 18, 2015

										Encumbered Funds - Remaining Contract Amount				
District Awarded Contracts										General Operating Expenses	Water Division Funds	Sewer Division Funds	Non-Potable Division Funds	Other Funds
	Director Memorandum	Job or GL #	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining					
TO#25, Digester Cleaning & a Solids Process Cond Assess	12-066	88-12830	\$57,730	\$329,600	\$237,228	\$18,627	\$255,855	\$73,745	22%			\$73,745		
TO#25, Amendment #1 (S-Depreciation Reserve Funds)	13-074	03-502-51003	\$271,870											
TO#26, SRF Mgmt Svcs-Calimesa Regional Recycled Pipeline (R-FCC)	14-023	04-5-06-54109		\$95,692	\$32,758	\$7,673	\$40,430	\$55,262	58%				\$55,262	
Dewatering Equip Pilot Testing Support Svces at WRWRF (S-Oper)	15-044	03-5-06-54109		\$45,000	\$19,512	\$1,917	\$21,428	\$23,572	52%	\$23,572				
Application to DDW for the Recharge at Wilson Creek Basins (R-Depr)	15-086	04-19771	--	\$131,979	\$0	\$0	\$0	\$131,979	100%				\$131,979	
Separation Processes, Inc. (W-Reserves)		55-19200												
Design & Construction Supports Servs for NF SCRAM	15-047	02-14500		\$191,820	\$33,973	\$10,467	\$44,440	\$147,380	77%		\$147,380			
Application to DDW for the Recharge at Wilson Creek Basins (R-Depr)	15-086	04-19771	--	\$42,860	\$0	\$0	\$0	\$42,860	100%				\$42,860	
Skydrop Irrigation Controllers (W-Reserves Funds 25% Muni)		02-10310												
Purchase of Wi-Fi based irrigations controllers	15-043	02-11201		\$250,000	\$102,889	\$0	\$102,889	\$147,111	59%		\$147,111			
Vavrinek, Trine, Day & Company (VTD) (Operating Funds)														
FY 2015 Auditing Services \$23,900 + \$7,775 for Single Audit	13-024	*-5-06-54108	\$31,675	\$31,675	\$19,100	\$1,000	\$20,100	\$11,575	37%	\$11,575				
Weka, Inc. (R-Depreciation Reserve Funds)	15-084	04-18945	--	\$411,536	\$0	\$0	\$0	\$411,536	100%				\$411,536	
Construction of Various Recycled Water Pipelines/Services														
Weka, Inc. (R-Depreciation Reserve Funds)	15-091	04-18508	--	\$317,772	\$0	\$0	\$0	\$317,772	100%				\$317,772	
Construction of NB-12.2 Recycled Water Booster Station														
Workhouse Diving and Salvage	15-099	0X-5-0X-51003	--	\$40,850	\$0	\$0	\$0	\$40,850	100%	\$40,850				
Reservoir Cleaning and Inspection														
GRAND TOTALS				\$13,183,344	\$7,622,402	\$1,033,498	\$8,655,900	\$4,659,365	--	\$74,750	\$551,667	\$1,849,106	\$326,840	\$1,857,001
										↓		↓		↓
										\$74,750		\$2,727,614		\$1,857,001
Approval of General Expenses October 2015 (Check Register Attached)														

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/02/2015	24336	PAYROLL CHECK	1,970.26
10/02/2015	24337	CA-PERS Supplemental Income 45	15,610.36
10/02/2015	24338	WageWorks, Inc.	1,328.07
10/02/2015	24339	Public Employees' Retirement S	20,292.34
10/02/2015	24340	Hong Nelson	125.00
10/02/2015	24341	IBEW Local 1436	216.00
10/02/2015	24342	Rodd Greene	601.00
10/02/2015	24343	Alfred Ramirez	101.67
10/02/2015	24344	Standard Insurance Company	2,138.36
10/02/2015	24345	Western Dental Services, Inc.	302.27
10/02/2015	24346	Robert Hines	601.00
10/02/2015	24347	Anthem Blue Cross L and H	316.90
10/02/2015	24348	Standard Insurance Company	2,733.28
10/02/2015	24349	Aetna Health of California	57,086.00
10/02/2015	24350	Standard Insurance Vision Plan	558.80
10/02/2015	24351	MetLife Small Business Center	437.88
10/05/2015	24352	Ralph C. Casas	43.50
10/05/2015	24353	Ameripride Uniform Services	425.33
10/05/2015	24354	Redlands Employment Services	948.40
10/05/2015	24355	First American Data Tree, LLC	50.00
10/05/2015	24356	DDB Engineering Inc.	706.00
10/05/2015	24357	Eurofins Eaton Analytical, Inc	1,000.00
10/05/2015	24358	InfoSend, Inc.	5,244.53
10/05/2015	24359	Konica Minolta Business Soluti	1,688.66
10/05/2015	24360	NetComp Technologies, Inc.	5,589.14
10/05/2015	24361	Storm Western Development, Inc	2,769.04
10/05/2015	24362	The Gas Company	53.55
10/05/2015	24363	George F. Siddle	72.00
10/05/2015	24364	News Mirror Publishing, Inc.	287.40
10/05/2015	24365	Ampak Chemicals, Inc.	4,893.48
10/05/2015	24366	Crown Ace Hardware - Yucaipa	754.70
10/05/2015	24367	Dickson	2,373.00
10/05/2015	24368	Grainger	2,754.37
10/05/2015	24369	Alan L. Grubel Automotive Inc.	173.31
10/05/2015	24370	Hasa, Inc.	3,804.17
10/05/2015	24371	HD Supply Waterworks, Ltd.	11,041.23
10/05/2015	24372	Hemet Valley Tool & Supply	2,384.64
10/05/2015	24373	House Of Quality, Parts Plus	2,601.54
10/05/2015	24374	Hydro-Scape Products, Inc.	135.04
10/05/2015	24375	Inland Water Works Supply Co.	1,326.51
10/05/2015	24376	McMaster-Carr Supply Co.	182.55
10/05/2015	24377	Nuckles Oil Company, Inc.	2,013.97
10/05/2015	24378	Nagem, Inc.	1,136.54
10/05/2015	24379	Office Solutions Business Prod	19.83
10/05/2015	24380	Q Versa, LLC	3,707.96
10/05/2015	24381	ROW Traffic Safety, Inc.	4,278.96
10/05/2015	24382	Sonsray Machinery LLC	199.13
10/05/2015	24383	AWWA CA-NV (Rancho Cucamonga)	135.00
10/05/2015	24384	Todd Madrid	170.00
10/12/2015	24385	ADS, LLC	2,634.00
10/12/2015	24386	Ameripride Uniform Services	481.46
10/12/2015	24387	Redlands Employment Services	758.72
10/12/2015	24388	Beaumont Basin Watermaster	25,450.80
10/12/2015	24389	CA-ARB/PERP	575.00
10/12/2015	24390	Corelogic, Inc.	330.00
10/12/2015	24391	Coverall North America, Inc.	1,021.00

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/12/2015	24392	Jean's Flower Basket	59.35
10/12/2015	24393	Lowe's Companies, Inc.	102.58
10/12/2015	24394	Riverside County Treasurer	222.38
10/12/2015	24395	SB CNTY-Treasurer-Tax	50.95
10/12/2015	24396	San Gorgonio Pass Water Agency	19,263.06
10/12/2015	24397	SCE Rosemead	10,519.92
10/12/2015	24398	Sims Welding & Supply Co., Inc	196.70
10/12/2015	24399	The Counseling Team Internatio	360.00
10/12/2015	24400	Underground Service Alert Of S	135.00
10/12/2015	24401	Allmax Software, Inc.	2,318.00
10/12/2015	24402	Armorcast Products Company	13,234.30
10/12/2015	24403	Bob Walker	351.65
10/12/2015	24404	Brithinee Electric	612.73
10/12/2015	24405	Cal's Auto Repair & Towing	125.00
10/12/2015	24406	Victor James Valenti	4,926.46
10/12/2015	24407	Cortech Engineering	5,232.59
10/12/2015	24408	Eurofins Eaton Analytical, Inc	3,500.00
10/12/2015	24409	Evans-Hydro Inc.	4,473.01
10/12/2015	24410	Evoqua Water Technologies LLC	918.60
10/12/2015	24411	G&G Environmental Compliance,I	4,489.09
10/12/2015	24412	Grainger	15.32
10/12/2015	24413	Inland Water Works Supply Co.	646.65
10/12/2015	24414	Innerline Engineering	1,450.00
10/12/2015	24415	JB Paving & Engineering, Inc.	11,944.00
10/12/2015	24416	Nuckles Oil Company, Inc.	1,854.33
10/12/2015	24417	Nagem, Inc.	1,520.35
10/12/2015	24418	NCL Of Wisconsin Inc	214.38
10/12/2015	24419	Office Solutions Business Prod	20.51
10/12/2015	24420	Petra Geotechnical Inc.	16,185.52
10/12/2015	24421	Q Versa, LLC	435.00
10/12/2015	24422	Sterling Water Technologies LL	17,601.79
10/12/2015	24423	Steven Enterprises, Inc	440.94
10/12/2015	24424	TRL Systems, Inc.	2,123.10
10/12/2015	24425	John Wrobel	86.39
10/16/2015	24426	PAYROLL CHECK	2,011.05
10/16/2015	24427	PAYROLL CHECK	672.67
10/16/2015	24428	CA-PERS Supplemental Income 45	17,519.10
10/16/2015	24429	WageWorks, Inc.	1,328.07
10/16/2015	24430	Public Employees' Retirement S	20,292.01
10/16/2015	24431	Hong Nelson	125.00
10/19/2015	24432	Aklufi & Wysocki	4,800.00
10/19/2015	24433	Borden Excavating, Inc.	384,037.50
10/19/2015	24434	Citizens Business Bank	21,650.00
10/19/2015	24435	Delta Partners, LLC	7,500.00
10/19/2015	24436	Harper & Associates Eng., Inc.	3,032.00
10/19/2015	24437	Krieger & Stewart	32,928.65
10/19/2015	24438	One Stop Landscape Supply Inc	22,771.50
10/19/2015	24439	Pascal & Ludwig Constructors I	411,349.00
10/19/2015	24440	Platinum Advisors, LLC	5,000.00
10/19/2015	24441	RMC Water and Environment	33,063.28
10/19/2015	24442	Sacramento Bank of Commerce	13,755.00
10/19/2015	24443	Separation Processes, Inc.	11,905.00
10/19/2015	24444	VTD, Vavrinek, Trine, Day & CO	8,000.00
10/19/2015	24445	PARTON, SUE	17.40
10/19/2015	24446	UNDERWOOD, LINDA	2,413.27
10/19/2015	24447	HORSPOOL, RAYMOND P	92.66

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/19/2015	24448	SMITH, SANDRA	36.40
10/19/2015	24449	CORDEIRO, KEN	69.54
10/19/2015	24450	BECKER, RANDY	33.05
10/19/2015	24451	NASBRE, NABIL	37.86
10/19/2015	24452	ALL AMERICAN ASPHALT	11,952.54
10/19/2015	24453	PEREZ, STEFFANI	104.89
10/19/2015	24454	BAXTER, PATRICIA	64.93
10/19/2015	24455	HARTMAN, PAT	88.48
10/19/2015	24456	FOSTER, JOHN	15.57
10/19/2015	24457	YUCAIPA VALLEY REAL	27.84
10/19/2015	24458	Addiction Medicine Consultants	20.00
10/19/2015	24459	Ameripride Uniform Services	409.00
10/19/2015	24460	Redlands Employment Services	948.40
10/19/2015	24461	AT&T Mobility	1,539.84
10/19/2015	24462	Burgeson's Heating & Air Cond.	327.00
10/19/2015	24463	Central Communications	312.15
10/19/2015	24464	Fedex	53.90
10/19/2015	24465	MailFinance Inc.	338.34
10/19/2015	24466	Redlands Ford	101,606.66
10/19/2015	24467	Separation Processes, Inc.	1,836.00
10/19/2015	24468	Association of San Bernardino	69.00
10/19/2015	24469	Verizon	138.67
10/19/2015	24470	Vicki Bratlund	200.00
10/19/2015	24471	Air & Hose Source, Inc.	1,717.20
10/19/2015	24472	All American Sewer Tools	426.45
10/19/2015	24473	Aqua-Metric Sales Company	6,003.50
10/19/2015	24474	Auto Care Clinic	134.23
10/19/2015	24475	BofA Credit Card	1,897.77
10/19/2015	24476	Burgeson's Heating & Air Cond.	9,850.00
10/19/2015	24477	Calolympic Glove & Safety Co.,	64.94
10/19/2015	24478	Center Electric	14,792.90
10/19/2015	24479	Eurofins Eaton Analytical, Inc	1,600.00
10/19/2015	24480	Evoqua Water Technologies LLC	1,261.06
10/19/2015	24481	Grainger	33.66
10/19/2015	24482	Hach Company	773.91
10/19/2015	24483	Hasa, Inc.	3,806.00
10/19/2015	24484	HD Supply Waterworks, Ltd.	1,587.35
10/19/2015	24485	Inland Water Works Supply Co.	2,978.89
10/19/2015	24486	Innerline Engineering	2,900.00
10/19/2015	24487	MBC Applied Environmental Scie	1,300.00
10/19/2015	24488	Nuckles Oil Company, Inc.	1,941.96
10/19/2015	24489	Microflex Corp #774353	1,148.91
10/19/2015	24490	Nagem, Inc.	450.00
10/19/2015	24491	Office Solutions Business Prod	97.57
10/19/2015	24492	Pro-Pipe & Supply, Inc.	426.64
10/19/2015	24493	Q Versa, LLC	11,203.20
10/19/2015	24494	Smart & Final Stores, LLC	159.57
10/19/2015	24495	Kirk S. Cannon	1,743.00
10/26/2015	24496	Ralph C. Casas	58.00
10/26/2015	24497	Ameripride Uniform Services	415.70
10/26/2015	24498	Redlands Employment Services	948.40
10/26/2015	24499	Incode Division-Tyler Technolo	598.90
10/26/2015	24500	InfoSend, Inc.	3,464.52
10/26/2015	24501	Krieger & Stewart	48,276.05
10/26/2015	24502	NetComp Technologies, Inc.	2,757.32
10/26/2015	24503	Praxair Inc.	25.80

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/26/2015	24504	Redlands Ford	50,803.33
10/26/2015	24505	State Water Resources Control	8,185.38
10/26/2015	24506	U.S. Telepacific Corp	3,870.91
10/26/2015	24507	Verizon	149.57
10/26/2015	24508	Yucaipa Disposal, Inc.	1,407.16
10/26/2015	24509	A-Z Bus Sales, Inc	22,493.92
10/26/2015	24510	Brithinee Electric	1,822.93
10/26/2015	24511	Jan Brinkman Jr.	680.40
10/26/2015	24512	Eurofins Eaton Analytical, Inc	5,000.00
10/26/2015	24513	Grainger	176.02
10/26/2015	24514	Jerry Herbert Roofing Inc.	4,725.00
10/26/2015	24515	Inland Water Works Supply Co.	1,485.00
10/26/2015	24516	Innerline Engineering	2,900.00
10/26/2015	24517	McCall's Meter Sales & Service	2,571.90
10/26/2015	24518	Office Solutions Business Prod	264.74
10/26/2015	24519	Pro-Pipe & Supply, Inc.	246.86
10/26/2015	24520	LENTZ, KAREN	1,500.00
10/26/2015	24521	Atkinson, Andelson, Loya, Ruud	245.00
10/26/2015	24522	State Water Resources Control	250.00
10/26/2015	24523	California Special Districts A	6,089.00
10/30/2015	24524	PAYROLL CHECK	1,972.22
10/30/2015	24525	CA-PERS Supplemental Income 45	13,096.33
10/30/2015	24526	WageWorks, Inc.	1,328.07
10/30/2015	24527	Public Employees' Retirement S	20,416.13
10/30/2015	24528	Sheriff's Court Services Centr	465.16
10/30/2015	24529	American Family Life Assurance	2,505.43
10/30/2015	24530	Boot Barn #4	378.60
10/30/2015	24531	Gregory N. Godwin	200.00
10/30/2015	24532	Workboot Warehouse	400.00
10/30/2015	24533	John Wrobel	340.25
10/30/2015	24534	WageWorks, Inc.	191.75
October 2015 Check Register Total			1,729,760 98

Board Reports



Yucaipa Valley Water District



Yucaipa Valley Water District

Notice of a Recycled Water Fill Station Training Session for Residential Customers

The Yucaipa Valley Water District has received a permit to operate a recycled water filling station allowing residential customers to pick up recycled water for their home landscaping needs. Prior to receiving recycled water, all residential users are required to complete a brief training session to learn more about the program and the use of recycled water.

Please join us to at the next meeting to participate in this program.

Recycled Water Training Session
Thursday, November 12, 2015, at 5:00 p.m.
Yucaipa Valley Regional Water Filtration Facility at Crystal Creek
35477 Oak Glen Road, Yucaipa 92399



For additional information, please contact the Yucaipa Valley Water District at (909) 797-5117 or by email at customer_service@yvwd.dst.ca.us.

Staff Report



Yucaipa Valley Water District

Discussion Items



Yucaipa Valley Water District



Director Memorandum 15-105

Date: November 18, 2015

Prepared By: Vicky Elisalda, Controller

Subject: Discussion Regarding the Audited Financial Statements for the Period Ending on June 30, 2015

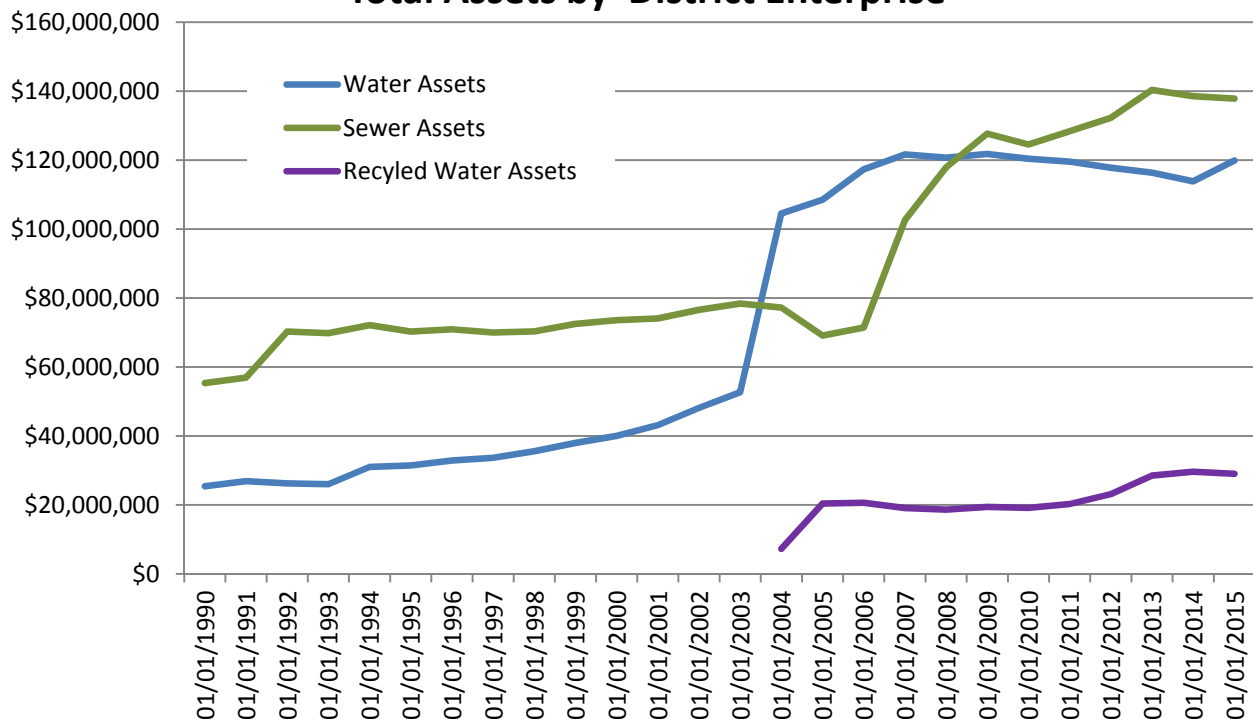
Recommendation: That the Board receives and files the audited financial statements.

The certified public accounting firm of Vavrinek, Trine, Day and Company has completed the financial audit for the fiscal year ending on June 30, 2015. Copies of the following documents are attached for your review:

- Statements on Auditing Standards (SAS 114) (page 2 of 59);
- Report on Internal Controls (GASAS Report) (page 4 of 59); and
- Audited Financial Statements (page 6 of 59).

A representative from Vavrinek, Trine, Day and Company will be at the board workshop to provide an overview of the audited financial documents and answer questions about the report. The attached draft documents will be presented in final form at the board meeting on November 18, 2015.

Total Assets by District Enterprise



Draft Copy 11/12/15

**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Water, Sewer, and Recycled Water Funds of the Yucaipa Valley Water District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2015. As described in our report, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions —an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, as of July 1, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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*.

Purpose of this Report

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

Rancho Cucamonga, California
November 11, 2015

Draft Copy 11/12/15

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 (District) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, 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 July 10, 2015. 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. As described in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions —an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — an Amendment of GASB Statement No. 68*, as of July 1, 2014. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Revenues, Expenses, and Changes in Net Position.

We noted no transactions entered into by the District 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 estimates were used in the calculation of unbilled receivables and the determination of pension amounts. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of retirement benefits in Note 13 to the financial statements describes the District's retirement plan and the related deferred outflows/inflows of resources and the net pension liability required by the District's implementation of GASB 68 and GASB 71. The disclosure on the restatement of beginning net position in Note 19 describes the impact to beginning balances of the implementation of GASB 68 and GASB 71.

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, a disagreement with management is 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 November 11, 2015.

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 District'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 District'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 Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Schedule of Pension Contributions, and the Schedule of the District's Proportionate Share of the Net Pension Liability which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Transmittal Letter, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

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
November 11, 2015



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

Draft Copy 11/12/15

Annual Financial Statements

for the

Fiscal Year Ending June 30, 2015

Board of Directors

Kenneth P. Munoz

Division 1

Bruce Granlund

Divisions 2

Jay Bogh

Division 3

Lonni Granlund

Division 4

Thomas Shalhoub

Division 5

Financial Audit Preparation Team:

Draft Copy 11/12/15

Administrative

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

Engineering

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

Inventory Control

Joan Cadiz, Purchasing Agent



Draft Copy 11/12/15

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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 on June 30, 2015. 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; (3) Audited Financial Statements; (4) Required Supplementary Information. 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. The Required Supplementary section provides information and schedules to supplement the basic financial statements.

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.



Financial Statements
Audited Financial Statements - Fiscal Year 2015

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 provides water, sewer and recycled water services.



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As of June 30, 2015, the District provided service to 12,434 water connections (17,179 units), 13,559 sewer connections (20,519 units) and 64 recycled water connections.

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	11,301	11,301	12,617	12,617	0
Multiple Units	508	5,253	645	7,595	0
Commercial	262	262	250	250	0
Institutional	91	91	46	56	0
Industrial	13	13	1	1	0
Irrigation	124	124	0	0	59
Fire Detectors	118	118	0	0	0
Construction	17	17	0	0	5
Total	12,434	17,179	13,559	20,519	64

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.

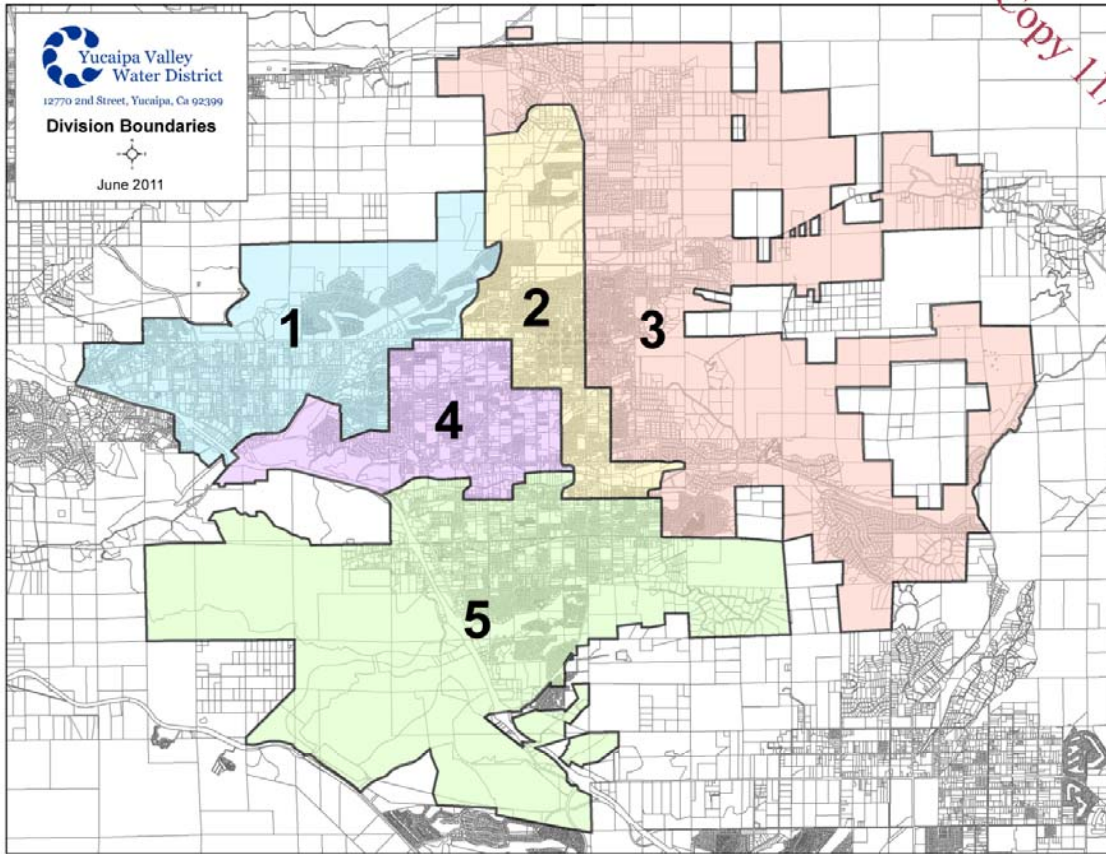
Governance and Management

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
Bruce Granlund, President	Two	12/23/1998	2018	Retired Senior District Attorney Investigator
Lonni Granlund, Vice President	Four	12/05/2008	2016	Property Manager/Real Estate Broker
Jay Bogh, Director	Three	09/07/2005	2018	Building Firm Manager
Thomas Shalhoub, Director	Five	12/03/2014	2018	Retired Entrepreneur
Kenneth P. Munoz, Director	One	12/07/2012	2016	Equipment Company Owner



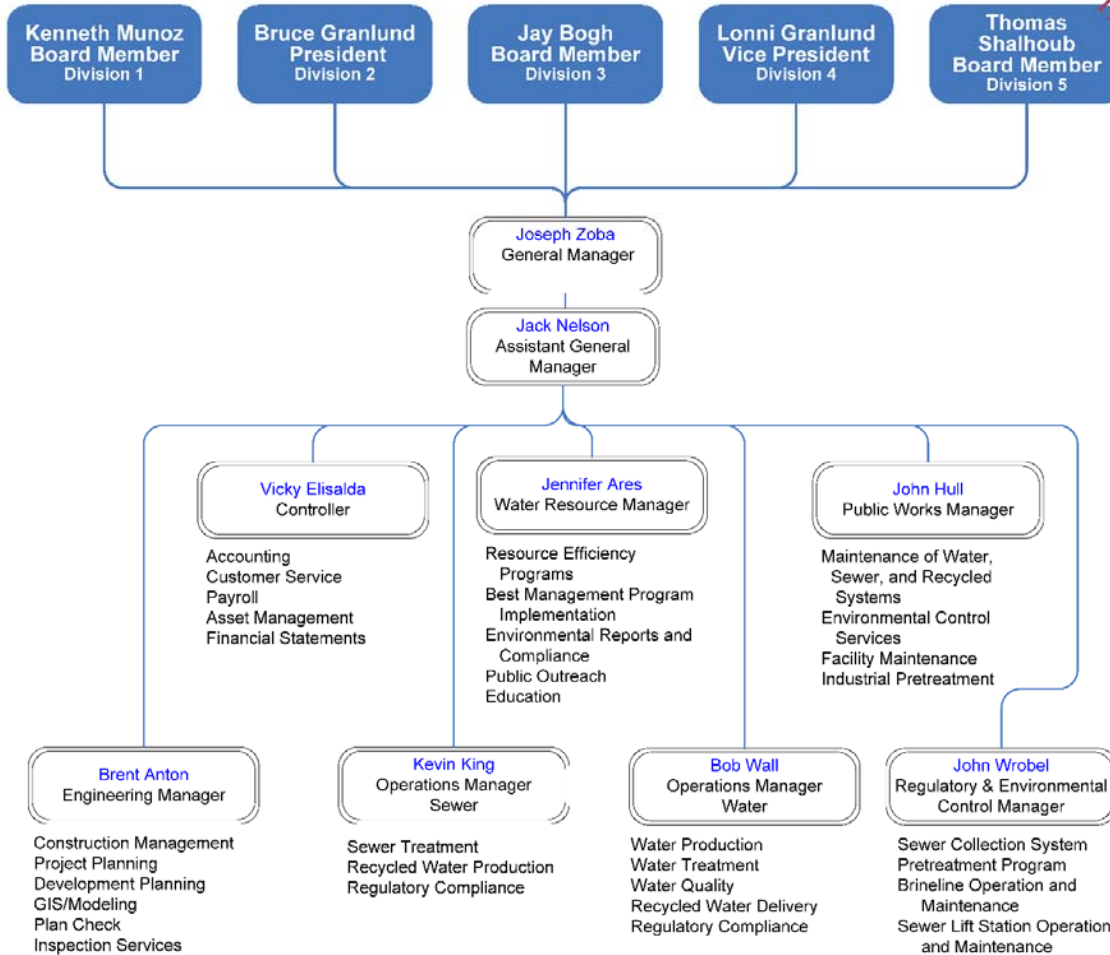
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The following individuals have served as President of the Board since the District was created in 1971.

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 December 2012	Jay Bogh
January 2013 to December 2014	Bruce Granlund
December 2014 to Present	Lonni Granlund

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 2015

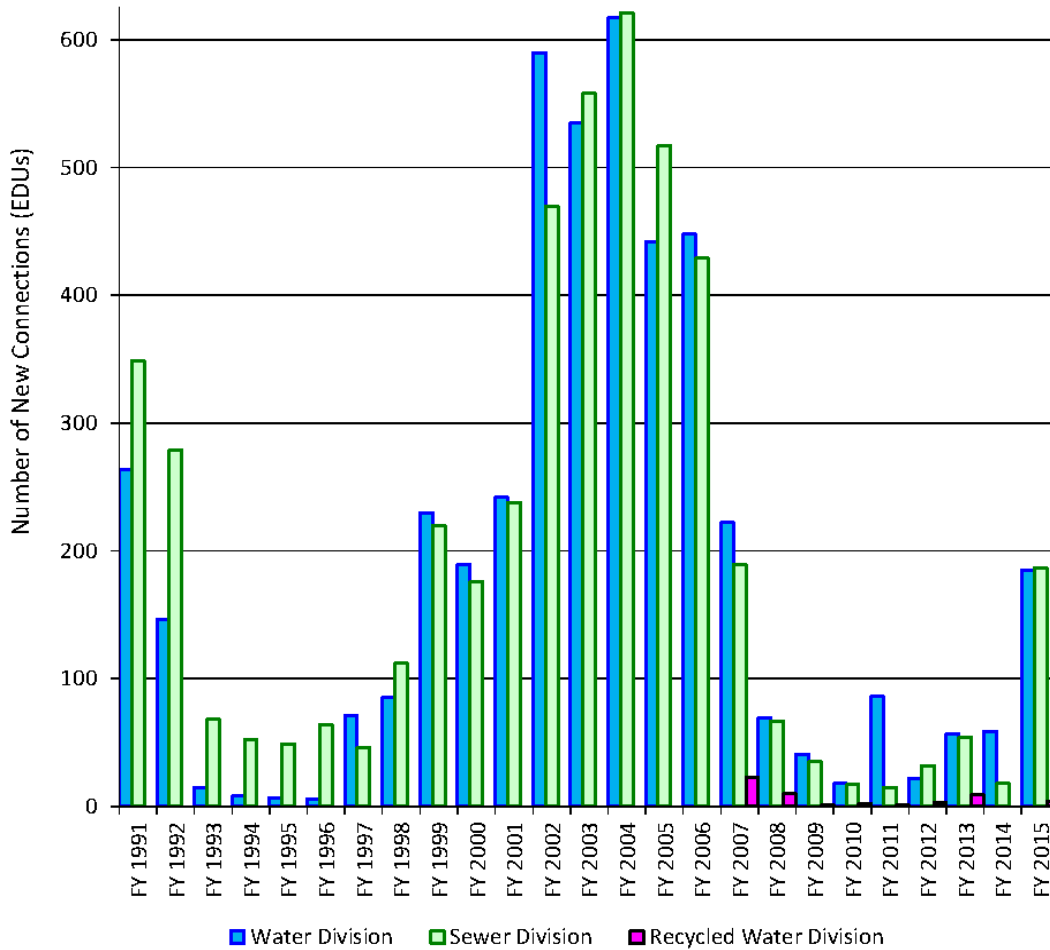
During this fiscal year, the District added 185 water connections, 187 sewer connections, and 4 recycled water connections. When compared to the development activity in the prior year, the District received 213.60% more water connections, 938.89% more sewer connections and 400.00% more recycled water connections.

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Fiscal Year	New Water Connections	New Sewer Connections	New Recycled Water Connections
2006	442	429	--
2007	222	189	23
2008	69	67	10
2009	41	35	1
2010	18	17	2
2011	86	15	1
2012	22	32	3
2013	57	54	9
2014	59	18	0
2015	185	187	4

Historical Water, Sewer and Recycled Water New Connections



MAJOR INITIATIVES AND CONTROLS

Sustainability Initiative

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.

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.

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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.

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 & Co., LLP has conducted the audit of the District's financial statements. Their unmodified Independent Auditors' Report is attached.

Financial Statements
Audited Financial Statements - Fiscal Year 2015

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Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

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Board of Directors
Yucaipa Valley Water District
Yucaipa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Water, Sewer, and Recycled Water Enterprise Funds of the Yucaipa Valley Water District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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 District, as of June 30, 2015, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions —an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — an Amendment of GASB Statement No. 68*, as of July 1, 2014. This resulted in a restatement of beginning net position as disclosed in Note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and the pension schedules on pages 42 and 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2015, 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* in considering the District's internal control over financial reporting and compliance.

Rancho Cucamonga, California
November 11, 2015

Financial Statements
Audited Financial Statements - Fiscal Year 2015

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Management's Discussion & Analysis



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, 2014 and June 30, 2015. 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, 2015, the following financial highlights are noted for the Yucaipa Valley Water District.

- The District's net position increased 2.27% to \$194,305,020.
- The District's total revenues decreased 1.11% to \$24,393,385.
- The District's total expenses decreased 0.26% to \$26,668,794.
- The capital contributions to the District totaled \$12,247,899 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 three components: Financial Statements, Notes to the Financial Statements and Required Supplementary Information.

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

The *Statement of Net Position* presents information on all District assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as *Net Position*. Over time, increases or decreases in Net Position 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 Position* presents information showing how Net Position changed during the fiscal year.

The *Statement of Cash Flows* presents 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 provides 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.

FINANCIAL ANALYSIS

The following table summarizes the changes in the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position as of June 30, 2015.

Statement of Net Position				
	2015	2014	Change	% Change
Assets				
Current assets - W	\$ 11,318,521	\$ 10,135,548	\$ 1,182,973	11.67%
Current assets - S	8,756,444	5,550,276	3,206,168	57.77%
Current assets - R	3,156,536	3,274,227	(117,691)	-3.59%
Net capital assets - W	102,581,965	100,780,002	1,801,963	1.79%
Net capital assets - S	128,206,759	132,127,093	(3,920,334)	-2.97%
Net capital assets - R	25,514,168	26,055,470	(541,302)	-2.08%
Other assets - W	5,967,127	2,933,519	3,033,608	103.41%
Other assets - S	873,908	873,908	-	0.00%
Other assets - R	364,059	288,799	75,260	26.06%
Total Assets	286,739,487	282,018,842	4,720,645	1.67%
Deferred Outflows of Resources				
Deferred amounts related to pensions - W	370,912	-	370,912	100.00%
Deferred amounts related to pensions - S	277,279	-	277,279	100.00%
Deferred amounts related to pensions - R	5,327	-	5,327	100.00%
Total Deferred Outflows	653,518	-	653,518	100.00%
Total Assets and Deferred Outflows	287,393,005	282,018,842	5,374,163	1.91%
Liabilities				
Current liabilities - W	4,292,996	3,392,412	900,584	26.55%
Current liabilities - S	3,858,334	3,789,775	68,559	1.81%
Current liabilities - R	73,933	42,902	31,031	72.33%
Long term liabilities - W	36,474,537	37,446,496	(971,959)	-2.60%
Long term liabilities - S	47,152,277	47,349,190	(196,913)	-0.42%
Long term liabilities - R	40,320	-	40,320	0.00%
Total Liabilities	91,892,397	92,020,775	(128,378)	-0.14%
Deferred Inflows of Resources				
Deferred amounts related to pensions - W	678,571	-	678,571	100.00%
Deferred amounts related to pensions - S	507,272	-	507,272	100.00%
Deferred amounts related to pensions - R	9,745	-	9,745	100.00%
Total Deferred Inflows	1,195,588	-	1,195,588	100.00%
Net Position				
Net Investment in capital assets,				
Net of related debt - W	68,433,170	62,773,372	5,659,798	9.02%
Net of related debt - S	80,788,980	82,468,574	(1,679,594)	-2.04%
Net of related debt - R	25,514,168	26,055,470	(541,302)	-2.08%
Restricted - W	5,955,412	2,933,519	3,021,893	103.01%
Restricted - S	873,908	873,908	-	0.00%
Restricted - R	364,059	288,799	75,260	26.06%
Unrestricted - W	4,403,839	7,303,270	(2,899,431)	-39.70%
Unrestricted - S	4,933,619	4,069,830	863,789	21.22%
Unrestricted - R	3,037,865	3,231,325	(193,460)	-5.99%
Total Net Position	194,305,020	189,998,067	4,306,953	2.27%
Total Liabilities, Deferred Inflows and Net Position	\$ 287,393,005	\$ 282,018,842	\$ 5,374,163	1.91%

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Statement of Net Position – The District's net position increased between fiscal years 2013-14 and 2014-15, increasing from \$189,998,067 to \$194,305,020. The change can be seen in the condensed Statement of Net Position below as a \$4,306,953 increase in net position.

As of July 1, 2014 and the District's adoption of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. These pronouncements resulted in a restatement of the District's beginning net position and inclusion of several new accounts on the District's financial statements. These new accounts include a \$4,947,010 net pension liability, \$1,195,588 in deferred inflow of resources (deferred amount on pensions) and \$653,518 in deferred outflows of resources from pension contributions made after the measurement date and amortization. These are further discussed in Defined Benefit Pension Plans in the accompanying pages.

The increase in other water assets is attributed to the new Statewide Community Infrastructure Program (SCIP), formed to finance the construction and installation of a reservoir that will service properties located within Assessment District AD-14-01. Bonds were issued for construction funding for the Reservoir 12.4. Yucaipa Valley Water District is not liable for the bonds, but is an acting agent for the bondholders. Additional information can be found in Note 18 of the report.

The following table summarizes changes in Net Position for the year ended June 30, 2015.

Statement of Revenues, Expenses and Changes in Net Position

	2015	2014	Change	% Change
Operating Revenues				
Water Services	\$ 9,502,880	\$ 10,268,030	\$ (765,150)	-7.45%
Sewer Services	11,316,511	10,982,918	333,593	3.04%
Recycled Services	443,652	431,623	12,029	2.79%
Interfund Services Provided	153,500	153,000	500	0.33%
Other Revenue	3,420	1,440	1,980	137.50%
Total Operating Revenues	21,419,963	21,837,011	(417,048)	-1.91%
Non-Operating Revenues				
Interest Income	52,375	22,475	29,900	133.04%
Property Taxes	2,791,142	2,629,054	162,088	6.17%
Other Income	129,905	179,776	(49,871)	-27.74%
Total Non-Operating Revenues	2,973,422	2,831,305	142,117	5.02%
Total Revenues	24,393,385	24,668,316	(274,931)	-1.11%
Operating Expenses				
Salaries & Benefits - W	3,662,236	3,604,060	58,176	1.61%
Salaries & Benefits - S	2,818,855	2,665,431	153,424	5.76%
Salaries & Benefits - R	120,819	39,669	81,150	204.57%
Operating Expenses - W	4,766,899	4,457,649	309,250	6.94%
Operating Expenses - S	3,398,750	3,629,541	(230,791)	-6.36%
Operating Expenses - R	277,540	201,501	76,039	37.74%
Water Purchases - W	509,584	741,329	(231,745)	-31.26%
Depreciation & Amortization - W	3,287,958	3,249,382	38,576	1.19%
Depreciation & Amortization - S	4,084,540	4,217,730	(133,190)	-3.16%
Depreciation & Amortization - R	777,079	753,025	24,054	3.19%
Total Operating Expenses	23,704,260	23,559,317	144,943	0.62%
Non-Operating Expenses				
(Gain)/Loss on Asset Disposal	-	507	(507)	-100.00%
Other Expenses	-	6,147	(6,147)	-100.00%
Bond Issuance cost - W	244,101	-	244,101	100.00%
Interest Expense - W	1,572,938	1,919,927	(346,989)	-18.07%
Interest Expense - S	1,147,495	1,252,241	(104,746)	-8.36%
Total Non-Operating Expenses	2,964,534	3,178,822	(214,288)	-6.74%
Total Expenses	26,668,794	26,738,139	(69,345)	-0.26%

Management's Discussion and Analysis
Fiscal Year 2015

Statement of Revenues, Expenses and Changes in Net Position

	2015	2014	Change	% Change
Income (Loss) Before Contributions - W	\$ (1,624,707)	\$ (2,482,499)	\$ 857,792	-34.6%
Income (Loss) Before Contributions - S	56,248	(7,090,381)	7,146,629	-100.8%
Income (Loss) Before Contributions - R	(706,950)	7,503,057	(8,210,007)	-109.4%
Total Income (Loss) Before Contributions	(2,275,409)	(2,069,823)	(205,586)	9.9%
Contributions				
Capital Contributions - W	10,622,515	1,557,141	9,065,374	582.2%
Capital Contributions - S	1,531,760	4,270,004	(2,738,244)	-64.1%
Capital Contributions - R	93,624	268,303	(174,679)	-65.1%
	12,247,899	6,095,448	6,152,451	452.9%
Change in Net Position - W	8,997,808	(925,358)	9,923,166	-1072.4%
Change in Net Position - S	1,588,008	(2,820,377)	4,408,385	-156.3%
Change in Net Position - R	(613,326)	7,771,360	(8,384,686)	-107.9%
Beginning Net Position (as Restated)	184,332,530	185,972,442	(1,639,912)	-0.9%
Ending Net Position	\$ 194,305,020	\$ 189,998,067	\$ 4,306,953	2.3%

The Statement of Revenues, Expenses and Changes in Net Position provides the nature and source of these changes. As can be seen in the preceding table, the loss before capital contributions of \$2,275,409 and capital contributions of \$12,247,899 were the source of the increase in Net Position of \$9,972,490 in fiscal year 2015.

On January 17, 2014, Governor Brown issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions. On April 25, 2014, Governor Brown issued a proclamation of a continued state of emergency based on continued drought. Yucaipa Valley Water District has taken steps over the years to reduce drinking water use by implementing an extensive recycled water system and asking customers to cut back usage, resulting in \$765,150 decreased revenue.

Sewer Salaries & Benefits increased \$153,424 with additional employees allocated to department.

The Recycled Water Department continues to expand recycled water service resulting in increased expenses overall with additional employees allocated to Salaries & Benefits by \$81,150 and Operating Expenses increased by \$76,039 to maintain operations.

The Yucaipa Valley Regional Filtration Facility was shut down for four months due to extended maintenance and drought conditions. During this time Yucaipa Valley Water District used ground water in lieu of imported state water resulting in \$231,745 decreased water purchases.

The increase in water capital contributions is attributed to the new Statewide Community Infrastructure Program (SCIP), formed to finance the construction and installation of a reservoir that will service properties located within Assessment District AD-14-01. Bonds were issued for construction funding for the Reservoir 12.4. Yucaipa Valley Water District is not liable for the bonds, but is an acting agent for the bondholders. Additional information can be found in Note 18 of the report.

The bond Issuance of \$244,101 is the cost of the Series 2015A Refunding Bonds sold to refund Series 2004A Certificates of Participation, resulting in \$346,989 interest savings in fiscal year 2015.



The increase in capital contributions includes an increase of \$2,725,960 facility capacity fees and \$6,623,491 infrastructure contributions and a decrease of \$3,197,000 grant funds received in fiscal year 2015.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

At the end of fiscal year 2015, the District had invested \$256,302,892 in a broad range of infrastructure as shown below.

Schedule of Capital Assets

	2015	2014	Change	% Change
Non-Depreciable Assets				
Land & Easements	\$ 5,587,306	\$ 5,587,306	\$ -	0.00%
Water Rights	5,919,976	5,919,976	-	0.00%
Construction in Progress	10,845,469	6,562,967	4,282,502	65.25%
Total Non-Depreciable Assets	22,352,751	18,070,249	4,282,502	23.70%
Depreciable Assets				
Structures & Improvements	326,869,552	326,099,131	770,421	0.24%
Equipment	6,094,449	5,817,079	277,370	4.77%
Total Depreciable Assets	332,964,001	331,916,210	1,047,791	0.32%
Less Accumulated Depreciation	(99,013,860)	(91,023,894)	(7,989,966)	8.78%
Net Depreciable Assets	233,950,141	240,892,316	(6,942,175)	-2.88%
Total Capital Assets, Net	\$ 256,302,892	\$ 258,962,565	\$ (2,659,673)	-1.03%

As of June 30, 2015, construction in progress increased \$4,282,502, primarily in the water and recycled water enterprise funds with the construction the SCIP reservoir project R-12.4 and continuing expansion of the recycled water system.

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

Long-term obligations, including current portion, total \$91,892,397 as of June 30, 2015, and \$92,020,775 as of June 30, 2014. The long-term obligations were comprised of compensated absences, water revenue bonds and sewer fund state revolving fund (SRF) loans for the WRWRF plant expansion, Regional Brineline Extension, (WISE) Wochholz Improved Salinity Effluent Project, Non-Potable Reservoir NR-10.3.1 project and the Crow Street Recycled Project.

Schedule of Liabilities

	2015	2014	Change	% Change
Long Term Obligations:				
Compensated absences	\$ 797,172	\$ 761,757	\$ 35,415	4.65%
Refunding Revenue Bonds - Water	33,180,510	36,971,630	(3,791,120)	-10.25%
State Revolving Fund Loan - Sewer	44,742,442	47,062,299	(2,319,857)	-4.93%
Net Pension Liability	4,947,010	-	4,947,010	100.00%
Total Long Term Obligations	83,667,134	84,795,686	(1,128,552)	-1.33%
Current Portion of Obligations:				
Compensated Absences	390,914	372,460	18,454	4.95%
Refunding Revenue Bonds - Water	980,000	1,035,000	(55,000)	-5.31%
State Revolving Fund Loan - Sewer	2,675,337	2,596,220	79,117	3.05%
Other Current Liabilities	4,179,012	3,221,409	957,603	29.73%
Total Current Obligations	8,225,263	7,225,089	1,000,174	13.84%
Total Liabilities	\$ 91,892,397	\$ 92,020,775	\$ (128,378)	-0.14%

During the year, the District sold Refunding Revenue Bonds Series 2015A in the amount of \$30,810,000 to refund the Series 2004A Certificates of Participation resulting in an annual savings of \$600,000. The final payment for the 2015A Revenue Bonds remains the same as the 2004A Certificates in 2035.

Additional information on the District's long-term obligations can be found in Notes 4 through 12 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 2015

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Financial Statements

YUCAIPA VALLEY WATER DISTRICT

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015**

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	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
ASSETS				
Current Assets:				
Cash and investments	\$ 8,428,113	\$ 7,239,384	\$ 3,089,117	\$ 18,756,614
Accounts receivable, net	1,266,261	1,511,491	66,181	2,843,933
Taxes and assessments receivable	70,541			70,541
Grants receivable	1,079			1,079
Interest receivable	5,569	5,569	1,238	12,376
Inventory	817,972			817,972
Prepayments and deposits	728,986			728,986
Total Current Assets	11,318,521	8,756,444	3,156,536	23,231,501
Noncurrent Assets:				
Restricted investments	5,967,127	873,908	364,059	7,205,094
Capital assets not being depreciated	9,377,615	7,314,332	5,660,804	22,352,751
Capital assets being depreciated, net	93,204,350	120,892,427	19,853,364	233,950,141
Total Noncurrent Assets	108,549,092	129,080,667	25,878,227	263,507,986
TOTAL ASSETS	119,867,613	137,837,111	29,034,763	286,739,487
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	370,912	277,279	5,327	653,518
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	1,482,216	209,677	73,933	1,765,856
Customer deposits	146,674			146,674
Developer/construction deposits	1,011,589			1,011,589
Accrued interest payable	448,972	805,921		1,254,893
Current portion of long-term liabilities:				
Compensated absences	223,515	167,399		390,914
Certificates of participation	980,000			980,000
State Revolving Fund Loans		2,675,337		2,675,337
Total Current Liabilities	4,292,996	3,858,334	73,933	8,225,263
Long-Term Liabilities:				
Compensated absences	486,288	310,884		797,172
Certificates of participation	33,180,510			33,180,510
State Revolving Fund Loans		44,742,442		44,742,442
Net Pension Liability	2,807,739	2,098,951	40,320	4,947,010
Total Long-Term Liabilities	36,474,537	47,152,277	40,320	83,667,134
TOTAL LIABILITIES	40,767,533	51,010,611	114,253	91,892,397
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	678,571	507,272	9,745	1,195,588
NET POSITION				
Net investment in capital assets	68,433,170	80,788,980	25,514,168	174,736,318
Restricted for:				
Debt service		873,908		873,908
Capital projects	5,955,412		364,059	6,319,471
Unrestricted	4,403,839	4,933,619	3,037,865	12,375,323
TOTAL NET POSITION	\$ 78,792,421	\$ 86,596,507	\$ 28,916,092	\$ 194,305,020

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



YUCAIPA VALLEY WATER DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015**

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	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
OPERATING REVENUES				
Charges for current services	\$ 9,502,880	\$ 11,316,511	\$ 443,652	\$ 21,263,043
Interfund services provided	153,500			153,500
Other revenue		3,420		3,420
Total Operating Revenues	9,656,380	11,319,931	443,652	21,419,963
OPERATING EXPENSES				
Salaries and employee benefits	3,662,236	2,818,855	120,819	6,601,910
Electrical power	1,685,876	1,036,135	3,459	2,725,470
Water purchases	509,584			509,584
Administrative services	404,205	356,761	20,664	781,630
Operating supplies	182,458	528,703	174	711,335
Maintenance and repairs	934,911	588,162	73,332	1,596,405
Crystal Creek Water Treatment	911,863			911,863
Brineline charges		152,990		152,990
Depreciation	3,287,958	4,084,540	777,079	8,149,577
Insurance	98,685	98,535		197,220
Professional fees	472,526	343,974	131,240	947,740
Other	76,375	293,490	48,671	418,536
Total Operating Expenses	12,226,677	10,302,145	1,175,438	23,704,260
Operating Income (Loss)	(2,570,297)	1,017,786	(731,786)	(2,284,297)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	22,990	22,549	6,836	52,375
Property taxes	2,626,642	146,500	18,000	2,791,142
Other income	112,997	16,908		129,905
Bond issuance costs	(244,101)			(244,101)
Interest expense	(1,572,938)	(1,147,495)		(2,720,433)
Total Non-Operating Revenues (Expenses)	945,590	(961,538)	24,836	8,888
Income (Loss) Before Contributions	(1,624,707)	56,248	(706,950)	(2,275,409)
CONTRIBUTIONS				
Capital contributions	10,622,515	1,531,760	93,624	12,247,899
Change in Net Position	8,997,808	1,588,008	(613,326)	9,972,490
Net Position, Beginning of Year, as restated	69,794,613	85,008,499	29,529,418	184,332,530
Net Position, End of Year	\$ 78,792,421	\$ 86,596,507	\$ 28,916,092	\$ 194,305,020

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, 2015

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	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,874,129	\$ 11,286,413	\$ 463,717	\$ 21,624,259
Receipts (payments) from interfund services provided	153,500	(153,500)		
Payments to suppliers	(5,154,252)	(3,223,117)	(246,509)	(8,623,878)
Employment related payments	(3,745,429)	(2,856,812)	(122,257)	(6,724,498)
Net Cash Provided by Operating Activities	1,127,948	5,052,984	94,951	6,275,883
CASH FLOWS FROM CAPITAL AND AND RELATED FINANCING ACTIVITIES				
Loan proceeds	34,217,297	375,556		34,592,853
Capital contributions	10,596,896	1,782,483	93,624	12,473,003
Payment of debt issuance costs	(244,101)			(244,101)
Cash paid for capital assets	(4,107,538)	(22,929)	(235,777)	(4,366,244)
Principal paid on capital debt	(37,930,000)	(2,616,297)		(40,546,297)
Interest paid on capital debt	(1,896,425)	(1,193,105)		(3,089,530)
Net Cash Provided/(Used) for Capital and Related Financing Activities	636,129	(1,674,292)	(142,153)	(1,180,316)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property taxes received	2,633,336	146,500	18,000	2,797,836
Other receipts	112,997	16,908		129,905
Net Cash Provided by Non-Capital Financing Activities	2,746,333	163,408	18,000	2,927,741
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	20,118	19,677	6,945	46,740
Net Increase/(Decrease) in Cash and Cash Equivalents	4,530,528	3,561,777	(22,257)	8,070,048
Balances, Beginning of Year	9,864,712	4,551,515	3,475,433	17,891,660
Balances, End of Year	\$ 14,395,240	\$ 8,113,292	\$ 3,453,176	\$ 25,961,708
Reconciliation to Statement of Net Position:				
Cash and investments	\$ 8,428,113	\$ 7,239,384	\$ 3,089,117	\$ 18,756,614
Restricted cash and investments - Non-current	5,967,127	873,908	364,059	7,205,094
Total Cash and Investments	\$ 14,395,240	\$ 8,113,292	\$ 3,453,176	\$ 25,961,708

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, 2015

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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)	\$ (2,570,297)	\$ 1,017,786	\$ (731,786)	\$ (2,284,297)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	3,287,958	4,084,540	777,079	8,149,577
Change in assets and liabilities:				
Receivables, net	414,611	(33,519)	20,065	401,157
Compensated absences	16,957	36,912		53,869
Prepayments and deposits	(25,880)			(25,880)
Developer and customer deposits	(43,362)			(43,362)
Inventories	(78,606)			(78,606)
Accounts and other payables (non-capital)	226,717	22,134	31,031	279,882
Net pension liability	(693,746)	(518,617)	(9,962)	(1,222,325)
Change in deferred outflows of resources related to pensions	(84,975)	(63,524)	(1,221)	(149,720)
Change in deferred inflows of resources related to pensions	678,571	507,272	9,745	1,195,588
Net Cash Provided by Operating Activities	\$ 1,127,948	\$ 5,052,984	\$ 94,951	\$ 6,275,883
SUPPLEMENTAL DISCLOSURE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital assets	\$ 25,619	\$ 141,277	\$ -	\$ 166,896

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



YUCAIPA VALLEY WATER DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2015

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	SCIP R-12.4 Reservoir Agency Fund
ASSETS	
Cash and cash equivalents	\$ 1,488,925
TOTAL ASSETS	\$ 1,488,925
LIABILITIES	
Due to other governments	\$ 1,488,925
TOTAL LIABILITIES	\$ 1,488,925

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



Financial Statements
Audited Financial Statements - Fiscal Year 2015

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Notes to the Financial Statements



YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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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 drinking 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.

The SCIP R-12.4 Reservoir agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities. This fund is used to account for receipts and disbursements associated with Assessment District AD-14-01, which is administered by, but is not the liability of, the District.

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.

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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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 debt covenants and are classified on the balance sheet as restricted investments. Undisbursed debt proceeds are restricted for repayment of the debt 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, 2015, this allowance was estimated at \$10,816 in the Water Fund and \$15,040 in the Sewer Fund.



YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Credit/Market Risk

The District provides water, sewer, and recycled water 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. Net Position

Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets.

Restricted net position consists of those restricted assets reduced by liabilities related to those assets.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, pension expense, information about the fiduciary net position of the District's California Public Employees Retirement System (CalPERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The government only has one item that qualifies for reporting in this category. It is the deferred outflow related to pensions which is the result of the implementation of GASB 68 representing the District's pension contributions made subsequent to the measurement date and change in proportion.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The government has only one type of item, deferred amounts related to pensions. This item is the result of the implementation of GASB 68 representing the change in proportion and the difference between projected and actual earnings on investments.



YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (*Continued*)

P. New Accounting Pronouncements

Effective in this Fiscal Year

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments. 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 was implemented as of July 1, 2014.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This Statement addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement was implemented as of July 1, 2014.

Effective in Future Fiscal Years

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The primary objective of this statement is to define fair value and describe how fair value should be measured, define what assets and liabilities should be measured at fair value, and determine what information about fair value should be disclosed in the notes to the financial statements. The Statement is effective for periods beginning after June 15, 2015, or the 2015-16 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The Statement is effective for periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of the Statement is to address the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated. The Statement is effective for periods beginning after June 15, 2016, or the 2016-2017 fiscal year. The District has not determined the effect of the statement.

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

P. New Accounting Pronouncements, (Continued)

Effective in Future Fiscal Years (Continued)

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or the 2017-2018 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 76 – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The Statement is effective for the periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 77 – In August 2015, GASB issued Statement No 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for the periods beginning after December 15, 2015, or the 2016-2017 fiscal year. The District has not determined the effect of the statement.

NOTE 2 – CASH AND INVESTMENTS

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

Statement of Net Position	
Cash and investments	\$ 18,756,614
Restricted investments - Non-current	7,205,094
Statement of Fiduciary Assets and Liabilities	
Cash and cash equivalents	<u>1,488,925</u>
Total Cash and Investments	<u><u>\$ 27,450,633</u></u>

Cash and investments as of June 30, 2015, consist of the following:

Petty cash	\$ 800
Cash	1,738,099
Investments	<u>25,711,734</u>
Total Cash and Investments	<u><u>\$ 27,450,633</u></u>



YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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NOTE 2 – CASH AND INVESTMENTS, (Continued)

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, whichever is more restrictive. The table also identifies certain provisions of the California Government Code that address interest rate 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
Money Market Accounts	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

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	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Repurchase Agreements	365 days	None	None
Negotiable Certificates of Deposit	None	30%	None
Money Market Mutual Funds	None	None	None

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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NOTE 2 – CASH AND INVESTMENTS, (Continued)

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
L AIF	\$ 19,616,595	\$ 19,616,595
U.S. Treasury Bills	500,925	500,925
Money Market Funds	5,594,214	5,594,214
Total	\$ 25,711,734	\$ 25,711,734

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:

Investment Type	Fair Value	S&P Rating at June 30, 2015
L AIF	\$ 19,616,595	Unrated
U.S. Treasury Bills	500,925	AA+
Money Market Funds	5,594,214	AAAm
Total	\$ 25,711,734	

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2 – CASH AND INVESTMENTS, (Continued)**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The 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. Bank deposits are covered by the federal depository insurance (FDIC) for the first \$250,000. As of June 30, 2015, the District has \$540,590 of cash in excess of the FDIC limit. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the District's deposits as noted above.

Investment in State Investment Pool

The 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 District's investment in this pool is reported in the accompanying financial statements, at amounts based upon the District's pro-rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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.



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NOTE 3 – CAPITAL ASSETS

The following tables summarize capital asset activity during 2014-2015:

Water Fund	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated:				
Land and easements	\$ 4,111,106			\$ 4,111,106
Water rights	432,941			432,941
Construction in progress	790,916	\$ 4,825,893	\$ (783,241)	4,833,568
Total capital assets not being depreciated	5,334,963	4,825,893	(783,241)	9,377,615
Capital assets being depreciated:				
Structures and improvements	127,860,707	701,378	(80,831)	128,481,254
Equipment	4,072,299	345,891	(60,009)	4,358,181
Total capital assets being depreciated	131,933,006	1,047,269	(140,840)	132,839,435
Less accumulated depreciation for:				
Structures and improvements	(33,025,753)	(3,095,306)	80,831	(36,040,228)
Equipment	(3,462,214)	(192,652)	60,009	(3,594,857)
Total accumulated depreciation	(36,487,967)	(3,287,958)	140,840	(39,635,085)
Total capital assets being depreciated, net	95,445,039	(2,240,689)		93,204,350
Water Fund capital assets, net	\$ 100,780,002	\$ 2,585,204	\$ (783,241)	\$ 102,581,965

Depreciation expense was \$3,287,958 for the year ended June 30, 2015.

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NOTE 3 – CAPITAL ASSETS, (Continued)

Sewer Fund	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated:				
Land and easements	\$ 1,476,200			\$ 4,111,106
Water rights	5,487,035			432,941
Construction in progress	330,032	\$ 102,853	\$ (81,788)	351,097
Total capital assets not being depreciated	7,293,267	102,853	(81,788)	7,314,332
Capital assets being depreciated:				
Structures and improvements	173,535,816	132,881		173,668,697
Equipment	1,597,780	10,260	(18,772)	1,589,268
Total capital assets being depreciated	175,133,596	143,141	(18,772)	175,257,965
Less accumulated depreciation for:				
Structures and improvements	(48,963,844)	(4,053,307)		(53,017,151)
Equipment	(1,335,926)	(31,233)	18,772	(1,348,387)
Total accumulated depreciation	(50,299,770)	(4,084,540)	18,772	(54,365,538)
Total capital assets being depreciated, net	124,833,826	(3,941,399)		120,892,427
Sewer Fund capital assets, net	\$ 132,127,093	\$ (3,838,546)	\$ (81,788)	\$ 128,206,759

Depreciation expense was \$4,084,540 for the year ended June 30, 2015.

Recycled Water Fund	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated				
Land and easements				
Water rights				
Construction in progress	\$ 5,442,019	\$ 224,176	\$ (5,391)	5,660,804
Total capital assets not being depreciated	5,442,019	224,176	(5,391)	5,660,804
Capital assets being depreciated:				
Structures and improvements	24,702,608	16,992		24,719,600
Equipment	147,000			147,000
Total capital assets being depreciated	24,849,608	16,992		24,866,600
Less accumulated depreciation for:				
Structures and improvements	(4,221,457)	(762,379)		(4,983,836)
Equipment	(14,700)	(14,700)		(29,400)
Total accumulated depreciation	(4,236,157)	(777,079)		(5,013,236)
Total capital assets being depreciated, net	20,613,451	(760,087)		19,853,364
Recycled Water Fund capital assets, net	\$ 26,055,470	\$ (535,911)	\$ (5,391)	\$ 25,514,168

Depreciation expense was \$777,079 for the year ended June 30, 2015.



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NOTE 4 – REFUNDING REVENUE BONDS SERIES 2015 A

In 2015, the District sold certificates of participation in the amount of \$30,810,000 to refund the 2004 Certificates of Participation. As a result, the 2004 Certificates of Participation were retired and the liability for those bonds has been removed from the statement of net position. Proceeds were also used to pay delivery costs of the certificates. These bonds reduced the present value of future debt service payments. The transaction resulted in a reduction of debt service payments of \$9,818,987 over the next 20 fiscal years and an economic gain (difference between the present values of the debt service payments of the original 2004 and 2015 debt) of \$9,874,586.

Certificates began maturing on September 1, 2015 with semi-annual interest payments due March 1 and September 1 at various interest rates from 3.00 to 5.00 percent. Principal payments are due annually September 1 at various amounts from \$980,000 to \$2,240,000. The final principal payment of the certificates is scheduled for September 1, 2034. See Note 12 for revenues pledged. The Bonds are recorded in the Water Fund.

Maturities of the revenue refunding bonds are as follows:

Fiscal Year Ending	2015 Refunding Revenue Bonds Series A		
	Principal	Interest	Total
2016	\$ 980,000	\$ 1,314,014	\$ 2,294,014
2017	1,030,000	1,265,662	2,295,662
2018	1,065,000	1,228,912	2,293,912
2019	1,115,000	1,179,737	2,294,737
2020	1,170,000	1,122,612	2,292,612
2021-2025	6,700,000	4,768,710	11,468,710
2026-2030	8,430,000	3,034,885	11,464,885
2031-2035	10,320,000	1,152,180	11,472,180
Total	\$ 30,810,000	\$ 15,066,712	\$ 45,876,712



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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 in September 2009. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2006 State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 2,097,629	\$ 826,039	\$ 2,923,668
2017	2,147,973	775,696	2,923,669
2018	2,199,524	724,145	2,923,669
2019	2,252,313	671,356	2,923,669
2020	2,306,368	617,301	2,923,669
2021-2025	12,389,185	2,229,159	14,618,344
2026-2029	11,025,313	669,361	11,694,674
Total	\$ 34,418,305	\$ 6,513,057	\$ 40,931,362

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. The maximum amount of \$9,752,100 has been drawn plus interest accrued during the period of construction of \$183,714. 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 occurred in December 2013. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2010 State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 401,939	\$ 247,335	\$ 649,274
2017	412,791	236,483	649,274
2018	423,936	225,337	649,273
2019	435,383	213,891	649,274
2020	447,138	202,136	649,274
2021-2025	2,423,433	822,935	3,246,368
2026-2030	2,768,747	477,621	3,246,368
2031-2033	1,847,186	100,634	1,947,820
Total	\$ 9,160,553	\$ 2,526,372	\$ 11,686,925



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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NOTE 7 – STATE REVOLVING FUND LOAN – 2013 (WISE)

In December 2011, the District entered into a loan agreement (Wise) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The maximum amount of the loan is \$2,988,364. The loan accrues interest at a rate of 2.2 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred in March 2014. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (Wise) State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 125,283	\$ 59,968	\$ 185,251
2017	127,966	57,285	185,251
2018	130,782	54,470	185,252
2019	133,659	51,592	185,251
2020	136,599	48,652	185,251
2021-2025	729,419	196,838	926,257
2026-2030	813,264	112,993	926,257
2031-2033	532,169	23,585	555,754
Total	<u>\$ 2,729,141</u>	<u>\$ 605,383</u>	<u>\$ 3,334,524</u>

NOTE 8 – STATE REVOLVING FUND LOAN – 2013 (R-10.3)

In December 2011, the District entered into a loan agreement (R-10.3) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The maximum amount of the loan is \$871,570. The loan accrues interest at a rate of 2.2 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred in March 2014. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (R-10.3) State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 36,691	\$ 17,586	\$ 54,277
2017	37,493	16,784	54,277
2018	38,318	15,959	54,277
2019	39,161	15,116	54,277
2020	40,023	14,254	54,277
2021-2025	259,319	66,344	325,663
2026-2030	243,523	27,864	271,387
2031-2033	105,075	3,480	108,555
Total	<u>\$ 799,603</u>	<u>\$ 177,387</u>	<u>\$ 976,990</u>



YUCAIPA VALLEY WATER DISTRICT
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NOTE 9 – STATE REVOLVING FUND LOAN – 2013 (CROW)

In December 2011, the District entered into a loan agreement (Crow Street) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The maximum amount of the loan is \$342,124. The loan accrues interest at a rate of 2.2 percent annually on amounts drawn. As of June 30, 2015 \$310,179 has been drawn on the Crow Street loan. Repayment will be made in 20 annual installments beginning one year after the completion of the project. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (Crow) State Revolving Fund Loan		
	Principal	Interest	Total
2016	\$ 13,795	\$ 5,459	\$ 19,254
2017	12,734	6,520	19,254
2018	13,014	6,240	19,254
2019	13,300	5,954	19,254
2020	13,593	5,661	19,254
2021-2025	72,584	23,687	96,271
2026-2030	80,928	15,344	96,272
2031-2034	90,231	6,041	96,272
Total	\$ 310,179	\$ 74,906	\$ 385,085

NOTE 10 – 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, 2015, total accruals for Water, Sewer and Recycled Water funds amount to \$709,803, \$478,283, and \$0 respectively. The District estimated, based on historical trends, that approximately \$223,515, \$167,399, and \$0 of the Water, Sewer, and Recycled Water balances, respectively, will come due during fiscal year 2015-2016.

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NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities balances for the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Additions	Repayments	Balance June 30, 2015	Amount Due in 2015-16
2004 Certificates of Participation	\$ 37,930,000		\$ (37,930,000)		
2015 Refunding Revenue Bonds		\$ 30,810,000		\$ 30,810,000	\$ 980,000
Unamortized premium	76,629	3,407,297	(133,416)	3,350,510	
Total Certificates of Participation	39,005,461	34,217,297	(38,063,416)	34,160,510	980,000
State Revolving Fund Loan - 2006	36,466,770		(2,048,466)	34,418,304	2,097,629
State Revolving Fund Loan - 2010	9,551,925		(391,372)	9,160,553	401,939
State Revolving Fund Loan - 2013 Wise	2,846,612	24,907	(142,378)	2,729,141	125,283
State Revolving Fund Loan - 2013 R-10.3	793,213	40,470	(34,081)	799,602	36,691
State Revolving Fund Loan - 2013 Crow		310,179		310,179	13,795
Total State Revolving Fund Loans	49,658,520	375,556	(2,616,297)	47,417,779	2,675,337
Compensated absences	1,134,217	53,869		1,188,086	390,914
Net pension liability	6,169,335		(1,222,325)	4,947,010	
Total Long-term Liabilities	\$ 95,967,533	\$ 34,646,722	\$ (41,902,038)	\$ 87,713,385	\$ 4,046,251

NOTE 12 – REVENUE PLEDGED

The District has pledged future water fund revenues, net of specified operating expenses, to repay \$30,810,000 in refunding revenue bonds (2015 bonds) issued in 2015 as disclosed in Note 4. Net revenues are defined in the 2015 bond documents as operating income, less specified operating expenses, plus specified non operating income. The 2015 bonds refunded the 2004 Certificates of Participation (COP). Proceeds from the COPs provided financing for the construction of the Yucaipa Valley Regional Water Filtration Facility (YVRWFF). The 2015 bonds 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 2015 bonds is \$45,876,712. Principal and interest paid for the current year and total customer net revenues were \$0 and \$5,603,491, respectively.

For the 2006, 2010, and 2013 State revolving loans, the District has pledged all revenues and amounts legally available to repay the loans.

NOTE 13 – DEFINED BENEFIT PENSION PLAN

Plan Description – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and may be amended by District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information. These reports can be found on the CalPERS website.



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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 60 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA - Miscellaneous</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	14.936%	6.25%

Contributions – Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. Contributions to the pension plan from the District were \$570,529 for the year ended June 30, 2015.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the District reported a liability of \$4,947,010 for its proportionate share of the collective net pension liability.

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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard actuarial procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportion of the net collective pension liability as of June 30, 2013 and 2014, was as follows:

Proportion - June 30, 2013	0.07653%
Proportion - June 30, 2014	0.07950%
Change - Increase (Decrease)	<u>-0.00297%</u>

For the year ended June 30, 2015, the District recognized pension expense of \$394,072. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 570,529	
Difference between actual contributions and proportionate share of contributions	25,111	
Changes in proportion	57,878	\$ 2,452
Net difference between projected and actual earnings on pension plan investments	-	1,193,136
	<u>\$ 653,518</u>	<u>\$ 1,195,588</u>

\$570,529 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2016	\$ (269,521)
2017	(269,521)
2018	(275,274)
2019	(298,283)
	<u>\$ (1,112,599)</u>



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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions.

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS' Membership Data

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment and administrative expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

In determining the long-term expected 7.50 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees’ Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long term, the present value of benefits was calculated for each fund. The expected rate for return was set by calculating the single equivalent expected return of return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for each Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return Years 1-10	Long-Term Expected Real Rate of Return Years 11+
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99	2.43
Inflation Sensitive	6%	0.45	3.36
Private Equity	12%	6.83	6.95
Real Estate	11%	4.50	5.13
Infrastructure and Forestland	3%	4.50	5.09
Liquidity	2%	(0.55)	(1.05)
Total	100%		

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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.50%
Net Pension Liability	\$	7,907,674
Current Discount Rate		7.50%
Net Pension Liability	\$	4,947,010
1% Increase		8.50%
Net Pension Liability	\$	2,489,940

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 14 – COMMITMENTS

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, 2015, are summarized below:

<u>Description</u>	<u>Contract Amounts</u>	<u>Remaining Commitment</u>
Water fund and General Operating projects	\$ 9,031,108	\$ 4,852,785
Sewer fund projects	2,546,111	2,338,247
Recycled Water fund projects	365,492	78,421
Total	\$ 11,942,711	\$ 7,269,453

NOTE 15 – INTERFUND ACTIVITY

Interfund 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 position as the revenue "Interfund services provided" in the Water Fund and included as the expense "Administrative services" in the Sewer fund. The amount reimbursed for these services was \$153,500 as of June 30, 2015.



YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Draft Copy 11/12/15

NOTE 16 – 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, 2015, the District purchased insurance through various commercial carriers to cover these risks with various limits including the Real Property & Business Personal Property blanket limit of \$95,041,921. 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 17 – 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 for San Bernardino and Riverside County 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

NOTE 18 – ASSESSMENT DISTRICT

The District acts in a fiduciary capacity for an assessment district that was formed to finance the construction and installation of a reservoir that will service properties located within the assessment district. The bonds issued by the assessment district are payable solely from the revenues of annual special taxes levied against land within the district and do not constitute an indebtedness of the Yucaipa Valley Water District. Yucaipa Valley Water District is not liable for the bonds, but acts as an agent for the bondholders. Since the District is acting in an agency capacity, the assets and liabilities of the assessment district have been excluded from the District’s statement of net position. The amount outstanding on the bonds at June 30, 2015 was 11,015,000.

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Draft Copy 11/12/15

NOTE 19 – RESTATEMENT OF NET POSITION

As discussed in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions —an amendment of GASB Statements No. 27 and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, as of July 1, 2014. The impact of the implementation on the beginning net position is as follows:

	<u>Water Fund Net Position</u>	<u>Sewer Fund Net Position</u>	<u>Recycled Water Fund Net Position</u>
Balance at June 30, 2014 as previously reported	\$ 73,010,161	\$ 87,412,312	\$ 29,575,594
Net pension liability as of the measurement date of June 30, 2013	(3,501,485)	(2,617,568)	(50,282)
Contributions after the measurement date - deferred outflows of resources	<u>285,937</u>	<u>213,755</u>	<u>4,106</u>
Balance at July 1, 2014 as restated	<u>\$ 69,794,613</u>	<u>\$ 85,008,499</u>	<u>\$ 29,529,418</u>

Following is the pro forma effect of the retroactive application:

	2014 <u>Previously Presented</u>	<u>Restatement</u>	2014 <u>Restated</u>
Deferred outflows of resources	\$ -	\$ 503,798	\$ 503,798
Net pension liability	-	6,169,335	6,169,335

In accordance with GASB 68, the restatement of all deferred outflows and inflows was not practical and therefore not included in the restatement of beginning balances.

Financial Statements
Audited Financial Statements - Fiscal Year 2015

Draft Copy 11/12/15

Required Supplementary Information

YUCAIPA VALLEY WATER DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY – LAST TEN YEARS*
 AS OF THE FISCAL YEAR ENDING JUNE 30, 2015**

Draft Copy 11/12/15

	<u>2015</u>
Proportion of the collective net pension liability	0.07950%
Proportionate share of the collective net pension liability	\$ 4,947,010
Covered - employee payroll	\$ 4,616,557
Proportionate Share of the collective net pension liability as a percentage of covered-employee payroll	107.16%
Plan fiduciary net position as a percentage of the total pension liability	79.82%

* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.



YUCAIPA VALLEY WATER DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS LAST TEN YEARS*
 AS OF THE FISCAL YEAR ENDING JUNE 30, 2015**

Draft Copy 11/12/15

	<u>2015</u>
Actuarially determined contributions	\$ 570,529
Contributions in relation to the actuarially determined contribution	570,529
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 4,710,310
Contributions as a percentage of covered-employee payroll	12.11%

* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.





Date: November 18, 2015

Prepared By: Vicky Elisalda, Controller

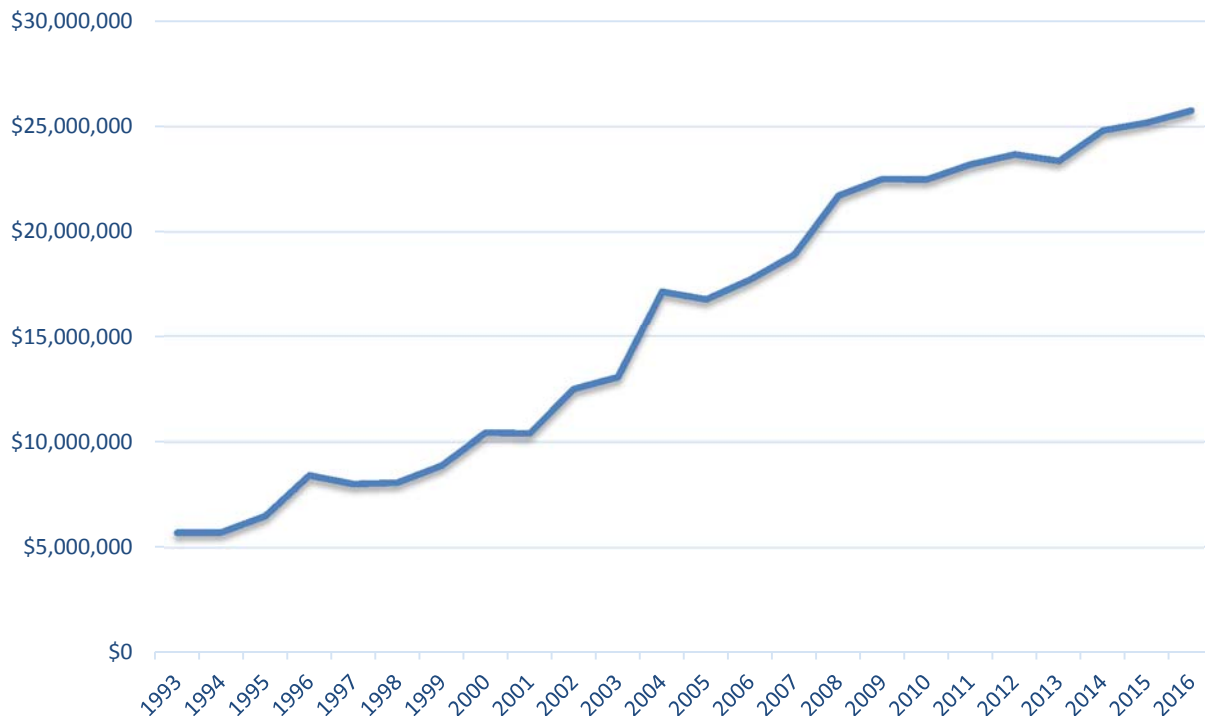
Subject: Consideration of Executing a Financial Audit Contract with Vavrinek, Trine, Day & Company

Recommendation: That the Board authorizes the District staff to execute audit engagement contracts with Vavrinek, Trine, Day & Co. through Fiscal Year 2018-19 for a sum not to exceed \$23,900 per year for the preparation of basic audited financial statements, excluding single audit reports if needed.

Background

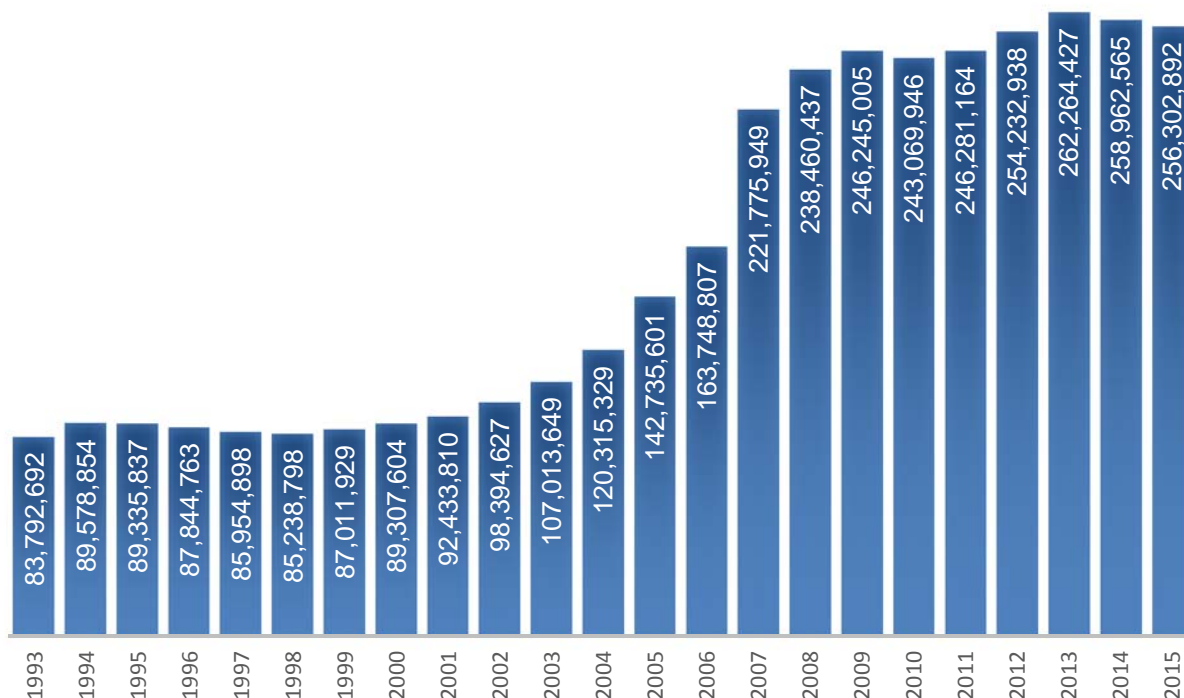
Over the past 23 years, the operating budget of the Yucaipa Valley Water District has grown from \$5,708,000 in Fiscal Year 1993 to \$25,769,750 in Fiscal Year 2016. The change in our operating budget is largely due to a growing service area, additional services provided to the community, and greater emphasis on maintaining the assets of the drinking water, sewer, recycled water, and brine disposal enterprises.

YVWD Operating Budget by Fiscal Year



The following chart of Net Capital Assets best illustrates the changes that have occurred with respect to the total (drinking water, recycled water, sewer and brine disposal) net assets required to be operated and maintained by the District staff on behalf of the community we serve.

NET CAPITAL ASSETS



Financial Auditor Services

On March 20, 2013 the Board of Directors authorized District staff to continue our contract with Vavrinek, Trine, Day & Company (VTD) to perform the District’s financial audit for fiscal years 2013, 2014 and 2015. [Director Memorandum No. 13-024] VTD has been engaged to perform audited financial services with the Yucaipa Valley Water District since 2005.

Vavrinek, Trine, Day & Company continues to provide a variety of different auditors to review the District’s financial documents to ensure a detailed evaluation is conducted and different aspects of the District’s financial status are reviewed. In addition to making routine changes to the auditing team members, VTD also makes changes with the audit partner assigned to the District in order to fully comply with Assembly Bill No. 1345 (Government Code Section 12410.6(b)) which states:

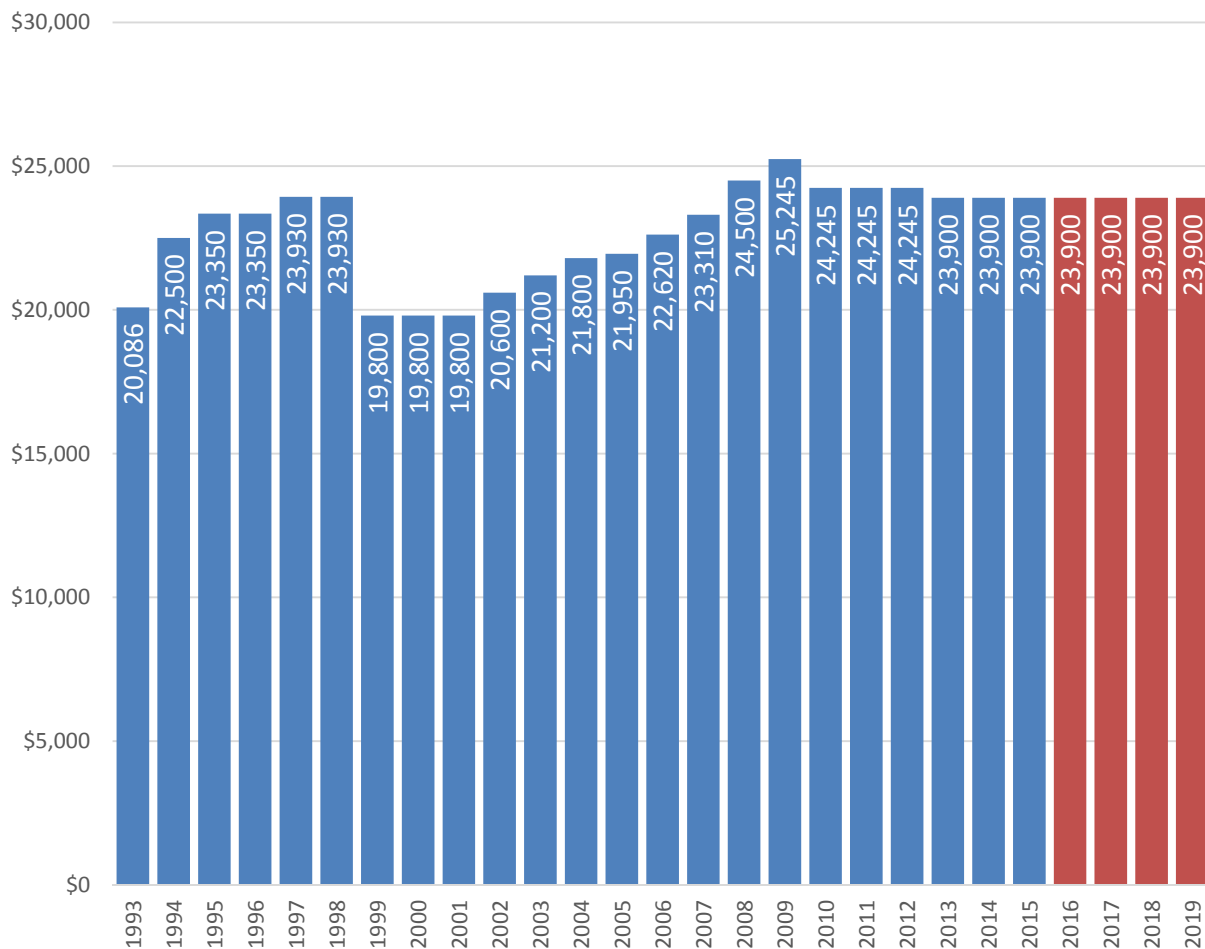
“commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any

time that a public accounting firm was employed by that local agency prior to the 2013-14 fiscal year.”

With these changes to the VTD audit team over the years, the District staff continues to effectively and efficiently prepare for the audit with complete inventory, reconciliations and fiscal year-end documentation to assist the auditors to efficiently inspect our financial records and perform tests on any aspect of our financial reporting.

To prepare for the next fiscal year audit, District staff requested an updated cost proposal from VTD to perform the financial audits for three more years. The proposed cost for each audit would remain at the current cost of \$23,900 for the basic financial statements, excluding the cost for any single audit if required. This is the same audit cost for the past three fiscal years.

Cost to Prepare Basic Financial Statements by Fiscal Year





Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

November 11, 2015

Joseph Zoba
General Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

Dear Mr. Zoba:

At the request of the Yucaipa Valley Water District (District), we have prepared a fee quotation for auditing services for fiscal year 2015-16 with optional services for fiscal years 2016-17, 2017-18 and 2018-19. As you are aware, Vavrinek, Trine, Day & Co., LLP (VTD) has been the independent audit firm for the District for several years. One of the considerations that local governments face is whether or not to rotate their external auditors. The topic of auditor rotation and the impact on audit quality has been one of significant debate with the American Institute of Certified Public Accountants (AICPA), Government Accountability Office (GAO) and the Public Company Accounting Oversight Board (PCAOB) each providing perspectives. To date, there is little evidence to support that auditor rotation improves audit quality. For your review, attached is a briefing paper issued by the AICPA discussing auditor rotation.

As a "Top 100 Firm" in the United States, VTD is a leader in governmental auditing and accounting and we invest significantly in quality. Our investment includes, but is not limited to:

- Providing audits to over 300 governmental entities
- Being a member of the AICPA, California Society of CPAs, and AICPA Government Audit Quality Center (GAQC),
- Using professionals on the engagement team that work exclusively in governmental accounting and auditing; as such, they understand the risks, processes and issues of local governments,
- Participating in national training sessions,
- And dedicating more hours on our engagements to higher level professionals comprised of partners, managers and supervisors.

We are proud of our reputation and have received a "pass", or clean report, on our most recent external peer review. We have no record of substandard work.

As part of our audit, we annually revisit our risk assessment and make changes to the audit plan to provide for a "fresh perspective" or "new set of eyes" on the District's accounting and financial reporting operations. This includes incorporating an element of unpredictability with new procedures. To further enhance a "new perspective" to the audit, we have assigned the District a new lead Partner for 2015 and will assign a different concurring review partner for 2016. In consultation with the District, we can also rotate key members of the audit engagement.

Having served as the District's external auditor, we have acquired detailed working knowledge of the District's risks, processes, procedures and operations. This allows us to address complex issues timely, expand our testing in greater detail or new areas, as well as identify anomalies that require further inquiry or testing. We maintain the institutional knowledge of the District, which enables us to audit effectively without burdening the operations and District staff.

Using our institutional knowledge of the District's operations, we can continue to provide quality audits and additional value in assisting the District in addressing changes related to:

- New Single Audit Requirements – Uniform Grant Guidance has been issued and is effective for grants awarded after December 26, 2014. VTD can provide technical assistance with the implementation of the new cost principles and assist with the new single audit requirements.
- Other postemployment benefits - New accounting guidance has been issued with an implementation date for the District of July 1, 2017.
- Pensions - We assisted the District with the implementation of the new pension accounting standards during fiscal year 2014-15. As one of the more complex accounting pronouncements this accounting guidance has been amended and several additional changes are being discussed and considered by the GASB. We can continue to provide the District timely guidance as new changes/amendments are issued.

For the fiscal years 2012-13 through 2014-15, our fee for performing the audit of the basic financial statements was \$23,900. As a valued client, we are able to maintain our fees at this level.

Based on our discussions with Vicky, the District anticipates receiving federal awards that may require a single audit. As such, we have provided the cost estimate should a single audit be required based on the District's expenditures of federal awards and the aforementioned uniform guidance requirements. The fee quotation below assumes that one major program will be tested.

	Actual Fees	Proposed Fees	Optional Services		
	2014-15	2015-16	2016-17	2017-18	2018-19
Basic Financial Statements	\$ 23,900	\$ 23,900	\$ 23,900	\$ 23,900	\$ 23,900
Single Audit, if required	N/A	3,500	3,500	3,500	3,500
	\$ 23,900	\$ 27,400	\$ 27,400	\$ 27,400	\$ 27,400
	(a)	(b)	(b)	(b)	(b)

(a) For fiscal year 2014-15, YVWD's federal expenditures did not exceed \$500,000 and as such a single audit was not required.

(b) Fee quotation assumes one major program.

We value serving as the District's independent auditors.

We welcome the opportunity to discuss our fee quote at any time. Should you have any questions, please feel free to call me at (909) 466-4410.

Very truly yours,



Vavrinek, Trine, Day & Co., LLP
 Phil White
 Partner

Attachments:

AICPA Briefing Letter
 Engagement Letter



American Institute of CPAs
1455 Pennsylvania Avenue, NW
Washington, DC 20004-1081

Briefing Paper on Audit Firm Rotation – AICPA Position

AICPA is the national, professional association of CPAs, with more than 365,000 CPA members in business and industry, public practice, government and education. We set ethical standards for the accounting profession and U.S. auditing standards for audits of private companies, non-profit organizations, federal, state and local governments.

The AICPA wholeheartedly supports initiatives to increase the quality and effectiveness of audits of state and local government entities and not-for-profit organizations (NPOs). **However, we believe that mandatory audit firm rotation will not have this effect. In fact, we believe that such a mandate will result in the following undesirable consequences.**

- *Increase in audit failures.* Studies by the Public Oversight Board, Commission on Auditor's Responsibilities, and the National Commission on Fraudulent Financial Reporting found that audit failures are three times more likely in the first two years of an audit. Thus, there is a positive correlation between auditor tenure and auditor competence. In addition, in May 2010, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) released the results of a study of fraudulent financial reporting which indicated twenty-six percent of the organizations that released fraudulent financial statements changed auditors between the last clean financial statements and the last fraudulent financial statements, whereas only twelve percent of no-fraud organizations switched auditors during that same time.
- *Increased start-up costs.* Changing auditors results in more frequent start-up costs, both for the auditor and the governmental entity.
- *Increased difficulties in timely reporting.* Mandatory rotation makes timely reporting more difficult because audit firms need to meet a very short "learning curve" to perform a rigorous audit.
- *Loss of "institutional knowledge."* Over successive audits, audit firms increase institutional knowledge, including, for example, their knowledge of the client's accounting and internal control systems. This benefit would be greatly diminished by mandatory rotation.
- *Reduced incentives to improve efficiency and audit quality.* Mandatory rotations fail to fully reward firms that achieve greater efficiency and audit quality, because rotation reduces potential demand. Auditors that are less efficient and provide lesser quality services are nevertheless likely to survive because there will constantly be organizations looking for new auditors. Conversely, the incentive for each firm to increase its market share and profits would be reduced by the loss of clients after the maximum allowed duration.

In conclusion, we believe that mandatory audit firm rotation leads to higher costs to taxpayers, the distinct possibility of lower audit quality, and in many cases makes it more likely that fraud and waste will go undetected. We believe that mandatory rotation would actually hurt the governmental and NPO audit process.



Vavrinek, Trine, Day & Co., LLP
 Certified Public Accountants

VALUE THE DIFFERENCE

November 12, 2015

Yucaipa Valley Water District
 12770 Second Street
 Yucaipa, California 92399

We are pleased to confirm our understanding of the services we are to provide Yucaipa Valley Water District (District) for the year ended June 30, 2016. We will audit the financial statements of the Water, Sewer, and Recycled Water funds, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended June 30, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of the District's Proportionate Share of the Net Pension Liability
- 3) Schedule of Contributions

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Transmittal Letter

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Yucaipa Valley Water District
2016 Engagement Letter
November 12, 2015
Page 2 of 6

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Yucaipa Valley Water District
2016 Engagement Letter
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Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Yucaipa Valley Water District
2016 Engagement Letter
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Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, and contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Yucaipa Valley Water District
2016 Engagement Letter
November 12, 2015
Page 5 of 6

The audit documentation for this engagement is the property of Vavrinek, Trine, Day & Co., LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Oversight Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Vavrinek, Trine, Day & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Oversight Agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in approximately July 2016 and to issue our reports in October 2016. Phil White, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$23,900. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Vavrinek, Trine, Day & Co., LLP has owners that are not licensed as certified public accountants as permitted under section 5079 of the California Business and Professions Code. It is not anticipated that any of the non-licensed owners will be performing audit services for the District.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2014 peer review report accompanies this letter.

Yucaipa Valley Water District
2016 Engagement Letter
November 12, 2015
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We appreciate the opportunity to be of service to Yucaipa Valley Water District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Phil White, *Partner*
Of Vavrinek, Trine, Day & Co., LLP

Attachment:

Peer Review Letter

RESPONSE:

This letter correctly sets forth the understanding of the Yucaipa Valley Water District.

By: _____

Title: _____

Date: _____

YANARI WATSON MCGAUGHEY P.C.

DALE M. YANARI (1947-2004) ♦ RANDY S. WATSON ♦ G. LANCE MCGAUGHEY ♦ DON W. GRUENLER
FINANCIAL CONSULTANTS/CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

May 22, 2015

To the Partners of
Vavrinek, Trine, Day & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vavrinek, Trine, Day & Co., LLP has received a peer review rating of *pass*.

Yanari Watson McGaughey P.C.

Yanari Watson McGaughey P.C.

9250 EAST COSTILLA AVENUE, SUITE 450
GREENWOOD VILLAGE, COLORADO 80112-3647
(303) 792-3020
FAX (303) 792-5153
web site: www.ywmcpa.com



Date: November 18, 2015

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

Subject: Unaudited Financial Report for the Period Ending on October 31, 2015

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

[Detailed information can be found on page 5 to 6 of 29]

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	\$7,114,208.61	\$896,417.56	\$8,010,626.17
Sewer Division	\$12,572,148.25	(\$5,631,296.61)	\$6,940,851.64
Recycled Water Division	<u>\$3,009,996.14</u>	<u>\$369,859.32</u>	<u>\$3,379,855.46</u>
Total	\$22,696,353.00	(\$4,365,019.73)	\$18,331,333.27

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

[Detailed information can be found on pages 7 to 11 of 29]

The check register lists each check processed during the month of October 2015. The District processed 199 checks during the month of October for a total sum of \$1,729,760.98. 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

[Detailed information can be found on pages 11 to 14 of 29]

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

[Detailed information can be found on pages 15 to 16 of 29]

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

[Detailed information can be found on pages 17 to 19 of 29]

During the month of October 2015 the District received a sum total of \$2,384,311.75 in revenues from the following categories:

- A total of \$1,744,646.97 was received from 14,181 customers for utility bill payments. This is the total amount of utility bill payments received from water, sewer and recycled services.
- A total of \$4,813.00 was received for construction meter deposits, customer deposits and internet fee payments.
- A total of \$409,084.64 was received from miscellaneous water related activities (other than utility bill charges).
- A total of \$225,709.00 was received from miscellaneous sewer related activities (other than utility bill charges).
- A total of \$58.14 was received from miscellaneous recycled related activities (other than utility bill charges).

Fiscal Year 2016 Budget Status

[Detailed information can be found on pages 20 to 29 of 29]

The revenue and expense budget status for the 2016 Fiscal Year is provided for your review.

**Summary of Revenue Budget
As of October 31, 2015 (29% of Budget Cycle)**

<u>Division</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Water	13,412,500	883,010	2,883,791	21.50%
Sewer	11,820,000	953,547	3,119,016	26.39%
Recycled Water	537,250	47,348	164,802	30.68%
District Revenue	25,769,750	1,883,905	6,167,609	23.93%

**Summary of Water Budget
As of October 31, 2015 (29% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Water Resources	5,050,200	456,650	1,612,988	31.94%
Public works	2,385,800	137,186	541,154	22.68%
Administration	3,682,486	326,462	1,167,163	31.69%
Long Term Debt	2,294,014	0	1,653,457	72.08%
Asset Acquisition	0	0	0	0.00%
TOTAL	13,412,500	920,298	4,974,762	37.09%

**Summary of Sewer Budget
As of October 31, 2015 (29% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Treatment	3,789,816	307,185	1,125,387	29.70%
Administration	3,151,840	254,348	999,206	31.70%
Environmental Control	982,300	86,005	284,628	28.98%
Long Term Debt	3,896,044	2,923,669	2,923,669	75.04%
Asset Acquisition-Palmer	0	0	0	0.00%
TOTAL	11,820,000	3,571,207	5,332,890	45.12%

**Summary of Recycled Water Budget
As of October 31, 2015 (29% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Administration	537,250	40,196	143,428	26.70%
TOTAL	537,250	40,196	143,428	26.70%

District Expenses 25,769,750 4,531,701 10,451,080 40.56%

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 - October 2015

Water Division	GL#	Balance
*ID 1 Construction Funds	02-10216	\$ 293,145.85
*ID 2 Construction Funds	02-10217	\$ 80,409.31
*FCC - Debt Service YVRWFF Phase I	02-10401	\$ (344,666.44)
*FCC - Future YVRWFF Phase II & III	02-10403	\$ 293,818.61
*FCC - Recycled System	02-10410	\$ (1,059,411.04)
*FCC - Booster Pumping Plants	02-10411	\$ 480,306.90
*FCC - Pipeline Facilities	02-10412	\$ (576,858.25)
*FCC - Water Storage Reservoirs	02-10413	\$ 1,729,672.62
Depreciation Reserves	02-10310	\$ 2,999,189.14
Infrastructure Reserves	02-10311	\$ 2,119,607.00
Sustainability Fund	02-10313	\$ 646,419.36
Rate Stabilization Fund	02-10314	\$ 500,209.14
Imported Water Fund - MUNI	02-10315	\$ 126,614.73
Imported Water Fund - SGPWA	02-10316	\$ 859,739.04
Operating Funds:		\$ (137,569.80)
Total Water Division		\$ 8,010,626.17

Sewer Division	GL#	Balance
*SRF Reserve Fund - Brineline	03-10218	\$ 637,449.00
*SRF Reserve Fund - WISE	03-10219	\$ 184,928.00
*SRF Reserve Fund - R 10.3	03-10220	\$ 51,531.00
*SRF Reserve Fund - Crow St	03-10221	\$ -
*FCC - Debt Service WWTP Expansion & Upgrade	03-10405	\$ 993,636.50
*FCC - Future WWTP Expansion	03-10407	\$ 896,545.41
*FCC - Sewer Interceptors	03-10415	\$ (1,057,574.39)
*FCC - Lift Stations	03-10416	\$ 221,004.47
*FCC - Effluent Disposal Facilities	03-10417	\$ (1,770,649.00)
*FCC - Salt Mitigation Facilities	03-10418	\$ (5,788,167.60)
Project Fund - Encumbered	03-10215	\$ 189,000.00
Depreciation Reserves	03-10310	\$ 5,714,673.09
Infrastructure Reserves	03-10311	\$ 3,452,940.00
Rate Stabilization Fund	03-10314	\$ 1,464,394.90
Operating Funds:		\$ 1,751,140.26
Total Wastewater Division		\$ 6,940,851.64

Recycled Water Division	GL#	Balance
*FCC - Recycled System	04-10410	\$ 37,466.43
*FCC - Booster Pumping Plants	04-10411	\$ 39,980.37
*FCC - Pipeline Facilities	04-10412	\$ 182,260.85
*FCC - Water Storage Reservoirs	04-10413	\$ 110,151.67
Project Fund - Encumbered	04-10215	\$ 200,000.00
Depreciation Reserves	04-10310	\$ 510,588.00
Infrastructure Reserves	04-10311	\$ 236,256.00
Operating Funds:		\$ 2,063,152.14
Total Recycled Water Division		\$ 3,379,855.46

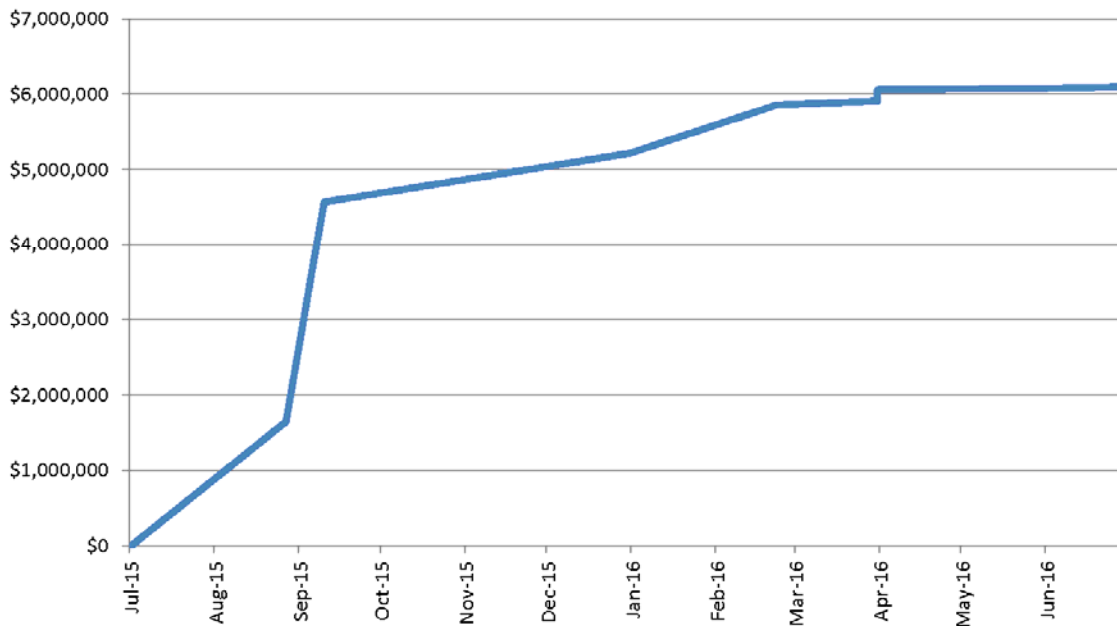
DISTRICT TOTAL \$ 18,331,333.27

*=Restricted Funds

Cash Fund Balance Report - October 2015

Pending Financial Obligations for Fiscal Year 2015/16				
Due Date	Fund	Description	Term of Obligation	Amount
08/27/2015	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 1,646,177.19
09/10/2015	Sewer	SRF Payment - WRWRF	2009-2028	\$ 2,923,688.75
12/31/2015	Sewer	SRF Payment - Yucaipa Regional Brineline	2013-2032	\$ 649,273.50
02/23/2016	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 640,556.25
03/31/2016	Sewer	SRF Payment - Recycled Reservoir R-10.3	2014-2033	\$ 54,277.31
03/31/2016	Sewer	SRF Payment - Desalinization at WRWRF	2014-2033	\$ 185,251.30
06/01/2016	Sewer	SBVMWD - Inland Empire Brineline Payment	2013-2016	\$ 20,000.00
06/30/2016	Sewer	SRF Payment - Crow Street/Recycled Booster B-12.1	Estimated	\$ 19,254.37
Total				\$ 6,138,478.67

**Payment Schedule and Cash Flow Requirements
for Fiscal Year 2015-2016**



Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/02/2015	24336	PAYROLL CHECK	1,970.26
10/02/2015	24337	CA-PERS Supplemental Income 45	15,610.36
10/02/2015	24338	WageWorks, Inc.	1,328.07
10/02/2015	24339	Public Employees' Retirement S	20,292.34
10/02/2015	24340	Hong Nelson	125.00
10/02/2015	24341	IBEW Local 1436	216.00
10/02/2015	24342	Rodd Greene	601.00
10/02/2015	24343	Alfred Ramirez	101.67
10/02/2015	24344	Standard Insurance Company	2,138.36
10/02/2015	24345	Western Dental Services, Inc.	302.27
10/02/2015	24346	Robert Hines	601.00
10/02/2015	24347	Anthem Blue Cross L and H	316.90
10/02/2015	24348	Standard Insurance Company	2,733.28
10/02/2015	24349	Aetna Health of California	57,086.00
10/02/2015	24350	Standard Insurance Vision Plan	558.80
10/02/2015	24351	MetLife Small Business Center	437.88
10/05/2015	24352	Ralph C. Casas	43.50
10/05/2015	24353	Ameripride Uniform Services	425.33
10/05/2015	24354	Redlands Employment Services	948.40
10/05/2015	24355	First American Data Tree, LLC	50.00
10/05/2015	24356	DDB Engineering Inc.	706.00
10/05/2015	24357	Eurofins Eaton Analytical, Inc	1,000.00
10/05/2015	24358	InfoSend, Inc.	5,244.53
10/05/2015	24359	Konica Minolta Business Soluti	1,688.66
10/05/2015	24360	NetComp Technologies, Inc.	5,589.14
10/05/2015	24361	Storm Western Development, Inc	2,769.04
10/05/2015	24362	The Gas Company	53.55
10/05/2015	24363	George F. Siddle	72.00
10/05/2015	24364	News Mirror Publishing, Inc.	287.40
10/05/2015	24365	Ampak Chemicals, Inc.	4,893.48
10/05/2015	24366	Crown Ace Hardware - Yucaipa	754.70
10/05/2015	24367	Dickson	2,373.00
10/05/2015	24368	Grainger	2,754.37
10/05/2015	24369	Alan L. Grubel Automotive Inc.	173.31
10/05/2015	24370	Hasa, Inc.	3,804.17
10/05/2015	24371	HD Supply Waterworks, Ltd.	11,041.23
10/05/2015	24372	Hemet Valley Tool & Supply	2,384.64
10/05/2015	24373	House Of Quality, Parts Plus	2,601.54
10/05/2015	24374	Hydro-Scape Products, Inc.	135.04
10/05/2015	24375	Inland Water Works Supply Co.	1,326.51
10/05/2015	24376	McMaster-Carr Supply Co.	182.55
10/05/2015	24377	Nuckles Oil Company, Inc.	2,013.97
10/05/2015	24378	Nagem, Inc.	1,136.54
10/05/2015	24379	Office Solutions Business Prod	19.83
10/05/2015	24380	Q Versa, LLC	3,707.96
10/05/2015	24381	ROW Traffic Safety, Inc.	4,278.96
10/05/2015	24382	Sonsray Machinery LLC	199.13
10/05/2015	24383	AWWA CA-NV (Rancho Cucamonga)	135.00
10/05/2015	24384	Todd Madrid	170.00
10/12/2015	24385	ADS, LLC	2,634.00
10/12/2015	24386	Ameripride Uniform Services	481.46
10/12/2015	24387	Redlands Employment Services	758.72
10/12/2015	24388	Beaumont Basin Watermaster	25,450.80
10/12/2015	24389	CA-ARB/PERP	575.00
10/12/2015	24390	Corelogic, Inc.	330.00

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/12/2015	24391	Coverall North America, Inc.	1,021.00
10/12/2015	24392	Jean's Flower Basket	59.35
10/12/2015	24393	Lowe's Companies, Inc.	102.58
10/12/2015	24394	Riverside County Treasurer	222.38
10/12/2015	24395	SB CNTY-Treasurer-Tax	50.95
10/12/2015	24396	San Gorgonio Pass Water Agency	19,263.06
10/12/2015	24397	SCE Rosemead	10,519.92
10/12/2015	24398	Sims Welding & Supply Co., Inc	196.70
10/12/2015	24399	The Counseling Team Internatio	360.00
10/12/2015	24400	Underground Service Alert Of S	135.00
10/12/2015	24401	Allmax Software, Inc.	2,318.00
10/12/2015	24402	Armorcast Products Company	13,234.30
10/12/2015	24403	Bob Walker	351.65
10/12/2015	24404	Brithinee Electric	612.73
10/12/2015	24405	Cal's Auto Repair & Towing	125.00
10/12/2015	24406	Victor James Valenti	4,926.46
10/12/2015	24407	Cortech Engineering	5,232.59
10/12/2015	24408	Eurofins Eaton Analytical, Inc	3,500.00
10/12/2015	24409	Evans-Hydro Inc.	4,473.01
10/12/2015	24410	Evoqua Water Technologies LLC	918.60
10/12/2015	24411	G&G Environmental Compliance, I	4,489.09
10/12/2015	24412	Grainger	15.32
10/12/2015	24413	Inland Water Works Supply Co.	646.65
10/12/2015	24414	Innerline Engineering	1,450.00
10/12/2015	24415	JB Paving & Engineering, Inc.	11,944.00
10/12/2015	24416	Nuckles Oil Company, Inc.	1,854.33
10/12/2015	24417	Nagem, Inc.	1,520.35
10/12/2015	24418	NCL Of Wisconsin Inc	214.38
10/12/2015	24419	Office Solutions Business Prod	20.51
10/12/2015	24420	Petra Geotechnical Inc.	16,185.52
10/12/2015	24421	Q Versa, LLC	435.00
10/12/2015	24422	Sterling Water Technologies LL	17,601.79
10/12/2015	24423	Steven Enterprises, Inc	440.94
10/12/2015	24424	TRL Systems, Inc.	2,123.10
10/12/2015	24425	John Wrobel	86.39
10/16/2015	24426	PAYROLL CHECK	2,011.05
10/16/2015	24427	PAYROLL CHECK	672.67
10/16/2015	24428	CA-PERS Supplemental Income 45	17,519.10
10/16/2015	24429	WageWorks, Inc.	1,328.07
10/16/2015	24430	Public Employees' Retirement S	20,292.01
10/16/2015	24431	Hong Nelson	125.00
10/19/2015	24432	Aklufi & Wysocki	4,800.00
10/19/2015	24433	Borden Excavating, Inc.	384,037.50
10/19/2015	24434	Citizens Business Bank	21,650.00
10/19/2015	24435	Delta Partners, LLC	7,500.00
10/19/2015	24436	Harper & Associates Eng., Inc.	3,032.00
10/19/2015	24437	Krieger & Stewart	32,928.65
10/19/2015	24438	One Stop Landscape Supply Inc	22,771.50
10/19/2015	24439	Pascal & Ludwig Constructors I	411,349.00
10/19/2015	24440	Platinum Advisors, LLC	5,000.00
10/19/2015	24441	RMC Water and Environment	33,063.28
10/19/2015	24442	Sacramento Bank of Commerce	13,755.00
10/19/2015	24443	Separation Processes, Inc.	11,905.00
10/19/2015	24444	VTD, Vavrinek, Trine, Day & CO	8,000.00
10/19/2015	24445	PARTON, SUE	17.40

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/19/2015	24446	UNDERWOOD, LINDA	2,413.27
10/19/2015	24447	HORSPOOL, RAYMOND P	92.66
10/19/2015	24448	SMITH, SANDRA	36.40
10/19/2015	24449	CORDEIRO, KEN	69.54
10/19/2015	24450	BECKER, RANDY	33.05
10/19/2015	24451	NASBRE, NABIL	37.86
10/19/2015	24452	ALL AMERICAN ASPHALT	11,952.54
10/19/2015	24453	PEREZ, STEFFANI	104.89
10/19/2015	24454	BAXTER, PATRICIA	64.93
10/19/2015	24455	HARTMAN, PAT	88.48
10/19/2015	24456	FOSTER, JOHN	15.57
10/19/2015	24457	YUCAIPA VALLEY REAL	27.84
10/19/2015	24458	Addiction Medicine Consultants	20.00
10/19/2015	24459	Ameripride Uniform Services	409.00
10/19/2015	24460	Redlands Employment Services	948.40
10/19/2015	24461	AT&T Mobility	1,539.84
10/19/2015	24462	Burgeson's Heating & Air Cond.	327.00
10/19/2015	24463	Central Communications	312.15
10/19/2015	24464	Fedex	53.90
10/19/2015	24465	MailFinance Inc.	338.34
10/19/2015	24466	Redlands Ford	101,606.66
10/19/2015	24467	Separation Processes, Inc.	1,836.00
10/19/2015	24468	Association of San Bernardino	69.00
10/19/2015	24469	Verizon	138.67
10/19/2015	24470	Vicki Bratlund	200.00
10/19/2015	24471	Air & Hose Source, Inc.	1,717.20
10/19/2015	24472	All American Sewer Tools	426.45
10/19/2015	24473	Aqua-Metric Sales Company	6,003.50
10/19/2015	24474	Auto Care Clinic	134.23
10/19/2015	24475	BofA Credit Card	1,897.77
10/19/2015	24476	Burgeson's Heating & Air Cond.	9,850.00
10/19/2015	24477	Calolympic Glove & Safety Co.,	64.94
10/19/2015	24478	Center Electric	14,792.90
10/19/2015	24479	Eurofins Eaton Analytical, Inc	1,600.00
10/19/2015	24480	Evoqua Water Technologies LLC	1,261.06
10/19/2015	24481	Grainger	33.66
10/19/2015	24482	Hach Company	773.91
10/19/2015	24483	Hasa, Inc.	3,806.00
10/19/2015	24484	HD Supply Waterworks, Ltd.	1,587.35
10/19/2015	24485	Inland Water Works Supply Co.	2,978.89
10/19/2015	24486	Innerline Engineering	2,900.00
10/19/2015	24487	MBC Applied Environmental Scie	1,300.00
10/19/2015	24488	Nuckles Oil Company, Inc.	1,941.96
10/19/2015	24489	Microflex Corp #774353	1,148.91
10/19/2015	24490	Nagem, Inc.	450.00
10/19/2015	24491	Office Solutions Business Prod	97.57
10/19/2015	24492	Pro-Pipe & Supply, Inc.	426.64
10/19/2015	24493	Q Versa, LLC	11,203.20
10/19/2015	24494	Smart & Final Stores, LLC	159.57
10/19/2015	24495	Kirk S. Cannon	1,743.00
10/26/2015	24496	Ralph C. Casas	58.00
10/26/2015	24497	Ameripride Uniform Services	415.70
10/26/2015	24498	Redlands Employment Services	948.40
10/26/2015	24499	Incode Division-Tyler Technolo	598.90
10/26/2015	24500	InfoSend, Inc.	3,464.52

Check Register - October 2015

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/26/2015	24501	Krieger & Stewart	48,276.05
10/26/2015	24502	NetComp Technologies, Inc.	2,757.32
10/26/2015	24503	Praxair Inc.	25.80
10/26/2015	24504	Redlands Ford	50,803.33
10/26/2015	24505	State Water Resources Control	8,185.38
10/26/2015	24506	U.S. Telepacific Corp	3,870.91
10/26/2015	24507	Verizon	149.57
10/26/2015	24508	Yucaipa Disposal, Inc.	1,407.16
10/26/2015	24509	A-Z Bus Sales, Inc	22,493.92
10/26/2015	24510	Brithinee Electric	1,822.93
10/26/2015	24511	Jan Brinkman Jr.	680.40
10/26/2015	24512	Eurofins Eaton Analytical, Inc	5,000.00
10/26/2015	24513	Grainger	176.02
10/26/2015	24514	Jerry Herbert Roofing Inc.	4,725.00
10/26/2015	24515	Inland Water Works Supply Co.	1,485.00
10/26/2015	24516	Innerline Engineering	2,900.00
10/26/2015	24517	McCall's Meter Sales & Service	2,571.90
10/26/2015	24518	Office Solutions Business Prod	264.74
10/26/2015	24519	Pro-Pipe & Supply, Inc.	246.86
10/26/2015	24520	LENTZ, KAREN	1,500.00
10/26/2015	24521	Atkinson, Andelson, Loya, Ruud	245.00
10/26/2015	24522	State Water Resources Control	250.00
10/26/2015	24523	California Special Districts A	6,089.00
10/30/2015	24524	PAYROLL CHECK	1,972.22
10/30/2015	24525	CA-PERS Supplemental Income 45	13,096.33
10/30/2015	24526	WageWorks, Inc.	1,328.07
10/30/2015	24527	Public Employees' Retirement S	20,416.13
10/30/2015	24528	Sheriff's Court Services Centr	465.16
10/30/2015	24529	American Family Life Assurance	2,505.43
10/30/2015	24530	Boot Barn #4	378.60
10/30/2015	24531	Gregory N. Godwin	200.00
10/30/2015	24532	Workboot Warehouse	400.00
10/30/2015	24533	John Wrobel	340.25
10/30/2015	24534	WageWorks, Inc.	191.75
October 2015 Check Register Total			1,729,760.98

Financial Account Information - October 2015

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
09/30/2015	bal forward	1,496,935.59	30,000.00	30,114.90	501,567.04	16,103,970.94	18,162,588.47
9/30	rev retained in MM				(629.31)		(629.31)
10/01/2015	Deposit	28,620.03					28,620.03
	Credit Card-9/30	987.47					987.47
	Credit Card-10/1	2,219.15					2,219.15
	Electronic	16,691.01					16,691.01
	Website-10/1	4,418.41					4,418.41
	Website-10/2	238.44					238.44
	Website-10/2	1,023.64					1,023.64
10/02/15-PR	Federal Taxes		(43,970.09)				(43,970.09)
10/02/15-PR	State Taxes		(7,601.42)				(7,601.42)
10/02/15-PR	PR Direct Deposit		(102,242.80)				(102,242.80)
10/02/15-PR	VOYA 457		(7,213.64)				(7,213.64)
	Ck#24336-24351		(104,419.19)				(104,419.19)
	TRF#1373- AP & PR	(265,447.14)	265,447.14				0.00
10/02/2015	Deposit	53,854.48					53,854.48
	ETS Fees	(1,547.59)					(1,547.59)
	ETS Fees	(1,220.77)					(1,220.77)
	Credit Card-10/1	1,270.28					1,270.28
	Credit Card-10/2	3,332.70					3,332.70
	Electronic	29,027.27					29,027.27
	Website-10/2	3,497.12					3,497.12
	Website-10/3	70.02					70.02
	Website-10/3	2,132.50					2,132.50
	Website-10/4	184.19					184.19
	Website-10/4	1,894.55					1,894.55
	Website-10/5	173.11					173.11
	Website-10/5	557.21					557.21
10/05/2015	Deposit	131,481.68					131,481.68
	Credit Card-10/2	1,825.46					1,825.46
	Credit Card-10/5	2,762.03					2,762.03
	Electronic	25,188.61					25,188.61
	Website-10/5	4,633.95					4,633.95
	Website-10/6	95.05					95.05
	Website-10/6	798.95					798.95
	ACH pymts	46,941.69					46,941.69
10/06/2015	Deposit	15,527.48					15,527.48
	Credit Card-10/5	1,082.16					1,082.16
	Credit Card-10/6	3,098.14					3,098.14
	Electronic	27,354.56					27,354.56
	Website-10/6	2,115.49					2,115.49
	Website-10/7	66.80					66.80
	Website-10/7	1,072.50					1,072.50
10/07/2015	Deposit	61,496.86					61,496.86
	Credit Card-10/6	1,563.66					1,563.66
	Credit Card-10/7	4,667.15					4,667.15
	Electronic	14,699.81					14,699.81
	Website-10/7	3,294.21					3,294.21
	Website-10/8	110.12					110.12
	Website-10/8	369.74					369.74
	Ck#24352-24384		(62,963.48)				(62,963.48)
	TRF#1374 - AP	(62,963.48)	62,963.48				0.00

Financial Account Information - October 2015

DATE	DESCRIPTION	Deposit	General	Investment	Treasuries	LAIF	TOTAL
		Checking	Checking	Checking	at cost	Invest. Fund	ACTIVITY
09/30/2015	bal forward	1,496,935.59	30,000.00	30,114.90	501,567.04	16,103,970.94	18,162,588.47
10/08/2015	Deposit	31,484.30					31,484.30
	Credit Card-10/7	1,149.16					1,149.16
	Credit Card-10/8	1,769.53					1,769.53
	Electronic	9,309.10					9,309.10
	Website-10/8	1,790.10					1,790.10
	Website-10/9	177.00					177.00
	Website-10/9	977.38					977.38
10/09/2015	Deposit	37,450.49					37,450.49
	Deposit - M/C	4,252.00					4,252.00
	Deposit - M/C	3,316.27					3,316.27
	Credit Card-10/8	207.80					207.80
	Credit Card-10/9	2,750.00					2,750.00
	Electronic	15,489.73					15,489.73
	Website-10/9	1,724.49					1,724.49
	Website-10/10	1,797.88					1,797.88
	Website-10/11	1,847.28					1,847.28
	Website-10/12	486.01					486.01
10/12/2015	Deposit	24,124.13					24,124.13
	Credit Card-10/9	455.10					455.10
	Credit Card-10/12	3,903.54					3,903.54
	Website-10/12	3,093.50					3,093.50
	Website-10/13	316.10					316.10
	Website-10/13	4,102.04					4,102.04
10/13/2015	Deposit	85,174.49					85,174.49
	Credit Card-10/12	1,107.25					1,107.25
	Credit Card-10/13	1,505.50					1,505.50
	Electronic	8,822.17					8,822.17
	Website-10/13	3,314.70					3,314.70
	Website-10/14	42.43					42.43
	Website-10/14	1,403.98					1,403.98
	ACH pmts	67,103.90					67,103.90
10/14/2015	Deposit	8,993.00					8,993.00
	Deposit - M/C	250.00					250.00
	Credit Card-10/13	467.79					467.79
	Credit Card-10/14	3,969.51					3,969.51
	Electronic	28,928.07					28,928.07
	Website-10/14	2,244.89					2,244.89
	Website-10/15	1,583.17					1,583.17
10/16/15-PR	Federal Taxes		(44,408.17)				(44,408.17)
10/16/15-PR	State Taxes		(7,352.15)				(7,352.15)
10/16/15-PR	PR Direct Deposit		(103,646.83)				(103,646.83)
10/16/15-PR	VOYA 457		(8,201.96)				(8,201.96)
	Ck#24385-24431		(198,828.53)				(198,828.53)
	TRF#1375- AP & PR	(362,437.64)	362,437.64				0.00
10/15/2015	Deposit	63,858.95					63,858.95
	Credit Card-10/14	2,144.88					2,144.88
	Credit Card-10/15	2,477.08					2,477.08
	Electronic	14,778.76					14,778.76
	Website-10/15	2,846.72					2,846.72
	Website-10/16	175.00					175.00
	Website-10/16	1,407.13					1,407.13
	ACH pmts	67,554.16					67,554.16
	ACH pmts	80.22					80.22
	Qtrly Analysis Fee			(12,645.74)			(12,645.74)

Financial Account Information - October 2015

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
09/30/2015	bal forward	1,496,935.59	30,000.00	30,114.90	501,567.04	16,103,970.94	18,162,588.47
10/15	LAIF Quarterly interest					14,537.81	14,537.81
10/16/2015	Deposit	26,148.45					26,148.45
	Credit Card-10/15	544.08					544.08
	Credit Card-10/16	2,172.29					2,172.29
	Electronic	19,128.54					19,128.54
	Website-10/16	2,468.04					2,468.04
	Website-10/17	100.00					100.00
	Website-10/17	2,044.87					2,044.87
	Website-10/18	42.43					42.43
	Website-10/18	2,112.53					2,112.53
	Website-10/19	257.79					257.79
10/19/2015	Deposit	50,488.15					50,488.15
	Credit Card-10/16	810.13					810.13
	Credit Card-10/19	4,236.70					4,236.70
	Electronic	18,255.26					18,255.26
	Website-10/19	2,648.18					2,648.18
	Website-10/20	310.21					310.21
	Website-10/20	531.11					531.11
10/20/2015	Deposit	18,402.18					18,402.18
	Credit Card-10/19	1,488.69					1,488.69
	Credit Card-10/20	2,144.29					2,144.29
	Electronic	22,675.54					22,675.54
	Website-10/20	4,121.50					4,121.50
	Website-10/21	345.84					345.84
	Website-10/21	312.28					312.28
	ACH pmts	26,943.77					26,943.77
10/21/2015	Deposit	25,254.49					25,254.49
	Deposit - DR Horton	596,666.00					596,666.00
	Credit Card-10/20	1,156.24					1,156.24
	Credit Card-10/21	5,713.34					5,713.34
	Electronic	12,086.64					12,086.64
	Website-10/21	1,722.57					1,722.57
	Website-10/22	309.06					309.06
	Website-10/22	616.20					616.20
	Ck#24432-24495		(1,150,844.03)				(1,150,844.03)
	TRF#1376 -AP	(1,150,844.03)	1,150,844.03				0.00
10/22/2015	Deposit	29,612.15					29,612.15
	Deposit - M/C	382.40					382.40
	Deposit - M/C	7,098.92					7,098.92
	Credit Card-10/21	1,411.85					1,411.85
	Credit Card-10/22	2,385.07					2,385.07
	Electronic	7,979.51					7,979.51
	Website-10/22	1,934.24					1,934.24
	Website-10/23	221.28					221.28
	Website-10/23	660.87					660.87
10/23/2015	Deposit	26,355.53					26,355.53
	Credit Card-10/22	618.24					618.24
	Credit Card-10/23	2,592.54					2,592.54
	Electronic	17,696.30					17,696.30
	Website-10/23	3,368.86					3,368.86
	Website-10/24	2,526.71					2,526.71
	Website-10/25	1,878.25					1,878.25
	Website-10/26	267.51					267.51
	Website-10/26	773.85					773.85

Financial Account Information - October 2015

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
09/30/2015	bal forward	1,496,935.59	30,000.00	30,114.90	501,567.04	16,103,970.94	18,162,588.47
10/26/2015	Deposit	72,031.11					72,031.11
	Credit Card-10/23	1,360.69					1,360.69
	Credit Card-10/26	2,864.69					2,864.69
	Electronic	15,550.51					15,550.51
	Website-10/26	1,942.92					1,942.92
	Website-10/27	203.99					203.99
	Website-10/27	791.30					791.30
	ACH pmts	78,024.86					78,024.86
	ACH pmts	1,846.75					1,846.75
10/27/2015	Deposit	8,905.69					8,905.69
	Credit Card-10/26	1,304.70					1,304.70
	Credit Card-10/27	1,589.88					1,589.88
	Electronic	19,590.71					19,590.71
	Website-10/27	3,781.52					3,781.52
	Website-10/28	123.43					123.43
	Website-10/28	578.36					578.36
10/28/2015	Deposit	30,014.30					30,014.30
	Deposit - Riv Tax	6,578.42					6,578.42
	Credit Card-10/27	1,237.89					1,237.89
	Credit Card-10/28	8,668.74					8,668.74
	Electronic	13,545.40					13,545.40
	Website-10/28	3,259.37					3,259.37
	Website-10/29	200.00					200.00
	Website-10/29	520.81					520.81
10/30/15-PR	Federal Taxes		(43,582.17)				(43,582.17)
10/30/15-PR	State Taxes		(7,451.67)				(7,451.67)
10/30/15-PR	PR Direct Deposit		(103,214.53)				(103,214.53)
10/30/15-PR	VOYA 457		(6,044.26)				(6,044.26)
	Ck#24496-24534		(212,705.75)				(212,705.75)
	TRF#1377- AP & PR	(372,998.38)	372,998.38				0.00
10/29/2015	Deposit	21,162.65					21,162.65
	Deposit - Land Eng	10,638.30					10,638.30
	Credit Card-10/28	1,584.86					1,584.86
	Credit Card-10/29	1,071.91					1,071.91
	Electronic	6,806.52					6,806.52
	Website-10/29	2,904.41					2,904.41
	Website-10/30	1,135.40					1,135.40
10/30/2015	Deposit	40,046.07					40,046.07
	Deposit - M/C	8,208.74					8,208.74
	Credit Card-10/29	901.11					901.11
	Credit Card-10/30	1,770.43					1,770.43
	Electronic	19,702.68					19,702.68
	Website-10/30	3,925.14					3,925.14
	Website-10/31	2,731.70					2,731.70
	Website-11/1	4,293.04					4,293.04
	Website-11/2	1,172.32					1,172.32
	October '15 NSF's	(925.40)					(925.40)
10/31	JE# 4834 - trf#1373 correction	(30.00)	30.00				0.00
10/31	retained in MM				329.32		329.32
TOTALS		1,663,758.31	30,030.00	17,469.16	501,267.05	16,118,508.75	18,331,033.27

Investment Summary - October 2015

U.S. TREASURIES

Quantity	Description	Cusip	Maturity Date	Yield	Cost of Purchase	Market Value
501,000	US Treasury Bill	912796GQ6	November 27, 2015	0.020%	500,937.73	500,994.99
501,000	Total Values				500,937.73	500,994.99

Money Market Account Activity-Beginning Balance	629.31
10/30/15 - Dividend/Interest	0.01
Income	0.01
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	629.32
US Treasury Securities Investment Principal	500,937.73
Total Assets	501,567.05

Investment Summary - October 2015

LOCAL AGENCY INVESTMENT FUND

PERIOD	TOTAL WITHDRAWAL AMOUNT	TOTAL DEPOSIT AMOUNT	ACCRUED INTEREST (QUARTERLY)	ENDING BALANCE
July 31, 2015	(\$525,000.00)	\$0.00	\$12,375.46	\$19,103,970.94
August 31, 2015	(\$3,000,000.00)	\$0.00	\$0.00	\$16,103,970.94
September 30, 2015	\$0.00	\$0.00	\$0.00	\$16,103,970.94
October 31, 2015	\$0.00	\$0.00	\$14,537.81	\$16,118,508.75
November 30, 2015	\$0.00	\$0.00	\$0.00	\$16,118,508.75
December 31, 2015	\$0.00	\$0.00	\$0.00	\$16,118,508.75
January 31, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
February 28, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
March 31, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
April 30, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
May 31, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75
June 30, 2016	\$0.00	\$0.00	\$0.00	\$16,118,508.75

L.A.I.F. INCOME SUMMARY

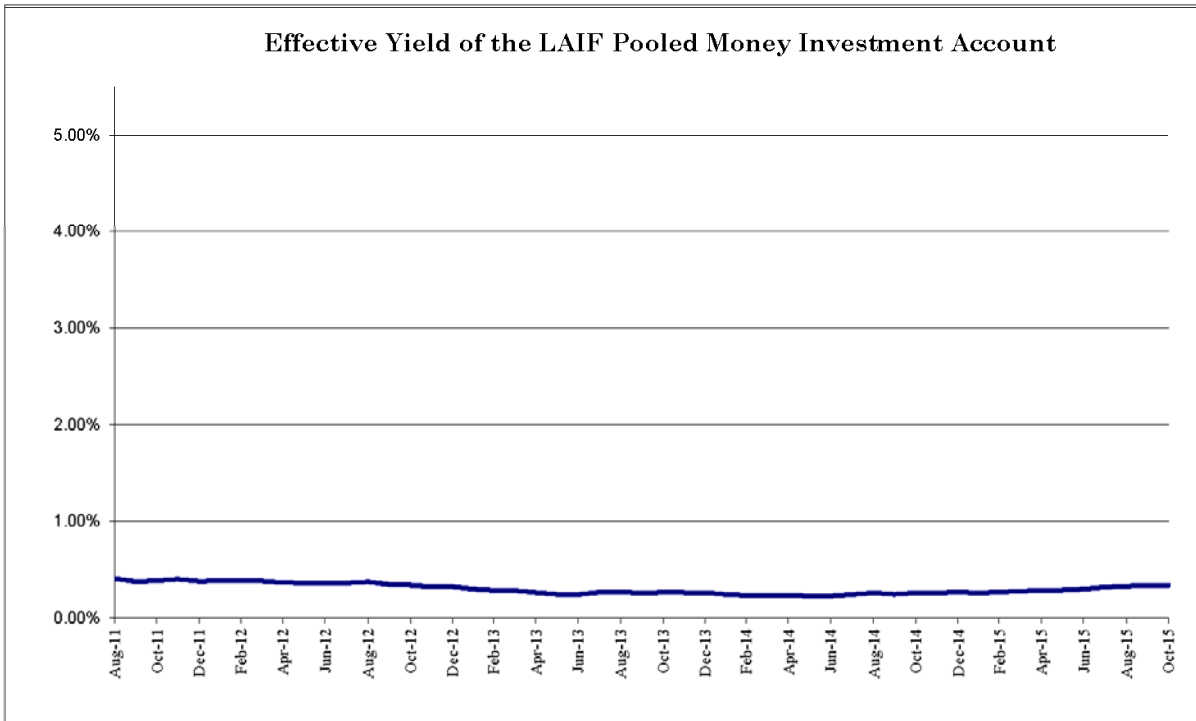
CURRENT QUARTER

FY YEAR-TO-DATE

INCOME RECEIVED

\$14,537.81

\$26,913.27



Monthly Revenue Allocation - October 2015

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
10/01/2015	Mail & Counter	263	28,620.03	28,620.03						28,620.03					28,620.03
	Credit Cards	24	3,206.62			3,206.62				3,206.62					3,206.62
	Electronic	175	16,691.01				16,691.01			16,691.01					16,691.01
	Website-54 fees	55	5,690.49					5,695.99		5,695.99	94.50				5,690.49
10/02/2015	Mail & Counter	304	53,854.48	53,854.48						53,854.48					53,854.48
	Credit Cards	43	4,602.98			4,602.98				4,602.98					4,602.98
	Electronic	290	29,027.27				29,027.27			29,027.27					29,027.27
	Website - 88 fees	89	8,508.70					8,354.70		8,354.70	154.00				8,508.70
10/05/2015	Mail & Counter	698	131,481.68	131,481.68						131,481.68					131,481.68
	Credit Cards	41	4,587.49			4,587.49				4,587.49					4,587.49
	Electronic	280	25,188.61				25,188.61			25,188.61					25,188.61
	Website	49	5,527.95					5,442.20		5,442.20	85.75				5,527.95
	ACH payment	470	46,941.69					46,941.69		46,941.69					46,941.69
10/06/2015	Mail & Counter	163	15,527.48	15,527.89						15,527.89		247.59			15,527.48
	Credit Cards	37	4,180.30			4,180.30				4,180.30					4,180.30
	Electronic	319	27,354.56				27,354.56			27,354.56					27,354.56
	Website - 28 fees	29	3,254.79					3,205.79		3,205.79	49.00				3,254.79
10/07/2015	Mail & Counter	374	61,496.86	61,396.86						61,396.86		100.00			61,496.86
	Credit Cards	48	6,230.81			6,230.81				6,230.81					6,230.81
	Electronic	162	14,699.81				14,699.81			14,699.81					14,699.81
	Website-34 fees	35	3,774.07					3,714.57		3,714.57	59.50				3,774.07
10/08/2015	Mail & Counter	138	31,484.30	31,484.30						31,484.30					31,484.30
	Credit Cards	26	2,918.69			2,918.69				2,918.69					2,918.69
	Electronic	113	9,309.10				9,309.10			9,309.10					9,309.10
	Website	33	2,944.48					2,886.73		2,886.73	57.75				2,944.48
10/09/2015	Mail & Counter	187	37,450.49	37,450.49						37,450.49					37,450.49
	Deposit - M/C	-	4,252.00							0.00		2,126.00			4,252.00
	Deposit - M/C	-	3,316.27							0.00		3,258.13		58.14	3,316.27
	Credit Cards	17	2,957.80			2,957.80				2,957.80					2,957.80
	Electronic	175	15,489.73				15,489.73			15,489.73					15,489.73
	Website	58	5,855.66					5,754.16		5,754.16	101.50				5,855.66
10/12/2015	Mail & Counter	236	24,124.13	24,124.13						24,124.13					24,124.13
	Credit Cards	38	4,358.64			4,358.64				4,358.64					4,358.64
	Website-33 fees	35	7,511.64					7,453.89		7,453.89	57.75				7,511.64
10/13/2015	Mail & Counter	274	85,174.49	83,674.49						83,674.49	1,500.00				85,174.49
	Credit Cards	21	2,612.75			2,612.75				2,612.75					2,612.75
	Electronic	101	8,822.17				8,822.17			8,822.17					8,822.17
	Website	41	4,761.11					4,689.36		4,689.36	71.75				4,761.11
	ACH payment	564	67,103.90						67,103.90	67,103.90					67,103.90
10/14/2015	Mail & Counter	90	8,993.00	8,908.00						8,908.00	85.00				8,993.00
	Deposit/M/C	-	250.00							0.00		250.00			250.00
	Credit Cards	34	4,437.30			4,437.30				4,437.30					4,437.30
	Electronic	295	28,928.07				28,928.07			28,928.07					28,928.07
	Website	29	3,828.06					3,777.31		3,777.31	50.75				3,828.06
10/15/2015	Mail & Counter	449	63,858.95	63,858.95						63,858.95					63,858.95
	Credit Cards	31	4,621.96			4,621.96				4,621.96					4,621.96
	Electronic	156	14,778.76				14,778.76			14,778.76					14,778.76
	Website-40 fees	44	4,428.85					4,368.85		4,368.85	70.00				4,428.85
	ACH payment	617	67,634.38						67,634.38	67,634.38					67,634.38

Monthly Revenue Allocation - October 2015

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 Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
10/16/2015	Mail & Counter	191	26,148.45	26,148.45						26,148.45					26,148.45
	Credit Cards	27	2,716.37			2,716.37				2,716.37					2,716.37
	Electronic	220	19,128.54				19,128.54			19,128.54					19,128.54
	Website	75	7,025.66					6,894.41		6,894.41					7,025.66
10/19/2015	Mail & Counter	464	50,438.15	50,438.15						50,438.15		50.00			50,488.15
	Credit Cards	44	5,046.83			5,046.83				5,046.83					5,046.83
	Electronic	202	18,255.26				18,255.26			18,255.26					18,255.26
	Website	38	3,489.50					3,423.00		3,423.00					3,489.50
10/20/2015	Mail & Counter	110	18,402.18	18,402.18						18,402.18		50.00			18,452.18
	Credit Cards	39	3,632.98			3,632.98				3,632.98					3,632.98
	Electronic	251	22,675.54				22,675.54			22,675.54					22,675.54
	Website	43	4,779.62					4,704.37		4,704.37					4,779.62
	ACH pymts	511	26,943.77						26,943.77	26,943.77					26,943.77
10/21/2015	Mail & Counter	259	25,254.49	25,254.49						25,254.49					25,254.49
	Deposit-DR Horton		596,666.00							596,666.00		373,083.00	223,583.00		596,666.00
	Credit Cards	60	6,869.58			6,869.58				6,869.58					6,869.58
	Electronic	132	12,086.64				12,086.64			12,086.64					12,086.64
	Website	25	2,647.83					2,604.08		2,604.08					2,647.83
10/22/2015	Mail & Counter	181	29,612.15	29,612.15						29,612.15					29,612.15
	Deposit-M/C	-	382.40							382.40					382.40
	Deposit-M/C	-	7,098.92							7,098.92					7,098.92
	Credit Cards	30	3,796.92			3,796.92				3,796.92					3,796.92
	Electronic	90	7,979.51				7,979.51			7,979.51					7,979.51
	Website	25	2,816.39					2,772.84		2,772.84					2,816.39
10/23/2015	Mail & Counter	171	26,305.53	26,305.53						26,305.53					26,305.53
	Credit Cards	31	3,210.78			3,210.78				3,210.78					3,210.78
	Electronic	187	17,696.30				17,696.30			17,696.30					17,696.30
	Website - 86 fees	88	8,815.18					8,664.68		8,664.68					8,815.18
10/26/2015	Mail & Counter	448	72,031.11	71,981.11						71,981.11					72,031.11
	Credit Cards	42	4,225.38			4,225.38				4,225.38					4,225.38
	Electronic	160	15,550.51				15,550.51			15,550.51					15,550.51
	Website	30	2,938.21					2,885.71		2,885.71					2,938.21
	ACH payments	579	79,871.61						79,871.61	79,871.61					79,871.61
10/27/2015	Mail & Counter	115	8,905.69	8,905.69						8,905.69					8,905.69
	Credit Cards	27	2,894.58			2,894.58				2,894.58					2,894.58
	Electronic	223	19,590.71				19,590.71			19,590.71					19,590.71
	Website	47	4,483.31					4,401.06		4,401.06					4,483.31
10/28/2015	Mail & Counter	254	30,014.30	28,514.30						28,514.30					30,014.30
	Deposit-Riv Tax		6,578.42							6,578.42					6,578.42
	Credit Cards	58	9,906.63			9,906.63				9,906.63					9,906.63
	Electronic	139	13,545.40				13,545.40			13,545.40					13,545.40
	Website-30 fees	31	3,980.18					3,927.68		3,927.68					3,980.18
10/29/2015	Mail & Counter	147	21,162.65	21,162.65						21,162.65					21,162.65
	Deposit-Land Eng		10,638.30							10,638.30		10,638.30			10,638.30
	Credit Cards	18	2,656.77			2,656.77				2,656.77					2,656.77
	Electronic	74	6,806.52				6,806.52			6,806.52					6,806.52
	Website-32 fees	33	4,039.81					3,983.81		3,983.81					4,039.81

Monthly Revenue Allocation - October 2015

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
10/30/2015	Mail & Counter	184	40,046.07	39,961.07						39,961.07		85.00			40,046.07
	Deposit-M/C		8,208.74							0.00		8,208.74			8,208.74
	Credit Cards	21	2,671.54			2,671.54				2,671.54					2,671.54
	Electronic	186	19,702.68				19,702.68			19,702.68					19,702.68
	Webstie-118 fees	121	12,122.20					11,915.70		11,915.70	206.50				12,122.20
Oct-15	Utility Prnt Cntr-277			(21,537.78)	21,537.78					0.00					0.00
	Oct '15 NSF's			(925.40)						0.00					0.00
	TOTALS	14,181	2,384,311.75	867,562.75	21,537.78	92,343.70	363,306.70	111,400.69	288,495.35	1,744,646.97	4,813.00	409,084.64	225,709.00	58.14	2,384,311.75

TOTAL # AR PAYMENTS 5,423 277 757 3,930 1,053 2,741 **14,181**

PERCENT OF TOTAL RECEIVED 38.24% 1.95% 5.34% 27.71% 7.43% 19.33% **100%**

FY 2016 - Water Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
02-40010	Sales - Water	6,165,000	135,209	451,047	522,845	496,099	1,605,199	26.04%
02-40011	Sales - Construction Water	20,000	110	1,622	793	1,116	3,641	18.20%
02-40012	Sales - Imported Water (SGPWA)	250,000	22,872	15,360	17,510	16,567	72,309	28.92%
02-40013	Sales - Imported Water (MUNI)	850,000	2,347	63,765	72,431	69,473	208,017	24.47%
02-40014	Sales Disc.-Multi Units Usage Chrg.	(130,000)	(2,401)	(8,631)	(11,032)	(10,054)	(32,118)	24.71%
02-40015	Water Wholesale Revenue	70,000	4,146	4,862	4,645	4,419	18,072	25.82%
02-40016	Service Establishment Fee	3,000	525	575	375	575	2,050	68.33%
02-41000	Service Demand Charges	3,000,000	54,947	254,450	254,935	255,502	819,834	27.33%
02-41001	Fire Service Standby Fees	25,000	771	2,261	2,154	2,578	7,764	31.05%
02-41003	Construction Service Charge	14,000	127	1,212	1,095	1,235	3,669	26.20%
02-41005	Sales Disc-Multi Units Service Chrg.	(120,000)	(2,549)	(11,376)	(11,376)	(11,376)	(36,679)	30.57%
02-41010	Unauthorized Use of Water Charge	2,000	0	0	0	0	0	0.00%
02-41110	Meter/Lateral installation	35,000	7,875	7,550	5,625	8,625	29,675	84.79%
02-41112	Fire Flow Test Fees	3,500	225	300	375	375	1,275	36.43%
02-41113	Disconnect/Reconnect Fees	130,000	9,120	9,895	12,350	9,185	40,550	31.19%
02-41121	Penalty - Late Charges	150,000	7,218	13,053	11,833	10,053	42,157	28.10%
02-42123	Management & Accounting Fees	160,000	13,326	13,334	13,334	13,334	53,328	33.33%
02-41124	Bad Debt	(20,000)	0	0	0	0	0	0.00%
02-43010	Interest Earned	15,000	0	0	4,066	8,668	12,734	84.90%
02-43110	Property Tax - Unsecured	110,000	0	0	6,630	0	6,630	6.03%
02-43120	Property Tax - Secured	2,400,000	0	0	0	0	0	0.00%
02-43130	Tax Collection - Prior	15,000	0	0	0	3,330	3,330	22.20%
02-43140	Other Taxes	185,000	0	0	17	9	25	0.01%
02-49150	Revenue - Misc. Non-Operating	80,000	4,013	11,277	3,712	3,297	22,299	27.87%
	WATER OPERATING REVENUE	13,412,500	257,879	830,556	912,317	883,010	2,883,761	21.50%
	Grants	0					0	
02-89901	Facility Capacity Charges	0	283,038	172,099	202,170	309,994	967,301	
02-89902	Sustainability	0	19,373	42,935	13,209	49,749	125,266	
	TOTAL WATER REVENUE	13,412,500	560,290	1,045,590	1,127,696	1,242,753	3,976,329	

FY 2016 - Sewer Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
03-40016	Sales - Establish Service Fee	500	0	0	0	0	0	0.00%
03-41000	Sales - Sewer Charges	11,675,000	273,261	950,328	946,804	953,641	3,124,035	26.76%
03-41005	Sales Disc-Multi Units Service Chrg.	(200,000)	(5,440)	(18,294)	(18,295)	(18,246)	(60,276)	30.14%
03-41110	Meter/Lateral Installation	1,000	0	0	0	0	0	0.00%
03-41121	Penalty - Late Charges	150,000	8,583	10,361	11,760	9,484	40,187	26.79%
03-41124	Bad Debt	(20,000)	0	0	0	0	0	0.00%
03-42122	Revenue - Other Operating	2,000	360	105	0	0	465	23.25%
03-43010	Interest Earned	15,000	0	0	4,062	8,668	12,730	84.87%
03-43110	Property Tax - Unsecured	10,000	0	0	0	0	0	0.00%
03-43120	Property Tax - Secured	125,000	0	0	0	0	0	0.00%
03-43130	Tax Collection - Prior	10,000	0	0	0	0	0	0.00%
03-43140	Other Taxes	1,500	0	0	0	0	0	0.00%
03-49150	Misc. Non-Oper Revenue	50,000	0	1,875	0	0	1,875	3.75%
	SEWER OPERATING REVENUE	11,820,000	276,764	944,375	944,331	953,547	3,119,016	26.39%
	Grants	0	0	0	0	0	0	
03-89901	Facility Capacity Charges	0	172,641	184,377	123,315	189,083	669,416	
03-89903	Contrib Capital-Front Footage Fees	0	0	0	0	0	0	
03-89905	Contrib Capital-Infrastructure	0	0	0	0	34,500	34,500	
	TOTAL SEWER REVENUE	11,820,000	449,405	1,128,752	1,067,646	1,177,130	3,822,932	

FY 2016 - Recycled Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
04-40010	Sales - Recycled Water	450,000	19,891	42,017	46,193	41,986	150,087	33.35%
04-40011	Sales - Construction Water	10,000	104	347	818	472	1,742	17.42%
04-41000	Sales - Service Demand Chrg.	42,500	1,101	3,124	3,177	3,176	10,578	24.89%
04-41003	Const. Water Minimum Chrg.	5,000	21	214	193	221	649	12.97%
04-41110	Meter/Lateral installation	1,500	0	0	0	0	0	0.00%
04-41121	Penalty - Late Charges	500	15	10	229	39	293	58.59%
04-41122	Revenue - Other Operating	250	0	0	0	0	0	0.00%
04-43010	Interest Earned	8,000	0	0	0	1,454	1,454	18.17%
04-43110	Property Tax - Unsecured	1,000	0	0	0	0	0	0.00%
04-43120	Property Tax - Secured	15,000	0	0	0	0	0	0.00%
04-43130	Property Tax - Prior	1,000	0	0	0	0	0	0.00%
04-43140	Property Tax - Other	1,000	0	0	0	0	0	0.00%
04-49150	Misc. Non-Operating Revenue	1,500	0	0	0	0	0	0.00%
	RECYCLED OPERATING REVENUE	537,250	21,132	45,712	50,610	47,348	164,802	30.68%
	Grants	0					0	
04-89901	Facility Capacity Charges	0	0	0	5,800	0	5,800	
	TOTAL RECYCLED REVENUE	537,250	21,132	45,712	56,410	47,348	170,602	

FY 2016 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
02-5-01-50010	Labor-Water Resources	884,000	48,986	60,934	62,120	91,592	263,632	29.82%
02-5-01-50011	Labor Credit	0	0	0	0	0	0	
02-5-01-50013	Benefits-Fica	63,000	4,012	4,997	5,113	7,517	21,640	34.35%
02-5-01-50014	Benefits-Life Insurance	3,200	302	259	284	286	1,131	35.34%
02-5-01-50016	Benefits-HealthDefrd Comp	145,000	13,501	14,476	15,028	15,223	58,229	40.16%
02-5-01-50017	Benefits-Disability Insurance	11,000	785	851	885	1,166	3,687	33.51%
02-5-01-50019	Benefits-Workers Compensation	42,000	3,995	3,995	0	3,500	11,489	27.36%
02-5-01-50021	Benefits-PERS	47,000	2,542	3,831	3,831	5,766	15,971	33.98%
02-5-01-50022	Benefits-PERS-Employer	100,000	2,773	4,091	4,091	6,136	17,090	17.09%
02-5-01-50023	Benefits-Uniforms	3,500	298	244	223	248	1,013	28.94%
02-5-01-50024	Benefits-Vacation & Sick Pay	7,500	595	595	388	892	2,469	32.91%
02-5-01-50025	Benefits-Boot Allowance	2,000	200	194	200	0	594	29.71%
02-5-01-51003	R&M - Structures	275,000	5,095	12,074	8,934	5,173	31,276	11.37%
02-5-01-51011	R&M - CLA Valves	10,000	0	0	0	0	0	0.00%
02-5-01-51140	General Supplies & Expenses	2,000	77	128	29	33	267	13.34%
02-5-01-51210	Utilities - Power Purchases	1,650,000	92,179	137,843	195,277	192,000	617,299	37.41%
02-5-01-51211	Utilities - Electricity & Fuel	5,000	268	154	777	700	1,899	37.98%
02-5-01-51316	Imported Water Purchases	1,100,000	84,857	85,692	91,133	91,000	352,701	32.06%
02-5-01-54019	Licenses & Permits	25,000	0	2,062	1,071	0	3,133	12.53%
02-5-01-54110	Laboratory Services	75,000	1,600	2,508	3,765	10,100	17,973	23.96%
02-5-01-57040	YVRWFF Operating Expense	600,000	70,841	44,298	51,038	25,319	191,496	31.92%
	WATER RESOURCE TOTALS	5,050,200	332,904	379,226	444,208	456,650	1,612,988	31.94%
02-5-03-50010	Labor-Public Works	1,042,800	33,636	54,528	53,200	74,970	216,333	20.75%
02-5-03-50011	Labor Credit	0	0	(1,076)	0	(2,524)	(3,600)	
02-5-03-50013	Benefits-Fica	92,000	2,770	4,471	4,368	6,193	17,802	19.35%
02-5-03-50014	Benefits-Life Insurance	7,000	372	372	372	372	1,490	21.28%
02-5-03-50016	Benefits-HealthDefrd Comp	300,000	18,302	21,374	21,311	21,469	82,456	27.49%
02-5-03-50017	Benefits-Disability Insurance	16,500	694	872	860	1,077	3,504	21.24%
02-5-03-50019	Benefits-Workers Compensation	45,000	3,995	3,995	0	3,900	11,889	26.42%
02-5-03-50021	Benefits-PERS	73,000	2,557	3,761	3,790	5,169	15,278	20.93%
02-5-03-50022	Benefits-PERS Employer	160,000	2,617	3,848	3,879	5,352	15,696	9.81%
02-5-03-50023	Benefits-Uniforms	6,000	364	221	223	242	1,050	17.50%
02-5-03-50024	Benefits-Vacation & Sick Pay	4,000	243	243	243	542	1,271	31.77%
02-5-03-50025	Benefits-Boot Allowance	3,500	0	330	0	779	1,109	31.68%
02-5-03-51001	R & M - Vehicles & Equipment	150,000	8,281	17,364	33,889	4,048	63,562	42.37%
02-5-03-51011	R&M - Valves	10,000	0	0	0	0	0	0.00%
02-5-03-51020	R&M - Pipelines	275,000	13,897	22,544	14,586	8,116	59,144	21.51%
02-5-03-51021	R&M - Service Lines	100,000	5,140	11,868	3,519	3,243	23,770	23.77%
02-5-03-51022	R&M - Fire Hydrants	25,000	990	303	0	(3,144)	(1,851)	-7.40%
02-5-03-51030	R&M - Water Meters	75,000	4,853	15,502	4,814	8,454	33,622	44.83%
02-5-03-51092	Equipment Credits	0	0	(417)	0	(1,071)	(1,487)	
02-5-03-51140	General Supplies & Expenses	1,000	115	0	0	0	115	11.53%
	PUBLIC WORKS TOTALS	2,385,800	98,827	160,104	145,036	137,186	541,154	22.68%

FY 2016 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
02-5-06-50010	Labor-Administration	705,000	33,424	49,321	48,728	71,937	203,410	28.85%
02-5-06-50011	Labor Credit	0	0	2,252	0	0	2,252	
02-5-06-50012	Director Fees	19,000	0	1,474	1,742	2,144	5,361	28.21%
02-5-06-50013	Benefits-Fica	47,500	2,696	3,829	3,782	5,545	15,852	33.37%
02-5-06-50014	Benefits-Life Insurance	3,200	220	220	222	220	882	27.56%
02-5-06-50016	Benefits-HealthDefrd Comp	165,000	10,559	13,027	13,525	15,163	52,274	31.68%
02-5-06-50017	Benefits-Disability Insurance	7,500	467	580	579	655	2,280	30.41%
02-5-06-50019	Benefits-Workers Compensation	15,750	1,000	1,000	0	1,000	3,000	19.05%
02-5-06-50021	Benefits-PERS	40,286	2,269	3,337	3,337	5,006	13,950	34.63%
02-5-06-50022	Benefits PERS Employer	85,000	2,322	3,415	3,415	5,123	14,275	16.79%
02-5-06-50023	Uniforms	2,000	110	88	95	88	381	19.07%
02-5-06-50024	Benefits-Vacation & Sick Pay	10,000	843	1,184	982	1,534	4,542	45.42%
02-5-06-50025	Benefits-Boots	1,000	0	0	0	0	0	0.00%
02-5-06-51003	R&M - Structures	20,000	283	551	234	10,177	11,245	56.22%
02-5-06-51091	Expense Credits (overhead)	0	0	(236)	0	(1,207)	(1,443)	
02-5-06-51120	Safety Equipment/Supplies	25,000	218	135	6,315	1,214	7,882	31.53%
02-5-06-51125	Petroleum Products	125,000	4,642	12,208	6,760	2,796	26,405	21.12%
02-5-06-51130	Office Supplies & Expenses	30,000	2,366	3,084	2,131	613	8,194	27.31%
02-5-06-51140	General Supplies & Expenses	30,000	799	308	1,135	6,660	8,902	29.67%
02-5-06-51199	Disaster Incidences	0	0	0	0	0	0	
02-5-06-51211	Utilities - Electricity	28,000	2,282	39	6,869	6,800	15,990	57.11%
02-5-06-51213	Utilities - Natural Gas	3,000	28	26	29	30	113	3.77%
02-5-06-54002	Dues & Subscriptions	10,000	1,182	0	164	3,045	4,390	43.90%
02-5-06-54005	Computer Expenses	65,000	3,902	7,645	5,157	1,604	18,308	28.17%
02-5-06-54010	Postage	6,000	71	2,284	118	54	2,526	42.11%
02-5-06-54011	Printing & Publications	7,500	268	178	0	0	446	5.95%
02-5-06-54012	Education & Training	15,000	1,164	158	433	0	1,754	11.70%
02-5-06-54013	Utility Billing Expenses	180,000	12,045	11,723	12,175	11,583	47,526	26.40%
02-5-06-54014	Public Relations	9,000	25,371	8,457	7,066	2,906	43,790	486.55%
02-5-06-54016	Travel Related Expenses	10,000	207	188	15	115	526	5.26%
02-5-06-54017	Certifications & Renewals	6,000	140	245	345	215	945	15.74%
02-5-06-54020	Meeting Related Expenses	6,000	89	219	358	78	745	12.41%
02-5-06-54024	Utilities - Waste Disposal	2,750	177	177	177	177	707	25.70%
02-5-06-54025	Utilities - Telephone	42,000	3,453	3,329	3,336	2,341	12,458	29.66%
02-5-06-54099	Conservation & Rebates	0	(8,250)	(64)	183	(17)	(8,148)	
02-5-06-54104	Contractual Services	65,000	17,192	3,207	6,885	5,741	33,025	50.81%
02-5-06-54107	Legal	45,000	1,913	3,225	3,385	3,500	12,023	26.72%
02-5-06-54108	Audit & Accounting	16,000	4,725	3,600	0	1,000	9,325	58.28%
02-5-06-54109	Professional Fees	150,000	21,277	7,494	9,888	2,500	41,160	27.44%
02-5-06-55500	Depreciation Reserves	200,000	16,663	16,667	16,667	16,667	66,664	33.33%
02-5-06-56001	Insurance	1,265,000	105,417	105,416	105,416	105,416	421,665	33.33%
02-5-06-57030	Regulatory Compliance	105,000	8,325	8,328	8,328	8,328	33,309	31.72%
02-5-06-57090	Election Related Expenses	55,000	4	2,458	100	263	2,824	5.13%
02-5-06-57096	Beaumont Basin Watermaster	60,000	0	0	0	0	0	
02-5-06-57199	Suspense	0	0	0	0	25,451	25,451	42.42%
	ADMINISTRATION TOTALS	3,682,486	279,862	280,774	280,065	326,462	1,167,163	31.69%

FY 2016 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
02-5-40-57201	Debt Srv-Series 2015A Princ.(25009)	980,000	0	980,000	0	0	980,000	100.00%
02-5-40-57402	Interest-Long-Term Debt Bonds	1,314,014	0	673,457	0	0	673,457	51.25%
	40 - Debt	2,294,014	0	1,653,457	0	0	1,653,457	72.08%
02-5-40-57001	Asset Acq. - Water Resources	0	0	0	0	0	0	--
02-5-40-57003	Asset Acq. - Public works	0	0	0	0	0	0	--
02-5-40-57006	Asset Acq. - Administration	0	0	0	0	0	0	--
	40 - Capital Outlay	0	0	0	0	0	0	--
							4,974,762	
	TOTAL WATER EXPENSES	13,412,500	711,594	2,473,562	869,309	920,298	4,974,762	37.09%

FY 2016 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
03-5-02-50010	Labor-S Treatment	985,300	36,805	60,938	60,831	91,656	250,229	25.40%
03-5-02-50013	Benefits-Fica	75,000	2,994	4,961	4,988	7,482	20,425	27.23%
03-5-02-50014	Benefits-Life Insurance	5,000	356	277	310	310	1,252	25.03%
03-5-02-50016	Benefits-Health/Defrd Comp	200,000	14,455	16,255	16,826	17,176	64,712	32.36%
03-5-02-50017	Benefits-Disability Insurance	15,000	705	868	900	1,189	3,661	24.41%
03-5-02-50019	Benefits-Workers Compensation	45,000	3,995	3,995	0	3,900	11,889	26.42%
03-5-02-50021	Benefits-PERS	60,000	2,784	3,935	3,935	5,921	16,576	27.63%
03-5-02-50022	Benefits-PERS Employer	130,000	3,089	4,197	4,197	6,295	17,778	13.68%
03-5-02-50023	Benefits-Uniforms	4,500	479	278	211	243	1,211	26.92%
03-5-02-50024	Benefits-Vacation & Sick Pay	5,000	323	323	252	484	1,381	27.62%
03-5-02-50025	Benefits-Boot Allowance	2,400	200	314	200	200	914	38.07%
03-5-02-51003	R&M - Structures	225,000	45,310	57,002	16,375	8,524	127,211	56.54%
03-5-02-51010	R&M - Automation Control	65,000	0	3,298	0	5,361	8,659	13.32%
03-5-02-51106	Chemicals	490,000	30,010	19,314	32,069	30,000	111,393	22.73%
03-5-02-51111	Propane	5,000	0	2,357	0	0	2,357	47.14%
03-5-02-51115	Laboratory Supplies	30,000	2,776	1,407	4,673	774	9,630	32.10%
03-5-02-51140	General Supplies & Expenses	1,000	0	22	66	0	88	8.80%
03-5-02-51210	Utilities - Power Purchases	830,000	66,332	97,886	102,045	102,000	368,263	44.37%
03-5-02-54110	Laboratory Services	115,000	512	8,988	3,857	1,469	14,826	12.89%
03-5-02-57031	Sludge Disposal	300,000	22,069	23,758	22,772	23,000	91,598	30.53%
03-5-02-57034	Brine Operating Expenses	201,616	27	35	72	1,202	1,336	0.66%
	TREATMENT TOTALS	3,789,816	233,218	310,405	274,578	307,185	1,125,387	29.70%

FY 2016 Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
03-5-06-50010	Labor-Administration	660,000	29,938	45,835	45,242	66,708	187,724	28.44%
03-5-06-50011	Labor Credit	0	0	2,252	0	0	2,252	
03-5-06-50012	Directors Fees	19,000	0	1,474	1,742	2,144	5,361	28.21%
03-5-06-50013	Benefits-Fica	43,000	2,399	3,532	3,485	5,101	14,517	33.76%
03-5-06-50014	Benefits-Life Insurance	3,600	217	217	217	217	866	24.06%
03-5-06-50016	Benefits-Health/Defrd Comp	145,000	9,454	11,974	12,472	13,925	47,824	32.98%
03-5-06-50017	Benefits-Disability Insurance	7,500	416	545	543	608	2,112	28.16%
03-5-06-50019	Benefits-Workers Compensation	27,500	1,000	1,000	0	1,000	3,000	10.91%
03-5-06-50021	Benefits-PERS	36,000	2,103	3,093	3,093	4,640	12,930	35.92%
03-5-06-50022	Benefits PERS Employer	75,000	2,152	3,165	3,165	4,748	13,231	17.64%
03-5-06-50023	Benefits-Uniforms	2,000	79	63	63	68	273	13.64%
03-5-06-50024	Benefits-Vacation & Sick Pay	10,000	843	1,184	982	1,534	4,543	45.43%
03-5-06-50025	Benefits-Boot Allowance	1,740	0	0	0	0	0	0.00%
03-5-06-51120	Safety Equipment/Supplies	10,000	1,577	0	130	0	1,706	17.06%
03-5-06-51125	Petroleum Products	22,500	1,111	1,000	2,510	1,000	5,621	24.98%
03-5-06-51130	Office Supplies	4,000	1,889	21	372	211	2,493	62.33%
03-5-06-51140	General Supplies & Expenses	17,500	313	362	176	6,387	7,238	41.36%
03-5-06-51199	Disaster Repairs (lift station 2)	0	0	15,262	18,381	0	33,643	
03-5-06-54002	Dues & Subscriptions	10,000	422	654	164	3,045	4,284	42.84%
03-5-06-54003	Management & Admin Services	160,000	13,326	13,334	13,334	13,334	53,328	33.33%
03-5-06-54005	Computer Expenses	95,000	6,052	6,114	8,196	2,046	22,409	23.59%
03-5-06-54011	Printing & Publications	1,500	235	178	0	0	413	27.53%
03-5-06-54012	Education & Training	7,000	158	443	317	0	917	13.10%
03-5-06-54014	Public Relations	7,500	467	0	0	0	467	6.23%
03-5-06-54016	Travel Related Expenses	5,000	174	791	252	442	1,659	33.18%
03-5-06-54017	Certifications & Renewals	5,000	136	270	0	340	746	14.92%
03-5-06-54019	Licenses & Permits	50,000	0	0	10,929	0	10,929	21.86%
03-5-06-54020	Meeting Related Expenses	5,000	91	88	359	99	637	12.74%
03-5-06-54024	Utilities - Waste Disposal	12,500	1,054	1,054	1,054	1,054	4,215	33.72%
03-5-06-54025	Utilities - Telephone	20,000	1,395	1,318	1,320	928	4,960	24.80%
03-5-06-54030	Drinking Water	1,000	65	109	123	58	355	35.53%
03-5-06-54104	Contractual Services	30,000	11,019	992	4,241	1,348	17,599	58.66%
03-5-06-54107	Legal	45,000	1,050	1,425	1,285	1,200	4,960	11.02%
03-5-06-54108	Audit & Accounting	16,000	4,725	3,600	0	1,000	9,325	58.28%
03-5-06-54109	Professional Fees	150,000	13,794	18,741	11,195	4,500	48,230	32.15%
03-5-06-55500	Depreciation Reserves	500,000	41,663	41,667	41,667	41,667	166,664	33.33%
	Infrastructure Replacement	800,000	66,667	66,670	66,670	66,670	266,677	33.33%
03-5-06-56001	Insurance	105,000	8,325	8,328	8,328	8,328	33,309	31.72%
03-5-06-57030	Regulatory Compliance	42,000	1,000	790	0	0	1,790	4.26%
	ADMINISTRATION TOTALS	3,151,840	225,307	257,545	262,006	254,348	999,206	31.70%

FY 2016 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
03-5-07-50010	Labor-Environmental Control	310,000	18,519	30,843	33,094	43,991	126,447	40.79%
03-5-07-50011	Labor Credit	0	0	(310)	0	0	(310)	
03-5-07-50013	Benefits-Fica	28,000	1,461	2,423	2,598	3,498	9,980	35.64%
03-5-07-50014	Benefits-Life Insurance	2,000	142	142	142	142	568	28.42%
03-5-07-50016	Benefits-HealthDefrd Comp	75,000	8,397	9,978	8,978	9,851	36,203	48.27%
03-5-07-50017	Benefits-Disability Insurance	4,500	308	423	444	561	1,736	38.59%
03-5-07-50019	Benefits-Workers Compensation	30,000	1,197	1,197	0	1,200	3,594	11.98%
03-5-07-50021	Benefits-PERS	20,000	1,210	1,780	1,832	2,749	7,572	37.86%
03-5-07-50022	Benefits-PERS Employer	45,000	1,239	1,821	1,875	2,813	7,748	17.22%
03-5-07-50023	Benefits-Uniforms	2,000	107	130	84	84	404	20.22%
03-5-07-50024	Benefits-Vacation & Sick Pay	2,000	140	154	169	253	716	35.81%
03-5-07-50025	Benefits-Boot Allowance	800	157	0	0	0	157	19.62%
03-5-07-51003	R&M - Structures	270,000	11,106	10,057	9,878	14,610	45,651	16.91%
03-5-07-51140	General Supplies & Expenses	1,000	0	0	34	86	121	12.09%
03-5-07-51241	Lift Station #1	85,000	4,725	7,866	5,120	543	18,254	21.48%
03-5-07-51242	Lift Station #2	15,000	960	226	3,688	1,466	6,340	42.27%
03-5-07-51243	Lift Station #3	5,000	203	0	577	871	1,651	33.02%
03-5-07-51244	Lift Station #4	20,000	6,265	33	1,402	0	7,700	38.50%
03-5-07-51248	Lift Station #8	3,000	39	0	106	0	145	4.83%
03-5-07-54109	Professional Fees	60,000	0	4,071	2,590	3,287	9,948	16.58%
03-5-07-54110	Laboratory Services	4,000	0	0	0	0	0	0.00%
	ENVIRONMENTAL CONTROL TOTAL	982,300	56,176	69,836	72,611	86,005	284,628	28.98%
03-5-40-57202	Debt Service - Principal - WRWRF	2,097,629	0	0	2,097,629	0	2,097,629	100.00%
03-5-40-57203	Debt Service - Principal - Brineline	401,939	0	0	0	0	0	0.00%
03-5-40-57204	Debt Service - Principal - WISE	125,600	0	0	0	0	0	0.00%
03-5-40-57205	Debt Service - Principal - R 10.3	36,663	0	0	0	0	0	0.00%
03-5-40-57206	Debt Service - Principal - Crow & B12-1	18,357	0	0	0	0	0	0.00%
03-5-40-57403	Debt Service - Interest	1,215,856	0	0	826,039	0	826,039	67.94%
	40 - Debt	3,896,044	0	0	2,923,669	0	2,923,669	75.04%
03-5-40-57002	Asset Acq. - Treatment	0	0	0	0	0	0	
03-5-40-57006	Asset Acq. - Administration	0	0	0	0	0	0	
03-5-40-57007	Asset Acq. - Environmental Control	0	0	0	0	0	0	
	40 - Capital Outlay	0	0	0	0	0	0	
	TOTAL SEWER EXPENSES	11,820,000	514,702	637,786	3,532,864	647,538	5,332,890	45.12%

FY 2016 - Recycled Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '15	Aug '15	Sept '15	Oct '15	Year to Date	Percentage YTD
04-5-06-50010	Labor-Recycled Water	226,630	15,010	15,240	15,224	21,977	67,451	29.76%
04-5-06-50012	Director Fees	2,500	0	0	0	0	0	0.00%
04-5-06-50013	Benefits-FICA	5,000	1,253	1,183	1,173	1,695	5,304	106.08%
04-5-06-50014	Benefits-Life Insurance	250	(2)	(2)	(2)	(8)	(8)	-3.16%
04-5-06-50016	Benefits-Health & Def Comp	15,000	2,084	2,136	2,136	2,813	9,169	61.12%
04-5-06-50017	Benefits-Disability Insurance	500	137	136	136	179	588	117.68%
04-5-06-50019	Benefits-Workers Compensation	3,000	197	197	0	0	394	13.12%
04-5-06-50021	Benefits-PERS Employee	2,200	83	122	122	183	510	23.19%
04-5-06-50022	Benefits-PERS Employer	5,000	85	125	125	187	522	10.44%
04-5-06-50023	Benefits-Uniforms	200	30	88	60	60	238	118.79%
04-5-06-50024	Benefits-Vacation & Sick Pay	500	27	27	27	60	141	28.25%
04-5-06-50025	Benefits-Boots	250	0	0	0	0	0	0.00%
04-5-06-51003	R & M-Structures	50,000	2,826	42	508	383	3,760	7.52%
04-5-06-51020	R & M-Pipelines	7,500	0	0	0	0	0	0.00%
04-5-06-51021	R & M-Service Lines	15,000	17	549	135	0	701	4.67%
04-5-06-51022	R & M-Fire Hydrants	5,000	0	0	0	0	0	0.00%
04-5-06-51030	R & M-Meters	1,500	0	2,639	3,062	0	5,701	380.07%
04-5-06-51140	General Supplies & Expenses	250	58	0	0	0	58	23.00%
04-5-06-51210	Utilities-Power Purchases	77,720	10	288	288	288	874	1.12%
04-5-06-54002	Dues & Subscriptions	4,000	40	0	0	0	40	1.00%
04-5-06-54005	Computer Expense	5,000	165	53	137	434	789	15.78%
04-5-06-54011	Printing & Publications	1,000	33	89	0	0	122	12.25%
04-5-06-54012	Education & Training	3,500	35	35	115	0	185	5.28%
04-5-06-54014	Public Relations	3,500	104	0	0	0	104	2.97%
04-5-06-54016	Travel Related Expenses	2,000	0	0	0	0	0	0.00%
04-5-06-54017	Certifications & Renewals	250	0	0	0	0	0	0.00%
04-5-06-54019	Licenses & Permits	2,500	0	0	0	8,185	8,185	327.42%
04-5-06-54020	Meeting Related Expenses	250	0	0	30	0	30	12.00%
04-5-06-54025	Telephone	750	139	139	140	0	419	55.81%
04-5-06-54010	Contractual Services	1,500	2,025	19	674	0	2,718	181.18%
04-5-06-54107	Legal	1,000	225	188	375	0	788	78.75%
04-5-06-54108	Audit & Accounting	0	1,050	800	0	0	1,850	
04-5-06-54109	Professional Fees	25,000	13,529	6,498	770	1,000	21,797	87.19%
04-5-06-54110	Laboratory Services	1,000	0	0	0	0	0	0.00%
04-5-06-55500	Depreciation	8,000	630	670	670	670	2,640	33.00%
	Infrastructure Replacement	25,000	2,083	2,083	2,083	2,083	8,332	33.33%
04-5-06-57030	Regulatory Compliance	25,000	19	8	0	0	27	0.11%
04-5-06-57040	Environmental Compliance	10,000	0	0	0	0	0	0.00%
	TOTAL RECYCLED EXPENSES	537,250	41,892	33,352	27,988	40,196	143,428	26.70%



Date: November 18, 2015

Prepared By: Brent Anton, Engineering Manager

Subject: Change Order No. 1 and Notice of Completion for the Construction Contract with Borden Excavating, Inc. for the 30" and 12" Drinking Water Pipelines in Second Street, Yucaipa

Recommendation: That the Board approves Change Order No. 1 for a decrease of \$8,375.00 and authorizes the filing of the Notice of Completion and release of the retention amount of \$26,419.00 thirty-five days after the recorded date.

At the regular board meeting on September 3, 2014 the Board of Directors authorized the District staff to solicit bids for the construction of a 30" drinking water conveyance pipeline and 12" drinking water pipeline in Second Street, Yucaipa [Director Memorandum No. 14-072].

On July 15, 2015, the Board of Directors awarded the construction contract to Borden Excavating for \$536,755 [Director Memorandum No. 15-070].

Change Order No. 1 is a decrease of \$8,375.00 due to the elimination of paving overlay and reduced inspection fees.

	Contract Changes	Contract Amount	Percentage Change from Original Bid Amount	Reference
Original Bid Amount		\$536,755.00	- -	DM 15-070
Change Order No. 1	(\$8,375.00)	\$528,380.00	1.6% decrease	DM 15-108

District staff recommends that the Board approves Change Order No. 1 for a decrease in the construction contract from \$536,755 to \$528,380.

The project is now complete and based on the letter from Krieger & Stewart; District staff recommends that the Board approves Change Order No. 1 and authorizes the filing of the Notice of Completion and release of the retention amount of \$26,419.00 thirty-five days after the recorded date.

Financial Considerations:

Funding for this project will be from water depreciation reserves.

C.O. NO. 1

PAGE 1 OF 2

CONTRACT CHANGE ORDER NO. 1

CONTRACT 30" Potable Water Conveyance Pipeline - Phase II and 12" Second Street Pipeline
 DATED July 15, 2015 BY AND BETWEEN Yucaipa Valley Water District (OWNER), AND
 and Borden Excavating, Inc. (CONTRACTOR), is hereby directed to make the following change(s) in
 Contract Work:

ITEM NO.	DESCRIPTION OF CHANGE	DECREASE \$	INCREASE \$
1	Reduce reimbursement for City fees.	(\$9,500.00)	
2	Reduce Paving Quantities	(\$875.00)	
3	Furnish and Install 8" Gate Valve		\$2,000.00

Total DECREASE in Contract Amount	<u>(\$10,375.00)</u>
Total INCREASE in Contract Amount	<u>\$2,000.00</u>
Net change in Contract Amount	<u>(\$8,375.00)</u>
Contract Amount Prior to Change	<u>\$536,755.00</u>
Contract Amount Adjusted for Change	<u>\$528,380.00</u>

30" Potable Water Conveyance Pipeline - Phase II
 and 12" Second Street Pipeline
 March 2015

Change Order Form S-1

CONTRACT CHANGE ORDER NO. 1

PAGE 2 OF 2

By reason of Change Order No. 1, time of completion shall be adjusted as follows:

0 Working Days. Adjusted Contract Completion Date shall be November 12, 2015.

All provisions of the Contract shall apply hereto, and shall become effective when fully executed (signed and dated) by both parties.

Recommended by (Engineer) [Signature] Date: 11-5-14

Accepted by (Contractor) [Signature] Date: 11-6-15

Approved by (Owner) _____ Date: _____

Remarks _____

30" Potable Water Conveyance Pipeline - Phase II
and 12" Second Street Pipeline
March 2015

Change Order Form S-2



November 11, 2015

818-36.1 F/C

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

Subject: 30" Potable Water Conveyance Pipeline - Phase II and 12" Second Street Pipeline
 Recommendation of Acceptance of Contract Work

Dear Mr. Anton:

All work required to be performed by Borden Excavating, Inc for the 30" Potable Water Conveyance Pipeline - Phase II and 12" Second Street Pipeline Project is essentially complete and the final Contract Amount for same is set forth as follows:

Original Contract Amount:	\$536,755.00
Contract Change Order No. 1:	<u>(\$8,375.00)</u>
Final Contract Amount:	\$528,380.00

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.

If you have any questions, please call.

Sincerely,

KRIEGER & STEWART

A handwritten signature in blue ink that reads 'Patrick M. Watson'.

Patrick M. Watson

PMW/blt
 818-36-RECACCEPT

cc: Linda Kilday, Yucaipa Valley Water District

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/CMMS Number: P-02-265
Director Memorandum Number for Authorization: DM 15-070
Director Memorandum Number for Notice of Completion: DM 15-XXX

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.
Notice is hereby given that:

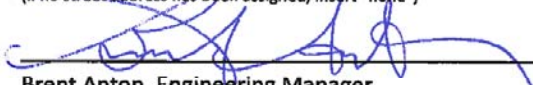
1. The undersigned is owner or corporate officer of the owner of the interest in the property hereinafter described:
2. The full name of the owner is Yucaipa Valley Water District
3. The full address of the owner is 12770 Second Street, Yucaipa, CA 92399
4. The Nature of the Interest or Estate of the Undersigned is: In Fee
5. A work performed hereinafter described was completed on November 11, 2015. The work done was:
30-inch Potable Water Conveyance Pipeline Phase II & 12-inch 2nd Street Pipeline
6. The name of the contractor for such work was: Borden Excavating, Inc.

July 15, 2015
(Date of Contract)

7. The property on which said work was complete in the City of Yucaipa
County of San Bernardino, State of CA, and is described as APN: NONE
8. The street address of said property is NONE

(if no street address has been assigned, insert "none")

Dated November 12, 2015


Brent Anton, Engineering Manager
Yucaipa Valley Water District

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 November 18, 2015 at Yucaipa, CA.

Joseph B. Zoba, General Manager
Yucaipa Valley Water District

YUCAIPA VALLEY
WATER DISTRICT

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

PARTIAL PAYMENT ESTIMATE # RETENTION

Name of Contractor: Borden Excavating, Inc.		
Name of Owner: Yucaipa Valley Water District		
Date of Completion:	Amount of Contract:	Dates of Estimate:
Original <u>November 12, 2015</u>	Original <u>\$ 536,755.00</u>	From <u>7/15/2015</u>
Revised _____	Revised _____	To <u>10/31/2015</u>

Description of Job:

30" Potable Water Conveyance Pipeline - Phase II and 2nd Street Pipeline

Item #	Description	Contract Items			This Period		Total To Date	
		Quantity	Unit Price	Total	Quantity	Amount	Quantity	Amount
101	Contract bonds, insurance and permits not to exceed 3% of bid amount.	1	\$ 10,000.00	\$ 10,000	0.00	\$0	1.00	\$10,000
102	\$10,000 allowance for City permits and inspection.	1	\$10,000.00	\$ 10,000	0.00	\$0	0.05	\$500
103	Mobilization of equipment, materials, and labor (not to exceed 3% of bid amount).	1	\$ 6,223.00	\$ 6,223	0.00	\$0	1.00	\$6,223
104	State required line item for Sections 6705 and 6707, excavation safety measures.	1	\$ 500.00	\$ 500	0.00	\$0	1.00	\$500
105	Furnish traffic control, including traffic control plans for approval, furnishing all signs, delineators, arrowboards, and flagmen in accordance with	1	\$ 500.00	\$ 500	0.00	\$0	1.00	\$500
106	Furnish and install 30" cement mortar lined potable ductile iron pipe with restrained joints, Class 350, including backfill with suitable native material, compaction and testing (Stations 119+20± to 122+80± and 124+60± to 128+00±).	700	\$ 338.00	\$ 236,600	0.00	\$0	700.00	\$236,600
107	Furnish and install 30" CML&C welded steel pipe (0.37511 wall thickness) with flanged joints, including backfill with suitable native material, compaction, and testing (Stations 122+80± to 124+60±).	180	\$ 342.00	\$ 61,560	0.00	\$0	180.00	\$61,560
108	Furnish and install 30" cement mortar lined potable ductile iron pipe with restrained joints, Class 350, including export of native material, import of backfill material, compaction, and testing (Stations 128+00± to 128+77±).	77	\$ 368.00	\$ 28,336	0.00	\$0	77.00	\$28,336

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109	Install 3011 pipe at flowline depth between 1.1' and 2.0' deeper than shown on plans (the incremental cost difference over Bid Item No.	200	\$ 1.00	\$ 200	0.00	\$200	200.00	\$200
110	Install 30" pipe at flowline depth between 2.1' and 3.0' deeper than shown on plans (the incremental cost difference over Bid Item No. 105)	100	\$ 1.00	\$ 100	0.00	\$100	100.00	\$100
111	Furnish and install connection to existing 30" pipeline per Detail, Sheet 2 (Station 119+20±).	1	\$ 13,000.00	\$ 13,000	0.00	\$0	1.00	\$13,000
112	Furnish and install connection to existing 8" pipeline per Detail, Sheet 2 (Station 122+34±).	1	\$ 14,000.00	\$ 14,000	0.00	\$0	1.00	\$14,000
113	Furnish and install connection to existing 30" pipeline per Detail, Sheet 3 (Station 128+77±).	1	\$ 13,000.00	\$ 13,000	0.00	\$0	1.00	\$13,000
114	Furnish and install 12" cement mortar lined potable ductile iron pipe, Class 350, including export of native material import of backfill material, compaction, and testing (Stations 150+00± to 150+85±).	85	\$ 84.00	\$ 7,140	0.00	\$0	85.00	\$7,140
115	Furnish and install 12" cement mortar lined potable ductile iron pipe, Class 350, including backfill with suitable native material, compaction, and testing (Stations 150+85± to 153+74±).	289	\$ 84.00	\$ 24,276	0.00	\$0	289.00	\$24,276
116	Furnish and install connection to existing 8" pipeline per Detail, Sheet 4 (Station 153+74±).	1	\$ 10,000.00	\$ 10,000	0.00	\$0	1.00	\$10,000
117	Furnish and install connection to existing 16" pipeline per Detail, Sheet 4 (Station 153+74±).	1	\$ 10,000.00	\$ 10,000	0.00	\$0	1.00	\$10,000
118	Furnish and install 30" diameter butterfly valve per YVWD Standard Drawing W-20.	2	\$15,000.00	\$ 30,000	0.00	\$0	2.00	\$30,000
119	Furnish and install 8" diameter gate valve per YVWD Standard Drawing W-20.	1	\$ 2,000.00	\$ 2,000	0.00	\$0	2.00	\$4,000
120	Furnish and install 12" diameter gate valve per YVWD Standard Drawing W-20.	1	\$ 3,000.00	\$ 3,000	0.00	\$0	1.00	\$3,000

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121	Furnish and install 4" blowoff per YVWD Standard Drawing W-19 and an apron per SBCFCD Standard Plan D260.	1	\$ 9,000.00	\$ 9,000	0.00	\$0	1.00	\$9,000
122	Furnish and install 4" combination air and vacuum valve assembly per Detail, Sheet 3.	1	\$ 9,500.00	\$ 9,500	0.00	\$0	1.00	\$9,500
123	Furnish and install 2" combination air and vacuum valve assembly per YVWD Standard Drawing W-15.	1	\$ 5,000.00	\$ 5,000	0.00	\$0	1.00	\$5,000
124	Relocate existing water service as required for construction, including all coordination with Yucaipa Valley Water District.	1	\$ 300.00	\$ 300	0.00	\$0	1.00	\$300
125	Relocate existing gas service as required for construction, including all coordination with the Gas Company and associated fees.	1	\$ 200.00	\$ 200	0.00	\$0	1.00	\$200
126	Relocate existing sewer lateral as required for construction, including all coordination with YVWD.	1	\$ 200.00	\$ 200	0.00	\$0	1.00	\$200
127	Disinfect and flush 30" potable water pipeline (per AWWA Standard).	1	\$ 5,000.00	\$ 5,000	0.00	\$0	1.00	\$5,000
128	Disinfect and flush 12" potable water pipeline (per AWWA Standard).	1	\$ 2,500.00	\$ 2,500	0.00	\$0	1.00	\$2,500
129	Sawcut, remove, and dispose of existing AC paving and base as required for trenching.	165	\$ 1.00	\$ 165	0.00	\$0	165.00	\$165
130	Furnish and install AC Pavement over mainline and branch trenches per City of Yucaipa Standard Drawing 106-83.	165	\$ 22.00	\$ 3,630	0.00	\$0	165.00	\$3,630
131	Furnish and install 0.125' AC pavement cap over mainline and branch trenches per City of Yucaipa Standard Drawing 106-83 (including header grind).	2000	\$ 2.50	\$ 5,000	0.00	\$0	2000.00	\$5,000
132	Remove cracked paving or floaters adjacent to street pavement repair as directed by District or City and pave per City of Yucaipa Standard Drawing 106-83.	350	\$ 2.50	\$ 875	0.00	\$0	0.00	\$0
133	Remove and properly dispose of existing 12" ACP pipeline as required for construction.	650	\$ 3.00	\$ 1,950	0.00	\$0	650.00	\$1,950

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134	Abandon existing 8" ACP pipeline (approximate length 660 LF) by filling the pipe with Controlled Low Strength Material.	1	\$ 2,000.00	\$ 2,000	0.00	\$0	1.00	\$2,000
135	Furnish and install concrete cut-off wall per Detail, Sheet 4.	10	\$ 1,000.00	\$ 10,000	0.00	\$0	10.00	\$10,000
136	All other items of work not included in the above bid items required for a complete and functional project in compliance with the Contract Documents.	1	\$ 1,000.00	\$ 1,000	0.00	\$0	1.00	\$1,000
			\$ 536,755			\$0		\$528,380

Amount	This Period	Total To Date
Amount Earned	\$0.00	\$528,380.00
Amount Retained 0%	\$0.00	\$0.00
Previous Payments		\$501,961.00
Amount Due	\$26,419.00	\$26,419.00

Estimate Percentage Of Job Completed _____ 100

Is Contractor's Construction Progress on Schedule? _____ No _____ Yes X

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.

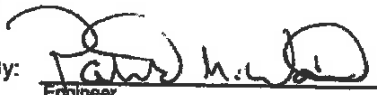
Date Monday, November 02, 2015

Borden Excavating, Inc.
 Name of Contractor

By: _____

Project Manager
 Title

YUCAIPA VALLEY WATER DISTRICT

By: 
 Engineer

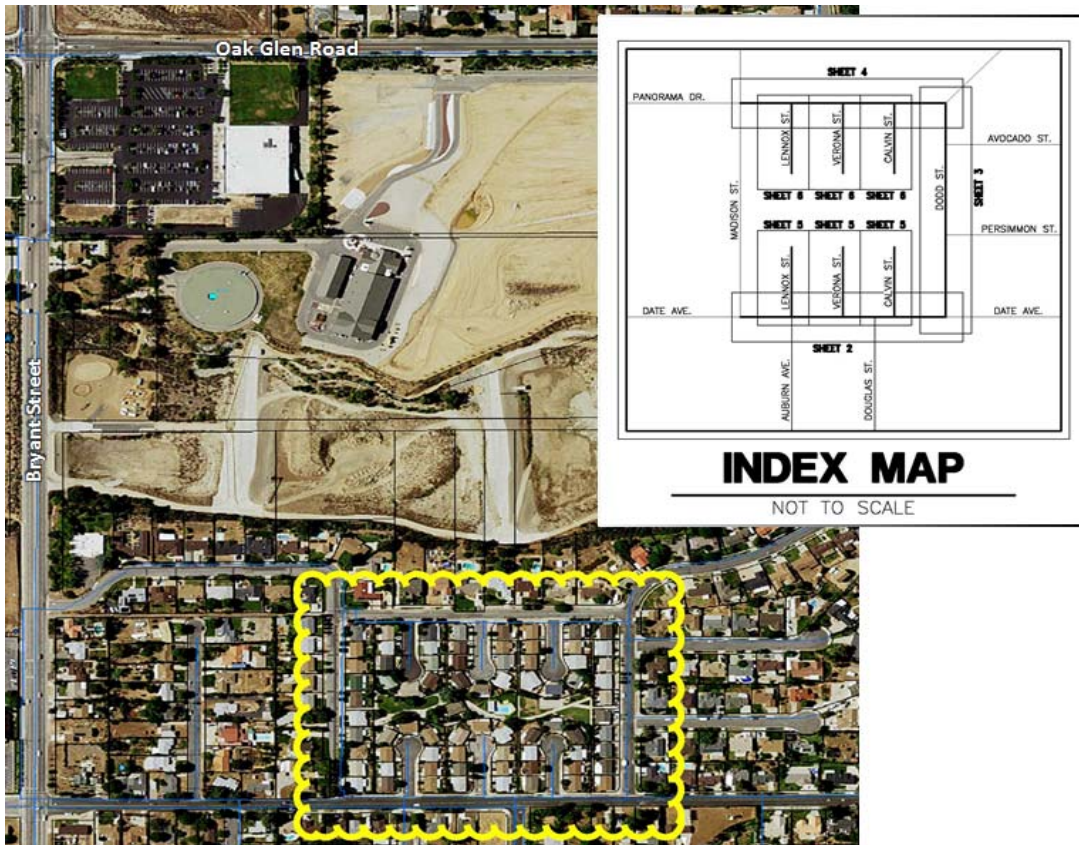
By: _____
 Inspector



Director Memorandum 15-109

- Date:** November 18, 2015
- Prepared By:** Brent Anton, Engineering Manager
- Subject:** Authorization to Solicit Bids for the Construction of an 8-Inch Drinking Water Pipeline in Date Street, Dodd Street, Panorama Drive, Lennox Street, Verona Street and Calvin Street
- Recommendation:** That the Board of Directors authorize the District staff to solicit bids for the construction of 740 linear feet of 8-inch ductile iron pipe in Date Street, 800 linear feet of 8-inch ductile iron pipe in Dodd Street, 691 linear feet of 8-inch ductile iron pipe in Panorama Drive, 426 linear feet of 8-inch ductile iron pipe in Lennox Street, 428 linear feet of 8-inch ductile iron pipe in Verona Street and 438 linear feet of 8-inch ductile iron pipe in Calvin Street.

The Yucaipa Valley Water District has completed the design and bid package for replacement drinking water pipelines to be installed in Date Street, Dodd Street, Panorama Drive, Lennox Street, Verona Street and Calvin Street.



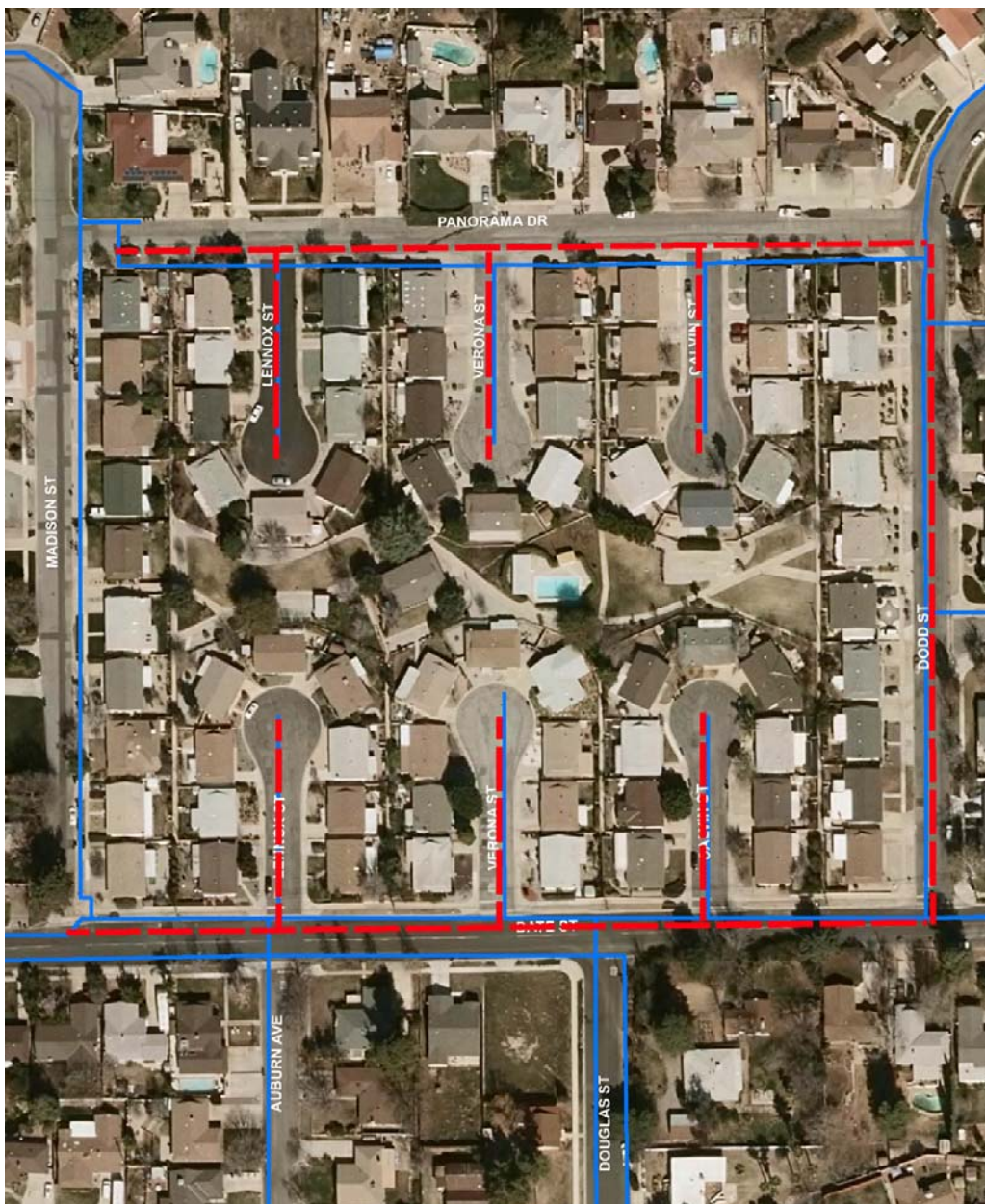
The proposed pipeline project involves the construction of 3,523 linear feet of 8-inch ductile iron pipe. These pipes will replace existing 4-inch steel, 6-inch steel and 6-inch asphalt concrete leak-prone pipe.

As presented and discussed at the workshop on November 10, 2015, the District staff is requesting authorization to solicit bids for the construction of this pipeline project.

This project is categorically exempt from environmental review in accordance with the California Environmental Quality Act Guidelines Section 15301(c).

Financial Considerations:

Funding for this project will be from Water Division, Depreciation Reserves.



Director Comments



Yucaipa Valley Water District



FACTS ABOUT THE YUCAIPA VALLEY WATER DISTRICT

- Service Area Size:** 40 square miles (sphere of influence is 68 square miles)
- Elevation Change:** 3,140 foot elevation change (from 2,044 to 5,184 feet)
- Number of Employees:** 5 elected board members
57 full time employees
- Operating Budget:** Water Division - \$13,072,750
Sewer Division - \$11,689,000
Recycled Water Division - \$433,500
Total Annual Budget - \$25,195,250
- Number of Services:** 12,206 water connections serving 16,843 units
13,492 sewer connections serving 20,312 units
62 recycled water connections
- Water System:** 215 miles of drinking water pipelines
27 reservoirs - 34 million gallons of storage capacity
18 pressure zones
12,000 ac-ft annual water demand (3.9 billion gallons)
Two water filtration facilities:
- 1 mgd at Oak Glen Surface Water Filtration Facility
- 12 mgd at Yucaipa Valley Regional Water Filtration Facility
- Sewer System:** 8.0 million gallon treatment capacity - current flow at 4.0 mgd
205 miles of sewer mainlines
5 sewer lift stations
4,500 ac-ft annual recycled water prod. (1.46 billion gallons)
- Recycled Water:** 22 miles of recycled water pipelines
5 reservoirs - 12 million gallons of storage
1,200 ac-ft annual recycled demand (0.4 billion gallons)
- Brine Disposal:** 2.2 million gallon desalination facility at sewer treatment plant
1.108 million gallons of Inland Empire Brine Line capacity
0.295 million gallons of treatment capacity in Orange County



THE MEASUREMENT OF WATER PURITY

One part per hundred is generally represented by the percent (%).
This is equivalent to about fifteen minutes out of one day.

One part per thousand denotes one part per 1000 parts.
This is equivalent to about one and a half minutes out of one day.

One part per million (ppm) denotes one part per 1,000,000 parts.
This is equivalent to about 32 seconds out of a year.

One part per billion (ppb) denotes one part per 1,000,000,000 parts.
This is equivalent to about three seconds out of a century.

One part per trillion (ppt) denotes one part per 1,000,000,000,000 parts.
This is equivalent to about three seconds out of every hundred thousand years.

One part per quadrillion (ppq) denotes one part per 1,000,000,000,000,000 parts.
This is equivalent to about two and a half minutes out of the age of the Earth (4.5 billion years).





GLOSSARY OF COMMONLY USED TERMS

Every profession has specialized terms which generally evolve to facilitate communication between individuals. The routine use of these terms tends to exclude those who are unfamiliar with the particular specialized language of the group. Sometimes jargon can create communication cause difficulties where professionals in related fields use different terms for the same phenomena.

Below are commonly used water terms and abbreviations with commonly used definitions. If there is any discrepancy in definitions, the District's Regulations Governing Water Service is the final and binding definition.

Acre Foot of Water - The volume of water (325,850 gallons, or 43,560 cubic feet) that would cover an area of one acre to a depth of 1 foot.

Activated Sludge Process – A secondary biological sewer treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen, and consume dissolved nutrients in the wastewater.

Annual Water Quality Report - The document is prepared annually and provides information on water quality, constituents in the water, compliance with drinking water standards and educational material on tap water. It is also referred to as a Consumer Confidence Report (CCR).

Aquifer - The natural underground area with layers of porous, water-bearing materials (sand, gravel) capable of yielding a supply of water; see Groundwater basin.

Backflow - The reversal of water's normal direction of flow. When water passes through a water meter into a home or business it should not reverse flow back into the water mainline.

Best Management Practices (BMPs) - Methods or techniques found to be the most effective and practical means in achieving an objective. Often used in the context of water conservation.

Biochemical Oxygen Demand (BOD) – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

Biosolids – Biosolids are nutrient rich organic and highly treated solid materials produced by the sewer treatment process. This high-quality product can be used as a soil amendment on farm land or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

Catch Basin – A chamber usually built at the curb line of a street, which conveys surface water for discharge into a storm sewer.

Capital Improvement Program (CIP) – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

Collector Sewer – The first element of a wastewater collection system used to collect and carry wastewater from one or more building sewer laterals to a main sewer.

Coliform Bacteria – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere and is generally used as an indicator of sewage pollution.

Combined Sewer Overflow – The portion of flow from a combined sewer system, which discharges into a water body from an outfall located upstream of a wastewater treatment plant, usually during wet weather conditions.

Combined Sewer System– Generally older sewer systems designed to convey both sewage and storm water into one pipe to a wastewater treatment plant.

Conjunctive Use - The coordinated management of surface water and groundwater supplies to maximize the yield of the overall water resource. Active conjunctive use uses artificial recharge, where surface water is intentionally percolated or injected into aquifers for later use. Passive conjunctive use is to simply rely on surface water in wet years and use groundwater in dry years.

Consumer Confidence Report (CCR) - see Annual Water Quality Report.

Cross-Connection - The actual or potential connection between a potable water supply and a non-potable source, where it is possible for a contaminant to enter the drinking water supply.

Disinfection By-Products (DBPs) - The category of compounds formed when disinfectants in water systems react with natural organic matter present in the source water supplies. Different disinfectants produce different types or amounts of disinfection byproducts. Disinfection byproducts for which regulations have been established have been identified in drinking water, including trihalomethanes, haloacetic acids, bromate, and chlorite

Drought - a period of below average rainfall causing water supply shortages.

Dry Weather Flow – Flow in a sanitary sewer during periods of dry weather in which the sanitary sewer is under minimum influence of inflow and infiltration.

Fire Flow - The ability to have a sufficient quantity of water available to the distribution system to be delivered through fire hydrants or private fire sprinkler systems.

Gallons per Capita per Day (GPCD) - A measurement of the average number of gallons of water use by the number of people served each day in a water system. The calculation is made by dividing the total gallons of water used each day by the total number of people using the water system.

Groundwater Basin - An underground body of water or aquifer defined by physical boundaries.

Groundwater Recharge - The process of placing water in an aquifer. Can be a naturally occurring process or artificially enhanced.

Hard Water - Water having a high concentration of minerals, typically calcium and magnesium ions.

Hydrologic Cycle - The process of evaporation of water into the air and its return to earth in the form of precipitation (rain or snow). This process also includes transpiration from plants, percolation into the ground, groundwater movement, and runoff into rivers, streams and the ocean; see Water cycle.

Infiltration – Water other than sewage that enters a sewer system and/or building laterals from the ground through defective pipes, pipe joints, connections, or manholes. Infiltration does not include inflow. See *Inflow*.

Inflow - Water other than sewage that enters a sewer system and building sewer from sources such as roof vents, yard drains, area drains, foundation drains, drains from springs and swampy areas, manhole covers, cross connections between storm drains and sanitary sewers, catch basins, cooling towers, storm waters, surface runoff, street wash waters, or drainage. Inflow does not include infiltration. See *Infiltration*.

Inflow / Infiltration (I/I) – The total quantity of water from both inflow and infiltration.

Mains, Distribution - A network of pipelines that delivers water (drinking water or recycled water) from transmission mains to residential and commercial properties, usually pipe diameters of 4" to 16".

Mains, Transmission - A system of pipelines that deliver water (drinking water or recycled water) from a source of supply the distribution mains, usually pipe diameters of greater than 16".

Meter - A device capable of measuring, in either gallons or cubic feet, a quantity of water delivered by the District to a service connection.

Overdraft - The pumping of water from a groundwater basin or aquifer in excess of the supply flowing into the basin. This pumping results in a depletion of the groundwater in the basin which has a net effect of lowering the levels of water in the aquifer.

Peak Flow – The maximum flow that occurs over a specific length of time (e.g., daily, hourly, instantaneously).

Pipeline - Connected piping that carries water, oil or other liquids. See Mains, Distribution and Mains, Transmission.

Point of Responsibility, Metered Service - The connection point at the outlet side of a water meter where a landowner's responsibility for all conditions, maintenance, repairs, use and replacement of water service facilities begins, and the District's responsibility ends.

Potable Water - Water that is used for human consumption and regulated by the California Department of Public Health.

Pressure Reducing Valve - A device used to reduce the pressure in a domestic water system when the water pressure exceeds desirable levels.

Pump Station - A drinking water or recycled water facility where pumps are used to push water up to a higher elevation or different location.

Reservoir - A water storage facility where water is stored to be used at a later time for peak demands or emergencies such as fire suppression. Drinking water and recycled water systems will typically use concrete or steel reservoirs. The State Water Project system considers lakes, such as Shasta Lake and Folsom Lake to be water storage reservoirs.

Runoff - Water that travels downward over the earth's surface due to the force of gravity. It includes water running in streams as well as over land.

Sanitary Sewer System - Sewer collection system designed to carry sewage, consisting of domestic, commercial, and industrial wastewater. This type of system is not designed nor intended to carry water from rainfall, snowmelt, or groundwater sources. See *Combined Sewer System*.

Sanitary Sewer Overflow – Overflow from a sanitary sewer system caused when total wastewater flow exceeds the capacity of the system. See *Combined Sewer Overflow*.

Santa Ana River Interceptor (SARI) Line – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the sewer treatment plant operated by Orange County Sanitation District.

Secondary Treatment – Biological sewer treatment, particularly the activated-sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

Supervisory Control and Data Acquisition (SCADA) - A computerized system which provides the ability to remotely monitor and control water system facilities such as reservoirs, pumps and other elements of water delivery.

Service Connection - The water piping system connecting a customer's system with a District water main beginning at the outlet side of the point of responsibility, including all plumbing and equipment located on a parcel required for the District's provision of water service to that parcel.

Sludge – Untreated solid material created by the treatment of sewage.

Smart Irrigation Controller - A device that automatically adjusts the time and frequency which water is applied to landscaping based on real-time weather such as rainfall, wind, temperature and humidity.

Special District - A political subdivision of a state established to provide a public services, such as water supply or sanitation, within a specific geographic area.

Surface Water - Water found in lakes, streams, rivers, oceans or reservoirs behind dams.

Total Suspended Solids (TSS) – The amount of solids floating and in suspension in water or sewage.

Transpiration - The process by which water vapor is released into the atmosphere by living plants.

Trickling Filter – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in primary treated sewage as it trickles over them.

Underground Service Alert (USA) - A free service that notifies utilities such as water, telephone, cable and sewer companies of pending excavations within the area (dial 8-1-1 at least 2 working days before you dig).

Urban Runoff - Water from city streets and domestic properties that typically carries pollutants into the storm drains, rivers, lakes, and oceans.

Valve - A device that regulates, directs or controls the flow of water by opening, closing or partially obstructing various passageways.

Wastewater – Any water that enters the sanitary sewer.

Water Banking - The practice of actively storing or exchanging in-lieu surface water supplies in available groundwater basin storage space for later extraction and use by the storing party or for sale or exchange to a third party. Water may be banked as an independent operation or as part of a conjunctive use program.

Water cycle - The continuous movement water from the earth's surface to the atmosphere and back again; see Hydrologic cycle.

Water Pressure - Pressure created by the weight and elevation of water and/or generated by pumps that deliver water to the tap.

Water Service Line - The pipeline that delivers potable water to a residence or business from the District's water system. Typically the water service line is a 1" to 1½" diameter pipe for residential properties.

Watershed - A region or land area that contributes to the drainage or catchment area above a specific point on a stream or river.

Water Table - The upper surface of the zone of saturation of groundwater in an unconfined aquifer.

Water Transfer - A transaction, in which a holder of a water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water under that water right or entitlement.

Water Well - A hole drilled into the ground to tap an underground water aquifer.

Wetlands - Lands which are fully saturated or under water at least part of the year, like seasonal vernal pools or swamps.

Wet Weather Flow – Dry weather flow combined with stormwater introduced into a combined sewer system, and dry weather flow combined with infiltration/inflow into a separate sewer system.





COMMONLY USED ABBREVIATIONS

AQMD	Air Quality Management District
BOD	Biochemical Oxygen Demand
CARB	California Air Resources Board
CCTV	Closed Circuit Television
CWA	Clean Water Act
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
FOG	Fats, Oils, and Grease
GPD	Gallons per day
MGD	Million gallons per day
O & M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
POTW	Publicly Owned Treatment Works
PPM	Parts per million
RWQCB	Regional Water Quality Control Board
SARI	Santa Ana River Inceptor
SAWPA	Santa Ana Watershed Project Authority
SBVMWD	San Bernardino Valley Municipal Water District
SCADA	Supervisory Control and Data Acquisition system
SSMP	Sanitary Sewer Management Plan
SSO	Sanitary Sewer Overflow
SWRCB	State Water Resources Control Board
TDS	Total Dissolved Solids
TMDL	Total Maximum Daily Load
TSS	Total Suspended Solids
WDR	Waste Discharge Requirements
YVWD	Yucaipa Valley Water District