



# Yucaipa Valley Water District

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

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

Tuesday, November 19, 2019 at 6:00 p.m.

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- 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 consent calendar matters are routine and will be acted upon in one motion. There will be no discussion of these items unless board members, administrative staff, or members of the public request specific items to be discussed and/or removed prior to the vote for approval.
  - A. Minutes of Meetings
    - 1. Regular Board Meeting - October 15, 2019
    - 2. Board Workshop - October 29, 2019
  - B. Payment of Bills
    - 1. Approve/Ratify Invoices for Board Awarded Contracts
    - 2. Ratify General Expenses for October 2019
- V. **STAFF REPORT**
- VI. **DISCUSSION ITEMS**
  - A. Receipt of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2019  
[[Director Memorandum No. 19-128 - Page 21 of 124](#)]  
RECOMMENDED ACTION: That the Board receive and file the audited financial statements.
  - B. Presentation of the Unaudited Financial Report for the Period Ending on October 31, 2019  
[[Director Memorandum No. 19-129 - Page 76 of 124](#)]  
RECOMMENDED ACTION: That the Board receive and file the unaudited financial report.

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Any person who requires accommodation to participate in this meeting should contact the District office at (909) 797-5117, at least 48 hours prior to the meeting to request a disability-related modification or accommodation.

Materials that are provided to the Board of Directors after the meeting packet is compiled and distributed will be made available for public review during normal business hours at the District office located at 12770 Second Street, Yucaipa. Meeting materials are also available on the District's website at [www.yvwd.dst.ca.us](http://www.yvwd.dst.ca.us)

- C. Consideration to Authorize the Rehabilitation of Drinking Water Production Well No. 12 [Director Memorandum No. 19-130 - Page 101 of 124]  
RECOMMENDED ACTION: That the Board authorize the General Manager to rehabilitate Well No. 12 by Tri County Pump Company for a sum not to exceed \$82,762.
- D. Overview of Cost Accounting Methodology for the Yucaipa Valley Regional Brineline – Mountain View Power Plant [Director Memorandum No. 19-131 - Page 104 of 124]  
RECOMMENDED ACTION: That the Board adopt Resolution 2019-23 Setting the Cost Accounting Methodology for the Yucaipa Valley Regional Brineline – Mountain View Power Plant.
- E. Consideration of Resolution No. 2019-24 Authorizing the Purchase of Property at 12816 Second Street, Yucaipa [Director Memorandum No. 19-132 - Page 111 of 124]  
RECOMMENDED ACTION: That the Board adopt Resolution No. 2019-24.
- F. Filing a Notice to Adjust Rights of an Overlying Party Due to Proposed Provision of Water Service by an Appropriator with the Beaumont Basin Watermaster [Director Memorandum No. 19-133 - Page 113 of 124]  
RECOMMENDED ACTION: That the Board authorize the General Manager to file the Notice to Adjust Rights of an Overlying Party Due to Proposed Provision of Water Service by an Appropriator with the Beaumont Basin Watermaster.

**VII. BOARD REPORTS & DIRECTOR COMMENTS**

**VIII. ANNOUNCEMENTS**

- A. November 26, 2019 at 4:00 p.m. - Board Workshop
- B. December 3, 2019 at 6:00 p.m. - Board Meeting
- C. December 10, 2019 at 4:00 p.m. - Board Workshop
- D. December 17, 2019 at 6:00 p.m. - Board Meeting
- E. December 31, 2019 at 4:00 p.m. - Board Workshop - Cancelled
- F. January 7, 2020 at 6:00 p.m. - Board Meeting - Cancelled
- G. January 14, 2020 at 4:00 p.m. - Board Workshop
- H. January 21, 2020 at 6:00 p.m. - Board Meeting
- I. January 28, 2020 at 4:00 p.m. - Board Workshop

**IX. Closed Session**

- A. Conference with Real Property Negotiator(s) - Government Code 54956.8  
Property: Assessor's Parcel Number: 0319-121-38  
Agency Negotiator: Joseph Zoba, General Manager  
Negotiating Parties: Harry Holdorff  
Under Negotiation: Terms of Payment and Price
- B. Conference with Real Property Negotiator(s) - Government Code 54956.8  
Property: Assessor's Parcel Number: 0319-121-63  
Agency Negotiator: Joseph Zoba, General Manager  
Negotiating Parties: Emmet Conlon  
Under Negotiation: Terms of Payment and Price
- C. Conference with Legal Counsel - Anticipated Litigation (Government Code 54956.9) - Two Cases

**X. ADJOURNMENT**

# Consent Calendar



Yucaipa Valley Water District

# MINUTES OF A REGULAR BOARD MEETING

November 5, 2019 at 6:00 P.M.

**Directors Present:**

Chris Mann, President  
Jay Bogh, Director  
Lonni Granlund, Director  
Joyce McIntire, Director

**Staff Present:**

Jennifer Ares, Water Resource Manager  
Allison Edmisten, Chief Financial Officer  
Matthew Porras, Implementation Manager  
John Wrobel, Operations Manager  
Joseph Zoba, General Manager

**Directors Absent:**

Bruce Granlund, Vice President

**Consulting Staff Present:**

David Wysocki, Legal Counsel

**Registered Guests and Others Present:**

Bella Edmisten  
Linda Shelton  
Paul Kielhold, San Bernardino Valley Municipal Water District  
Leonard Stephenson, San Gorgonio Pass Water Agency

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CALL TO ORDER

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

FLAG SALUTE

Director Chris Mann led the pledge of allegiance.

ROLL CALL

The roll was called with Director Jay Bogh, Director Lonni Granlund, Director Chris Mann, and Director Joyce McIntire present.

PUBLIC COMMENTS

None.

CONSENT CALENDAR

Director Lonni Granlund moved to approve the consent calendar and Director Joyce McIntire seconded the motion.

A. Minutes of Meetings

1. Regular Board Meeting - October 15, 2019
2. Board Workshop - October 29, 2019

The motion was approved by the following vote:

Director Jay Bogh - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes

Director Joyce McIntire - Yes

STAFF REPORT

General Manager Joseph Zoba discussed the following items:

- The City of Calimesa will be hosting a dedication ceremony for the Bryant Street / Singleton Road Extension on November 7, 2019.
- The District staff is proceeding with the State Water Resources Control Board for a low-interest loan of \$5,785,000 for the Calimesa Regional Recycled Water Conveyance Project.

DISCUSSION ITEMS:

DM 19-119

CONSIDERATION OF A ONE YEAR EXTENSION FOR ANNUAL LANDSCAPE SERVICES WITH PACIFIC COAST LANDSCAPE FOR 2020

Implementation Manager Matthew Porrás presented information about the extension of the annual contract with Pacific Coast Landscape.

Director Lonni Granlund moved that the Board authorize the General Manager to extend the landscape services contract with Pacific Coast Landscape to maintain the existing pricing schedule for calendar year 2020.

Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

Director Jay Bough - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes  
Director Joyce McIntire - Yes

DM 19-120

CONSIDERATION OF RESOLUTION NO. 2019-21 APPROVING A MEMORANDUM OF AGREEMENT FOR THE CREATION OF THE COORDINATED SAN TIMOTEO GROUNDWATER SUSTAINABILITY AGENCY

Water Resource Manager Jennifer Ares presented the proposed Memorandum of Agreement for the San Timoteo Groundwater Sustainability Agency.

Director Joyce McIntire moved that the Board approve Resolution No. 2019-21.

Director Lonni Granlund seconded the motion.

The motion was approved by the following vote:

Director Jay Bough - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes  
Director Joyce McIntire - Yes

DM 19-121

OVERVIEW OF  
DRINKING WATER  
ISSUES ASSOCIATED  
WITH THE TRANSITION  
TO A SINGLE UTILITY  
BILLING CYCLE IN  
NOVEMBER 2019

Chief Financial Officer Allison Edmisten presented the need to consolidate the multiple billing cycles currently used by the District to a single monthly billing cycle.

Director Joyce McIntire moved that the Board adopt Resolution No. 2019-22.

Director Lonni Granlund seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes  
Director Joyce McIntire - Yes

DM 19-122

PRESENTATION OF THE  
UNAUDITED FINANCIAL  
REPORT FOR THE  
PERIOD ENDING ON  
SEPTEMBER 30, 2019

Chief Financial Officer Allison Edmisten presented the Unaudited Financial Report for the period ending on September 30, 2019.

Director Jay Bogh moved that the Board receive and file the unaudited financial report.

Director Lonni Granlund seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes  
Director Joyce McIntire - Yes

DM 19-123

IMPLEMENTATION OF  
XPRESS BILL PAY LOCK  
BOX SERVICE

Chief Financial Officer Allison Edmisten presented the use of Xpress Bill Pay for processing payment through their lock box service.

Director Lonni Granlund moved that the Board authorize the General Manager to implement the Lock Box Service with Xpress Bill Pay.

Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes  
Director Joyce McIntire - Yes

DM 19-124

OVERVIEW OF PUBLIC  
RELATIONS SUPPORT  
SERVICES

Prior to discussing this agenda item, Director Chris Mann recused himself due to financial interests, but no ownership interests with entities associated with this item. Director Chris Mann left the board meeting room prior to the discussion about this item.

Implementation Manager Matthew Porras discussed the use of three public relations consultants for assisting District staff with public outreach efforts due to the difference in strengths of each firm.

Director Jay Bogh moved that the Board authorize the General Manager to execute a service-based contracts with Desmond & Louis, TEMIMO, and CV Strategies.

Director Lonni Granlund seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Recused  
Director Joyce McIntire - Yes

DM 19-125

CONSIDERATION OF  
AMENDMENT NO. 3 TO  
EVALUATE THE LONG-  
TERM INFILTRATION  
RATES IN THE  
WESTERN PORTION OF  
THE BEAUMONT BASIN  
AS PART OF THE  
CALIMESA AQUIFER  
STORAGE AND  
RECOVERY PROJECT

General Manager Joseph Zoba discussed the next steps for the Calimesa Aquifer Storage and Recovery Project.

Director Lonni Granlund moved that the Board authorize the General Manager to execute a contract for Amendment No. 3 with Geoscience for a sum not to exceed \$89,767.

Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes  
Director Joyce McIntire - Yes

DM 19-126

CONSIDERATION OF AN AGREEMENT TO FACILITATE WATER DELIVERIES BY SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT FOR THE SAN GORGONIO PASS WATER AGENCY IN THE CALIMESA AREA

General Manager Joseph Zoba discussed the joint agreement between the San Bernardino Valley Municipal Water District, the San Gorgonio Pass Water Agency and the Yucaipa Valley Water District.

Director Joyce McIntire moved that the Board authorize the President to execute the joint agency agreement as presented.

Director Lonni Granlund seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes  
Director Joyce McIntire - Yes

DM 19-127

REVIEW OF THE FINANCIAL RATE MODEL AND DRAFT COMPREHENSIVE RATE STUDY FOR THE DRINKING WATER, SEWER, AND RECYCLED WATER ENTERPRISES

General Manager Joseph Zoba provided an overview of the Financial Rate Model and the Draft Comprehensive Rate Study for Drinking Water, Sewer, and Recycled Water Enterprises. General Manager Joseph Zoba identified a couple of minor changes to the documents.

Director Lonni Granlund moved that the Board approve the Comprehensive Rate Study with the minor changes and authorize the General Manager to initiate the Proposition 218 process and set a public hearing for the consideration of a resolution setting rates, fees, and charges for drinking water, recycled water and sewer service.

Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes  
Director Bruce Granlund - Absent  
Director Lonni Granlund - Yes  
Director Chris Mann - Yes  
Director Joyce McIntire - Yes

BOARD REPORTS AND DIRECTOR COMMENTS

Director Joyce McIntire reported on the Yucaipa Sustainable Groundwater Management Agency meeting held on October 23, 2019.

Director Lonni Granlund and Director Joyce McIntire reported on the San Gorgonio Pass Water Agency meeting held on November 4, 2019.



ANNOUNCEMENTS

Director Chris Mann called attention to the announcements listed on the agenda.

CLOSED SESSION

None

ADJOURNMENT

The meeting was adjourned at 6:40 p.m.

Respectfully submitted,

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Joseph B. Zoba, Secretary

(Seal)

# MINUTES OF A BOARD WORKSHOP

November 12, 2019 at 4:00 P.M.

Directors Present:

Chris Mann, President  
Bruce Granlund, Vice President  
Lonni Granlund, Director  
Joyce McIntire, Director

Staff Present:

Jennifer Ares, Water Resource Manager  
Allison Edmisten, Chief Financial Officer  
Chelsie Fogus, Engineering Technician I  
Ashley Gibson, Regulatory Compliance Manager  
Kathryn Hallberg, Implementation Manager  
Dustin Hochreiter, Senior Engineering Technician  
Mike Kostelecky, Operations Manager  
Matt Porras, Implementation Manager  
Mike Rivera, Public Works Supervisor  
John Wrobel, Public Works Manager

Directors Absent:

Jay Bogh, Director

Consulting Staff Present:

David Wysocki, Legal Counsel

Guests and Others Present:

Linda Shelton  
Leonard Stephenson, San Geronio Pass Water Agency

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- I. Call to Order - 4:00 p.m. - The workshop of the Board of Directors of the Yucaipa Valley Water District was called to order by Chris Mann at 4:00 p.m. at the Administrative Office Building, 12770 Second Street, Yucaipa, California.
  - II. Public Comments  
None
  - III. Staff Report - Chief Financial Officer Allison Edmisten presented information on the following topics:
    - An article was included in the workshop packet regarding recent wildfires in California and issues water districts need to be aware of during and following wildland fires. The Board of Directors were also updated on the recent restoration of electrical power to Lift Station 3 since the Sandalwood Fire on October 10, 2019.
  - IV. Presentation
    - A. Presentation of Audited Financial Statements for Fiscal Year Ending on June 30, 2019 [Workshop Memorandum No. 19-231] - Chief Financial Officer Allison Edmisten and Phil White, partner with Eide Bailey, provided an overview of the annual audited financial statements.
  - V. Operational Updates
    - A. Overview of the Rehabilitation of Drinking Water Production Well No. 12 [Workshop Memorandum No. 19-232] - Operations Manager Mike Kostelecky provided an overview of the rehabilitation needed for Well No. 12

- VI. Capital Improvement Projects
  - A. Status Report on the Replacement of the Drinking Water Reservoir R-16.6 - Calimesa [Workshop Memorandum No. 19-233] - Implementation Manager Matthew Porras provided a status report on the replacement of the reservoir.
- VII. Administrative Issues
  - A. Presentation of the Unaudited Financial Report for the Period Ending on October 31, 2019 [Workshop Memorandum No. 19-234] - Chief Financial Officer Allison Edmisten provided an overview of the Unaudited Financial Report.
  - B. Overview of the San Gorgonio Pass Regional Water Alliance [Workshop Memorandum No. 19-235] - Water Resource Manager Jennifer Ares provided an overview of the San Gorgonio Pass Regional Water Alliance.
  - C. Overview of a Community Tour Explaining the Opportunities of Operating Fully Integrated Drinking Water, Sewer, and Recycled Water Systems [Workshop Memorandum No. 19-236] - Implementation Manager Matthew Porras and Water Resource Manager Jennifer Ares provided an overview of a draft agenda and plan for a community tour of the Yucaipa Valley Water District.
- VIII. Director Comments
  - None
- IX. Announcements - The future meetings were referenced on the workshop agenda.
- X. Adjournment - The meeting was adjourned at 4:45 p.m.

Respectfully submitted,

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Joseph B. Zoba, Secretary

Board Awarded Contracts  
Consent Calendar Board Workshop - October 29, 2019

| 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 | Recycled Division Funds | Other Funds |
| Law Office of David L. Wysocki - FY 2019 Legal Services (Operating)  | --                                   | *-5-06-54107                    | --   | --                      | \$42,415               | \$3,713                | \$46,128                |                           |                   |  |                      |                      |                         |             |
| DDB Engineering (R-Reserves)<br>Application to DDW for the Recharge at Wilson Creek Basins   | 15-086                               | 04-19771                        | --   | \$35,900                | \$25,395               | \$0                    | \$25,395                | \$10,505                  | 29%               |  |                      |                      | \$10,505                |             |
| Delta Partners \$90,000 per year-LegislativeConsult (exp 12/18) WIS Oper<br>Three Year Contract Extension (exp 12/2021)  | 13-079<br>19-052                     | *-5-06-54109<br>*5-06-54109     | \$90,000<br>\$270,000                      | \$360,000               | \$157,500              | \$7,500                | \$165,000               | \$195,000                 | 54%               | \$195,000                                    |                      |                      |                         |             |
| Dudek (S-Operating)<br>2019-Max Benefit Monitoring for San Timoteo/Yucaipa Mgmt Zones  | 19-045                               | 03-5-06-54109                   | --   | \$89,426                | \$35,239               | \$2,220                | \$37,459                | \$51,967                  | 58%               | \$51,967                                     |                      |                      |                         |             |
| Dudek (S-Operating)<br>2018-HMP in San Timoteo Creek   | 18-055                               | 65-15339<br>03-5-06-57030       | --   | \$56,340                | \$53,335               | \$0                    | \$53,335                | \$3,005                   | 5%                | \$3,005                                      |                      |                      |                         |             |
| Dudek (S-Operating)<br>2019-Habitat Monitoring Program (HMP) in San Timoteo Creek  | 19-044                               | 65-15339<br>03-5-06-57030       | --   | \$73,830                | \$55,188               | \$10,947               | \$66,135                | \$7,695                   | 10%               | \$7,695                                      |                      |                      |                         |             |
| Dudek (W/S Operating)<br>Insepection of Proposed Sites for Remote Telemetry  | 17-059                               | 0*-5-06-54109                   | --   | \$10,775                | \$5,428                | \$0                    | \$5,428                 | \$5,348                   | 50%               | \$5,348                                      |                      |                      |                         |             |
| Dudek (W/S/R Operating)<br>Developing a Comprehensive Database Management System (DMS)<br>Amendment #1   | 17-084<br>0*-5-06-54109              | 65-26145<br>\$89,750<br>\$6,600 | --   | \$96,350                | \$91,904               | \$293                  | \$92,197                | \$4,154                   | 4%                | \$4,154                                      |                      |                      |                         |             |
| ECORP (W/S Reserves)<br>Prepare Study/Mitigated Negative Declaration/Oak Valley Recharge<br>DM 19-039 Ratification of original contract-addtl sum not to exceed \$4500.00  | 02-5-06-54109<br>18-157<br>19-093    | 77-32719                        | \$47,520<br>\$4,500                        | \$52,020                | \$25,974               | \$0                    | \$25,974                | \$26,046                  | 50%               |  | \$26,046             |                      |                         |             |
| ECORP (W/S Reserves)<br>YVWD-Salinity and Groundwater Enhancement (Sage) Project W/S Reserves  | 03-502-51003<br>19-022               | 88-23792                        |  | \$9,645                 | \$266                  | \$0                    | \$266                   | \$9,379                   | 97%               |  |                      | \$9,645              |                         |             |
| Geoscience (R-Operating)<br>Preparation of a groundwater model for the Gateway Basin<br>CO #1 - preparation of groundwater model   | 14-070<br>15-010                     | 04-5-06-54109                   | \$35,320<br>\$16,390                       | \$51,710                | \$49,284               | \$0                    | \$49,284                | \$2,426                   | 5%                | \$2,426                                      |                      |                      |                         |             |
| Geoscience (W-Operating)<br>Calculation of Water Budgets for Validation of Annual Change in Storage<br>Exp of the Yucaipa Watershed & Yucaipa Groundwater Basin Model  | 16-058<br>16-110                     | 02-5-06-54109                   | \$130,236<br>\$41,770                      | \$172,006               | \$161,252              | \$0                    | \$161,252               | \$10,754                  | 6%                | \$10,754                                     |                      |                      |                         |             |
| Geoscience<br>Pilot Recharge Testing of the Beaumont Basin (S-Reserves) \$326,956<br>Amendment #1 -DM 19-057 - \$101,464<br>Amendment #2 -DM 19-097 - \$456,064<br>Amendment #3 -DM 19-125 - \$89,767  | 18-140<br>19-057<br>19-097<br>19-125 | 03-5-06-54109                   | --   | \$974,251               | \$530,740              | \$0                    | \$530,740               | \$443,511                 | 46%               |  |                      | \$443,511            |                         |             |
| Geoscience<br>Monitoring Wells in San Timoteo Cyn  | 19-076                               | 02-5-06-54109                   | --   | \$24,556                | \$7,902                | \$0                    | \$7,902                 | \$16,654                  | 68%               | \$16,654                                     |                      |                      |                         |             |
| Geoscience<br>Tracer Study Analysis at Wilson Creek Spreading Basins   | 19-024                               | 02-5-06-54109                   | --   | \$34,560                | \$29,279               | \$0                    | \$29,279                | \$5,281                   | 15%               | \$5,281                                      |                      |                      |                         |             |
| HDR (W-Operating)<br>Perform Tracer Study on R13.1 Clearwell at YVRWFF   | 17-068                               | 02-5-06-54109                   | \$37,726<br>\$4,000                        | \$41,726                | \$41,319               | \$0                    | \$41,319                | \$407                     | 1%                | \$407  |                      |                      |                         |             |
| Inland Potable Services<br>Reservoir Cleaning and Inspection Services/expires 2021(Water & Recycled)<br>2019- (15)Reservoirs-43,537.00- DM 19-038 Change Order to Increase 35,900.00<br>2020- (16)Reservoirs 54,540.00<br>2021- (17)Reservoirs-41,616.00 | 18-158<br>19-038                     | *5-01-51003                     | --   | \$175,593               | \$79,437               | \$0                    | \$79,437                | \$96,156                  | 55%               | \$96,156                                     |                      |                      |                         |             |
| Krieger & Stewart<br>Initiate Design of R-12.4 (W-Reserves)<br>TO#4 Revised<br>TO#4, Amendment #2<br>TO#5- Construction Mgmt Services  | 04-164<br>05-075<br>14-014<br>14-092 | 65-295                          | \$74,900<br>\$600<br>\$45,000<br>\$482,500 | \$585,100               | \$552,636              | \$0                    | \$552,636               | \$32,464                  | 6%                | \$32,464                                     |                      |                      |                         |             |

Board Awarded Contracts  
Consent Calendar Board Workshop - October 29, 2019

| 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 | Recycled Division Funds | Other Funds     |          |  |
| TO#5, Amendment #1 - Construction Mgmt Services   | 16-069              |                               | \$102,600            |                         |                        |                        |                         |                           |                   |  |                      |                      |                         |                 |          |  |
| TO#5, Design R-13.4 and H-2 Reservoirs for JP Ranch<br>60% R-13.4 and 40% H-2 (Developer Funds)                               | 05-083<br>05-083    | 65-180<br>65-179              | \$47,400<br>\$31,600 | \$79,000                | \$50,471               | \$0                    | \$50,471                | \$28,529                  | 36%               |  |                      |                      |                         |                 | \$28,529 |  |
| Prepare a Biological Model of System Processes  | 19-041              | 03-5-06-54109                 |                      | \$29,235                |                        | \$0                    | \$0                     | \$29,235                  | 100%              | \$29,235                                     |                      |                      |                         |                 |          |  |
| Novotx (Elements) (W/S Operating)<br>Elements XS asset management software  | 18-127              | *-5-06-54005                  |                      | \$121,100               | \$73,000               | \$0                    | \$73,000                | \$48,100                  | 40%               | \$48,100                                     |                      |                      |                         |                 |          |  |
| One Stop Landscape Supply FY 2019 Sludge Hauling/Reuse (Oper)   | --                  | 03-5-02-57031                 | --                   | --                      | \$318,661              | \$21,161               | \$339,822               |                           |                   |  |                      |                      |                         |                 |          |  |
| Pascal Ludwig/Forstra Filters(W-Reserves)<br>Three Forsta Filters and Pascal Ludwig for Installation at YVRWFF                | 19-098              | 02-13004                      |                      | \$338,100               | \$0                    | \$167,990              | \$167,990               | \$170,110                 | 50%               |  | \$170,110            |                      |                         |                 |          |  |
| Platinum Advisors (WS Operating)<br>2018 Lobbyist N-T-E per month<br>2018 Quarterly Filing & Misc. Expenses                   | 13-080              | *-5-06-54109<br>02-5-06-54109 | --<br>--             | --<br>--                | \$95,000<br>\$750      | \$0<br>\$0             | \$95,000<br>\$750       |                           |                   |  |                      |                      |                         |                 |          |  |
| Rain For Rent<br>Pipeline-Calimesa Lakes Recharge Study-DM 19-008 was superseded by DM 19-017                                 | 19-017              | 02-5-03-51020                 |                      | \$24,375                | \$0                    | \$0                    | \$0                     | \$24,375                  | 100%              |  | \$24,375             |                      |                         |                 |          |  |
| <b>RMC Water &amp; Environment/Woodard &amp; Curran</b>   |                     |                               |                      |                         |                        |                        |                         |                           |                   |  |                      |                      |                         |                 |          |  |
| TO#26, SRF Mgmt Svcs-Calimesa Regional Recycled Pipeline (R-FCC)  | 14-023              | 04-5-06-54109                 |                      | \$95,692                | \$69,361               | \$0                    | \$69,361                | \$26,331                  | 28%               |  |                      |                      |                         | \$26,331        |          |  |
| Application to DDW for the Recharge at Wilson Creek Basins (R-Resvs)<br>Amendment #3  | 15-086<br>18-085    | 04-19771                      | --                   | \$237,668               | \$236,474              | \$0                    | \$236,474               | \$1,194                   | 1%                |  |                      |                      |                         | \$1,194         |          |  |
| Scinor Water America/Pascal Ludwig (S- Reserves)<br>Install UF Modules and Mesh Strainer AT WRWRF                             | 17-088              | 03-10311                      | --                   | \$215,000               | \$186,074              | \$0                    | \$186,074               | \$28,926                  | 13%               |  |                      | \$28,926             |                         |                 |          |  |
| Separation Processes, Inc. (W-Reserves)<br>Design & Construction Supports Servs for NF SCRAM                                  | 15-047              | 55-19200<br>02-14500          |                      | \$191,820               | \$170,980              | \$0                    | \$170,980               | \$20,840                  | 11%               |  | \$20,840             |                      |                         |                 |          |  |
| Application to DDW for the Recharge at Wilson Creek Basins (R-Resvs)  | 15-086              | 04-19771                      | --                   | \$42,860                | \$24,527               | \$0                    | \$24,527                | \$18,333                  | 43%               |  |                      |                      |                         | \$18,333        |          |  |
| Feasibility Report for Wochholz SAGE Project  | 17-043              | 03-5-06-54109                 |                      | \$67,575                | \$66,201               | \$4,663                | \$70,864                | (\$3,289)                 | -5%               |  |                      |                      | (\$3,289)               |                 |          |  |
| Preliminary Engineering Design Study-SAGE Project   | 19-106              | 03-5-06-54109                 |                      | \$32,260                | \$9,190                | \$0                    | \$9,190                 | \$23,070                  | 72%               |  |                      | \$23,070             |                         |                 |          |  |
| WWTP Monitoring Operations & Reporting Enhancement (MORE) (S-Oper)  | 18-122              | 03-5-06-54109                 |                      | \$330,436               | \$112,115              | \$6,428                | \$118,543               | \$211,893                 | 64%               |  |                      | \$211,893            |                         |                 |          |  |
| WWTP -RCA - Foaming- Improve energy efficiency and treatment process  | 19-025              | 03-5-06-54109                 |                      | \$36,800                | \$30,483               | \$0                    | \$30,483                | \$6,317                   | 17%               |  |                      | \$6,317              |                         |                 |          |  |
| Vavrinek, Trine, Day & Company (VTD) /EideBailly (Operating)<br>FY 2019 Auditing Services \$23,900 + \$3,500 for Single Audit | 15-106              | *-5-06-54108                  |                      | \$27,400                | \$1,500                | \$21,300               | \$22,800                | \$4,600                   | 17%               | \$4,600                                      |                      |                      |                         |                 |          |  |
| Villalobos and Associates (W-Operating)<br>Permitting of Recharge Oper at the Wilson Creek Spreading Basins                   | 16-064              | 02-5-06-54109                 | --                   | \$72,200                | \$39,064               | \$0                    | \$39,064                | \$33,136                  | 46%               | \$33,136                                     |                      |                      |                         |                 |          |  |
| <b>GRAND TOTALS</b>   |                     |                               |                      | <b>\$4,713,109</b>      | <b>\$3,389,280</b>     | <b>\$246,214</b>       | <b>\$3,635,494</b>      | <b>\$1,592,450</b>        | <b>--</b>         |  |                      |                      |                         |                 |          |  |
|   |                     |                               |                      |                         |                        |                        |                         |                           |                   | ↓  | ↓                    | ↓                    |                         |                 |          |  |
|   |                     |                               |                      |                         |                        |                        |                         |                           |                   | <b>\$513,918</b>                             | <b>\$273,834</b>     | <b>\$720,072</b>     | <b>\$56,363</b>         | <b>\$28,529</b> |          |  |
|   |                     |                               |                      |                         |                        |                        |                         |                           |                   | <b>\$513,918</b>                             | <b>\$1,050,270</b>   |                      | <b>\$28,529</b>         |                 |          |  |

## Check Register - October 2019

| Check Date | Check Number | Payee                                    | Amount        |
|------------|--------------|--|---------------|
| 10/01/2019 | 35535        | Ameripride Uniform Services              | \$ 1,199.47   |
| 10/01/2019 | 35536        | Arrow Staffing                           | \$ 2,361.22   |
| 10/01/2019 | 35537        | Association of Environmental Professiona | \$ 175.00     |
| 10/01/2019 | 35538        | Best Home Center                         | \$ 286.57     |
| 10/01/2019 | 35539        | Brenntag Pacific, Inc                    | \$ 14,502.22  |
| 10/01/2019 | 35540        | CDW LLC                                  | \$ 1,035.34   |
| 10/01/2019 | 35541        | DC Frost Associates, Inc.                | \$ 134,465.80 |
| 10/01/2019 | 35542        | Epic Pest Management                     | \$ 85.00      |
| 10/01/2019 | 35543        | Frontier Communications                  | \$ 158.12     |
| 10/01/2019 | 35544        | Hasa, Inc.                               | \$ 7,574.74   |
| 10/01/2019 | 35545        | Houston & Harris PCS, Inc.               | \$ 1,800.00   |
| 10/01/2019 | 35546        | Inland Water Works Supply Co.            | \$ 145.24     |
| 10/01/2019 | 35547        | Konica Minolta Business Solutions        | \$ 328.03     |
| 10/01/2019 | 35548        | Lawyers Title                            | \$ 750.00     |
| 10/01/2019 | 35549        | MailFinance Inc.                         | \$ 353.07     |
| 10/01/2019 | 35550        | MBC Applied Environmental Sciences       | \$ 1,350.00   |
| 10/01/2019 | 35551        | Novozymes Biologicals, Inc.              | \$ 1,700.00   |
| 10/01/2019 | 35552        | SB CNTY-Fire Protection District         | \$ 2,373.00   |
| 10/01/2019 | 35553        | SCE Rosemead                             | \$ 268,924.78 |
| 10/01/2019 | 35554        | Southern CA Emergency Medicine, Inc.     | \$ 450.00     |
| 10/01/2019 | 35555        | Spectrum Business                        | \$ 2,649.00   |
| 10/01/2019 | 35556        | U.S. Telepacific Corp                    | \$ 2,657.99   |
| 10/01/2019 | 35557        | Westech Engineering                      | \$ 273.44     |
| 10/01/2019 | 35558        | Atkinson, Andelson, Loya, Ruud & Romo    | \$ 162.50     |
| 10/01/2019 | 35559        | Blue Shield of California                | \$ 3,703.40   |
| 10/01/2019 | 35560        | Nippon Life Insurance Co.                | \$ 2,806.25   |
| 10/01/2019 | 35561        | Standard Dental Insurance Co.            | \$ 1,552.24   |
| 10/01/2019 | 35562        | Standard Insurance Vision                | \$ 274.60     |
| 10/01/2019 | 35563        | Western Dental Services Inc.             | \$ 251.16     |
| 10/01/2019 | 35564        | YVWD-Petty Cash                          | \$ 327.86     |
| 10/07/2019 | 35565        | ADS, LLC                                 | \$ 4,275.00   |
| 10/07/2019 | 35566        | Ameripride Uniform Services              | \$ 1,213.27   |
| 10/07/2019 | 35567        | Armorcast Products Company               | \$ 13,292.04  |
| 10/07/2019 | 35568        | Arrow Staffing                           | \$ 1,150.66   |
| 10/07/2019 | 35569        | AutoZone Stores LLC                      | \$ 118.48     |
| 10/07/2019 | 35570        | Backflow Apparatus & Valve Co.           | \$ 121.88     |
| 10/07/2019 | 35571        | Best Home Center                         | \$ 182.76     |
| 10/07/2019 | 35572        | Brenntag Pacific, Inc                    | \$ 27,471.05  |
| 10/07/2019 | 35573        | Cal-Mesa Steel Supply, Inc.              | \$ 80.81      |
| 10/07/2019 | 35574        | Caselle, Inc.                            | \$ 1,989.00   |
| 10/07/2019 | 35575        | Clinical Laboratory of San Bernardino    | \$ 6,194.50   |
| 10/07/2019 | 35576        | Coverall North America, Inc.             | \$ 1,331.00   |
| 10/07/2019 | 35577        | CraneVeyor Corp.                         | \$ 880.00     |
| 10/07/2019 | 35578        | Crown Ace Hardware - Yucaipa             | \$ 98.16      |
| 10/07/2019 | 35579        | Fastenal Company                         | \$ 413.76     |
| 10/07/2019 | 35580        | First American Data Tree, LLC            | \$ 50.00      |
| 10/07/2019 | 35581        | Fuel Equipment Services, Inc.            | \$ 1,245.19   |
| 10/07/2019 | 35582        | G&G Environmental Compliance, Inc        | \$ 3,862.11   |
| 10/07/2019 | 35583        | Harrington Ind. Plastic, LLC             | \$ 1,830.40   |
| 10/07/2019 | 35584        | Home Depot U.S.A. Inc                    | \$ 796.80     |
| 10/07/2019 | 35585        | House Of Quality, Parts Plus             | \$ 202.72     |
| 10/07/2019 | 35586        | Houston & Harris PCS, Inc.               | \$ 1,800.00   |
| 10/07/2019 | 35587        | JW D'Angelo Co.                          | \$ 256.22     |

## Check Register - October 2019

| Check Date | Check Number | Payee                                    | Amount        |
|------------|--------------|--|---------------|
| 10/07/2019 | 35588        | Krieger & Stewart                        | \$ 42,133.83  |
| 10/07/2019 | 35589        | Les Schwab Tire Center                   | \$ 91.11      |
| 10/07/2019 | 35590        | Merit Oil Company                        | \$ 6,499.28   |
| 10/07/2019 | 35591        | Myers & Sons Hi-Way Safety Inc.          | \$ 268.05     |
| 10/07/2019 | 35592        | NetComp Technologies, Inc.               | \$ 2,950.00   |
| 10/07/2019 | 35593        | Pacific Coast Landscape & Design, Inc.   | \$ 2,645.00   |
| 10/07/2019 | 35594        | Pall Corporation                         | \$ 721,564.67 |
| 10/07/2019 | 35595        | Pall Corporation                         | \$ 781,187.50 |
| 10/07/2019 | 35596        | Polydyne Inc.                            | \$ 3,462.86   |
| 10/07/2019 | 35597        | Ponton Industries, Inc                   | \$ 2,393.13   |
| 10/07/2019 | 35598        | Q Versa, LLC                             | \$ 15,547.44  |
| 10/07/2019 | 35599        | Redline                                  | \$ 16,142.01  |
| 10/07/2019 | 35600        | Risk Sciences                            | \$ 1,699.62   |
| 10/07/2019 | 35601        | SB CNTY-Treasurer-Tax                    | \$ 54.62      |
| 10/07/2019 | 35602        | SCCI, Inc.                               | \$ 350.00     |
| 10/07/2019 | 35603        | Sinclair Rock and Sand Inc.              | \$ 3,950.00   |
| 10/07/2019 | 35604        | South Coast A.Q.M.D.                     | \$ 13,402.02  |
| 10/07/2019 | 35605        | Sturdivan Emergency Management Consultin | \$ 4,500.00   |
| 10/07/2019 | 35606        | The Gas Company                          | \$ 53.95      |
| 10/07/2019 | 35607        | Transene Company, Inc.                   | \$ 302.99     |
| 10/07/2019 | 35608        | Underground Service Alert Of So. CA      | \$ 336.70     |
| 10/07/2019 | 35609        | REVIZE SOFTWARE SYSTEMS                  | \$ 6,800.00   |
| 10/15/2019 | 35610        | California State Disbursement Unit       | \$ 743.52     |
| 10/15/2019 | 35611        | IBEW                                     | \$ 580.00     |
| 10/15/2019 | 35612        | WageWorks Inc.                           | \$ 1,340.00   |
| 10/21/2019 | 35613        | Premier Escrow Group Services            | \$ 5,000.00   |
| 10/21/2019 | 35614        | All American Sewer Tools                 | \$ 345.48     |
| 10/21/2019 | 35615        | Ameripride Uniform Services              | \$ 2,501.15   |
| 10/21/2019 | 35616        | Aqua-Metric Sales Company                | \$ 227,823.11 |
| 10/21/2019 | 35617        | Armorcast Products Company               | \$ 16,615.06  |
| 10/21/2019 | 35618        | Arrow Staffing                           | \$ 2,797.34   |
| 10/21/2019 | 35619        | Assoc. SB Cty Special Districts          | \$ 70.00      |
| 10/21/2019 | 35620        | AT&T Mobility                            | \$ 2,508.00   |
| 10/21/2019 | 35621        | Auto Care Clinic                         | \$ 1,312.51   |
| 10/21/2019 | 35622        | AutoZone Stores LLC                      | \$ 241.35     |
| 10/21/2019 | 35623        | Bay Alarm Company                        | \$ 95.00      |
| 10/21/2019 | 35624        | Best Home Center                         | \$ 575.66     |
| 10/21/2019 | 35625        | Brenntag Pacific, Inc                    | \$ 21,430.02  |
| 10/21/2019 | 35626        | BSK Associates                           | \$ 1,105.00   |
| 10/21/2019 | 35627        | C & B Crushing, Inc.                     | \$ 120.00     |
| 10/21/2019 | 35628        | California Water Environment Association | \$ 192.00     |
| 10/21/2019 | 35629        | Central Communications                   | \$ 1,471.19   |
| 10/21/2019 | 35630        | Contron Scada Systems                    | \$ 3,762.00   |
| 10/21/2019 | 35631        | Corelogic, Inc.                          | \$ 330.00     |
| 10/21/2019 | 35632        | Custom Concrete System                   | \$ 14,235.00  |
| 10/21/2019 | 35633        | Donald Kent Stone                        | \$ 540.00     |
| 10/21/2019 | 35634        | Doug's Filter Service, Inc.              | \$ 480.00     |
| 10/21/2019 | 35635        | Dudek & Associates, Inc                  | \$ 2,027.04   |
| 10/21/2019 | 35636        | Emergency Power Controls, Inc.           | \$ 7,315.00   |
| 10/21/2019 | 35637        | Evans-Hydro Inc.                         | \$ 7,714.07   |
| 10/21/2019 | 35638        | Evoqua Water Technologies LLC            | \$ 3,654.89   |
| 10/21/2019 | 35639        | Frontier Communications                  | \$ 163.60     |
| 10/21/2019 | 35640        | Geoscience Support Services, Inc.        | \$ 13,784.36  |

## Check Register - October 2019

| Check Date | Check Number | Payee                                    | Amount       |
|------------|--------------|--|--------------|
| 10/21/2019 | 35641        | Grainger                                 | \$ 358.64    |
| 10/21/2019 | 35642        | Harrington Ind. Plastic, LLC             | \$ 2,308.84  |
| 10/21/2019 | 35643        | Hasa, Inc.                               | \$ 7,603.01  |
| 10/21/2019 | 35644        | Houston & Harris PCS, Inc.               | \$ 1,800.00  |
| 10/21/2019 | 35645        | Inland Water Works Supply Co.            | \$ 637.13    |
| 10/21/2019 | 35646        | Integrity Hose and Fittings              | \$ 445.96    |
| 10/21/2019 | 35647        | John Deere Financial f.s.b.              | \$ 846.74    |
| 10/21/2019 | 35648        | JW D'Angelo Co.                          | \$ 10,442.57 |
| 10/21/2019 | 35649        | Konica Minolta Business Solutions        | \$ 1,296.95  |
| 10/21/2019 | 35650        | Les Schwab Tire Center                   | \$ 1,480.11  |
| 10/21/2019 | 35651        | LUZ Investment Corp.                     | \$ 408.65    |
| 10/21/2019 | 35652        | Merit Oil Company                        | \$ 7,449.41  |
| 10/21/2019 | 35653        | Mission Communications, LLC              | \$ 563.40    |
| 10/21/2019 | 35654        | Myers & Sons Hi-Way Safety Inc.          | \$ 15,337.18 |
| 10/21/2019 | 35655        | NetComp Technologies, Inc.               | \$ 1,700.00  |
| 10/21/2019 | 35656        | Nixon-Egli Equipment Co. of So. Calif. I | \$ 2,028.06  |
| 10/21/2019 | 35657        | Northern Safety Co. Inc                  | \$ 406.43    |
| 10/21/2019 | 35658        | Pollardwater                             | \$ 434.22    |
| 10/21/2019 | 35659        | Pro-Pipe & Supply, Inc.                  | \$ 339.97    |
| 10/21/2019 | 35660        | Quinn Company                            | \$ 228.00    |
| 10/21/2019 | 35661        | Red Alert Special Couriers               | \$ 982.51    |
| 10/21/2019 | 35662        | Redline                                  | \$ 6,968.70  |
| 10/21/2019 | 35663        | Riverside County Treasurer               | \$ 192.70    |
| 10/21/2019 | 35664        | SB CNTY-Solid Waste Mgmt Div             | \$ 143.86    |
| 10/21/2019 | 35665        | SB CNTY-Solid Waste Mgmt Div             | \$ 1,636.96  |
| 10/21/2019 | 35666        | Spectrum Business                        | \$ 3,668.00  |
| 10/21/2019 | 35667        | Steven Enterprises, Inc                  | \$ 369.00    |
| 10/21/2019 | 35668        | The Counseling Team International        | \$ 825.00    |
| 10/21/2019 | 35669        | Time Warner Cable                        | \$ 280.95    |
| 10/21/2019 | 35670        | Westech Engineering                      | \$ 2,881.05  |
| 10/21/2019 | 35671        | Yucaipa Disposal, Inc.                   | \$ 427.52    |
| 10/21/2019 | 35672        | Yucaipa Valley Water District            | \$ 41,562.06 |
| 10/28/2019 | 35673        | David L. Wysocki                         | \$ 4,125.00  |
| 10/28/2019 | 35674        | Delta Partners, LLC                      | \$ 7,500.00  |
| 10/28/2019 | 35675        | Dudek & Associates, Inc                  | \$ 22,877.95 |
| 10/28/2019 | 35676        | Geoscience Support Services, Inc.        | \$ 95,550.21 |
| 10/28/2019 | 35677        | One Stop Landscape Supply Inc            | \$ 19,538.00 |
| 10/28/2019 | 35678        | Separation Processes, Inc.               | \$ 23,724.00 |
| 10/28/2019 | 35679        | ADS, LLC                                 | \$ 4,275.00  |
| 10/28/2019 | 35680        | American Water Works Assoc.              | \$ 286.00    |
| 10/28/2019 | 35681        | Ameripride Uniform Services              | \$ 1,197.15  |
| 10/28/2019 | 35682        | Auto Care Clinic                         | \$ 170.81    |
| 10/28/2019 | 35683        | AutoZone Stores LLC                      | \$ 49.00     |
| 10/28/2019 | 35684        | Backflow Prevention Device Inspections,  | \$ 4,247.55  |
| 10/28/2019 | 35685        | Best Home Center                         | \$ 19.38     |
| 10/28/2019 | 35686        | BofA Credit Card                         | \$ 4,102.11  |
| 10/28/2019 | 35687        | Brenntag Pacific, Inc                    | \$ 7,804.47  |
| 10/28/2019 | 35688        | BSK Associates                           | \$ 715.00    |
| 10/28/2019 | 35689        | California Special Districts Association | \$ 7,615.00  |
| 10/28/2019 | 35690        | California Water Environment Association | \$ 384.00    |
| 10/28/2019 | 35691        | Calmat Company                           | \$ 2,608.57  |
| 10/28/2019 | 35692        | Cal's Towing                             | \$ 100.00    |
| 10/28/2019 | 35693        | City of Redlands                         | \$ 500.00    |



## Check Register - October 2019

| Check Date | Check Number | Payee                                    | Amount                 |
|------------|--------------|--|------------------------|
| 10/28/2019 | 35694        | Cobb's Printing, LLC                     | \$ 242.98              |
| 10/28/2019 | 35695        | Dinosaur Tire Inc.                       | \$ 70.00               |
| 10/28/2019 | 35696        | Epic Pest Management                     | \$ 85.00               |
| 10/28/2019 | 35697        | Frontier Communications                  | \$ 158.35              |
| 10/28/2019 | 35698        | Grainger                                 | \$ 114.34              |
| 10/28/2019 | 35699        | Home Depot U.S.A. Inc                    | \$ 265.25              |
| 10/28/2019 | 35700        | Houston & Harris PCS, Inc.               | \$ 2,500.00            |
| 10/28/2019 | 35701        | Inland Water Works Supply Co.            | \$ 2,971.75            |
| 10/28/2019 | 35702        | In-Situ Inc.                             | \$ 227.97              |
| 10/28/2019 | 35703        | JW D'Angelo Co.                          | \$ 113.63              |
| 10/28/2019 | 35704        | Koritas Tires Inc.                       | \$ 959.42              |
| 10/28/2019 | 35705        | Management Action Programs Inc           | \$ 2,500.00            |
| 10/28/2019 | 35706        | Merit Oil Company                        | \$ 3,477.21            |
| 10/28/2019 | 35707        | Northern Safety Co. Inc                  | \$ 422.92              |
| 10/28/2019 | 35708        | Office Solutions Business Products & Ser | \$ 273.15              |
| 10/28/2019 | 35709        | Pro-Pipe & Supply, Inc.                  | \$ 368.17              |
| 10/28/2019 | 35710        | R.F MacDonald Co.                        | \$ 33,311.46           |
| 10/28/2019 | 35711        | Redline                                  | \$ 2,610.98            |
| 10/28/2019 | 35712        | SB CNTY-Solid Waste Mgmt Div             | \$ 154.04              |
| 10/28/2019 | 35713        | SCCI, Inc.                               | \$ 905.00              |
| 10/28/2019 | 35714        | SCE Rosemead                             | \$ 238,822.40          |
| 10/28/2019 | 35715        | Separation Processes, Inc.               | \$ 1,183.00            |
| 10/28/2019 | 35716        | Spectrum Business                        | \$ 2,649.00            |
| 10/28/2019 | 35717        | State Water Resources Control Board      | \$ 11,898.00           |
| 10/28/2019 | 35718        | Steven Enterprises, Inc                  | \$ 984.39              |
| 10/28/2019 | 35719        | United Rentals Inc.                      | \$ 338.79              |
| 10/28/2019 | 35720        | UPS Store#1504/ Mail Boxes Etc.          | \$ 26.31               |
| 10/28/2019 | 35721        | US Bank                                  | \$ 11,557.38           |
| 10/28/2019 | 35722        | VOID                                     | \$ -                   |
| 10/28/2019 | 35723        | VOID                                     | \$ -                   |
| 10/28/2019 | 35724        | VOID                                     | \$ -                   |
| 10/28/2019 | 35725        | VOID                                     | \$ -                   |
| 10/28/2019 | 35726        | VOID                                     | \$ -                   |
| 10/28/2019 | 35727        | VOID                                     | \$ -                   |
| 10/28/2019 | 35728        | VOID                                     | \$ -                   |
| 10/28/2019 | 35729        | VOID                                     | \$ -                   |
| 10/28/2019 | 35730        | Aflac                                    | \$ 3,019.68            |
| 10/28/2019 | 35731        | Blue Shield of California                | \$ 3,703.40            |
| 10/28/2019 | 35732        | California State Disbursement Unit       | \$ 743.52              |
| 10/28/2019 | 35733        | Nippon Life Insurance Co.                | \$ 2,806.25            |
| 10/28/2019 | 35734        | Standard Dental Insurance Co             | \$ 1,552.24            |
| 10/28/2019 | 35735        | Standard Insurance Vision Plan           | \$ 274.60              |
| 10/28/2019 | 35736        | WageWorks Inc.                           | \$ 1,340.00            |
| 10/28/2019 | 35737        | Western Dental Services Inc.             | \$ 251.16              |
| 10/29/2019 | 35738        | Berkshire Hathaway Homestate Companies   | \$ 26,187.30           |
| 10/29/2019 | 35739        | Dennis Neff                              | \$ 649.35              |
| 10/29/2019 | 35740        | Joan Cadiz                               | \$ 886.89              |
| 10/29/2019 | 35741        | Joe DeSalliers                           | \$ 604.67              |
| 10/29/2019 | 35742        | Peggy Little                             | \$ 649.21              |
| 10/29/2019 | 35743        | Robert Wall                              | \$ 649.35              |
| 10/29/2019 | 35744        | WageWorks, Inc.                          | \$ 186.50              |
|            |              |  | <b>\$ 3,176,876.77</b> |

## Check Register - October 2019

| Check Date | Check Number   | Payee                                | Amount                      |
|------------|----------------|--------------------------------------|-----------------------------|
| 10/01/2019 | electronic pmt | Public Employees' Retirement System  | \$ 700.00                   |
| 10/01/2019 | electronic pmt | Public Employees' Retirement System  | \$ 31,320.30                |
| 10/01/2019 | electronic pmt | CalPERS - HEALTH                     | \$ 91,806.27                |
| 10/11/2019 | electronic pmt | IRS                                  | \$ 58,839.98                |
| 10/11/2019 | electronic pmt | Payroll Direct Deposit               | \$ 150,021.00               |
| 10/11/2019 | electronic pmt | CA-EDD                               | \$ 10,100.29                |
| 10/11/2019 | electronic pmt | CA-PERS Supplemental Income 457 Plan | \$ 27,526.34                |
| 10/15/2019 | electronic pmt | CalPERS - HEALTH                     | \$ 1,288.89                 |
| 10/15/2019 | electronic pmt | VOYA-457                             | \$ 5,475.57                 |
| 10/15/2019 | electronic pmt | Public Employees' Retirement System  | \$ 31,501.41                |
| 10/23/2019 | electronic pmt | CalPERS - HEALTH                     | \$ 91,836.41                |
| 10/25/2019 | electronic pmt | IRS                                  | \$ 57,086.33                |
| 10/25/2019 | electronic pmt | CA-EDD                               | \$ 9,922.14                 |
| 10/25/2019 | electronic pmt | Payroll Direct Deposit               | \$ 147,202.13               |
| 10/25/2019 | electronic pmt | CA-PERS Supplemental Income 457 Plan | \$ 24,714.56                |
| 10/25/2019 | electronic pmt | VOYA-457                             | \$ 3,411.84                 |
| 10/25/2019 | electronic pmt | Public Employees' Retirement System  | \$ 31,284.53                |
|            |                |                                      | <b><u>\$ 774,037.99</u></b> |
| Checks     | 210            |                                      |                             |
| Electronic | 17             |                                      |                             |
|            | 227            |                                      | \$ 3,950,914.76             |

# Staff Report



Yucaipa Valley Water District

# Discussion Items





**Date:** November 19, 2019

**Prepared By:** Allison M. Edmisten, Chief Financial Officer

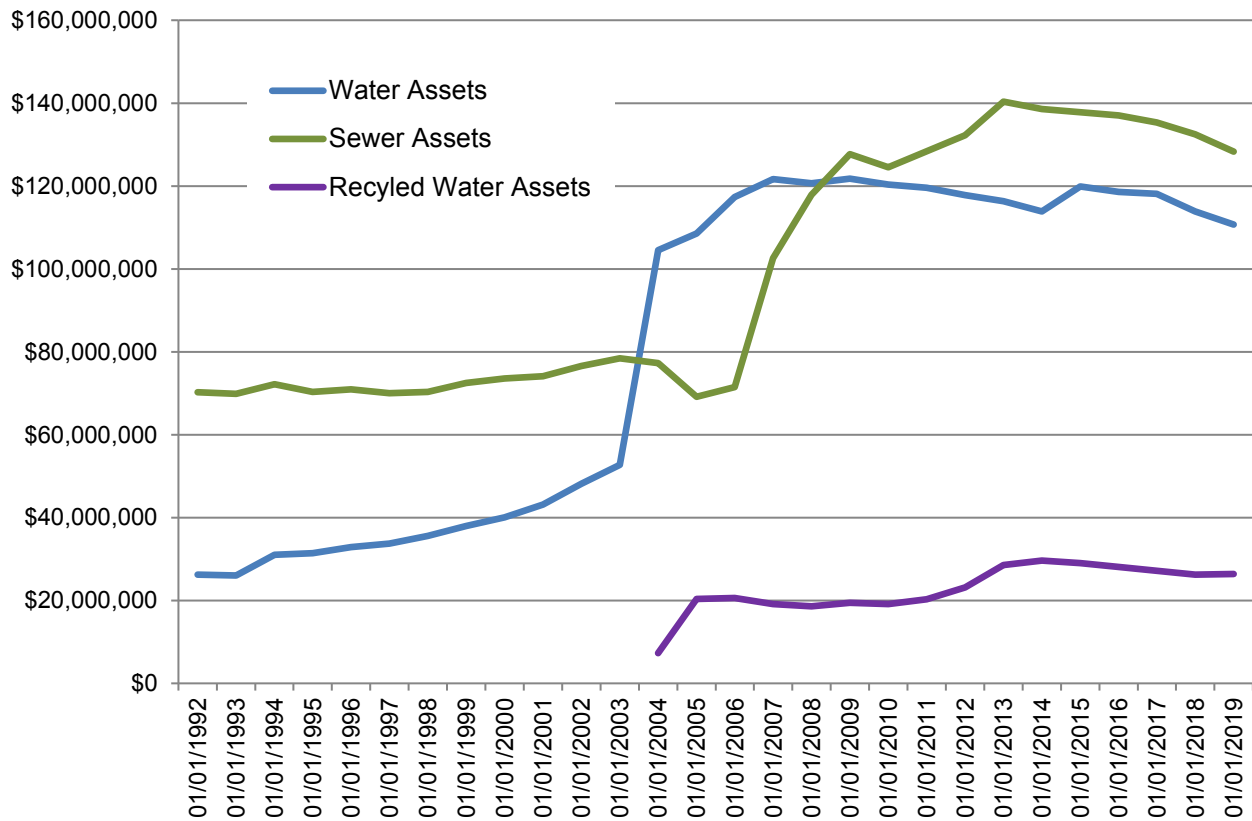
**Subject:** Receipt of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2019

**Recommendation:** That the Board receive and file the audited financial statements.

The certified public accounting firm of Eide Bailey, formerly Vavrinek, Trine, Day & Company, LLP (VTD), has completed the financial audit for the fiscal year ending on June 30, 2019.

A representative from VTD will attend the board workshop to provide an overview of the audited financial documents and answer questions about the report.

**Total Assets by District Enterprise**



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12770 Second Street, Yucaipa, California 92399

# Annual Financial Statements

for the

Fiscal Year Ending June 30, 2019

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## Board of Directors

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Chris Mann

Division 1

Bruce Granlund

Divisions 2

Jay Bogh

Division 3

Lonni Granlund

Division 4

Joyce McIntire

Division 5

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## **Financial Audit Preparation Team:**

Allison M. Edmisten, Chief Financial Officer

Kathryn Hallberg, Management Analyst

Matthew Porras, Management Analyst

Denise Howard, Purchasing Agent

Erin Anton, Administrative Clerk V

Tysa Baeumel, Administrative Clerk IV

Allie Barry, Administrative Clerk IV

Sara Onate, Administrative Clerk IV

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Audited Financial Statements - Fiscal Year 2019

**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, 2019. 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 and (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 group of elected officials and employees dedicated to providing reliable drinking water, recycled 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 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.



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Audited Financial Statements - Fiscal Year 2019

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

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 and infrastructure 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 the formation of the Yucaipa Valley County Water District. The District operates under the County Water District Law, being Division 12, section 30000 of the State of California Water Code. 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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Audited Financial Statements - Fiscal Year 2019

As of June 30, 2019, the District provided service to 13,794 water connections (19,243 units), 14,104 sewer connections (22,774 units) and 111 recycled water connections (460 units).

| Customer Type      | Drinking Water Enterprise     |                            | Sewer Enterprise              |                            | Recycled Water Enterprise     |                               |
|--------------------|-------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|-------------------------------|
|                    | Number of Service Connections | Water Service Units (WSUs) | Number of Service Connections | Sewer Service Units (SSUs) | Number of Service Connections | Recycled Service Units (RSUs) |
| Single Family      | 11,876                        | 12,602                     | 10,358                        | 10,315                     | --                            | --                            |
| Multiple Units     | 467                           | 5,331                      | 454                           | 5,311                      | --                            | --                            |
| Commercial         | 225                           | 626                        | 216                           | 1,011                      | --                            | --                            |
| Institutional      | 78                            | 370                        | 57                            | 295                        | --                            | --                            |
| Industrial         | 6                             | 17                         | 3                             | 3                          | --                            | --                            |
| Irrigation         | 111                           | 297                        | 7                             | 18                         | --                            | --                            |
| Fire Detectors     | 1,013                         | --                         | --                            | --                         | --                            | --                            |
| Construction Water | 18                            | --                         | --                            | --                         | 7                             | --                            |
| Recycled Water     | --                            | --                         | --                            | --                         | 104                           | 460                           |
| Sewer Only         | --                            | --                         | 3,009                         | 5,822                      | --                            | --                            |
| <b>Total</b>       | <b>13,794</b>                 | <b>19,243</b>              | <b>14,104</b>                 | <b>22,774</b>              | <b>111</b>                    | <b>460</b>                    |

**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 2060 will be approximately 94,800, which reflects build-out of the City of Yucaipa, 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 to staggered 4-year terms. The current Board members, the expiration dates of their terms and their occupations are set forth below.

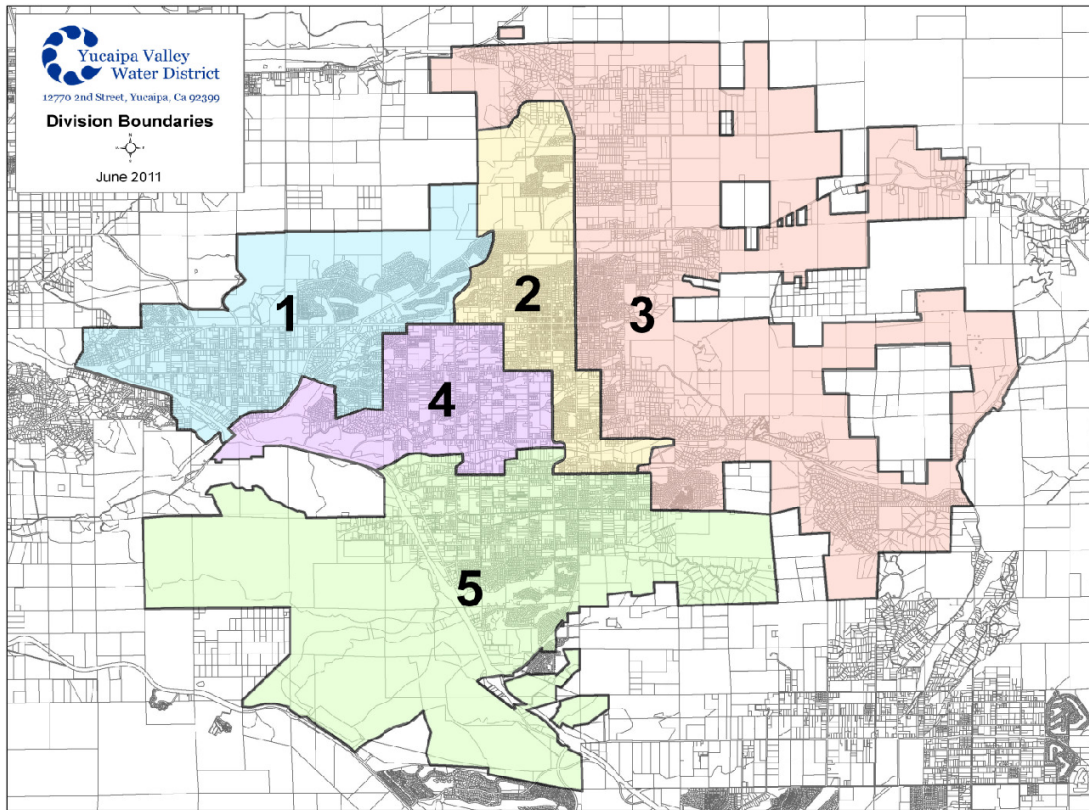
| Member of the Board of Directors | Division | Initial Date of Service | Expiration of Term | Occupation                          |
|----------------------------------|----------|-------------------------|--------------------|-------------------------------------|
| Chris Mann, President            | One      | 12/2/2016               | 2020               | Public Relations Firm President     |
| Bruce Granlund, Vice President   | Two      | 12/23/1998              | 2022               | Retired Senior D.A. Investigator    |
| Jay Bogh, Director               | Three    | 09/07/2005              | 2022               | Building Firm Manager               |
| Lonni Granlund, Director         | Four     | 12/05/2008              | 2020               | Property Manager/Real Estate Broker |
| Joyce McIntire, Director         | Five     | 12/07/2018              | 2022               | Retired School District Employee    |



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**Financial Statements**

Audited Financial Statements - Fiscal Year 2019



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

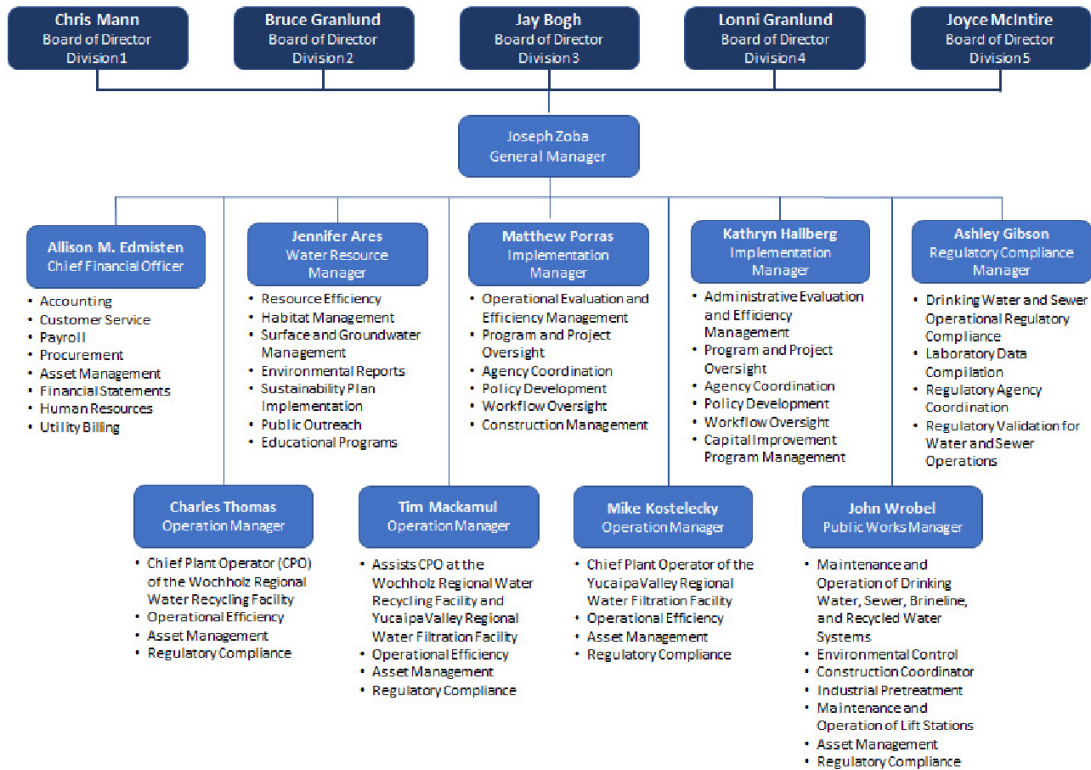
| Yucaipa Valley Water District<br>Presidents of the Board |                 |
|--|-----------------|
| October 1971 to November 1973                            | Harold Lockwood |
| December 1973 to November 1975                           | Hank Wochholz   |
| December 1975 to October 1977                            | 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 December 2016                           | Lonni Granlund  |
| December 2016 to January 2019                            | Jay Bogh        |
| January 2019 to Present                                  | Chris Mann      |

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**Financial Statements**

Audited Financial Statements - Fiscal Year 2019

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 2019**

During this fiscal year, the District added 164 water connections, 169 sewer connections, and 113 recycled water connections. When compared to the development activity in the prior year, the District had 3.5% less water connections, 25.2% more sewer connections, but 2,160% more recycled water connections.



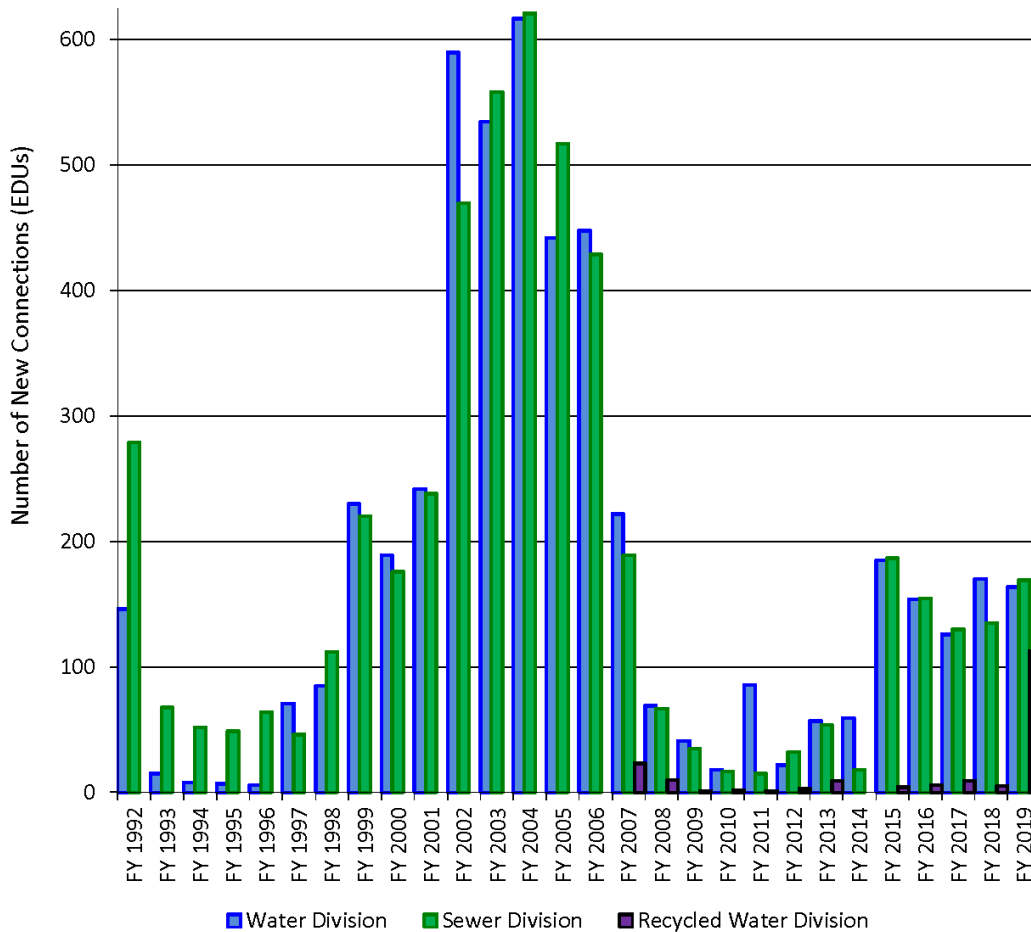
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**Financial Statements**

Audited Financial Statements - Fiscal Year 2019

| Fiscal Year | New Water Connections | New Sewer Connections | New Recycled Water Connections |
|-------------|-----------------------|-----------------------|--------------------------------|
| 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                              |
| 2016        | 154                   | 155                   | 6                              |
| 2017        | 126                   | 130                   | 9                              |
| 2018        | 170                   | 135                   | 5                              |
| 2019        | 164                   | 169                   | 113                            |

**Historical Water, Sewer and Recycled Water New Connections**



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Audited Financial Statements - Fiscal Year 2019

**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.

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*"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**

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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.

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*"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**

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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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Audited Financial Statements - Fiscal Year 2019

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. Budget adjustments are presented to the Board semi-annually for items that were not initially anticipated. 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.



**DRAFT COPY 11/11/19**  
**Financial Statements**  
Audited Financial Statements - Fiscal Year 2018

# Independent Auditors' Report



**DRAFT COPY 11/11/19****Independent Auditor's Report**

Board of Directors  
Yucaipa Valley Water District  
Yucaipa, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Water Fund, Sewer Fund, Recycled Water Fund, and the aggregate remaining fund information of the Yucaipa Valley Water District (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

**DRAFT COPY 11/11/19*****Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water Fund, Sewer Fund, Recycled Water Fund, and aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***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, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 41 and the Schedule of Contributions on page 42 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 financial statements. The transmittal letter is presented for purposes of additional analysis and is not a required part of the 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.

Rancho Cucamonga, California

\_\_\_\_\_, 2019

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**Financial Statements**

Audited Financial Statements - Fiscal Year 2018

# Management's Discussion & Analysis



**DRAFT COPY 11/11/19**Management's Discussion and Analysis  
Fiscal Year 2019

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, 2018 and June 30, 2019. 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) drinking 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, 2019, the following financial highlights are noted for the Yucaipa Valley Water District.

- The District's net position increased 0.19% to \$191,582,827.
- The District's total revenues decreased 0.34% to \$25,617,825.
- The District's total expenses increased 3.54% to \$31,905,254.
- The capital contributions to the District totaled \$6,647,936 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.

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 Management's Discussion and Analysis  
 Fiscal Year 2019

**FINANCIAL ANALYSIS - STATEMENT OF NET POSITION**

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, 2019.

|   | Water Enterprise   |                    |                    |                | Sewer Enterprise   |                    |                    |                | Recycled Water Enterprise |                   |                |              |
|---|--------------------|--------------------|--------------------|----------------|--------------------|--------------------|--------------------|----------------|---------------------------|-------------------|----------------|--------------|
|   | 2019               | 2018               | Change             | % Change       | 2019               | 2018               | Change             | % Change       | 2019                      | 2018              | Change         | % Change     |
| <b>Assets</b>   |                    |                    |                    |                |                    |                    |                    |                |                           |                   |                |              |
| Current Assets  | \$ 8,050,028       | \$ 8,569,094       | \$ (519,066)       | (6.06%)        | \$ 7,209,847       | \$ 7,577,832       | \$ (367,985)       | (6.06%)        | \$ 545,500                | \$ 858,725        | \$ (313,225)   | (36.48%)     |
| Net Capital Assets                                    | 101,550,102        | 102,940,901        | (1,390,799)        | (1.35%)        | 120,164,808        | 123,124,449        | (2,939,641)        | (2.39%)        | 23,898,667                | 24,661,325        | (774,658)      | (3.14%)      |
| Other Assets  | 1,131,328          | 1,117,083          | 14,245             | 1.28%          | 893,163            | 893,163            | -                  | 0.00%          | 1,922,101                 | 607,498           | 1,314,603      | 216.40%      |
| <b>Total Assets</b>                                   | <b>110,731,458</b> | <b>112,627,078</b> | <b>(1,895,620)</b> | <b>(1.68%)</b> | <b>128,287,818</b> | <b>131,595,444</b> | <b>(3,307,626)</b> | <b>(2.51%)</b> | <b>26,354,268</b>         | <b>26,127,548</b> | <b>226,720</b> | <b>0.87%</b> |
| <b>Deferred Outflows of Resources</b>                 |                    |                    |                    |                |                    |                    |                    |                |                           |                   |                |              |
| Deferred Outflow of Resources to Pensions             | 951,548            | 1,243,383          | (291,835)          | (23.47%)       | 710,514            | 893,368            | (182,854)          | (20.47%)       | 136,707                   | 140,507           | (3,800)        | (2.70%)      |
| <b>Total Assets and Deferred Outflows</b>             | <b>111,683,006</b> | <b>113,870,461</b> | <b>(2,187,455)</b> | <b>(1.96%)</b> | <b>128,998,332</b> | <b>132,488,812</b> | <b>(3,490,480)</b> | <b>(2.64%)</b> | <b>26,490,975</b>         | <b>26,268,055</b> | <b>222,920</b> | <b>0.85%</b> |
| <b>Liabilities</b>                                    |                    |                    |                    |                |                    |                    |                    |                |                           |                   |                |              |
| Current Liabilities                                   | 2,818,903          | 3,605,471          | (786,568)          | (21.82%)       | 4,079,177          | 4,161,501          | (82,324)           | (1.98%)        | 7,650                     | 34,257            | (26,607)       | (77.67%)     |
| Long-term Liabilities                                 | 31,972,874         | 33,604,871         | (1,632,197)        | (4.86%)        | 36,055,960         | 39,172,684         | (3,116,724)        | (7.96%)        | 469,383                   | 402,612           | 66,771         | 16.58%       |
| <b>Total Liabilities</b>                              | <b>34,791,577</b>  | <b>37,210,342</b>  | <b>(2,418,765)</b> | <b>(6.50%)</b> | <b>40,135,137</b>  | <b>43,334,185</b>  | <b>(3,199,048)</b> | <b>(7.4%)</b>  | <b>477,033</b>            | <b>436,869</b>    | <b>40,164</b>  | <b>9.19%</b> |
| <b>Deferred Inflows of Resources</b>                  |                    |                    |                    |                |                    |                    |                    |                |                           |                   |                |              |
| Deferred Amounts Related to Pensions                  | 98,256             | 231,292            | (133,036)          | (57.52%)       | 73,367             | 166,183            | (92,816)           | (55.85%)       | 14,116                    | 26,137            | (12,021)       | (45.99%)     |
| <b>Total Liabilities and Deferred Inflows</b>         | <b>34,889,833</b>  | <b>37,441,634</b>  | <b>(2,551,801)</b> | <b>(6.80%)</b> | <b>40,208,504</b>  | <b>43,500,368</b>  | <b>(3,291,864)</b> | <b>(7.57%)</b> | <b>491,149</b>            | <b>463,006</b>    | <b>28,143</b>  | <b>6.08%</b> |
| <b>Net Position</b>                                   |                    |                    |                    |                |                    |                    |                    |                |                           |                   |                |              |
| Net Investment in Capital Assets, Net of Related Debt | 72,261,052         | 72,366,486         | (105,434)          | (0.15%)        | 83,864,694         | 83,928,508         | (63,814)           | (0.08%)        | 23,886,667                | 24,661,325        | (774,658)      | (3.14%)      |
| Restricted Funds                                      | 1,131,328          | 1,117,083          | 14,245             | 1.28%          | 893,163            | 893,163            | 0                  | 0.00%          | 1,922,101                 | 607,498           | 1,314,603      | 216.40%      |
| Unrestricted Funds                                    | 3,400,793          | 2,945,258          | 455,535            | 15.47%         | 4,031,971          | 4,166,773          | (134,802)          | (3.24%)        | 191,058                   | 536,226           | (345,168)      | (64.37%)     |
| <b>Total Net Position</b>                             | <b>76,428,827</b>  | <b>76,428,827</b>  | <b>(2,628,279)</b> | <b>(3.32%)</b> | <b>88,789,828</b>  | <b>88,988,444</b>  | <b>(198,616)</b>   | <b>(0.22%)</b> | <b>25,999,826</b>         | <b>25,805,049</b> | <b>194,777</b> | <b>0.75%</b> |
| <b>Total Liabilities and Net Position</b>             | <b>111,318,660</b> | <b>113,870,461</b> | <b>2,551,801</b>   | <b>(2.24%)</b> | <b>128,998,332</b> | <b>132,488,812</b> | <b>(3,490,480)</b> | <b>(2.63%)</b> | <b>26,490,975</b>         | <b>26,268,055</b> | <b>222,920</b> | <b>0.85%</b> |



**DRAFT COPY 11/11/19**Management's Discussion and Analysis  
Fiscal Year 2019

**Statement of Net Position** – The District's net position increased between fiscal years 2017-18 and 2018-19, increasing from \$191,222,320 to \$191,582,827. The change can be seen in the condensed Statement of Net Position below as a \$360,507 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 \$6,176,087 net pension liability, \$185,739 in deferred inflow of resources (deferred amount on pensions) and \$1,798,769 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 decrease in current assets for water is primarily attributed to the reduced revenue for water sales, compared to the most recent prior year. However, the sales for 2018-19 are more in line with the revenue from 2016-17. The decrease in sewer and recycled current assets is attributed to the increased expenditures and operations in the funds. The sewer fund had an increase in professional fees as a result of the MORE project as well as the Calimesa Lakes Recharge Project. The recycled fund continues to grow and an increased amount of District staff was allocated to this fund in 2018-19.

The decrease in net capital water, sewer and recycled assets is primarily attributed to the depreciation expenses for the year.

**FINANCIAL ANALYSIS - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The following table summarizes changes in Net Position for the year ended June 30, 2019.

**DRAFT COPY 11/11/19**Management's Discussion and Analysis  
Fiscal Year 2019**Statement of Revenues, Expenses and Changes in Net Position**

|   | 2019              | 2018              | Change           | % Change      |
|---|-------------------|-------------------|------------------|---------------|
| <b>Operating Revenues</b>                     |                   |                   |                  |               |
| Water Services                                | \$ 9,479,417      | \$ 9,922,660      | \$(443,243)      | -4.47%        |
| Sewer Services                                | 11,436,177        | 11,522,679        | (86,502)         | -0.75%        |
| Recycled Services                             | 802,468           | 530,374           | 272,094          | 51.30%        |
| Interfund Services Provided                   | 202,500           | 189,000           | 13,500           | 7.14%         |
| Other Revenue                                 | 2,625             | 1,800             | 825              | 45.83%        |
| <b>Total Operating Revenues</b>               | <b>21,923,187</b> | <b>22,166,513</b> | <b>(243,326)</b> | <b>-1.10%</b> |
| <b>Non-Operating Revenues</b>                 |                   |                   |                  |               |
| Interest Income                               | 192,807           | 196,151           | (3,344)          | -1.70%        |
| Property Taxes                                | 3,477,140         | 3,276,660         | 200,480          | 6.12%         |
| Other Income                                  | 24,691            | 65,965            | (41,274)         | -62.57%       |
| <b>Total Non-Operating Revenues</b>           | <b>3,694,638</b>  | <b>3,538,776</b>  | <b>155,862</b>   | <b>4.40%</b>  |
| <b>Total Revenues</b>                         | <b>25,617,825</b> | <b>25,705,289</b> | <b>(87,464)</b>  | <b>-0.34%</b> |
| <b>Operating Expenses</b>                     |                   |                   |                  |               |
| Salaries & Benefits - W                       | 4,154,337         | 4,488,038         | (333,701)        | -7.44%        |
| Salaries & Benefits - S                       | 3,232,991         | 2,910,573         | 322,418          | 11.08%        |
| Salaries & Benefits - R                       | 930,326           | 731,583           | 198,743          | 27.17%        |
| Operating Expenses - W                        | 5,682,200         | 5,930,850         | (248,650)        | -4.19%        |
| Operating Expenses - S                        | 5,908,280         | 4,756,529         | 1,151,751        | 24.21%        |
| Operating Expenses - R                        | 311,399           | 385,657           | (74,258)         | -19.25%       |
| Water Purchases - W                           | 1,092,040         | 1,372,267         | (280,227)        | -20.42%       |
| <b>Operating Expenses before Depreciation</b> | <b>21,311,573</b> | <b>20,575,497</b> | <b>736,076</b>   | <b>3.58%</b>  |
| Depreciation & Amortization - W               | 3,483,185         | 3,318,457         | 164,728          | 4.96%         |
| Depreciation & Amortization - S               | 4,338,068         | 4,104,399         | 233,669          | 5.69%         |
| Depreciation & Amortization - R               | 874,938           | 794,665           | 80,273           | 10.10%        |
| <b>Total Operating Expenses</b>               | <b>30,007,764</b> | <b>28,793,018</b> | <b>1,214,746</b> | <b>4.22%</b>  |
| <b>Non-Operating Expenses</b>                 |                   |                   |                  |               |
| (Gain)/Loss on Asset Disposal                 | -                 | -                 | -                | 100.00%       |
| Interest Expense - W                          | 990,789           | 1,044,348         | (53,559)         | -5.13%        |
| Interest Expense - S                          | 906,701           | 977,041           | (70,340)         | -7.20%        |
| <b>Total Non-Operating Expenses</b>           | <b>1,897,490</b>  | <b>2,021,389</b>  | <b>(123,899)</b> | <b>-6.13%</b> |
| <b>Total Expenses</b>                         | <b>31,905,254</b> | <b>30,814,407</b> | <b>1,090,847</b> | <b>3.54%</b>  |





**DRAFT COPY 11/11/19**Management's Discussion and Analysis  
Fiscal Year 2019**Statement of Revenues, Expenses and Changes in Net Position**

|  | 2019                         | 2018                         | Change                   | % Change            |
|--|------------------------------|------------------------------|--------------------------|---------------------|
| Income (Loss) Before Contributions - W   | \$ (2,301,590)               | \$ (2,978,538)               | \$ 676,948               | -22.73%             |
| Income (Loss) Before Contributions - S   | (2,866,014)                  | (900,526)                    | (1,965,488)              | 218.26%             |
| Income (Loss) Before Contributions - R   | (1,119,825)                  | (1,230,054)                  | 110,229                  | -8.96%              |
| Total Income (Loss) Before Contributions | <u>(6,287,429)</u>           | <u>(5,109,118)</u>           | <u>(1,178,311)</u>       | <u>23.06%</u>       |
| Contributions                            |                              |                              |                          |                     |
| Capital Contributions - W                | 2,665,936                    | 350,259                      | 2,315,677                | 661.13%             |
| Capital Contributions - S                | 2,667,398                    | 841,462                      | 1,825,936                | 217.00%             |
| Capital Contributions - R                | 1,314,602                    | 88,127                       | 1,226,475                | 1391.71%            |
|  | <u>6,647,936</u>             | <u>1,279,848</u>             | <u>5,368,088</u>         | <u>2269.84%</u>     |
| Change in Net Position - W               | 364,346                      | (2,628,279)                  | 2,992,625                | -113.86%            |
| Change in Net Position - S               | (198,616)                    | (59,064)                     | (139,552)                | 236.27%             |
| Change in Net Position - R               | 194,777                      | (1,141,927)                  | 1,336,704                | -117.06%            |
| Beginning Net Position                   | 191,222,320                  | 195,051,590                  | (3,829,270)              | -1.96%              |
| <b>Ending Net Position</b>               | <u><b>\$ 191,582,827</b></u> | <u><b>\$ 191,222,320</b></u> | <u><b>\$ 360,507</b></u> | <u><b>0.19%</b></u> |



**DRAFT COPY 11/11/19**Management's Discussion and Analysis  
Fiscal Year 2019

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 \$6,287,429 and capital contributions of \$6,647,936 offset the increase in Net Position of \$364,346 in Fiscal Year 2019.

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 on potable water. The drought restrictions were reduced in 2017 which resulted in increased water services revenue.

The sewer fund experienced an increase in operating expenses as a result of the MORE project as well as the Calimesa Lakes Recharge Project.

During fiscal year 2018-19 additional staff was allocated from the water fund to the sewer and recycled water funds. In addition, the water fund experienced a decrease in operating expenses as a result of one time projects from the prior fiscal year. The water fund also purchased less imported water in 2018-19 compared to the prior fiscal year. Finally, all funds experienced an increase in capital contributions compared to the prior fiscal year.



**DRAFT COPY 11/11/19**Management's Discussion and Analysis  
Fiscal Year 2019**CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY**

At the end of Fiscal Year 2019, the District had invested \$245,621,580 in a broad range of infrastructure as shown below.

| <b>Schedule of Capital Assets</b>   |                       |                       |                       |                |
|-------------------------------------|-----------------------|-----------------------|-----------------------|----------------|
|                                     | 2019                  | 2018                  | Change                | % Change       |
| <b>Non-Depreciable Assets</b>       |                       |                       |                       |                |
| Land & Easements                    | \$ 5,892,830          | \$ 5,587,305          | \$ 305,525            | 5.47%          |
| Secured Rights                      | 9,687,619             | 9,687,619             | -                     | 0.00%          |
| Construction in Progress            | 7,274,352             | 21,439,892            | (14,165,540)          | -66.07%        |
| <b>Total Non-Depreciable Assets</b> | <b>22,854,801</b>     | <b>36,714,816</b>     | <b>(13,860,015)</b>   | <b>-37.75%</b> |
| <b>Depreciable Assets</b>           |                       |                       |                       |                |
| Structures & Improvements           | 347,896,302           | 330,802,869           | 17,093,433            | 5.17%          |
| Equipment                           | 6,669,669             | 6,450,041             | 219,628               | 3.41%          |
| <b>Total Depreciable Assets</b>     | <b>354,565,971</b>    | <b>337,252,910</b>    | <b>17,313,061</b>     | <b>5.13%</b>   |
| Less Accumulated Depreciation       | (131,799,192)         | (123,241,051)         | (8,558,141)           | 6.94%          |
| <b>Net Depreciable Assets</b>       | <b>222,766,779</b>    | <b>214,011,859</b>    | <b>8,754,920</b>      | <b>4.09%</b>   |
| <b>Total Capital Assets, Net</b>    | <b>\$ 245,621,580</b> | <b>\$ 250,726,675</b> | <b>\$ (5,105,095)</b> | <b>-2.04%</b>  |

As of June 30, 2019, land increased by \$305,525, in the sewer fund due to a property purchase near the wastewater plant. Construction in Progress decreased \$14,165,540 amongst the water, sewer and recycled water funds combined. These projects include reservoir 12.4, the belt press rehab, digesters, the fill station and the 12.4 booster. This decrease in Construction in Progress results in the increase in Structures and Improvements.

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

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Fiscal Year 2019

Long-term obligations, including the current portion, total \$75,403,747 as of June 30, 2019, a decrease of \$5,577,649 from \$80,981,396 as of June 30, 2018. 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**

|  | 2019                 | 2018                 | Change                | % Change       |
|--|----------------------|----------------------|-----------------------|----------------|
| <b>Long Term Obligations:</b>          |                      |                      |                       |                |
| Compensated absences                   | \$ 828,561           | \$ 875,336           | \$ (46,775)           | -5.34%         |
| Refunding Revenue Bonds - Water        | 28,119,050           | 29,459,415           | (1,340,365)           | -4.55%         |
| State Revolving Fund Loan - Sewer      | 33,374,319           | 36,320,096           | (2,945,777)           | -8.11%         |
| Net Pension Liability                  | 6,176,087            | 6,525,320            | (349,233)             | -5.35%         |
| <b>Total Long Term Obligations</b>     | <b>68,498,017</b>    | <b>73,180,167</b>    | <b>(4,682,150)</b>    | <b>-6.40%</b>  |
| <b>Current Portion of Obligations:</b> |                      |                      |                       |                |
| Compensated Absences                   | 405,002              | 431,780              | (26,778)              | -6.20%         |
| Refunding Revenue Bonds - Water        | 1,170,000            | 1,115,000            | 55,000                | 4.93%          |
| State Revolving Fund Loan - Sewer      | 2,945,795            | 2,875,845            | 69,950                | 2.43%          |
| Other Current Liabilities              | 2,384,933            | 3,378,604            | (993,671)             | -29.41%        |
| <b>Total Current Obligations</b>       | <b>6,905,730</b>     | <b>7,801,229</b>     | <b>(895,499)</b>      | <b>-11.48%</b> |
| <b>Total Liabilities</b>               | <b>\$ 75,403,747</b> | <b>\$ 80,981,396</b> | <b>\$ (5,577,649)</b> | <b>-6.89%</b>  |

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 Allison M. Edmisten, Chief Financial Officer at 12770 Second Street, Yucaipa, California 92399.

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**Financial Statements**

Audited Financial Statements - Fiscal Year 2018

# Financial Statements



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019**

|   | Enterprise Funds     |                      |                      |                       |
|---|----------------------|----------------------|----------------------|-----------------------|
|   | Water                | Sewer                | Recycled Water       | Total                 |
| <b>ASSETS</b>                             |                      |                      |                      |                       |
| Current Assets:                           |                      |                      |                      |                       |
| Cash and investments                      | \$ 4,558,160         | \$ 5,887,113         | \$ 452,741           | \$ 10,898,014         |
| Accounts receivable, net                  | 996,955              | 1,294,017            | 87,126               | 2,378,098             |
| Taxes and assessments receivable          | 61,013               |                      |                      | 61,013                |
| Interest receivable                       | 25,347               | 25,347               | 5,633                | 56,327                |
| Inventory                                 | 1,162,397            |                      |                      | 1,162,397             |
| Prepayments and deposits                  | 1,246,156            | 3,370                |                      | 1,249,526             |
| <b>Total Current Assets</b>               | <b>8,050,028</b>     | <b>7,209,847</b>     | <b>545,500</b>       | <b>15,805,375</b>     |
| Noncurrent Assets:                        |                      |                      |                      |                       |
| Restricted investments                    | 1,131,328            | 893,163              | 1,922,101            | 3,946,592             |
| Capital assets not being depreciated      | 10,323,707           | 12,072,484           | 458,610              | 22,854,801            |
| Capital assets being depreciated, net     | 91,226,395           | 108,112,324          | 23,428,057           | 222,766,776           |
| <b>Total Noncurrent Assets</b>            | <b>102,681,430</b>   | <b>121,077,971</b>   | <b>25,808,768</b>    | <b>249,568,169</b>    |
| <b>TOTAL ASSETS</b>                       | <b>110,731,458</b>   | <b>128,287,818</b>   | <b>26,354,268</b>    | <b>265,373,544</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                      |                      |                      |                       |
| Deferred amounts related to pensions      | 951,548              | 710,514              | 136,707              | 1,798,769             |
| <b>LIABILITIES</b>                        |                      |                      |                      |                       |
| Current Liabilities:                      |                      |                      |                      |                       |
| Accounts payable and accrued liabilities  | 315,752              | 389,307              | 7,650                | 712,709               |
| Customer deposits                         | 115,790              |                      |                      | 115,790               |
| Developer/construction deposits           | 558,758              |                      |                      | 558,758               |
| Accrued interest payable                  | 383,955              | 613,721              |                      | 997,676               |
| Current portion of long-term liabilities: |                      |                      |                      |                       |
| Compensated absences                      | 274,648              | 130,354              |                      | 405,002               |
| Certificates of participation             | 1,170,000            |                      |                      | 1,170,000             |
| State revolving fund loans                |                      | 2,945,795            |                      | 2,945,795             |
| <b>Total Current Liabilities</b>          | <b>2,818,903</b>     | <b>4,079,177</b>     | <b>7,650</b>         | <b>6,905,730</b>      |
| Long-Term Liabilities:                    |                      |                      |                      |                       |
| Compensated absences                      | 586,474              | 242,087              |                      | 828,561               |
| Certificates of participation             | 28,119,050           |                      |                      | 28,119,050            |
| State revolving fund loans                |                      | 33,374,319           |                      | 33,374,319            |
| Net pension liability                     | 3,267,150            | 2,439,554            | 469,383              | 6,176,087             |
| <b>Total Long-Term Liabilities</b>        | <b>31,972,674</b>    | <b>36,055,960</b>    | <b>469,383</b>       | <b>68,498,017</b>     |
| <b>TOTAL LIABILITIES</b>                  | <b>34,791,577</b>    | <b>40,135,137</b>    | <b>477,033</b>       | <b>75,403,747</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      |                      |                      |                      |                       |
| Deferred amounts related to pensions      | 98,256               | 73,367               | 14,116               | 185,739               |
| <b>NET POSITION</b>                       |                      |                      |                      |                       |
| Net investment in capital assets          | 72,261,052           | 83,864,694           | 23,886,667           | 180,012,413           |
| Restricted for:                           |                      |                      |                      |                       |
| Debt service                              |                      | 893,163              |                      | 893,163               |
| Capital projects                          | 1,131,328            |                      | 1,922,101            | 3,053,429             |
| Unrestricted                              | 3,400,793            | 4,031,971            | 191,058              | 7,623,822             |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 76,793,173</b> | <b>\$ 88,789,828</b> | <b>\$ 25,999,826</b> | <b>\$ 191,582,827</b> |

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



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

|  | Enterprise Funds |               |                | Total          |
|--|------------------|---------------|----------------|----------------|
|  | Water            | Sewer         | Recycled Water |                |
| <b>OPERATING REVENUES</b>                  |                  |               |                |                |
| Charges for current services               | \$ 9,479,417     | \$ 11,436,177 | \$ 802,468     | \$ 21,718,062  |
| Interfund services provided                | 202,500          |               |                | 202,500        |
| Other revenue                              | 285              | 2,340         |                | 2,625          |
| Total Operating Revenues                   | 9,682,202        | 11,438,517    | 802,468        | 21,923,187     |
| <b>OPERATING EXPENSES</b>                  |                  |               |                |                |
| Salaries and employee benefits             | 4,154,337        | 3,232,991     | 930,326        | 8,317,654      |
| Electrical power                           | 1,444,187        | 1,350,518     | 100,127        | 2,894,832      |
| Water purchases                            | 1,092,040        |               |                | 1,092,040      |
| Administrative services                    | 630,518          | 606,388       | 32,086         | 1,268,992      |
| Operating supplies                         | 279,955          | 876,858       | 5,690          | 1,162,503      |
| Maintenance and repairs                    | 1,897,419        | 925,685       | 36,671         | 2,859,775      |
| Crystal Creek Water Treatment              | 618,228          |               |                | 618,228        |
| Brineline charges                          |                  | 413,813       |                | 413,813        |
| Depreciation                               | 3,483,185        | 4,338,068     | 874,938        | 8,696,191      |
| Insurance                                  | 100,173          | 130,327       | 21,178         | 251,678        |
| Professional fees                          | 565,163          | 1,259,262     | 110,179        | 1,934,604      |
| Other                                      | 146,557          | 345,429       | 5,468          | 497,454        |
| Total Operating Expenses                   | 14,411,762       | 13,479,339    | 2,116,663      | 30,007,764     |
| Operating Income (Loss)                    | (4,729,560)      | (2,040,822)   | (1,314,195)    | (8,084,577)    |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>   |                  |               |                |                |
| Interest income                            | 94,520           | 80,417        | 17,870         | 192,807        |
| Property taxes                             | 3,300,640        |               | 176,500        | 3,477,140      |
| Other income                               | 23,599           | 1,092         |                | 24,691         |
| Interest expense                           | (990,789)        | (906,701)     |                | (1,897,490)    |
| Total Non-Operating Revenues<br>(Expenses) | 2,427,970        | (825,192)     | 194,370        | 1,797,148      |
| Income (Loss) Before Contributions         | (2,301,590)      | (2,866,014)   | (1,119,825)    | (6,287,429)    |
| <b>CONTRIBUTIONS</b>                       |                  |               |                |                |
| Capital contributions                      | 2,665,936        | 2,667,398     | 1,314,602      | 6,647,936      |
| Change in Net Position                     | 364,346          | (198,616)     | 194,777        | 360,507        |
| Net Position, Beginning of Year            | 76,428,827       | 88,988,444    | 25,805,049     | 191,222,320    |
| Net Position, End of Year                  | \$ 76,793,173    | \$ 88,789,828 | \$ 25,999,826  | \$ 191,582,827 |

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



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

|   | Enterprise Funds |               |                |               |
|---|------------------|---------------|----------------|---------------|
|   | Water            | Sewer         | Recycled Water | Total         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                  |               |                |               |
| Receipts from customers   | \$ 9,378,035     | \$ 11,735,592 | \$ 786,985     | \$ 21,900,612 |
| Receipts (payments) from interfund services provided                        | 202,500          | (202,500)     |                |               |
| Payments to suppliers   | (7,425,348)      | (5,783,685)   | (338,006)      | (13,547,039)  |
| Employment related payments   | (4,286,892)      | (3,341,156)   | (871,776)      | (8,499,824)   |
| Net Cash Provided by/(Used for) Operating Activities                        | (2,131,705)      | 2,408,251     | (422,797)      | (146,251)     |
| <b>CASH FLOWS FROM CAPITAL AND<br/>AND RELATED FINANCING ACTIVITIES</b>     |                  |               |                |               |
| Capital contributions   | 2,665,936        | 2,667,398     | 1,314,602      | 6,647,936     |
| Cash paid for capital assets  | (2,092,386)      | (1,398,427)   | (100,280)      | (3,591,093)   |
| Principal paid on capital debt  | (1,115,000)      | (2,875,827)   |                | (3,990,827)   |
| Interest paid on capital debt   | (1,179,738)      | (957,006)     |                | (2,136,744)   |
| Net Cash Provided by/(Used for) Capital and<br>Related Financing Activities | (1,721,188)      | (2,563,862)   | 1,214,322      | (3,070,728)   |
| <b>CASH FLOWS FROM NON-CAPITAL<br/>FINANCING ACTIVITIES</b>                 |                  |               |                |               |
| Property taxes received   | 3,324,492        |               | 176,500        | 3,500,992     |
| Other receipts  | 23,599           | 1,092         |                | 24,691        |
| Net Cash Provided by Non-Capital<br>Financing Activities                    | 3,348,091        | 1,092         | 176,500        | 3,525,683     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                 |                  |               |                |               |
| Interest and dividends  | 107,223          | 93,120        | 20,693         | 221,036       |
| Net Increase/(Decrease) in Cash and Cash Equivalents                        | (397,579)        | (61,399)      | 988,718        | 529,740       |
| Balances, Beginning of Year   | 6,087,067        | 6,841,675     | 1,386,124      | 14,314,866    |
| Balances, End of Year   | \$ 5,689,488     | \$ 6,780,276  | \$ 2,374,842   | \$ 14,844,606 |
| <b>Reconciliation to Statement of Net Position:</b>                         |                  |               |                |               |
| Cash and investments  | \$ 4,558,160     | \$ 5,887,113  | \$ 452,741     | \$ 10,898,014 |
| Restricted cash and investments - Non-current                               | 1,131,328        | 893,163       | 1,922,101      | 3,946,592     |
| Total Cash and Investments  | \$ 5,689,488     | \$ 6,780,276  | \$ 2,374,842   | \$ 14,844,606 |

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





**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****STATEMENT OF CASH FLOWS, Continued  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

|  | Enterprise Funds |                |                | Total          |
|--|------------------|----------------|----------------|----------------|
|  | Water            | Sewer          | Recycled Water |                |
| RECONCILIATION OF OPERATING Income (Loss)<br>TO NET CASH PROVIDED<br>BY OPERATING ACTIVITIES |                  |                |                |                |
| Operating Income (loss)  | \$ (4,729,560)   | \$ (2,040,822) | \$ (1,314,195) | \$ (8,084,577) |
| Adjustments to reconcile operating income to<br>net cash provided by operating activities:   |                  |                |                |                |
| Depreciation   | 3,483,185        | 4,338,068      | 874,938        | 8,696,191      |
| Change in assets and liabilities:  |                  |                |                |                |
| Receivables, net   | 295,391          | 297,075        | (15,483)       | 576,983        |
| Compensated absences   | 4,321            | (77,874)       |                | (73,553)       |
| Prepayments and deposits   | (245,126)        | (3,192)        |                | (248,318)      |
| Developer and customer deposits  | (397,058)        |                |                | (397,058)      |
| Inventory  | 20,422           |                |                | 20,422         |
| Accounts and other payables (non-capital)  | (426,404)        | (74,713)       | (26,607)       | (527,724)      |
| Net pension liability  | (295,675)        | (120,329)      | 66,771         | (349,233)      |
| Change in deferred outflows of resources related to pensions                                 | 291,835          | 182,854        | 3,800          | 478,489        |
| Change in deferred inflows of resources related to pensions                                  | (133,036)        | (92,816)       | (12,021)       | (237,873)      |
| Net Cash Provided by/(Used for) Operating Activities   | \$ (2,131,705)   | \$ 2,408,251   | \$ (422,797)   | \$ (146,251)   |

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



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2019**

|                           |   |
|---------------------------|---|
|                           | SCIP R-12.4<br>Reservoir<br>Agency Fund |
|                           | <u>                    </u>             |
| <b>ASSETS</b>             |   |
| Cash and cash equivalents | \$ 1,297,349                            |
|                           | <u>                    </u>             |
| <b>LIABILITIES</b>        |   |
| Due to other governments  | \$ 1,297,349                            |
|                           | <u>                    </u>             |

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



**DRAFT COPY 11/11/19**  
**Financial Statements**  
Audited Financial Statements - Fiscal Year 2018

# Notes to the Financial Statements



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019****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**

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 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.

**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****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 acquisition 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**

Investments are reported at fair value, which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Management reviews investments for events that might affect fair value measurements of investments on a monthly basis. The evaluation is performed at the lowest level of identifiable unit of account.

**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)****I. 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  |

**J. 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.

**K. Uncollectible Accounts**

The District provides an allowance for doubtful accounts for all accounts deemed uncollectible. As of June 30, 2019, this allowance was estimated at \$20,000 in the Water Fund and \$15,000 in the Sewer Fund.

**L. 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.

**M. 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.

**N. 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.



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)****O. 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.

**P. 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 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 represents the District's pension contributions made subsequent to the measurement date, change in proportion and the difference between projected and actual earnings on investments.

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 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 represents the change in proportion and the change in assumptions used in the pension calculation.

**Q. New Accounting Pronouncements**Effective in this Fiscal Year

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and reporting purposes and how those activities should be reported. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The District has not determined the effect on the financial statements.

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**YUCAIPA VALLEY WATER DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**Q. New Accounting Pronouncements, (Continued)**

Effective in Future Fiscal Years

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The District has not determined the effect on the financial statements.

GASB Statement No. 90 – In September 2018, the GASB issues Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018. The District has not determined the effect on the financial statements.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The district has not determined the effect on the financial statements.

**NOTE 2 – CASH AND INVESTMENTS**

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

|   |                             |
|---|-----------------------------|
| Statement of Net Position                     |                             |
| Cash and investments                          | \$ 10,898,014               |
| Restricted investments - Non-current          | 3,946,592                   |
| Statement of Fiduciary Assets and Liabilities |                             |
| Cash and cash equivalents                     | 1,297,349                   |
| Total Cash and Investments                    | <u><u>\$ 16,141,955</u></u> |





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**YUCAIPA VALLEY WATER DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 – CASH AND INVESTMENTS, (Continued)**

Cash and investments as of June 30, 2019, consist of the following:

|                            |                      |
|----------------------------|----------------------|
| Petty cash                 | \$ 800               |
| Cash                       | 4,605,142            |
| Investments                | <u>11,536,013</u>    |
| Total Cash and Investments | <u>\$ 16,141,955</u> |

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

The table below identifies the investment types that are authorized for the Yucaipa Valley Water District by the California Government Code and the District's policy, 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<br>Investment Type       | Maximum<br>Maturity | Maximum<br>Percentage<br>of Portfolio | Maximum<br>Investment<br>in One Issuer |
|-------------------------------------|---------------------|---------------------------------------|--|
| U.S. Treasury Obligations           | 5 years             | None                                  | None                                   |
| Money Market Funds                  | 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<br>Investment Type      | Maximum<br>Maturity | Maximum<br>Percentage<br>of Portfolio | Maximum<br>Investment<br>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                                   |



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**YUCAIPA VALLEY WATER DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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<br>12 Months<br>or Less |
|---------------------|---------------|----------------------------------|
| LAIF                | \$ 10,287,445 | \$ 10,287,445                    |
| U.S. Treasury Bills | 490,795       | 490,795                          |
| Money Market Funds  | 757,773       | 757,773                          |
| Total               | \$ 11,536,013 | \$ 11,536,013                    |

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the rating as of year-end for each investment type:

|                     | Fair Value    | S&P<br>Rating at<br>June 30, 2018 |
|---------------------|---------------|-----------------------------------|
| LAIF                | \$ 10,287,445 | Unrated                           |
| U.S. Treasury Bills | 490,795       | AA+                               |
| Money Market Funds  | 757,773       | AAAm                              |
| Total               | \$ 11,536,013 |                                   |

**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****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, 2019, the District has \$3,661,183 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. LAIF has a portion of the pool invested in structured notes and asset backed securities. 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 not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals to and from LAIF are transferred on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy, LAIF is valued based on inputs not categorized as level 1, level 2, or level 3.

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**YUCAIPA VALLEY WATER DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2 – CASH AND INVESTMENTS, (Continued)**

**Fair Value Hierarchy**

The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The district has the following recurring fair value measurements as of year-end.

As of June 30, 2019:

| Investments by Fair Value Level                        | Fair Value           | Fair Value Measurement  |   |  |
|--|----------------------|---|---|--|
|  |                      | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| U.S Treasury Bills                                     | \$ 490,795           | \$ 490,795  | \$ -  | \$ -   |
| <u>Investments not Subject to Fair Value Hierarchy</u> |                      |   |   |  |
| Local Agency Investment Fund                           | 10,287,445           |   |   |  |
| Money Market Funds                                     | <u>757,773</u>       |   |   |  |
| Total Investments                                      | <u>\$ 11,536,013</u> |   |   |  |

In determining fair value, the district’s custodians use various methods including market and income approaches. Based on these approaches, the district’s custodians utilize certain assumptions that market participants would use in pricing the asset or liability. The district’s custodians utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Various inputs are used in determining the value of the district’s investments and other financial instruments. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. These inputs are summarized in the three broad levels: Level 1 - quoted prices in active markets for identical investments, Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) and Level 3 - significant unobservable inputs (including the district’s own assumptions in determining the fair value of investments).

**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019****NOTE 3 – CAPITAL ASSETS**

The following tables summarize capital asset activity during 2018-2019:

| Water Fund                                  | Balance<br>June 30, 2018 | Increases    | Decreases      | Balance<br>June 30, 2019 |
|---|--------------------------|--------------|----------------|--------------------------|
| Capital assets not being depreciated:       |                          |              |                |                          |
| Land and easements                          | \$ 4,111,106             |              |                | \$ 4,111,106             |
| Water rights                                | 432,941                  |              |                | 432,941                  |
| Construction in progress                    | 12,261,572               | \$ 1,784,154 | \$ (8,266,065) | 5,779,661                |
| Total capital assets not being depreciated  | 16,805,619               | 1,784,154    | (8,266,065)    | 10,323,707               |
| Capital assets being depreciated:           |                          |              |                |                          |
| Structures and improvements                 | 130,636,540              | 8,354,672    |                | 138,991,212              |
| Equipment                                   | 4,710,053                | 219,628      |                | 4,929,681                |
| Total capital assets being depreciated      | 135,346,593              | 8,574,300    |                | 143,920,893              |
| Less accumulated depreciation for:          |                          |              |                |                          |
| Structures and improvements                 | (45,392,240)             | (3,256,733)  |                | (48,648,973)             |
| Equipment                                   | (3,819,071)              | (226,452)    |                | (4,045,523)              |
| Total accumulated depreciation              | (49,211,311)             | (3,483,185)  |                | (52,694,496)             |
| Total capital assets being depreciated, net | 86,135,282               | 5,091,115    |                | 91,226,395               |
| Water Fund capital assets, net              | \$ 102,940,901           | \$ 6,875,269 | \$ (8,266,065) | \$ 101,550,104           |

Depreciation expense was \$3,483,185 for the year ended June 30, 2019.



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****NOTE 3 – CAPITAL ASSETS, (Continued)**

| Sewer Fund                                  | Balance<br>June 30, 2018 | Increases           | Decreases             | Balance<br>June 30, 2019 |
|---|--------------------------|---------------------|-----------------------|--------------------------|
| Capital assets not being depreciated:       |                          |                     |                       |                          |
| Land and easements                          | \$ 1,476,199             | \$ 305,525          |                       | \$ 1,781,724             |
| Water rights                                | 9,254,678                |                     |                       | 9,254,678                |
| Construction in progress                    | 2,735,776                | 805,000             | \$ (2,504,694)        | 1,036,082                |
| Total capital assets not being depreciated  | <u>13,466,653</u>        | <u>1,110,525</u>    | <u>(2,504,694)</u>    | <u>12,072,484</u>        |
| Capital assets being depreciated:           |                          |                     |                       |                          |
| Structures and improvements                 | 174,704,728              | 2,792,595           | (138,050)             | 177,359,273              |
| Equipment                                   | 1,592,988                |                     |                       | 1,592,988                |
| Total capital assets being depreciated      | <u>176,297,716</u>       | <u>2,792,595</u>    | <u>(138,050)</u>      | <u>178,952,261</u>       |
| Less accumulated depreciation for:          |                          |                     |                       |                          |
| Structures and improvements                 | (65,218,708)             | (4,312,737)         | 138,050               | (69,393,395)             |
| Equipment                                   | (1,421,212)              | (25,331)            |                       | (1,446,543)              |
| Total accumulated depreciation              | <u>(66,639,920)</u>      | <u>(4,338,068)</u>  | <u>138,050</u>        | <u>(70,839,938)</u>      |
| Total capital assets being depreciated, net | <u>109,657,796</u>       | <u>(1,545,473)</u>  |                       | <u>108,112,323</u>       |
| Sewer Fund capital assets, net              | <u>\$ 123,124,449</u>    | <u>\$ (434,948)</u> | <u>\$ (2,504,694)</u> | <u>\$ 120,184,807</u>    |

Depreciation expense was \$4,338,068 for the year ended June 30, 2019.



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****NOTE 3 – CAPITAL ASSETS, (Continued)**

| Recycled Water Fund                         | Balance<br>June 30, 2018 | Increases    | Decreases      | Balance<br>June 30, 2019 |
|---|--------------------------|--------------|----------------|--------------------------|
| Capital assets not being depreciated        |                          |              |                |                          |
| Construction in progress                    | \$ 6,442,544             | \$ 67,560    | \$ (6,051,495) | \$ 458,610               |
| Total capital assets not being depreciated  | 6,442,544                | 67,560       | (6,051,495)    | 458,610                  |
| Capital assets being depreciated:           |                          |              |                |                          |
| Structures and improvements                 | 25,461,601               | 6,084,216    |                | 31,545,817               |
| Equipment                                   | 147,000                  |              |                | 147,000                  |
| Total capital assets being depreciated      | 25,608,601               | 6,084,216    |                | 31,692,817               |
| Less accumulated depreciation for:          |                          |              |                |                          |
| Structures and improvements                 | (7,316,320)              | (860,238)    |                | (8,176,558)              |
| Equipment                                   | (73,500)                 | (14,700)     |                | (88,200)                 |
| Total accumulated depreciation              | (7,389,820)              | (874,938)    |                | (8,264,758)              |
| Total capital assets being depreciated, net | 18,218,781               | 5,209,278    |                | 23,428,057               |
| Recycled Water Fund capital assets, net     | \$ 24,661,325            | \$ 5,276,838 | \$ (6,051,495) | \$ 23,886,667            |

Depreciation expense was \$874,938 for the year ended June 30, 2019.

**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 and to pay delivery costs of the certificates.

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. The bonds are subject to optional redemption as a whole or in part on any date in order of maturity as directed by the District. The District has covenanted to provide certain financial information and operating data annually not later than 270 days following the end of the fiscal year. See Note 12 for revenues pledged. The Bonds are recorded in the Water Fund.



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****NOTE 4 – REFUNDING REVENUE BONDS SERIES 2015 A, (Continued)**

Maturities of the revenue refunding bonds are as follows:

| Fiscal Year<br>Ending | 2015 Refunding Revenue Bonds Series A |                      |                      |
|-----------------------|---------------------------------------|----------------------|----------------------|
|                       | Principal                             | Interest             | Total                |
| 2020                  | \$ 1,170,000                          | \$ 1,122,612         | \$ 2,292,612         |
| 2021                  | 1,230,000                             | 1,062,612            | 2,292,612            |
| 2022                  | 1,290,000                             | 1,006,062            | 2,296,062            |
| 2023                  | 1,335,000                             | 960,237              | 2,295,237            |
| 2024                  | 1,390,000                             | 904,462              | 2,294,462            |
| 2025-2029             | 8,060,000                             | 3,401,710            | 11,461,710           |
| 2030-2034             | 9,905,000                             | 1,562,692            | 11,467,692           |
| 2035                  | 2,240,000                             | 56,000               | 2,296,000            |
| Total                 | <u>\$ 26,620,000</u>                  | <u>\$ 10,076,387</u> | <u>\$ 36,696,387</u> |

**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<br>Ending | 2006 State Revolving Fund Loan |                     |                      |
|-----------------------|--------------------------------|---------------------|----------------------|
|                       | Principal                      | Interest            | Total                |
| 2020                  | \$ 2,306,368                   | \$ 617,301          | \$ 2,923,669         |
| 2021                  | 2,361,721                      | 561,948             | 2,923,669            |
| 2022                  | 2,418,402                      | 505,267             | 2,923,669            |
| 2023                  | 2,476,444                      | 447,225             | 2,923,669            |
| 2024                  | 2,535,878                      | 387,790             | 2,923,669            |
| 2025-2029             | 13,622,052                     | 996,291             | 14,618,344           |
| Total                 | <u>\$ 25,720,865</u>           | <u>\$ 3,515,822</u> | <u>\$ 29,236,687</u> |



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019****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<br>Ending | 2010 State Revolving Fund Loan |              |              |
|-----------------------|--------------------------------|--------------|--------------|
|                       | Principal                      | Interest     | Total        |
| 2020                  | \$ 447,138                     | \$ 202,136   | \$ 649,274   |
| 2021                  | 459,211                        | 190,063      | 649,274      |
| 2022                  | 471,609                        | 177,664      | 649,274      |
| 2023                  | 484,343                        | 164,931      | 649,274      |
| 2024                  | 497,420                        | 151,854      | 649,274      |
| 2025-2029             | 2,695,956                      | 550,412      | 3,246,368    |
| 2030-2033             | 2,430,828                      | 166,266      | 2,597,094    |
| Total                 | \$ 7,486,504                   | \$ 1,603,325 | \$ 9,089,829 |

**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<br>Ending | 2013 (Wise) State Revolving Fund Loan |            |              |
|-----------------------|---------------------------------------|------------|--------------|
|                       | Principal                             | Interest   | Total        |
| 2020                  | \$ 136,599                            | \$ 48,652  | \$ 185,251   |
| 2021                  | 139,605                               | 45,647     | 185,251      |
| 2022                  | 142,676                               | 42,575     | 185,251      |
| 2023                  | 145,815                               | 39,437     | 185,251      |
| 2024                  | 149,023                               | 36,229     | 185,251      |
| 2025-2029             | 795,757                               | 130,499    | 926,257      |
| 2030-2033             | 701,977                               | 39,029     | 741,005      |
| Total                 | \$ 2,211,451                          | \$ 382,067 | \$ 2,593,518 |

**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****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<br>Ending | 2013 (R-10.3) State Revolving Fund Loan |            |            |
|-----------------------|---|------------|------------|
|                       | Principal                               | Interest   | Total      |
| 2020                  | \$ 40,023                               | \$ 14,255  | \$ 54,277  |
| 2021                  | 40,903                                  | 13,374     | 54,277     |
| 2022                  | 41,803                                  | 12,474     | 54,277     |
| 2023                  | 42,723                                  | 11,555     | 54,277     |
| 2024                  | 43,663                                  | 10,615     | 54,277     |
| 2025-2029             | 233,151                                 | 38,235     | 271,387    |
| 2030-2033             | 205,674                                 | 11,435     | 217,109    |
| Total                 | \$ 647,939                              | \$ 111,943 | \$ 759,882 |

**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 District received the amount of \$310,179. The loan accrues interest at a rate of 2.2 percent annually on amounts drawn. Repayment will be made in 20 annual installments. The first payment occurred in March 2016. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

| Fiscal Year<br>Ending | 2013 (Crow) State Revolving Fund Loan |           |            |
|-----------------------|---------------------------------------|-----------|------------|
|                       | Principal                             | Interest  | Total      |
| 2020                  | \$ 15,667                             | \$ 5,574  | \$ 21,241  |
| 2021                  | 15,994                                | 5,230     | 21,223     |
| 2022                  | 16,346                                | 4,878     | 21,223     |
| 2023                  | 16,705                                | 4,518     | 21,223     |
| 2024                  | 17,073                                | 4,151     | 21,223     |
| 2025-2029             | 91,166                                | 14,951    | 106,116    |
| 2030-2033             | 80,422                                | 4,471     | 84,893     |
| Total                 | \$ 253,372                            | \$ 43,771 | \$ 297,144 |

**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019****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, 2019, total accruals for the Water and Sewer funds amounted to \$861,122 and \$372,441, respectively. The District estimated, based on historical trends, that approximately \$274,648 and \$130,354 of the Water and Sewer balances, respectively, will come due during fiscal year 2019-2020. During the year, compensated absences with an estimated value of \$358,227 were accrued, \$431,780 were used and the ending balance was \$1,233,563.

**NOTE 11 – CHANGES IN LONG-TERM LIABILITIES**

The following table summarizes changes in long-term liabilities balances for the fiscal year ended June 30, 2019:

|   | Balance<br>June 30, 2018 | Additions | Repayments     | Balance<br>June 30, 2019 | Amount Due<br>in 2019-20 |
|---|--------------------------|-----------|----------------|--------------------------|--------------------------|
| 2015 Refunding Revenue Bonds            | \$ 27,735,000            |           | \$ (1,115,000) | \$ 26,620,000            | \$ 1,170,000             |
| Unamortized premium                     | 2,839,415                |           | (170,365)      | 2,669,050                |                          |
| Total Certificates of Participation     | 30,574,415               |           | (1,285,365)    | 29,289,050               | 1,170,000                |
| State Revolving Fund Loan - 2006        | 27,973,178               |           | (2,252,312)    | 25,720,865               | 2,306,368                |
| State Revolving Fund Loan - 2010        | 7,921,887                |           | (435,383)      | 7,486,504                | 447,138                  |
| State Revolving Fund Loan - 2013 Wise   | 2,345,110                |           | (133,659)      | 2,211,451                | 136,599                  |
| State Revolving Fund Loan - 2013 R-10.3 | 687,101                  |           | (39,161)       | 647,939                  | 40,023                   |
| State Revolving Fund Loan - 2013 Crow   | 268,665                  |           | (15,331)       | 253,355                  | 15,667                   |
| Total State Revolving Fund Loans        | 39,195,941               |           | (2,875,846)    | 36,320,114               | 2,945,795                |
| Total Long-term Liabilities             | \$ 69,770,356            | \$ -      | \$ (4,161,211) | \$ 65,609,164            | \$ 4,115,795             |

**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) as disclosed in Note 4. Net revenues are defined 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 \$36,696,387. Principal and interest paid for the current year was \$2,294,737 and total net revenues were \$5,744,546.

For the state revolving fund loans recorded in the Sewer Fund, the District has pledged all revenues and amounts legally available to repay the loans.

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**YUCAIPA VALLEY WATER DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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.

*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, 2019, are summarized as follows:

|   | <u>Miscellaneous</u>        | <u>PEPRA -<br/>Miscellaneous</u> |
|---|-----------------------------|----------------------------------|
|   | Prior to January 1,<br>2013 | On or after January<br>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%                          | 6.250%                           |
| Required employer contribution rates      | 7.653%                      | 6.533%                           |
| Employer payment of unfunded liability    | \$ 443,606                  | \$ 36                            |

*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 \$919,668 for the year ended June 30, 2019.

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

As of June 30, 2019, the District reported a liability of \$6,176,087 for its proportionate share of the collective net pension liability.



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**YUCAIPA VALLEY WATER DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)**

The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using 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, 2018 and 2019 was as follows:

|                            |                  |
|----------------------------|------------------|
| Proportion - June 30, 2018 | 0.06580%         |
| Proportion - June 30, 2019 | <u>0.06409%</u>  |
| Change - Decrease          | <u>-0.00171%</u> |

For the year ended June 30, 2019, the District recognized a pension expense of \$811,055. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Contributions subsequent to the measurement date  | \$ 919,668                                |  |
| Changes between expected and actual experience  | 156,328                                   |  |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | 160,707                                   | \$ 185,739                               |
| Changes in assumptions  | 531,533                                   |  |
| Net difference between projected and actual earnings on pension plan investments                            | 30,533                                    |  |
|   | <u>\$ 1,798,769</u>                       | <u>\$ 185,739</u>                        |

\$919,668 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended<br/>June 30,</u> |                   |
|--------------------------------|-------------------|
| 2020                           | \$ 618,534        |
| 2021                           | 328,529           |
| 2022                           | (198,152)         |
| 2023                           | (55,550)          |
|                                | <u>\$ 693,361</u> |



**DRAFT COPY 11/11/19****YUCAIPA VALLEY WATER DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****JUNE 30, 2019****NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)**

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions.

|                           |  |
|---------------------------|--|
| Valuation Date            | June 30, 2017                          |
| Measurement Date          | June 30, 2018                          |
| Actuarial Cost Method     | Entry-Age Normal Cost Method           |
| Actuarial Assumptions:    |  |
| Discount Rate             | 7.15%                                  |
| Inflation                 | 2.50%                                  |
| Projected Salary Increase | Varies by entry age and service        |
| Investment Rate of Return | 7.15%                                  |
| Mortality                 | Derived using CalPERS' Membership Data |

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. Further details of the Experience Study (based on CalPERS demographic data from 1997 to 2015) can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15 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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JUNE 30, 2019****NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)**

In determining the long-term expected 7.15 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) and the long term (11+ 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 of return was set by calculating the rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

| Asset Class <sup>(1)</sup> | New Strategic<br>Allocation | Real Return Years<br>1-10 <sup>(2)</sup> | Real Return<br>Years 11+ <sup>(3)</sup> |
|----------------------------|-----------------------------|--|---|
| Global Equity              | 50%                         | 4.80%                                    | 5.98%                                   |
| Fixed Income               | 28%                         | 1.00%                                    | 2.62%                                   |
| Inflation Assets           | 0%                          | 0.77%                                    | 1.81%                                   |
| Private Equity             | 8%                          | 6.30%                                    | 7.23%                                   |
| Real Estate                | 13%                         | 3.75%                                    | 4.93%                                   |
| Liquidity                  | 1%                          | 0.00%                                    | -0.92%                                  |
| Total                      | 100%                        |  |   |

<sup>(1)</sup> In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in both Global Equity Securities and Global Debt Securities

<sup>(2)</sup> An expected inflation of 2.00% used for this period

<sup>(3)</sup> An expected inflation of 2.92% used for this period

**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 7.15 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           |    | 6.15%      |
| Net Pension Liability | \$ | 10,285,684 |
| Current Discount Rate |    | 7.15%      |
| Net Pension Liability | \$ | 6,176,087  |
| 1% Increase           |    | 8.15%      |
| Net Pension Liability | \$ | 2,783,683  |

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



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The District has entered into contracts for various services and projects that will require payments in future fiscal years. None of these contracts are considered by management to represent a significant commitment of the district's resources.

**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 in the expense "Administrative services" in the Sewer Fund. The amount reimbursed for these services was \$202,500 as of June 30, 2019.

**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, 2019, 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 \$99,902,731. 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 – 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, 2019 was \$10,690,000.



**DRAFT COPY 11/11/19**

**Financial Statements**

Audited Financial Statements - Fiscal Year 2018

## Required Supplementary Information



**DRAFT COPY 11/11/19**

**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, 2019**

|  | <b>2019</b>  | <b>2018</b>  | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  |
|--|--------------|--------------|--------------|--------------|--------------|
| Proportion of the collective net pension liability   | 0.06409%     | 0.06580%     | 0.06547%     | 0.06295%     | 0.07950%     |
| Proportionate share of the collective net pension liability                                    | \$ 6,176,087 | \$ 6,525,230 | \$ 5,665,084 | \$ 4,320,667 | \$ 4,947,010 |
| Covered payroll  | \$ 4,973,515 | \$ 5,752,996 | \$ 5,611,132 | \$ 5,411,972 | \$ 5,245,090 |
| Proportionate share of the collective net pension liability as a percentage of covered payroll | 124.18%      | 113.42%      | 100.96%      | 79.84%       | 94.32%       |
| Plan fiduciary net position as a percentage of the total pension liability                     | 75.26%       | 73.31%       | 74.06%       | 78.40%       | 79.82%       |

\* - Fiscal year 2015 was the first year of implementation.

*Changes of Assumption*

The discount rate stayed the same at 7.15 percent for the June 30, 2017 measurement date and June 30, 2018 measurement date.

**DRAFT COPY 11/11/19**

**YUCAIPA VALLEY WATER DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS LAST TEN YEARS\*  
AS OF THE FISCAL YEAR ENDING JUNE 30, 2019**

|  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  |
|--|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contributions                                 | \$ 919,668   | \$ 752,731   | \$ 697,729   | \$ 882,127   | \$ 570,529   |
| Contributions in relation to the actuarially determined contribution | 919,668      | 752,731      | 697,729      | 882,127      | 570,529      |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| <br>   |              |              |              |              |              |
| Covered payroll  | \$ 5,478,278 | \$ 4,973,515 | \$ 5,752,996 | \$ 5,611,132 | \$ 5,411,972 |
| Contributions as a percentage of covered payroll                     | 16.79%       | 15.13%       | 12.13%       | 15.72%       | 10.54%       |

\* - Fiscal year 2015 was the first year of implementation.



## Director Memorandum 19-129

**Date:** November 19, 2019

**Prepared By:** Allison M. Edmisten, Chief Financial Officer

**Subject:** Presentation of the Unaudited Financial Report for the Period Ending on October 31, 2019

**Recommendation:** That the Board receive and file the unaudited financial report.

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

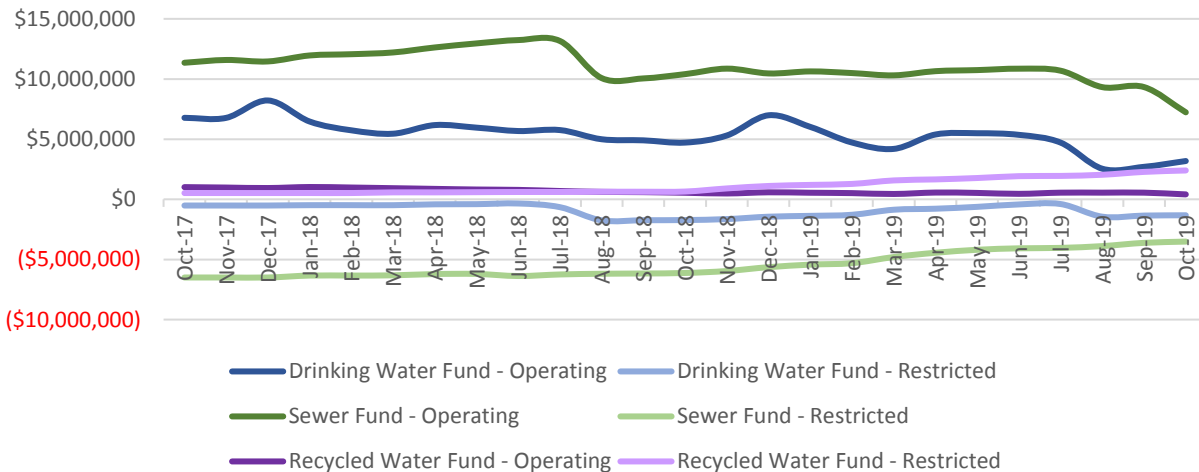
### Cash Fund Balance and Cash Flow Reports

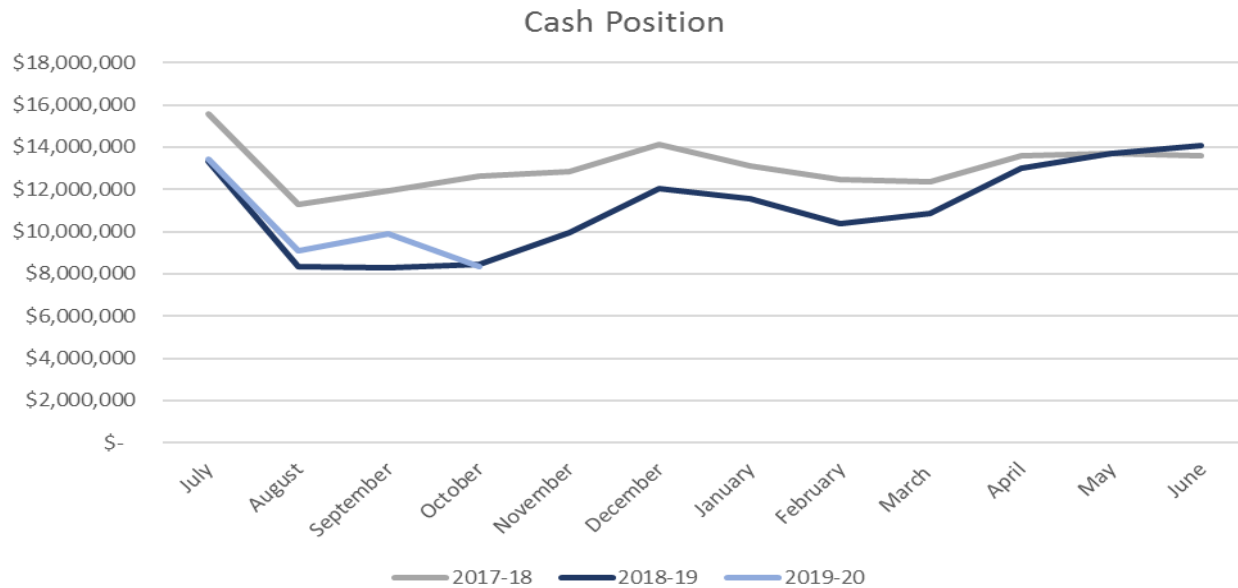
[Detailed information can be found on page 7 to 8 of 25]

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          | \$ 3,180,046.69         | \$ (1,327,710.22)        | \$ 1,852,336.47        |
| Sewer Division          | \$ 7,228,509.34         | \$ (3,516,917.89)        | \$ 3,711,591.45        |
| Recycled Water Division | \$ 406,320.69           | \$ 2,395,880.49          | \$ 2,802,201.18        |
| <b>Total</b>            | <b>\$ 10,814,876.72</b> | <b>\$ (2,448,747.62)</b> | <b>\$ 8,366,129.10</b> |

Fund Balance





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.

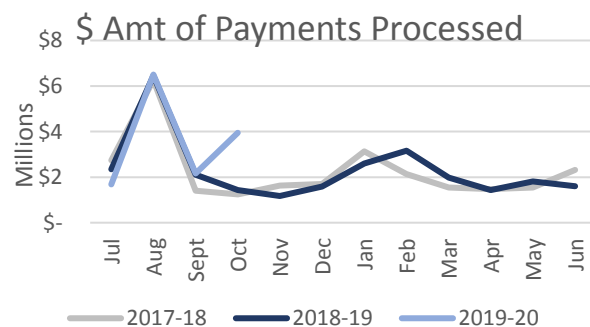
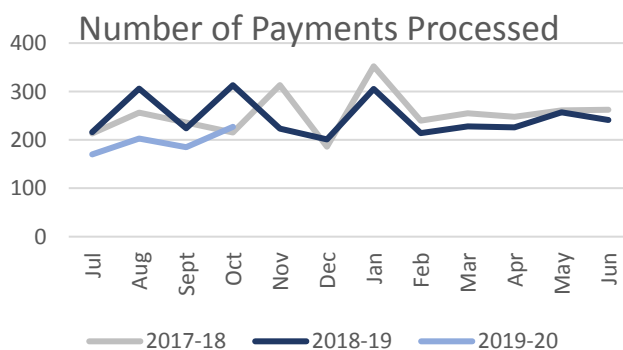
The Cash Flow Report provides a list of the debt service payment due dates and amounts as well as the cash flow requirements for debt service for each month of the fiscal year.

### Cash Disbursement Report

[Detailed information can be found on pages 9 to 13 of 25]

The cash disbursement report lists each check and electronic payment processed during the month of October 2019. All payments are reviewed by District staff for accuracy and completeness, checks are usually signed by the General Manager and one Director but may be signed by two Directors. The Chief Financial Officer will make any check, payment, invoice or supporting documentation available for review to any board member upon request.

|                     | Number Processed | Amount Processed       |
|---------------------|------------------|------------------------|
| Checks              | 210              | \$ 3,176,876.77        |
| Electronic Payments | 17               | \$ 774,037.99          |
| <b>Total</b>        | <b>227</b>       | <b>\$ 3,950,914.76</b> |



**Financial Account Information**

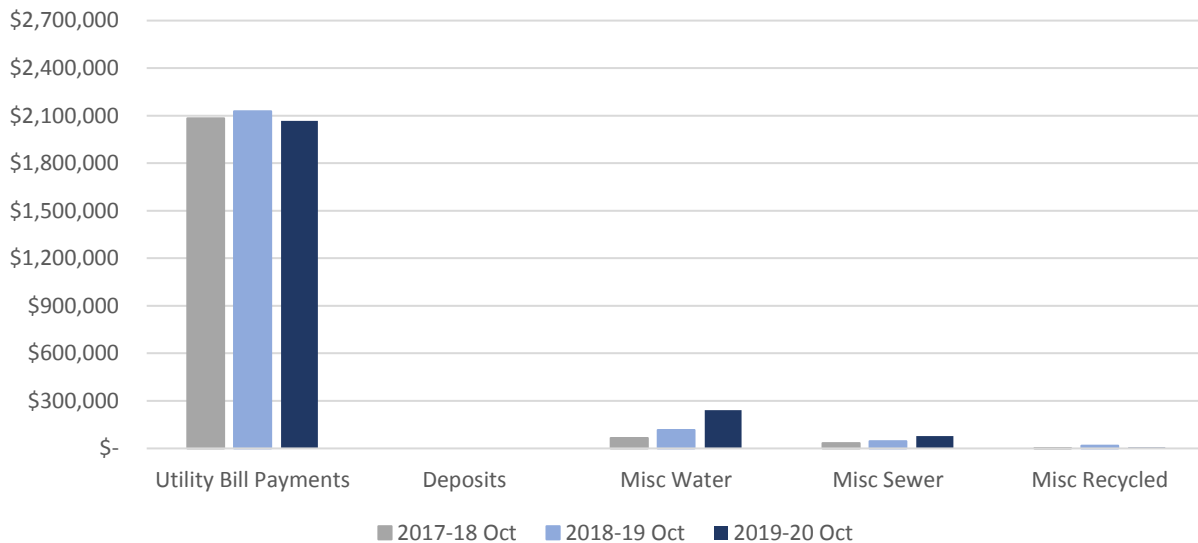
The District currently deposits all revenue received via mail or in person into the Deposit Checking account. All revenue received through Xpress Bill Pay is kept in a separate account and transferred weekly to the Deposit Checking account. The General Checking account is used as a sole processing account 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.

**Monthly Revenue Allocation:**

| Funding Source                    | Total                  |
|-----------------------------------|------------------------|
| Utility Bill Payments             | \$ 2,067,410.80        |
| Deposits                          | \$ 0.00                |
| Misc. Water Related Activities    | \$ 240,526.17          |
| Misc. Sewer Related Activities    | \$ 77,678.58           |
| Misc. Recycled Related Activities | \$ 6,015.93            |
| <b>Total</b>                      | <b>\$ 2,391 631.48</b> |

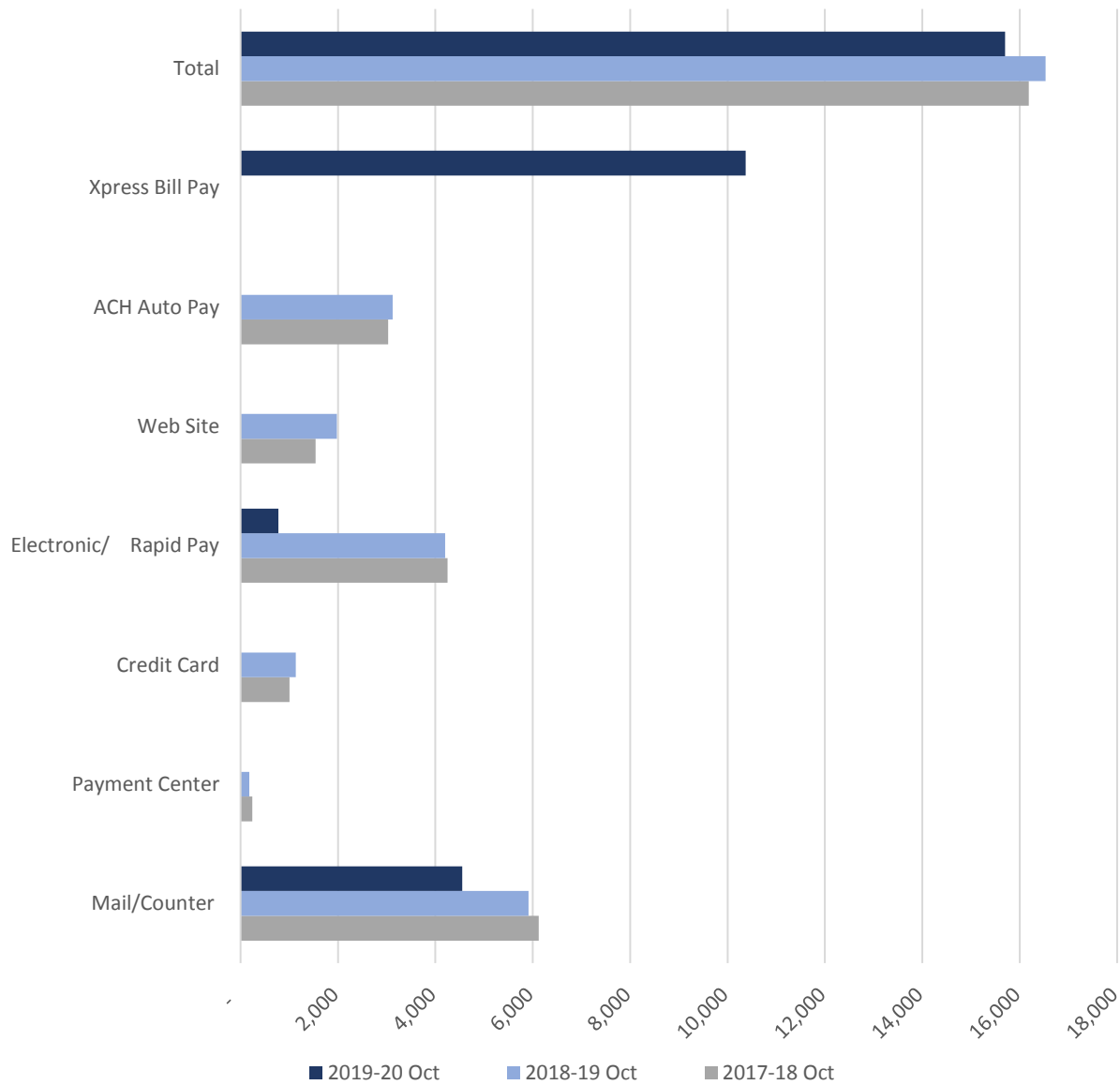
Monthly Revenue Allocation



Summary of Utility Bill Payments:

| Payment Method       | Number of Payments | % of Total Received |
|----------------------|--------------------|---------------------|
| Mail/Counter         | 4,552              | 29.00%              |
| Electronic Rapid Pay | 777                | 4.95%               |
| Xpress Bill Pay      | 10,369             | 66.05%              |
| <b>Total</b>         | <b>15,698</b>      | <b>100.00%</b>      |

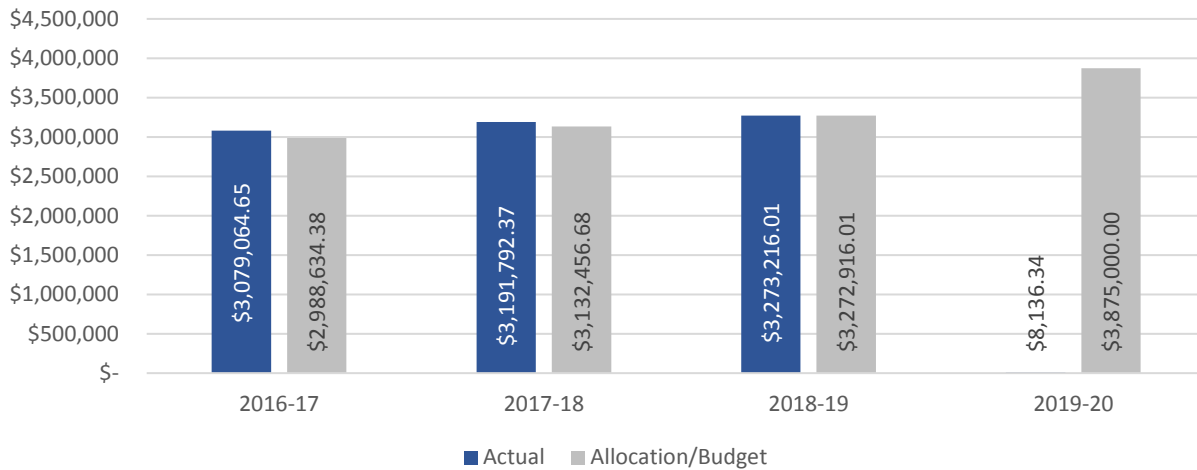
Type of Payments



**Summary of Property Tax Revenue:**

| Current Month  | Year-to-Date | Budget Amount | Percentage |
|----------------|--------------|---------------|------------|
| Property Taxes | \$ 8,136     | \$ 3,875,000  | 0.21%      |

Property Taxes - Actual vs. Budget



**Investment Summary**

[Detailed information can be found on pages 14 to 15 of 25]

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.

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.

**Fiscal Year 2019-20 Detail Budget Status**

[Detailed information can be found on pages 16 to 25 of 25]

The revenue and expense budget status for the 2019-20 Fiscal Year is provided for your review.



### Questions or Comments

If you have any questions about a particular budget account, please do not hesitate to contact the Chief Financial Officer 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.

| <b>Summary of Revenue Budget</b>                    |                      |                     |                      |                   |
|---|----------------------|---------------------|----------------------|-------------------|
| <b>As of October 31, 2019 (28% of Budget Cycle)</b> |                      |                     |                      |                   |
| <b>Division</b>                                     | <b>Current Month</b> | <b>Year-to-Date</b> | <b>Budget Amount</b> | <b>Percentage</b> |
| Water   | \$ 1,146,238         | \$ 3,869,689        | \$ 14,455,500        | 26.77%            |
| Sewer   | \$ 1,007,900         | \$ 3,496,775        | \$ 12,217,712        | 28.62%            |
| Recycled Water                                      | \$ 112,653           | \$ 342,376          | \$ 1,301,447         | 26.31%            |
| <b>District Revenue</b>                             | <b>\$ 2,266,791</b>  | <b>\$ 7,708,840</b> | <b>\$ 27,974,659</b> | <b>27.56%</b>     |

| <b>Summary of Water Budget vs. Expenses</b>         |                      |                     |                      |                   |
|---|----------------------|---------------------|----------------------|-------------------|
| <b>As of October 31, 2019 (28% of Budget Cycle)</b> |                      |                     |                      |                   |
| <b>Department</b>                                   | <b>Current Month</b> | <b>Year-to-Date</b> | <b>Budget Amount</b> | <b>Percentage</b> |
| Water Resources                                     | \$ 320,197           | \$ 1,582,167        | \$ 5,220,192         | 30.31%            |
| Public Works  | \$ 207,961           | \$ 1,078,788        | \$ 3,176,293         | 33.96%            |
| Administration                                      | \$ 251,833           | \$ 1,190,685        | \$ 3,756,403         | 31.70%            |
| Long Term Debt                                      | \$ -                 | \$ 1,745,648        | \$ 2,292,612         | 76.14%            |
| Asset Acquisition                                   | \$ -                 | \$ -                | \$ -                 | 0.00%             |
| <b>TOTAL</b>  | <b>\$ 779,991</b>    | <b>\$ 5,597,289</b> | <b>\$ 14,445,500</b> | <b>38.75%</b>     |

| <b>Summary of Sewer Budget vs. Expenses</b>         |                      |                     |                      |                   |
|---|----------------------|---------------------|----------------------|-------------------|
| <b>As of October 31, 2019 (28% of Budget Cycle)</b> |                      |                     |                      |                   |
| <b>Department</b>                                   | <b>Current Month</b> | <b>Year-to-Date</b> | <b>Budget Amount</b> | <b>Percentage</b> |
| Treatment   | \$ 292,163           | \$ 1,376,704        | \$ 4,198,162         | 32.79%            |
| Administration                                      | \$ 146,030           | \$ 1,020,502        | \$ 2,803,515         | 36.40%            |
| Environmental Control                               | \$ 87,837            | \$ 430,735          | \$ 1,382,316         | 31.16%            |
| Long Term Debt                                      | \$ -                 | \$ 2,923,669        | \$ 3,833,719         | 76.26%            |
| Asset Acquisition                                   | \$ -                 | \$ -                | \$ -                 | 0.00%             |
| <b>TOTAL</b>  | <b>\$ 526,030</b>    | <b>\$ 5,751,610</b> | <b>\$ 12,217,712</b> | <b>47.08%</b>     |

| <b>Summary of Recycled Water Budget vs. Expenses</b> |                      |                      |                      |                   |
|--|----------------------|----------------------|----------------------|-------------------|
| <b>As of October 31, 2019 (28% of Budget Cycle)</b>  |                      |                      |                      |                   |
| <b>Department</b>                                    | <b>Current Month</b> | <b>Year-to-Date</b>  | <b>Budget Amount</b> | <b>Percentage</b> |
| Administration                                       | \$ 90,522            | \$ 370,719           | \$ 1,301,447         | 28.49%            |
| <b>TOTAL</b>   | <b>\$ 90,522</b>     | <b>\$ 370,719</b>    | <b>\$ 1,301,447</b>  | <b>28.49%</b>     |
| <b>District Expenses</b>                             | <b>\$ 1,396,543</b>  | <b>\$ 11,719,617</b> | <b>\$ 27,964,659</b> | <b>41.91%</b>     |

## Cash Fund Balance Report - October 2019

| Water Division              |                                     | GL#      | Balance                |
|-----------------------------|-------------------------------------|----------|------------------------|
| Restricted                  | *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 | \$ (5,808,518.63)      |
|                             | *FCC - Future YVRWFF Phase II & III | 02-10403 | \$ 545,302.54          |
|                             | *FCC - Recycled System              | 02-10410 | \$ (670,880.10)        |
|                             | *FCC - Booster Pumping Plants       | 02-10411 | \$ 897,707.00          |
|                             | *FCC - Pipeline Facilities          | 02-10412 | \$ 817,644.68          |
|                             | *FCC - Water Storage Reservoirs     | 02-10413 | \$ 2,517,479.13        |
| Operating                   | Depreciation Reserves               | 02-10310 | \$ 1,011,070.31        |
|                             | Infrastructure Reserves             | 02-10311 | \$ 3,875,450.51        |
|                             | Sustainability Fund                 | 02-10313 | \$ 132,915.86          |
|                             | Rate Stabilization Fund             | 02-10314 | \$ 500,209.14          |
|                             | Imported Water Fund - MUNI          | 02-10315 | \$ 626,636.53          |
|                             | Imported Water Fund - SGPWA         | 02-10316 | \$ 884,591.93          |
|                             | Operating Funds:                    |          | \$ (3,850,827.59)      |
| <b>Total Water Division</b> |                                     |          | <b>\$ 1,852,336.47</b> |

| Sewer Division                   |  | GL#      | Balance                |
|----------------------------------|--|----------|------------------------|
| Restricted                       | *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 | \$ 19,255.00           |
|                                  | *FCC - Debt Service WWTP Expansion & Upgrade | 03-10405 | \$ 2,972,558.58        |
|                                  | *FCC - Future WWTP Expansion                 | 03-10407 | \$ 2,188,937.27        |
|                                  | *FCC - Sewer Interceptors                    | 03-10415 | \$ (625,337.91)        |
|                                  | *FCC - Lift Stations                         | 03-10416 | \$ 429,888.31          |
|                                  | *FCC - Effluent Disposal Facilities          | 03-10417 | \$ (1,365,367.00)      |
|                                  | *FCC - Salt Mitigation Facilities            | 03-10418 | \$ (8,010,760.14)      |
| Operating                        | Project Fund - Encumbered                    | 03-10215 | \$ 646,500.00          |
|                                  | Depreciation Reserves                        | 03-10310 | \$ 4,145,522.10        |
|                                  | Infrastructure Reserves                      | 03-10311 | \$ 5,310,295.80        |
|                                  | Rate Stabilization Fund                      | 03-10314 | \$ 1,464,394.90        |
|                                  | Operating Funds:                             |          | \$ (4,338,203.46)      |
| <b>Total Wastewater Division</b> |  |          | <b>\$ 3,711,591.45</b> |

| Recycled Water Division              |                                 | GL#      | Balance                |
|--------------------------------------|---------------------------------|----------|------------------------|
| Restricted                           | *FCC - Recycled System          | 04-10410 | \$ 224,638.23          |
|                                      | *FCC - Booster Pumping Plants   | 04-10411 | \$ 173,336.10          |
|                                      | *FCC - Pipeline Facilities      | 04-10412 | \$ 1,077,832.73        |
|                                      | *FCC - Water Storage Reservoirs | 04-10413 | \$ 920,073.43          |
| Operating                            | Project Fund - Encumbered       | 04-10215 | \$ -                   |
|                                      | Depreciation Reserves           | 04-10310 | \$ 27,994.09           |
|                                      | Infrastructure Reserves         | 04-10311 | \$ 292,492.31          |
|                                      | Operating Funds:                |          | \$ 85,834.29           |
| <b>Total Recycled Water Division</b> |                                 |          | <b>\$ 2,802,201.18</b> |

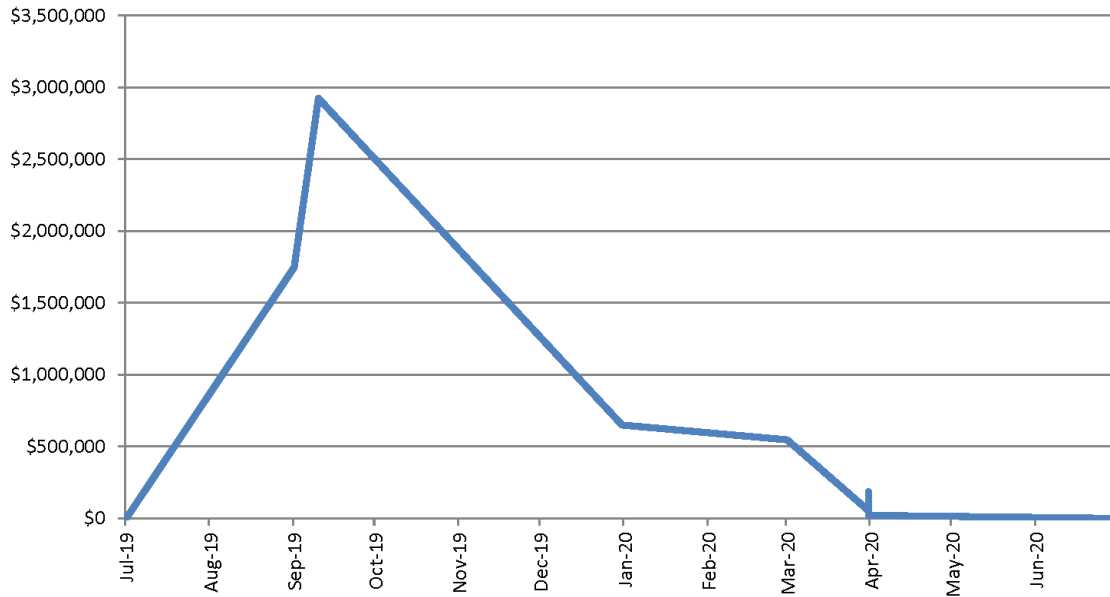
**DISTRICT TOTAL \$ 8,366,129.10**

\*=Restricted Funds

### Cash Flow Report for Fiscal Year 2019-20

| Financial Obligations for Fiscal Year 2019-20 |       |   |                    |                        |
|---|-------|---|--------------------|------------------------|
| Due Date                                      | Fund  | Description                                       | Term of Obligation | Amount                 |
| 9/1/2019                                      | Water | 2015A Bond Payment - YVRWFF                       | 2015-2034          | \$ 1,745,931.25        |
| 9/10/2019                                     | Sewer | SRF Payment - WRWRF                               | 2009-2028          | \$ 2,923,668.75        |
| 12/31/2019                                    | Sewer | SRF Payment - Yucaipa Regional Brineline          | 2013-2032          | \$ 649,273.50          |
| 3/1/2020                                      | Water | 2015A Bond Payment - YVRWFF                       | 2015-2034          | \$ 546,681.25          |
| 3/31/2020                                     | Sewer | SRF Payment - Recycled Reservoir R-10.3           | 2014-2033          | \$ 54,277.31           |
| 3/31/2020                                     | Sewer | SRF Payment - Desalinization at WRWRF             | 2014-2033          | \$ 185,251.30          |
| 3/31/2020                                     | Sewer | SRF Payment - Crow Street/Recycled Booster B-12.1 | 2016-2035          | \$ 21,233.27           |
| <b>Total</b>                                  |       |   |                    | <b>\$ 6,126,316.63</b> |

**Payment Schedule and Cash Flow Requirements  
for Fiscal Year 2019-20**



**Check Register - October 2019**

| <b>Check Date</b> | <b>Check Number</b> | <b>Payee</b>                             | <b>Amount</b> |
|-------------------|---------------------|--|---------------|
| 10/1/2019         | 35535               | Ameripride Uniform Services              | \$ 1,199.47   |
| 10/1/2019         | 35536               | Arrow Staffing                           | \$ 2,361.22   |
| 10/1/2019         | 35537               | Association of Environmental Professiona | \$ 175.00     |
| 10/1/2019         | 35538               | Best Home Center                         | \$ 286.57     |
| 10/1/2019         | 35539               | Brenntag Pacific, Inc                    | \$ 14,502.22  |
| 10/1/2019         | 35540               | CDW LLC                                  | \$ 1,035.34   |
| 10/1/2019         | 35541               | DC Frost Associates, Inc.                | \$ 134,465.80 |
| 10/1/2019         | 35542               | Epic Pest Management                     | \$ 85.00      |
| 10/1/2019         | 35543               | Frontier Communications                  | \$ 158.12     |
| 10/1/2019         | 35544               | Hasa, Inc.                               | \$ 7,574.74   |
| 10/1/2019         | 35545               | Houston & Harris PCS, Inc.               | \$ 1,800.00   |
| 10/1/2019         | 35546               | Inland Water Works Supply Co.            | \$ 145.24     |
| 10/1/2019         | 35547               | Konica Minolta Business Solutions        | \$ 328.03     |
| 10/1/2019         | 35548               | Lawyers Title                            | \$ 750.00     |
| 10/1/2019         | 35549               | MailFinance Inc.                         | \$ 353.07     |
| 10/1/2019         | 35550               | MBC Applied Environmental Sciences       | \$ 1,350.00   |
| 10/1/2019         | 35551               | Novozymes Biologicals, Inc.              | \$ 1,700.00   |
| 10/1/2019         | 35552               | SB CNTY-Fire Protection District         | \$ 2,373.00   |
| 10/1/2019         | 35553               | SCE Rosemead                             | \$ 268,924.78 |
| 10/1/2019         | 35554               | Southern CA Emergency Medicine, Inc.     | \$ 450.00     |
| 10/1/2019         | 35555               | Spectrum Business                        | \$ 2,649.00   |
| 10/1/2019         | 35556               | U.S. Telepacific Corp                    | \$ 2,657.99   |
| 10/1/2019         | 35557               | Westech Engineering                      | \$ 273.44     |
| 10/1/2019         | 35558               | Atkinson, Andelson, Loya, Ruud & Romo    | \$ 162.50     |
| 10/1/2019         | 35559               | Blue Shield of California                | \$ 3,703.40   |
| 10/1/2019         | 35560               | Nippon Life Insurance Co.                | \$ 2,806.25   |
| 10/1/2019         | 35561               | Standard Dental Insurance Co.            | \$ 1,552.24   |
| 10/1/2019         | 35562               | Standard Insurance Vision                | \$ 274.60     |
| 10/1/2019         | 35563               | Western Dental Services Inc.             | \$ 251.16     |
| 10/1/2019         | 35564               | YVWD-Petty Cash                          | \$ 327.86     |
| 10/7/2019         | 35565               | ADS, LLC                                 | \$ 4,275.00   |
| 10/7/2019         | 35566               | Ameripride Uniform Services              | \$ 1,213.27   |
| 10/7/2019         | 35567               | Armorcast Products Company               | \$ 13,292.04  |
| 10/7/2019         | 35568               | Arrow Staffing                           | \$ 1,150.66   |
| 10/7/2019         | 35569               | AutoZone Stores LLC                      | \$ 118.48     |
| 10/7/2019         | 35570               | Backflow Apparatus & Valve Co.           | \$ 121.88     |
| 10/7/2019         | 35571               | Best Home Center                         | \$ 182.76     |
| 10/7/2019         | 35572               | Brenntag Pacific, Inc                    | \$ 27,471.05  |
| 10/7/2019         | 35573               | Cal-Mesa Steel Supply, Inc.              | \$ 80.81      |
| 10/7/2019         | 35574               | Caselle, Inc.                            | \$ 1,989.00   |
| 10/7/2019         | 35575               | Clinical Laboratory of San Bernardino    | \$ 6,194.50   |
| 10/7/2019         | 35576               | Coverall North America, Inc.             | \$ 1,331.00   |
| 10/7/2019         | 35577               | CraneVeyor Corp.                         | \$ 880.00     |
| 10/7/2019         | 35578               | Crown Ace Hardware - Yucaipa             | \$ 98.16      |
| 10/7/2019         | 35579               | Fastenal Company                         | \$ 413.76     |
| 10/7/2019         | 35580               | First American Data Tree, LLC            | \$ 50.00      |
| 10/7/2019         | 35581               | Fuel Equipment Services, Inc.            | \$ 1,245.19   |

**Check Register - October 2019**

| <b>Check Date</b> | <b>Check Number</b> | <b>Payee</b>                             | <b>Amount</b> |
|-------------------|---------------------|--|---------------|
| 10/7/2019         | 35582               | G&G Environmental Compliance, Inc        | \$ 3,862.11   |
| 10/7/2019         | 35583               | Harrington Ind. Plastic, LLC             | \$ 1,830.40   |
| 10/7/2019         | 35584               | Home Depot U.S.A. Inc                    | \$ 796.80     |
| 10/7/2019         | 35585               | House Of Quality, Parts Plus             | \$ 202.72     |
| 10/7/2019         | 35586               | Houston & Harris PCS, Inc.               | \$ 1,800.00   |
| 10/7/2019         | 35587               | JW D'Angelo Co.                          | \$ 256.22     |
| 10/7/2019         | 35588               | Krieger & Stewart                        | \$ 42,133.83  |
| 10/7/2019         | 35589               | Les Schwab Tire Center                   | \$ 91.11      |
| 10/7/2019         | 35590               | Merit Oil Company                        | \$ 6,499.28   |
| 10/7/2019         | 35591               | Myers & Sons Hi-Way Safety Inc.          | \$ 268.05     |
| 10/7/2019         | 35592               | NetComp Technologies, Inc.               | \$ 2,950.00   |
| 10/7/2019         | 35593               | Pacific Coast Landscape & Design, Inc.   | \$ 2,645.00   |
| 10/7/2019         | 35594               | Pall Corporation                         | \$ 721,564.67 |
| 10/7/2019         | 35595               | Pall Corporation                         | \$ 781,187.50 |
| 10/7/2019         | 35596               | Polydyne Inc.                            | \$ 3,462.86   |
| 10/7/2019         | 35597               | Ponton Industries, Inc                   | \$ 2,393.13   |
| 10/7/2019         | 35598               | Q Versa, LLC                             | \$ 15,547.44  |
| 10/7/2019         | 35599               | Redline                                  | \$ 16,142.01  |
| 10/7/2019         | 35600               | Risk Sciences                            | \$ 1,699.62   |
| 10/7/2019         | 35601               | SB CNTY-Treasurer-Tax                    | \$ 54.62      |
| 10/7/2019         | 35602               | SCCI, Inc.                               | \$ 350.00     |
| 10/7/2019         | 35603               | Sinclair Rock and Sand Inc.              | \$ 3,950.00   |
| 10/7/2019         | 35604               | South Coast A.Q.M.D.                     | \$ 13,402.02  |
| 10/7/2019         | 35605               | Sturdivan Emergency Management Consultin | \$ 4,500.00   |
| 10/7/2019         | 35606               | The Gas Company                          | \$ 53.95      |
| 10/7/2019         | 35607               | Transene Company, Inc.                   | \$ 302.99     |
| 10/7/2019         | 35608               | Underground Service Alert Of So. CA      | \$ 336.70     |
| 10/7/2019         | 35609               | REVIZE SOFTWARE SYSTEMS                  | \$ 6,800.00   |
| 10/15/2019        | 35610               | California State Disbursement Unit       | \$ 743.52     |
| 10/15/2019        | 35611               | IBEW                                     | \$ 580.00     |
| 10/15/2019        | 35612               | WageWorks Inc.                           | \$ 1,340.00   |
| 10/21/2019        | 35613               | Premier Escrow Group Services            | \$ 5,000.00   |
| 10/21/2019        | 35614               | All American Sewer Tools                 | \$ 345.48     |
| 10/21/2019        | 35615               | Ameripride Uniform Services              | \$ 2,501.15   |
| 10/21/2019        | 35616               | Aqua-Metric Sales Company                | \$ 227,823.11 |
| 10/21/2019        | 35617               | Armorcast Products Company               | \$ 16,615.06  |
| 10/21/2019        | 35618               | Arrow Staffing                           | \$ 2,797.34   |
| 10/21/2019        | 35619               | Assoc. SB Cty Special Districts          | \$ 70.00      |
| 10/21/2019        | 35620               | AT&T Mobility                            | \$ 2,508.00   |
| 10/21/2019        | 35621               | Auto Care Clinic                         | \$ 1,312.51   |
| 10/21/2019        | 35622               | AutoZone Stores LLC                      | \$ 241.35     |
| 10/21/2019        | 35623               | Bay Alarm Company                        | \$ 95.00      |
| 10/21/2019        | 35624               | Best Home Center                         | \$ 575.66     |
| 10/21/2019        | 35625               | Brenntag Pacific, Inc                    | \$ 21,430.02  |
| 10/21/2019        | 35626               | BSK Associates                           | \$ 1,105.00   |
| 10/21/2019        | 35627               | C & B Crushing, Inc.                     | \$ 120.00     |
| 10/21/2019        | 35628               | California Water Environment Association | \$ 192.00     |

**Check Register - October 2019**

| <b>Check Date</b> | <b>Check Number</b> | <b>Payee</b>                             | <b>Amount</b> |
|-------------------|---------------------|--|---------------|
| 10/21/2019        | 35629               | Central Communications                   | \$ 1,471.19   |
| 10/21/2019        | 35630               | Contron Scada Systems                    | \$ 3,762.00   |
| 10/21/2019        | 35631               | Corelogic, Inc.                          | \$ 330.00     |
| 10/21/2019        | 35632               | Custom Concrete System                   | \$ 14,235.00  |
| 10/21/2019        | 35633               | Donald Kent Stone                        | \$ 540.00     |
| 10/21/2019        | 35634               | Doug's Filter Service, Inc.              | \$ 480.00     |
| 10/21/2019        | 35635               | Dudek & Associates, Inc                  | \$ 2,027.04   |
| 10/21/2019        | 35636               | Emergency Power Controls, Inc.           | \$ 7,315.00   |
| 10/21/2019        | 35637               | Evans-Hydro Inc.                         | \$ 7,714.07   |
| 10/21/2019        | 35638               | Evoqua Water Technologies LLC            | \$ 3,654.89   |
| 10/21/2019        | 35639               | Frontier Communications                  | \$ 163.60     |
| 10/21/2019        | 35640               | Geoscience Support Services, Inc.        | \$ 13,784.36  |
| 10/21/2019        | 35641               | Grainger                                 | \$ 358.64     |
| 10/21/2019        | 35642               | Harrington Ind. Plastic, LLC             | \$ 2,308.84   |
| 10/21/2019        | 35643               | Hasa, Inc.                               | \$ 7,603.01   |
| 10/21/2019        | 35644               | Houston & Harris PCS, Inc.               | \$ 1,800.00   |
| 10/21/2019        | 35645               | Inland Water Works Supply Co.            | \$ 637.13     |
| 10/21/2019        | 35646               | Integrity Hose and Fittings              | \$ 445.96     |
| 10/21/2019        | 35647               | John Deere Financial f.s.b.              | \$ 846.74     |
| 10/21/2019        | 35648               | JW D'Angelo Co.                          | \$ 10,442.57  |
| 10/21/2019        | 35649               | Konica Minolta Business Solutions        | \$ 1,296.95   |
| 10/21/2019        | 35650               | Les Schwab Tire Center                   | \$ 1,480.11   |
| 10/21/2019        | 35651               | LUZ Investment Corp.                     | \$ 408.65     |
| 10/21/2019        | 35652               | Merit Oil Company                        | \$ 7,449.41   |
| 10/21/2019        | 35653               | Mission Communications, LLC              | \$ 563.40     |
| 10/21/2019        | 35654               | Myers & Sons Hi-Way Safety Inc.          | \$ 15,337.18  |
| 10/21/2019        | 35655               | NetComp Technologies, Inc.               | \$ 1,700.00   |
| 10/21/2019        | 35656               | Nixon-Egli Equipment Co. of So. Calif. I | \$ 2,028.06   |
| 10/21/2019        | 35657               | Northern Safety Co. Inc                  | \$ 406.43     |
| 10/21/2019        | 35658               | Pollardwater                             | \$ 434.22     |
| 10/21/2019        | 35659               | Pro-Pipe & Supply, Inc.                  | \$ 339.97     |
| 10/21/2019        | 35660               | Quinn Company                            | \$ 228.00     |
| 10/21/2019        | 35661               | Red Alert Special Couriers               | \$ 982.51     |
| 10/21/2019        | 35662               | Redline                                  | \$ 6,968.70   |
| 10/21/2019        | 35663               | Riverside County Treasurer               | \$ 192.70     |
| 10/21/2019        | 35664               | SB CNTY-Solid Waste Mgmt Div             | \$ 143.86     |
| 10/21/2019        | 35665               | SB CNTY-Solid Waste Mgmt Div             | \$ 1,636.96   |
| 10/21/2019        | 35666               | Spectrum Business                        | \$ 3,668.00   |
| 10/21/2019        | 35667               | Steven Enterprises, Inc                  | \$ 369.00     |
| 10/21/2019        | 35668               | The Counseling Team International        | \$ 825.00     |
| 10/21/2019        | 35669               | Time Warner Cable                        | \$ 280.95     |
| 10/21/2019        | 35670               | Westech Engineering                      | \$ 2,881.05   |
| 10/21/2019        | 35671               | Yucaipa Disposal, Inc.                   | \$ 427.52     |
| 10/21/2019        | 35672               | Yucaipa Valley Water District            | \$ 41,562.06  |
| 10/28/2019        | 35673               | David L. Wysocki                         | \$ 4,125.00   |
| 10/28/2019        | 35674               | Delta Partners, LLC                      | \$ 7,500.00   |
| 10/28/2019        | 35675               | Dudek & Associates, Inc                  | \$ 22,877.95  |

**Check Register - October 2019**

| <b>Check Date</b> | <b>Check Number</b> | <b>Payee</b>                             | <b>Amount</b> |
|-------------------|---------------------|--|---------------|
| 10/28/2019        | 35676               | Geoscience Support Services, Inc.        | \$ 95,550.21  |
| 10/28/2019        | 35677               | One Stop Landscape Supply Inc            | \$ 19,538.00  |
| 10/28/2019        | 35678               | Separation Processes, Inc.               | \$ 23,724.00  |
| 10/28/2019        | 35679               | ADS, LLC                                 | \$ 4,275.00   |
| 10/28/2019        | 35680               | American Water Works Assoc.              | \$ 286.00     |
| 10/28/2019        | 35681               | Ameripride Uniform Services              | \$ 1,197.15   |
| 10/28/2019        | 35682               | Auto Care Clinic                         | \$ 170.81     |
| 10/28/2019        | 35683               | AutoZone Stores LLC                      | \$ 49.00      |
| 10/28/2019        | 35684               | Backflow Prevention Device Inspections,  | \$ 4,247.55   |
| 10/28/2019        | 35685               | Best Home Center                         | \$ 19.38      |
| 10/28/2019        | 35686               | BofA Credit Card                         | \$ 4,102.11   |
| 10/28/2019        | 35687               | Brenntag Pacific, Inc                    | \$ 7,804.47   |
| 10/28/2019        | 35688               | BSK Associates                           | \$ 715.00     |
| 10/28/2019        | 35689               | California Special Districts Association | \$ 7,615.00   |
| 10/28/2019        | 35690               | California Water Environment Association | \$ 384.00     |
| 10/28/2019        | 35691               | Calmat Company                           | \$ 2,608.57   |
| 10/28/2019        | 35692               | Cal's Towing                             | \$ 100.00     |
| 10/28/2019        | 35693               | City of Redlands                         | \$ 500.00     |
| 10/28/2019        | 35694               | Cobb's Printing, LLC                     | \$ 242.98     |
| 10/28/2019        | 35695               | Dinosaur Tire Inc.                       | \$ 70.00      |
| 10/28/2019        | 35696               | Epic Pest Management                     | \$ 85.00      |
| 10/28/2019        | 35697               | Frontier Communications                  | \$ 158.35     |
| 10/28/2019        | 35698               | Grainger                                 | \$ 114.34     |
| 10/28/2019        | 35699               | Home Depot U.S.A. Inc                    | \$ 265.25     |
| 10/28/2019        | 35700               | Houston & Harris PCS, Inc.               | \$ 2,500.00   |
| 10/28/2019        | 35701               | Inland Water Works Supply Co.            | \$ 2,971.75   |
| 10/28/2019        | 35702               | In-Situ Inc.                             | \$ 227.97     |
| 10/28/2019        | 35703               | JW D'Angelo Co.                          | \$ 113.63     |
| 10/28/2019        | 35704               | Koritas Tires Inc.                       | \$ 959.42     |
| 10/28/2019        | 35705               | Management Action Programs Inc           | \$ 2,500.00   |
| 10/28/2019        | 35706               | Merit Oil Company                        | \$ 3,477.21   |
| 10/28/2019        | 35707               | Northern Safety Co. Inc                  | \$ 422.92     |
| 10/28/2019        | 35708               | Office Solutions Business Products & Ser | \$ 273.15     |
| 10/28/2019        | 35709               | Pro-Pipe & Supply, Inc.                  | \$ 368.17     |
| 10/28/2019        | 35710               | R.F MacDonald Co.                        | \$ 33,311.46  |
| 10/28/2019        | 35711               | Redline                                  | \$ 2,610.98   |
| 10/28/2019        | 35712               | SB CNTY-Solid Waste Mgmt Div             | \$ 154.04     |
| 10/28/2019        | 35713               | SCCI, Inc.                               | \$ 905.00     |
| 10/28/2019        | 35714               | SCE Rosemead                             | \$ 238,822.40 |
| 10/28/2019        | 35715               | Separation Processes, Inc.               | \$ 1,183.00   |
| 10/28/2019        | 35716               | Spectrum Business                        | \$ 2,649.00   |
| 10/28/2019        | 35717               | State Water Resources Control Board      | \$ 11,898.00  |
| 10/28/2019        | 35718               | Steven Enterprises, Inc                  | \$ 984.39     |
| 10/28/2019        | 35719               | United Rentals Inc.                      | \$ 338.79     |
| 10/28/2019        | 35720               | UPS Store#1504/ Mail Boxes Etc.          | \$ 26.31      |
| 10/28/2019        | 35721               | US Bank                                  | \$ 11,557.38  |
| 10/28/2019        | 35722               | VOID                                     | \$ -          |

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| <b>Check Date</b> | <b>Check Number</b> | <b>Payee</b>                           | <b>Amount</b>                 |
|-------------------|---------------------|--|-------------------------------|
| 10/28/2019        | 35723               | VOID                                   | \$ -                          |
| 10/28/2019        | 35724               | VOID                                   | \$ -                          |
| 10/28/2019        | 35725               | VOID                                   | \$ -                          |
| 10/28/2019        | 35726               | VOID                                   | \$ -                          |
| 10/28/2019        | 35727               | VOID                                   | \$ -                          |
| 10/28/2019        | 35728               | VOID                                   | \$ -                          |
| 10/28/2019        | 35729               | VOID                                   | \$ -                          |
| 10/28/2019        | 35730               | Aflac                                  | \$ 3,019.68                   |
| 10/28/2019        | 35731               | Blue Shield of California              | \$ 3,703.40                   |
| 10/28/2019        | 35732               | California State Disbursement Unit     | \$ 743.52                     |
| 10/28/2019        | 35733               | Nippon Life Insurance Co.              | \$ 2,806.25                   |
| 10/28/2019        | 35734               | Standard Dental Insurance Co           | \$ 1,552.24                   |
| 10/28/2019        | 35735               | Standard Insurance Vision Plan         | \$ 274.60                     |
| 10/28/2019        | 35736               | WageWorks Inc.                         | \$ 1,340.00                   |
| 10/28/2019        | 35737               | Western Dental Services Inc.           | \$ 251.16                     |
| 10/29/2019        | 35738               | Berkshire Hathaway Homestate Companies | \$ 26,187.30                  |
| 10/29/2019        | 35739               | Dennis Neff                            | \$ 649.35                     |
| 10/29/2019        | 35740               | Joan Cadiz                             | \$ 886.89                     |
| 10/29/2019        | 35741               | Joe DeSalliers                         | \$ 604.67                     |
| 10/29/2019        | 35742               | Peggy Little                           | \$ 649.21                     |
| 10/29/2019        | 35743               | Robert Wall                            | \$ 649.35                     |
| 10/29/2019        | 35744               | WageWorks, Inc.                        | \$ 186.50                     |
|                   |                     |  | <b><u>\$ 3,176,876.77</u></b> |
| 10/1/2019         | electronic pmt      | Public Employees' Retirement System    | \$ 700.00                     |
| 10/1/2019         | electronic pmt      | Public Employees' Retirement System    | \$ 31,320.30                  |
| 10/1/2019         | electronic pmt      | CalPERS - HEALTH                       | \$ 91,806.27                  |
| 10/11/2019        | electronic pmt      | IRS                                    | \$ 58,839.98                  |
| 10/11/2019        | electronic pmt      | Payroll Direct Deposit                 | \$ 150,021.00                 |
| 10/11/2019        | electronic pmt      | CA-EDD                                 | \$ 10,100.29                  |
| 10/11/2019        | electronic pmt      | CA-PERS Supplemental Income 457 Plan   | \$ 27,526.34                  |
| 10/15/2019        | electronic pmt      | CalPERS - HEALTH                       | \$ 1,288.89                   |
| 10/15/2019        | electronic pmt      | VOYA-457                               | \$ 5,475.57                   |
| 10/15/2019        | electronic pmt      | Public Employees' Retirement System    | \$ 31,501.41                  |
| 10/23/2019        | electronic pmt      | CalPERS - HEALTH                       | \$ 91,836.41                  |
| 10/25/2019        | electronic pmt      | IRS                                    | \$ 57,086.33                  |
| 10/25/2019        | electronic pmt      | CA-EDD                                 | \$ 9,922.14                   |
| 10/25/2019        | electronic pmt      | Payroll Direct Deposit                 | \$ 147,202.13                 |
| 10/25/2019        | electronic pmt      | CA-PERS Supplemental Income 457 Plan   | \$ 24,714.56                  |
| 10/25/2019        | electronic pmt      | VOYA-457                               | \$ 3,411.84                   |
| 10/25/2019        | electronic pmt      | Public Employees' Retirement System    | \$ 31,284.53                  |
|                   |                     |  | <b><u>\$ 774,037.99</u></b>   |



## Investment Summary - October 2019

### U.S. TREASURIES

| Quantity       | Description         | Cusip     | Maturity Date | Yield  | Cost of Purchase     | Market Value         |
|----------------|---------------------|-----------|---------------|--------|----------------------|----------------------|
| 500,000        | US Treasury Bill    | 912796SV2 | June 18, 2020 | 2.150% | \$ 491,590.83        | \$ 522,000.56        |
| <b>500,000</b> | <b>Total Values</b> |           |               |        | <b>\$ 491,590.83</b> | <b>\$ 522,000.56</b> |

|  |           |                   |
|--|-----------|-------------------|
| <b>Money Market Account Activity-Beginning Balance</b> | \$        | <b>28,388.32</b>  |
| 7/31/17 - Bond Interest                                | \$        | -                 |
| 7/31/18 - Dividend/Interest                            | \$        | 2.24              |
| Cusip 912796QM4 Accrued Interest Paid                  |           |                   |
| Business Account Fee                                   |           |                   |
| <b>Income</b>  | <b>\$</b> | <b>2.24</b>       |
| Intra-Bank Transfers to/from Investment Checking       | \$        | -                 |
| <b>Fund Transfers</b>                                  | <b>\$</b> | <b>-</b>          |
| Cusip Maturity   |           |                   |
| <b>Redemptions</b>                                     | <b>\$</b> | <b>-</b>          |
| Cusip Purchase   |           |                   |
| <b>Purchases</b>                                       | <b>\$</b> | <b>-</b>          |
| <b>Ending Balance - Money Market</b>                   | <b>\$</b> | <b>28,390.56</b>  |
| <b>US Treasury Securities Investment Principal</b>     | <b>\$</b> | <b>491,590.83</b> |
| <b>Total Assets</b>                                    | <b>\$</b> | <b>519,981.39</b> |

*Note: As of 11/6/19, the updated treasury information for October has not been received. The information above is as of 9/30/19.*

## Investment Summary - October 2019

### LOCAL AGENCY INVESTMENT FUND

| PERIOD             | TOTAL<br>WITHDRAWAL<br>AMOUNT | TOTAL DEPOSIT<br>AMOUNT | ACCRUED<br>INTEREST<br>(QUARTERLY) | ENDING BALANCE   |
|--------------------|-------------------------------|-------------------------|------------------------------------|------------------|
| July 31, 2019      | \$ -                          | \$ -                    | \$ 56,327.40                       | \$ 10,343,772.08 |
| August 31, 2019    | \$ (2,900,000.00)             | \$ -                    | \$ -                               | \$ 7,443,772.08  |
| September 30, 2019 | \$ -                          | \$ -                    | \$ -                               | \$ 7,443,772.08  |
| October 31, 2019   | \$ (1,000,000.00)             | \$ -                    | \$ 54,200.09                       | \$ 6,497,972.17  |
| November 30, 2019  | \$ -                          | \$ -                    | \$ -                               | \$ 6,497,972.17  |
| December 31, 2019  | \$ -                          | \$ -                    | \$ -                               | \$ 6,497,972.17  |
| January 31, 2020   | \$ -                          | \$ -                    | \$ -                               | \$ 6,497,972.17  |
| February 28, 2020  | \$ -                          | \$ -                    | \$ -                               | \$ 6,497,972.17  |
| March 31, 2020     | \$ -                          | \$ -                    | \$ -                               | \$ 6,497,972.17  |
| April 30, 2020     | \$ -                          | \$ -                    | \$ -                               | \$ 6,497,972.17  |
| May 31, 2020       | \$ -                          | \$ -                    | \$ -                               | \$ 6,497,972.17  |
| June 30, 2020      | \$ -                          | \$ -                    | \$ -                               | \$ 6,497,972.17  |

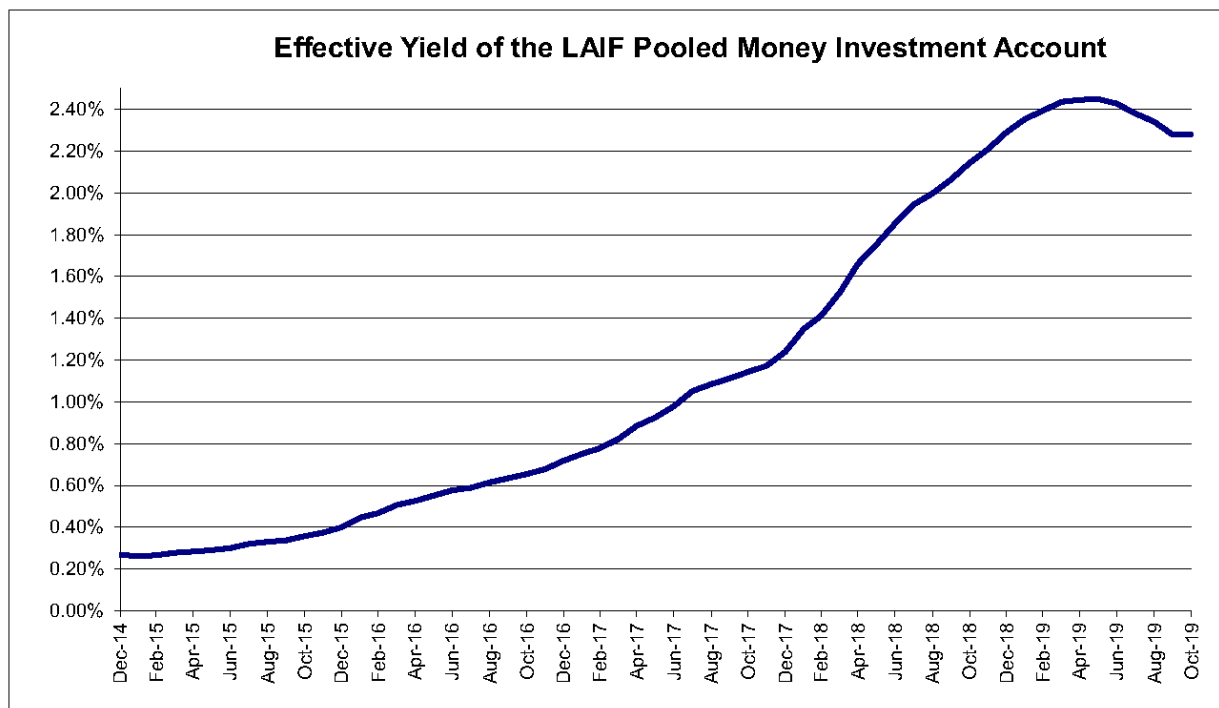
#### L.A.I.F. INCOME SUMMARY

#### CURRENT QUARTER    FY YEAR-TO-DATE

INCOME RECEIVED

\$ 54,200.09

\$ 110,527.49



| FY 2019-20 Water Revenue |                                |                      |                     |                     |               |
|--------------------------|--------------------------------|----------------------|---------------------|---------------------|---------------|
| G/L<br>ACCOUNT#          | DESCRIPTION                    | BUDGET               | Oct '19             | Year to Date        | %             |
| 02-400-40010             | Sales-Water & Non Potable      | \$ 5,600,000         | \$ 682,371          | \$ 2,314,652        | 41.33%        |
| 02-400-40011             | Sales-Construction Water       | \$ 100,000           | \$ 3,494            | \$ 7,052            | 7.05%         |
| 02-400-40012             | Sales-Imported Water-SGPWA     | \$ 250,000           | \$ 55,220           | \$ 217,815          | 87.13%        |
| 02-400-40013             | Sales-Imported Water-MUNI      | \$ 850,000           | \$ 64,397           | \$ 191,673          | 22.55%        |
| 02-400-40014             | Sales-Disc (Multi Unit) Commdy | \$ (110,000)         | \$ (11,535)         | \$ (39,282)         | 35.71%        |
| 02-400-40015             | Sales-Wholesale Water          | \$ 200,000           | \$ 6,899            | \$ 22,830           | 11.42%        |
| 02-400-40016             | Sales-Establish Service Fee    | \$ 6,000             | \$ 450              | \$ 2,000            | 33.33%        |
| 02-400-41000             | Sales-Service Demand Charges   | \$ 3,500,000         | \$ 269,792          | \$ 927,862          | 26.51%        |
| 02-400-41001             | Sales-Fire Srv Standby Fees    | \$ 40,000            | \$ 3,447            | \$ 11,046           | 27.61%        |
| 02-400-41003             | Sales-Const Water Minimum Chg  | \$ 5,000             | \$ 14               | \$ 24               | 0.47%         |
| 02-400-41005             | Sales-Disc (Multi Units)-SC    | \$ (135,000)         | \$ (11,275)         | \$ (39,102)         | 28.96%        |
| 02-400-41010             | Unauthorized Use of Water Chrg | \$ 2,000             | \$ -                | \$ -                | 0.00%         |
| 02-400-41110             | Meter/Lateral Installation     | \$ 100,000           | \$ 13,172           | \$ 70,274           | 70.27%        |
| 02-400-41112             | Fire Flow Test Fees            | \$ 4,500             | \$ 800              | \$ 1,800            | 40.00%        |
| 02-400-41113             | Disconnect & Reconnect Fees    | \$ 100,000           | \$ 5,400            | \$ 17,900           | 17.90%        |
| 02-400-41121             | Delinquent Payment Charges     | \$ 135,000           | \$ 10,835           | \$ 52,474           | 38.87%        |
| 02-400-41124             | Bad Debt Write-Off & Recovery  | \$ (20,000)          | \$ -                | \$ -                | 0.00%         |
| 02-421-42122             | Revenue - Other, Operating     | \$ -                 | \$ -                | \$ (170)            | N/A           |
| 02-421-42123             | Admin, Management & Acctg Fees | \$ 210,000           | \$ 17,500           | \$ 70,000           | 33.33%        |
| 02-430-43010             | Interest Earned                | \$ 115,000           | \$ 25,518           | \$ 29,312           | 25.49%        |
| 02-431-43110             | Property Tax - Unsecured       | \$ 250,000           | \$ 8,154            | \$ 8,154            | 3.26%         |
| 02-431-43120             | Property Tax - Secured         | \$ 3,000,000         | \$ -                | \$ -                | 0.00%         |
| 02-431-43130             | Tax Collection - Prior         | \$ 45,000            | \$ -                | \$ -                | 0.00%         |
| 02-431-43140             | Taxes - Other                  | \$ 180,000           | \$ (17)             | \$ (17)             | -0.01%        |
| 02-491-49110             | Rental Income                  | \$ 3,000             | \$ -                | \$ -                | 0.00%         |
| 02-491-49150             | Revenue - Misc Non-Operating   | \$ 25,000            | \$ 1,603            | \$ 3,392            | 13.57%        |
|                          | <b>WATER OPERATING REVENUE</b> | <b>\$ 14,455,500</b> | <b>\$ 1,146,238</b> | <b>\$ 3,869,689</b> | <b>26.77%</b> |
|                          | Transfer - Reserve Fund        | \$ -                 | \$ -                | \$ -                |               |
|                          |                                |                      |                     |                     |               |
| 02-480-48002             | Grants                         | \$ 700,000           | \$ -                | \$ -                | 0.00%         |
| 02-480-48901             | Contrib Cap-Capacity Fees      | \$ -                 | \$ 26,105           | \$ (141,422)        | N/A           |
| 02-480-48902             | Contrib Cap-Sustainability     | \$ -                 | \$ 2,642            | \$ 45,266           | N/A           |
|                          | <b>TOTAL WATER REVENUE</b>     | <b>\$ 15,155,500</b> | <b>\$ 1,174,984</b> | <b>\$ 3,773,533</b> | <b>24.90%</b> |

**NOTE: Plan check & inspection fees to 02-42122**

| FY 2019-20 Sewer Revenue |                                |                      |                     |                     |               |
|--------------------------|--------------------------------|----------------------|---------------------|---------------------|---------------|
| G/L<br>ACCOUNT#          | DESCRIPTION                    | BUDGET               | Oct '19             | Year to Date        | %             |
| 03-400-40016             | Sales-Establish Service Fee    | \$ 500               | \$ -                | \$ -                | 0.00%         |
| 03-400-41000             | Sales-Sewer Charges            | \$ 12,132,712        | \$ 989,900          | \$ 3,476,944        | 28.66%        |
| 03-400-41005             | Sales-Disc (Multi Units)-SC    | \$ (200,000)         | \$ (18,255)         | \$ (64,908)         | 32.45%        |
| 03-400-41110             | Meter/Lateral Installation     | \$ 15,000            | \$ -                | \$ -                | 0.00%         |
| 03-400-41121             | Penalty - Late Charges         | \$ 125,000           | \$ 11,146           | \$ 49,103           | 39.28%        |
| 03-400-41124             | Bad Debt Write-Off & Recovery  | \$ (15,000)          | \$ -                | \$ -                | 0.00%         |
| 03-400-41131             | Front Footage Fees             | \$ 55,000            | \$ -                | \$ -                | 0.00%         |
| 03-421-42122             | Revenue - Other, Operating     | \$ 2,000             | \$ 720              | \$ 11,246           | 562.30%       |
| 03-430-43010             | Interest Earned                | \$ 100,000           | \$ 24,390           | \$ 24,390           | 24.39%        |
| 03-431-43110             | Property Tax - Unsecured       | \$ -                 | \$ -                | \$ -                | -             |
| 03-431-43120             | Property Tax - Secured         | \$ -                 | \$ -                | \$ -                | -             |
| 03-431-43130             | Tax Collection - Prior         | \$ -                 | \$ -                | \$ -                | -             |
| 03-431-43140             | Taxes - Other                  | \$ -                 | \$ -                | \$ -                | -             |
| 03-491-49150             | Revenue - Misc Non-Operating   | \$ 2,500             | \$ -                | \$ -                | 0.00%         |
|                          | <b>SEWER OPERATING REVENUE</b> | <b>\$ 12,217,712</b> | <b>\$ 1,007,900</b> | <b>\$ 3,496,775</b> | <b>28.62%</b> |
| 03-480-48002             | Grants                         | \$ -                 | \$ -                | \$ -                | -             |
| 03-480-48901             | Contrib Cap-Capacity Fees      | \$ -                 | \$ 104,487          | \$ 558,497          | -             |
| 03-480-48905             | Contrib Cap-Infrastructure     | \$ -                 | \$ 16,500           | \$ 79,500           | -             |
|                          | <b>TOTAL SEWER REVENUE</b>     | <b>\$ 12,217,712</b> | <b>\$ 1,128,887</b> | <b>\$ 4,134,772</b> | <b>33.84%</b> |

| FY 2019-20 Recycled Revenue |                                   |                     |                   |                   |               |
|-----------------------------|-----------------------------------|---------------------|-------------------|-------------------|---------------|
| G/L<br>ACCOUNT#             | DESCRIPTION                       | BUDGET              | Oct '19           | Year to<br>Date   | %             |
| 04-400-40010                | Sales-Water & Non Potable         | \$ 663,947          | \$ 90,880         | \$ 276,363        | 41.62%        |
| 04-400-40011                | Sales-Construction Water          | \$ 45,000           | \$ -              | \$ 45             | 0.10%         |
| 04-400-41000                | Sales-Service Demand Charges      | \$ 90,000           | \$ 8,403          | \$ 29,387         | 32.65%        |
| 04-400-41003                | Sales-Const Water Minimum Chg     | \$ 1,000            | \$ -              | \$ -              | 0.00%         |
| 04-400-41110                | Meter/Lateral Installation        | \$ 70,000           | \$ 7,080          | \$ 29,097         | 41.57%        |
| 04-400-41121                | Penalty - Late Charges            | \$ 5,000            | \$ 870            | \$ 2,064          | 41.29%        |
| 04-400-41122                | Revenue - Other, Operating        | \$ 500              | \$ -              | \$ -              | 0.00%         |
| 04-430-43010                | Interest Earned                   | \$ 25,000           | \$ 5,420          | \$ 5,420          | 21.68%        |
| 04-431-43110                | Property Tax - Unsecured          | \$ -                | \$ -              | \$ -              | N/A           |
| 04-431-43120                | Property Tax - Secured            | \$ 400,000          | \$ -              | \$ -              | 0.00%         |
| 04-431-43130                | Tax Collection - Prior            | \$ -                | \$ -              | \$ -              | N/A           |
| 04-431-43140                | Taxes - Other                     | \$ -                | \$ -              | \$ -              | N/A           |
| 04-491-49150                | Revenue-Misc Non-Operating        | \$ 1,000            | \$ -              | \$ (1)            | -0.07%        |
|                             | <b>RECYCLED OPERATING REVENUE</b> | <b>\$ 1,301,447</b> | <b>\$ 112,653</b> | <b>\$ 342,376</b> | <b>26.31%</b> |
| 04-480-48002                | Grants                            | \$ -                | \$ -              | \$ -              | N/A           |
| 04-480-48901                | Contrib Cap-Capacity Fees         | \$ -                | \$ 117,647        | \$ 473,780        | N/A           |
|                             | <b>TOTAL RECYCLED REVENUE</b>     | <b>\$ 1,301,447</b> | <b>\$ 230,300</b> | <b>\$ 816,156</b> | <b>62.71%</b> |

| FY 2019-20 Water Expenses |                               |                     |                   |                     |               |
|---------------------------|-------------------------------|---------------------|-------------------|---------------------|---------------|
| G/L ACCOUNT #             | DESCRIPTION                   | BUDGET              | Oct '19           | Year to Date        | %             |
| 02-501-50010              | Labor                         | \$ 1,222,703        | \$ 58,003         | \$ 268,687          | 21.97%        |
| 02-501-50011              | Labor - Credit                | \$ -                | \$ -              | \$ -                | N/A           |
| 02-501-50013              | Benefits-FICA                 | \$ 93,537           | \$ 5,242          | \$ 24,925           | 26.65%        |
| 02-501-50014              | Benefits-Life Insurance       | \$ 6,264            | \$ 123            | \$ 717              | 11.45%        |
| 02-501-50016              | Benefits-Health & Def Comp    | \$ 251,826          | \$ 16,251         | \$ 84,898           | 33.71%        |
| 02-501-50017              | Benefits-Disability Insurance | \$ 11,004           | \$ 948            | \$ 5,971            | 54.26%        |
| 02-501-50019              | Benefits-Workers Compensation | \$ 33,013           | \$ 591            | \$ 2,580            | 7.82%         |
| 02-501-50021              | Benefits-PERS Employee        | \$ -                | \$ -              | \$ -                | N/A           |
| 02-501-50022              | Benefits-PERS Employer        | \$ 183,405          | \$ 4,023          | \$ 21,508           | 11.73%        |
| 02-501-50023              | Benefits-Uniforms             | \$ 6,525            | \$ 291            | \$ 2,682            | 41.11%        |
| 02-501-50024              | Benefits-Vacation & Sick Pay  | \$ 8,000            | \$ 4,898          | \$ 32,009           | 400.11%       |
| 02-501-50025              | Benefits-Boots                | \$ 8,415            | \$ -              | \$ 2,700            | 32.09%        |
| 02-501-51003              | R&M - Structures              | \$ 300,000          | \$ 9,942          | \$ 99,933           | 33.31%        |
| 02-501-51011              | R&M - Valves                  | \$ 20,000           | \$ 131            | \$ 232              | 1.16%         |
| 02-501-51115              | Laboratory Supplies           | \$ -                | \$ -              | \$ -                | N/A           |
| 02-501-51140              | General Supplies & Expenses   | \$ 3,000            | \$ 26             | \$ 445              | 14.84%        |
| 02-501-51210              | Utilities - Power Purchases   | \$ 1,300,000        | \$ 131,277        | \$ 475,403          | 36.57%        |
| 02-501-51211              | Utilities - Electricity       | \$ 5,000            | \$ 261            | \$ 1,027            | 20.53%        |
| 02-501-51316              | Imported Water Purchases      | \$ 1,075,000        | \$ -              | \$ 316,922          | 29.48%        |
| 02-501-54019              | Licenses & Permits            | \$ 65,000           | \$ -              | \$ 1,192            | 1.83%         |
| 02-501-54110              | Laboratory Services           | \$ 77,500           | \$ -              | \$ 16,511           | 21.30%        |
| 02-501-57040              | YVRWFF-Crystal Creek Exp      | \$ 550,000          | \$ 88,189         | \$ 223,828          | 40.70%        |
|                           | <b>WATER RESOURCE TOTALS</b>  | <b>\$ 5,220,192</b> | <b>\$ 320,197</b> | <b>\$ 1,582,167</b> | <b>30.31%</b> |
| 02-503-50010              | Labor                         | \$ 1,593,344        | \$ 105,449        | \$ 474,324          | 29.77%        |
| 02-503-50011              | Labor - Credit                | \$ -                | \$ -              | \$ (447)            | N/A           |
| 02-503-50013              | Benefits-FICA                 | \$ 121,891          | \$ 9,407          | \$ 42,089           | 34.53%        |
| 02-503-50014              | Benefits-Life Insurance       | \$ 10,440           | \$ 290            | \$ 1,460            | 13.99%        |
| 02-503-50016              | Benefits-Health & Def Comp    | \$ 425,106          | \$ 38,723         | \$ 191,857          | 45.13%        |
| 02-503-50017              | Benefits-Disability Insurance | \$ 14,340           | \$ 1,722          | \$ 7,950            | 55.44%        |
| 02-503-50019              | Benefits-Workers Compensation | \$ 43,020           | \$ 591            | \$ 2,798            | 6.50%         |
| 02-503-50021              | Benefits-PERS Employee        | \$ -                | \$ -              | \$ -                | N/A           |
| 02-503-50022              | Benefits-PERS Employer        | \$ 239,002          | \$ 7,768          | \$ 38,484           | 16.10%        |
| 02-503-50023              | Benefits-Uniforms             | \$ 10,875           | \$ 657            | \$ 7,360            | 67.68%        |
| 02-503-50024              | Benefits-Vacation & Sick Pay  | \$ 4,000            | \$ 8,570          | \$ 37,208           | 930.19%       |
| 02-503-50025              | Benefits-Boots                | \$ 32,775           | \$ -              | \$ 9,000            | 27.46%        |
| 02-503-51001              | R&M - Vehicles & Equipment    | \$ 207,500          | \$ 24,487         | \$ 90,132           | 43.44%        |
| 02-503-51011              | R&M - Valves                  | \$ 5,000            | \$ 189            | \$ 1,239            | 24.77%        |
| 02-503-51020              | R&M - Pipelines               | \$ 200,000          | \$ 638            | \$ 133,446          | 66.72%        |
| 02-503-51021              | R&M - Service Lines           | \$ 96,000           | \$ 3,428          | \$ 18,885           | 19.67%        |
| 02-503-51022              | R&M - Fire Hydrants           | \$ 50,000           | \$ -              | \$ 763              | 1.53%         |
| 02-503-51029              | Repair & Maintenance-Backflow | \$ 65,000           | \$ 4,296          | \$ 16,626           | 25.58%        |
| 02-503-51030              | R&M - Meters                  | \$ 30,000           | \$ 1,448          | \$ 1,660            | 5.53%         |
| 02-503-51031              | R&M - Fire Flow Testing       | \$ 25,000           | \$ -              | \$ 4,124            | 16.50%        |
| 02-503-51092              | Equipment Credits             | \$ -                | \$ -              | \$ (812)            | N/A           |

| FY 2019-20 Water Expenses |                               |                     |                   |                     |               |
|---------------------------|-------------------------------|---------------------|-------------------|---------------------|---------------|
| G/L ACCOUNT #             | DESCRIPTION                   | BUDGET              | Oct '19           | Year to Date        | %             |
| 02-503-51140              | General Supplies & Expenses   | \$ 3,000            | \$ 300            | \$ 640              | 21.33%        |
|                           | <b>PUBLIC WORKS TOTALS</b>    | <b>\$ 3,176,293</b> | <b>\$ 207,961</b> | <b>\$ 1,078,788</b> | <b>33.96%</b> |
| 02-506-50010              | Labor                         | \$ 616,295          | \$ 43,193         | \$ 185,850          | 30.16%        |
| 02-506-50011              | Labor - Credit                | \$ -                | \$ -              | \$ -                | N/A           |
| 02-506-50012              | Director Fees                 | \$ 26,000           | \$ 2,479          | \$ 7,707            | 29.64%        |
| 02-506-50013              | Benefits-FICA                 | \$ 47,147           | \$ 3,622          | \$ 16,192           | 34.34%        |
| 02-506-50014              | Benefits-Life Insurance       | \$ 3,120            | \$ 79             | \$ 467              | 14.95%        |
| 02-506-50016              | Benefits-Health & Def Comp    | \$ 130,980          | \$ 14,694         | \$ 71,949           | 54.93%        |
| 02-506-50017              | Benefits-Disability Insurance | \$ 5,547            | \$ 658            | \$ 3,007            | 54.20%        |
| 02-506-50019              | Benefits-Workers Compensation | \$ 16,640           | \$ 591            | \$ 1,591            | 9.56%         |
| 02-506-50021              | Benefits-PERS Employee        | \$ -                | \$ -              | \$ -                | N/A           |
| 02-506-50022              | Benefits-PERS Employer        | \$ 92,444           | \$ 3,702          | \$ 17,199           | 18.60%        |
| 02-506-50023              | Benefits-Uniforms             | \$ 3,250            | \$ 178            | \$ 2,085            | 64.15%        |
| 02-506-50024              | Benefits-Vacation & Sick Pay  | \$ 10,000           | \$ 1,945          | \$ 14,377           | 143.77%       |
| 02-506-50025              | Benefits-Boots                | \$ 1,950            | \$ -              | \$ 3,300            | 169.23%       |
| 02-506-51003              | R&M - Structures              | \$ 35,000           | \$ 1,199          | \$ 5,243            | 14.98%        |
| 02-506-51091              | Expense Credits (overhead)    | \$ -                | \$ -              | \$ (360)            | N/A           |
| 02-506-51120              | Safety Equipment & Supplies   | \$ 25,000           | \$ 994            | \$ 3,559            | 14.23%        |
| 02-506-51125              | Petroleum Products            | \$ 150,000          | \$ 11,615         | \$ 53,135           | 35.42%        |
| 02-506-51130              | Office Supplies & Expenses    | \$ 35,000           | \$ 2,629          | \$ 6,314            | 18.04%        |
| 02-506-51140              | General Supplies & Expenses   | \$ 40,000           | \$ 5,554          | \$ 6,495            | 16.24%        |
| 02-506-51199              | Disaster Repairs & Incidences | \$ -                | \$ -              | \$ -                | N/A           |
| 02-506-51211              | Utilities - Electricity       | \$ 32,000           | \$ 2,700          | \$ 13,085           | 40.89%        |
| 02-506-51213              | Utilities - Natural Gas       | \$ 2,000            | \$ 34             | \$ 125              | 6.26%         |
| 02-506-54002              | Dues & Subscriptions          | \$ 30,000           | \$ 4,097          | \$ 4,923            | 16.41%        |
| 02-506-54005              | Computer Expenses             | \$ 145,000          | \$ 2,624          | \$ 21,302           | 14.69%        |
| 02-506-54010              | Postage                       | \$ 10,000           | \$ -              | \$ 74               | 0.74%         |
| 02-506-54011              | Printing & Publications       | \$ -                | \$ -              | \$ -                | N/A           |
| 02-506-54012              | Education & Training          | \$ 20,000           | \$ 1,325          | \$ 3,513            | 17.57%        |
| 02-506-54013              | Utility Billing Expenses      | \$ 185,000          | \$ 7,293          | \$ 34,058           | 18.41%        |
| 02-506-54014              | Public Relations              | \$ 31,500           | \$ 5              | \$ 1,986            | 6.31%         |
| 02-506-54016              | Travel Related Expenses       | \$ 7,500            | \$ 1,843          | \$ 9,048            | 120.63%       |
| 02-506-54017              | Certifications & Renewals     | \$ 12,000           | \$ 568            | \$ 2,820            | 23.50%        |
| 02-506-54020              | Meeting Related Expenses      | \$ 8,000            | \$ 1,782          | \$ 2,656            | 33.20%        |
| 02-506-54022              | Utilities - YVWD Services     | \$ 145,000          | \$ -              | \$ 24,062           | 16.59%        |
| 02-506-54024              | Waste Disposal                | \$ 2,700            | \$ -              | \$ 1,283            | 47.50%        |
| 02-506-54025              | Telephone & Internet          | \$ 45,000           | \$ 2,776          | \$ 15,893           | 35.32%        |
| 02-506-54099              | Conservation & Rebates        | \$ 30,000           | \$ -              | \$ 700              | 2.33%         |
| 02-506-54104              | Contractual Services          | \$ 135,000          | \$ 14,669         | \$ 86,844           | 64.33%        |
| 02-506-54107              | Legal                         | \$ 30,000           | \$ -              | \$ 5,967            | 19.89%        |
| 02-506-54108              | Audit & Accounting            | \$ 15,000           | \$ -              | \$ 675              | 4.50%         |
| 02-506-54109              | Professional Fees             | \$ 165,000          | \$ 125            | \$ 85,975           | 52.11%        |
| 02-506-55500              | Depreciation                  | \$ 1,272,330        | \$ 106,028        | \$ 424,110          | 33.33%        |
| 02-506-56001              | Insurance                     | \$ 100,000          | \$ 8,333          | \$ 33,333           | 33.33%        |

| FY 2019-20 Water Expenses |                              |                      |                   |                     |               |
|---------------------------|------------------------------|----------------------|-------------------|---------------------|---------------|
| G/L ACCOUNT #             | DESCRIPTION                  | BUDGET               | Oct '19           | Year to Date        | %             |
| 02-506-57030              | Regulatory Compliance        | \$ 35,000            | \$ 4,500          | \$ 14,590           | 41.69%        |
| 02-506-57090              | Election Related Expenses    | \$ -                 | \$ -              | \$ -                | N/A           |
| 02-506-57096              | Beaumont Basin Watermaster   | \$ 40,000            | \$ -              | \$ -                | 0.00%         |
| 02-506-57097              | San Timoteo SGMA             | \$ 5,000             | \$ -              | \$ -                | -             |
| 02-506-57098              | Bunker Hill GSC              | \$ 15,000            | \$ -              | \$ 5,556            | -             |
| 02-506-57199              | Suspense                     | \$ -                 | \$ -              | \$ -                | -             |
|                           | <b>ADMINISTRATION TOTALS</b> | <b>\$ 3,756,403</b>  | <b>\$ 251,833</b> | <b>\$ 1,190,685</b> | <b>31.70%</b> |
| 02-540-57201              | Series 2015A Principal       | \$ 1,170,000         | \$ -              | \$ 1,170,000        | 100.00%       |
| 02-540-57402              | Interest - Bond Repayment    | \$ 1,122,612         | \$ -              | \$ 575,648          | 51.28%        |
|                           | <b>40 - Debt</b>             | <b>\$ 2,292,612</b>  | <b>\$ -</b>       | <b>\$ 1,745,648</b> | <b>76.14%</b> |
| 02-540-57001              | Asset Acq. - Water Dept      | \$ -                 | \$ -              | \$ -                | --            |
| 02-540-57003              | Asset Acq. - US Dept         | \$ -                 | \$ -              | \$ -                | --            |
| 02-540-57006              | Asset Acq. - Admin Dept      | \$ -                 | \$ -              | \$ -                | --            |
|                           | <b>40 - Capital Outlay</b>   | <b>\$ -</b>          | <b>\$ -</b>       | <b>\$ -</b>         | <b>--</b>     |
|                           | <b>TOTAL WATER EXPENSES</b>  | <b>\$ 14,445,500</b> | <b>\$ 779,991</b> | <b>\$ -</b>         | <b>0.00%</b>  |



| FY 2019-20 Sewer Expenses |                               |                     |                   |                     |               |
|---------------------------|-------------------------------|---------------------|-------------------|---------------------|---------------|
| G/L ACCOUNT #             | DESCRIPTION                   | BUDGET              | Oct '19           | Year to Date        | %             |
| 03-502-50010              | Labor                         | \$ 1,059,129        | \$ 90,952         | \$ 399,639          | 37.73%        |
| 03-502-50013              | Benefits-FICA                 | \$ 81,023           | \$ 7,962          | \$ 35,080           | 43.30%        |
| 03-502-50014              | Benefits-Life Insurance       | \$ 5,592            | \$ 174            | \$ 935              | 16.72%        |
| 03-502-50016              | Benefits-Health & Def Comp    | \$ 224,598          | \$ 23,581         | \$ 116,687          | 51.95%        |
| 03-502-50017              | Benefits-Disability Insurance | \$ 9,535            | \$ 1,417          | \$ 7,068            | 74.13%        |
| 03-502-50019              | Benefits-Workers Compensatn   | \$ 28,596           | \$ 591            | \$ 2,580            | 9.02%         |
| 03-502-50021              | Benefits-PERS Employee        | \$ -                | \$ -              | \$ -                |               |
| 03-502-50022              | Benefits-PERS Employer        | \$ 158,869          | \$ 5,961          | \$ 29,560           | 18.61%        |
| 03-502-50023              | Benefits-Uniforms             | \$ 5,825            | \$ 301            | \$ 3,017            | 51.79%        |
| 03-502-50024              | Benefits-Vacation & Sick Pay  | \$ 9,000            | \$ 4,294          | \$ 21,684           | 240.94%       |
| 03-502-50025              | Benefits-Boots                | \$ 7,995            | \$ -              | \$ 3,640            | 45.53%        |
| 03-502-51003              | R&M - Structures              | \$ 350,000          | \$ 11,398         | \$ 43,231           | 12.35%        |
| 03-502-51010              | R&M - Automation Control      | \$ 65,000           | \$ 15,670         | \$ 28,434           | 43.75%        |
| 03-502-51106              | Chemicals                     | \$ 600,000          | \$ 41,162         | \$ 234,905          | 39.15%        |
| 03-502-51111              | Propane                       | \$ 500              | \$ -              | \$ 65               | 12.93%        |
| 03-502-51115              | Laboratory Supplies           | \$ 30,000           | \$ 171            | \$ 6,488            | 21.63%        |
| 03-502-51140              | General Supplies & Expenses   | \$ 5,000            | \$ 72             | \$ 648              | 12.95%        |
| 03-502-51210              | Utilities - Power Purchases   | \$ 850,000          | \$ 85,001         | \$ 351,103          | 41.31%        |
| 03-502-54110              | Laboratory Services           | \$ 85,000           | \$ 2,334          | \$ 23,076           | 27.15%        |
| 03-502-57031              | Sewage Waste Disposal-Solids  | \$ 226,000          | \$ -              | \$ 66,032           | 29.22%        |
| 03-502-57034              | Brineline Operating Expenses  | \$ 396,500          | \$ 1,124          | \$ 2,832            | 0.71%         |
|                           | <b>TREATMENT TOTALS</b>       | <b>\$ 4,198,162</b> | <b>\$ 292,163</b> | <b>\$ 1,376,704</b> | <b>32.79%</b> |
| 03-506-50010              | Labor                         | \$ 616,295          | \$ 37,012         | \$ 158,312          | 25.69%        |
| 03-506-50011              | Labor - Credit                | \$ -                | \$ -              | \$ -                |               |
| 03-506-50012              | Director Fees                 | \$ 26,000           | \$ 2,479          | \$ 7,707            | 29.64%        |
| 03-506-50013              | Benefits-FICA                 | \$ 47,147           | \$ 3,017          | \$ 13,636           | 28.92%        |
| 03-506-50014              | Benefits-Life Insurance       | \$ 3,120            | \$ 68             | \$ 422              | 13.54%        |
| 03-506-50016              | Benefits-Health & Def Comp    | \$ 122,640          | \$ 12,654         | \$ 64,293           | 52.42%        |
| 03-506-50017              | Benefits Disability Insurane  | \$ 5,547            | \$ 550            | \$ 2,749            | 49.56%        |
| 03-506-50019              | Benefits-Workers Compensation | \$ 16,640           | \$ 591            | \$ 1,591            | 9.56%         |
| 03-506-50021              | Benefits-PERS Employee        | \$ -                | \$ -              | \$ -                |               |
| 03-506-50022              | Benefits-PERS Employer        | \$ 92,444           | \$ 3,334          | \$ 15,223           | 16.47%        |
| 03-506-50023              | Benefits-Uniforms             | \$ 3,250            | \$ -              | \$ 204              | 6.29%         |
| 03-506-50024              | Benefits-Vacation & Sick Pay  | \$ 5,000            | \$ 1,704          | \$ 13,956           | 279.11%       |
| 03-506-50025              | Benefits-Boots                | \$ 1,950            | \$ -              | \$ 300              | 15.38%        |
| 03-506-50055              | Pension Expense-GASB 68       | \$ -                | \$ -              | \$ -                |               |
| 03-506-51120              | Safety Equipment & Supplies   | \$ 9,500            | \$ 409            | \$ 3,337            | 35.13%        |
| 03-506-51125              | Petroleum Products            | \$ 24,000           | \$ 2,000          | \$ 9,274            | 38.64%        |
| 03-506-51130              | Office Supplies & Expenses    | \$ 7,000            | \$ 382            | \$ 2,710            | 38.72%        |
| 03-506-51140              | General Supplies & Expenses   | \$ 30,000           | \$ 4,720          | \$ 5,267            | 17.56%        |
| 03-506-51199              | Disaster Repairs & Incidences | \$ -                | \$ (13,093)       | \$ (13,093)         |               |
| 03-506-54002              | Dues & Subscriptions          | \$ 30,000           | \$ 3,811          | \$ 4,946            | 16.49%        |
| 03-506-54003              | Management & Admin Services   | \$ 210,000          | \$ 17,500         | \$ 70,000           | 33.33%        |
| 03-506-54005              | Computer Expenses             | \$ 120,000          | \$ 2,424          | \$ 19,750           | 16.46%        |
| 03-506-54011              | Printing & Publications       | \$ -                | \$ -              | \$ -                | N/A           |

| FY 2019-20 Sewer Expenses |                                    |                     |                   |                     |               |
|---------------------------|------------------------------------|---------------------|-------------------|---------------------|---------------|
| G/L ACCOUNT #             | DESCRIPTION                        | BUDGET              | Oct '19           | Year to Date        | %             |
| 03-506-54012              | Education & Training               | \$ 20,000           | \$ 1,432          | \$ 8,281            | 41.41%        |
| 03-506-54014              | Public Relations                   | \$ 25,000           | \$ -              | \$ 1,982            | 7.93%         |
| 03-506-54016              | Travel Related Expenses            | \$ 10,000           | \$ 1,480          | \$ 7,564            | 75.64%        |
| 03-506-54017              | Certifications & Renewals          | \$ 10,000           | \$ 303            | \$ 1,616            | 16.16%        |
| 03-506-54019              | Licenses & Permits                 | \$ 70,000           | \$ 500            | \$ 18,464           | 26.38%        |
| 03-506-54020              | Meeting Related Expenses           | \$ 5,000            | \$ 1,667          | \$ 2,221            | 44.42%        |
| 03-506-54022              | Utilities - YVWD Services          | \$ 265,000          | \$ -              | \$ 101,294          | 38.22%        |
| 03-506-54024              | Waste Disposal                     | \$ 14,000           | \$ -              | \$ 4,878            | 34.84%        |
| 03-506-54025              | Telephone & Internet               | \$ 50,000           | \$ 4,116          | \$ 19,232           | 38.46%        |
| 03-506-54030              | Drinking Water                     | \$ -                | \$ -              | \$ -                | #DIV/0!       |
| 03-506-54104              | Contractual Services               | \$ 46,000           | \$ 6,423          | \$ 30,137           | 65.51%        |
| 03-506-54107              | Legal                              | \$ 30,000           | \$ -              | \$ 3,975            | 13.25%        |
| 03-506-54108              | Audit & Accounting                 | \$ 15,000           | \$ -              | \$ 675              | 4.50%         |
| 03-506-54109              | Professional Fees                  | \$ 200,000          | \$ -              | \$ 206,052          | 103.03%       |
| 03-506-55500              | Depreciation                       | \$ 472,982          | \$ 39,415         | \$ 157,661          | 33.33%        |
| 03-506-56001              | Insurance                          | \$ 130,000          | \$ 10,833         | \$ 43,333           | 33.33%        |
| 03-506-57030              | Regulatory Compliance              | \$ 70,000           | \$ 300            | \$ 32,552           | 46.50%        |
|                           | <b>ADMINISTRATION TOTALS</b>       | <b>\$ 2,803,515</b> | <b>\$ 146,030</b> | <b>\$ 1,020,502</b> | <b>36.40%</b> |
| 03-507-50010              | Labor                              | \$ 625,069          | \$ 39,896         | \$ 179,524          | 28.72%        |
| 03-507-50011              | Labor - Credit                     | \$ -                | \$ -              | \$ -                | 0.00%         |
| 03-507-50013              | Benefits-FICA                      | \$ 47,818           | \$ 3,617          | \$ 15,984           | 33.43%        |
| 03-507-50014              | Benefits-Life Insurance            | \$ 3,864            | \$ 107            | \$ 539              | 13.94%        |
| 03-507-50016              | Benefits-Health & Def Comp         | \$ 151,662          | \$ 14,427         | \$ 70,301           | 46.35%        |
| 03-507-50017              | Benefits-Disability Insurance      | \$ 5,626            | \$ 658            | \$ 3,256            | 57.87%        |
| 03-507-50019              | Benefits-Workers Compensatio       | \$ 16,877           | \$ 591            | \$ 2,580            | 15.29%        |
| 03-507-50021              | Benefits-PERS Employee             | \$ -                | \$ -              | \$ -                |               |
| 03-507-50022              | Benefit-PERS Employer              | \$ 93,760           | \$ 3,113          | \$ 15,352           | 16.37%        |
| 03-507-50023              | Benefits-Uniforms                  | \$ 4,025            | \$ 179            | \$ 1,927            | 47.88%        |
| 03-507-50024              | Benefits-Vacation & Sick Pay       | \$ 40,000           | \$ 3,458          | \$ 15,575           | 38.94%        |
| 03-507-50025              | Benefits-Boots                     | \$ 2,415            | \$ -              | \$ 600              | 24.84%        |
| 03-507-51003              | Sewer Pipeline & Facilities        | \$ 250,000          | \$ 11,789         | \$ 61,569           | 24.63%        |
| 03-507-51140              | General Supplies & Expenses        | \$ 500              | \$ -              | \$ 787              | 157.34%       |
| 03-507-51241              | Lift Station #1                    | \$ 52,500           | \$ 4,204          | \$ 17,002           | 32.38%        |
| 03-507-51242              | Lift Station #2                    | \$ 18,000           | \$ 1,470          | \$ 5,674            | 31.52%        |
| 03-507-51243              | Lift Station #3                    | \$ 3,200            | \$ 269            | \$ 1,084            | 33.87%        |
| 03-507-51244              | Lift Station #4                    | \$ 9,500            | \$ 769            | \$ 12,707           | 133.76%       |
| 03-507-51246              | Lift Station #6                    | \$ 5,000            | \$ 407            | \$ 1,845            |               |
| 03-507-51248              | Lift Station #8                    | \$ 2,500            | \$ 82             | \$ 340              | 13.62%        |
| 03-507-54111              | Pretreatment                       | \$ 50,000           | \$ 2,800          | \$ 24,090           | 48.18%        |
|                           | <b>ENVIRONMENTAL CONTROL TOTAL</b> | <b>\$ 1,382,316</b> | <b>\$ 87,837</b>  | <b>\$ 430,735</b>   | <b>31.16%</b> |
| 03-540-57202              | SRF Principal - WWTP               | \$ 2,306,368        | \$ -              | \$ 2,306,368        | 100.00%       |
| 03-540-57203              | SRF Principal - Brineline          | \$ 447,138          | \$ -              | \$ -                | 0.00%         |
| 03-540-57204              | SRF Principal - Wise               | \$ 136,599          | \$ -              | \$ -                | 0.00%         |
| 03-540-57205              | SRF Principal - R 10.3             | \$ 40,023           | \$ -              | \$ -                | 0.00%         |

| FY 2019-20 Sewer Expenses |                             |                      |                   |                     |               |
|---------------------------|-----------------------------|----------------------|-------------------|---------------------|---------------|
| G/L ACCOUNT #             | DESCRIPTION                 | BUDGET               | Oct '19           | Year to Date        | %             |
| 03-540-57206              | SRF Principal - Crow St     | \$ 15,667            | \$ -              | \$ -                | 0.00%         |
| 03-540-57403              | Interest - Long Term Debt   | \$ 887,924           | \$ -              | \$ 617,301          | 69.52%        |
|                           | <b>40 - Debt</b>            | <b>\$ 3,833,719</b>  | <b>\$ -</b>       | <b>\$ 2,923,669</b> | <b>76.26%</b> |
| 03-540-57002              | Asset Acq. - Treatment Dept | \$ -                 | \$ -              | \$ -                |               |
| 03-540-57006              | Asset Acq. - Admin Dept     | \$ -                 | \$ -              | \$ -                |               |
| 03-540-57007              | Asset Acq. - EC Dept        | \$ -                 | \$ -              | \$ -                |               |
|                           | <b>40 - Capital Outlay</b>  | <b>\$ -</b>          | <b>\$ -</b>       | <b>\$ -</b>         |               |
|                           | <b>TOTAL SEWER EXPENSES</b> | <b>\$ 12,217,712</b> | <b>\$ 526,030</b> | <b>\$ 5,751,610</b> | <b>47.08%</b> |

| FY 2019-20 Recycled Expenses |                                |                     |                  |                   |               |
|------------------------------|--------------------------------|---------------------|------------------|-------------------|---------------|
| G/L ACCOUNT #                | DESCRIPTION                    | BUDGET              | Oct '19          | Year to Date      | %             |
| 04-506-50010                 | Labor                          | \$ 705,207          | \$ 41,668        | \$ 180,467        | 25.59%        |
| 04-506-50011                 | Labor - Credit                 | \$ -                | \$ -             | \$ -              |               |
| 04-506-50012                 | Director Fees                  | \$ 5,000            | \$ -             | \$ -              | 0.00%         |
| 04-506-50013                 | Benefits-FICA                  | \$ 53,948           | \$ 3,402         | \$ 15,231         | 28.23%        |
| 04-506-50014                 | Benefits-Life Insurance        | \$ 3,600            | \$ 89            | \$ 466            | 12.94%        |
| 04-506-50016                 | Benefits-Health & Def Comp     | \$ 143,004          | \$ 12,834        | \$ 64,827         | 45.33%        |
| 04-506-50017                 | Benefits-Disability Insurance  | \$ 6,347            | \$ 635           | \$ 3,191          | 50.27%        |
| 04-506-50019                 | Benefits-Workers Compensation  | \$ 19,041           | \$ 591           | \$ 1,697          | 8.91%         |
| 04-506-50021                 | Benefits-PERS Employee         | \$ -                | \$ -             | \$ -              |               |
| 04-506-50022                 | Benefits-PERS Employer         | \$ 105,781          | \$ 3,451         | \$ 16,743         | 15.83%        |
| 04-506-50023                 | Benfits-Uniforms               | \$ 3,750            | \$ 43            | \$ 1,395          | 37.20%        |
| 04-506-50024                 | Benefits-Vacation & Sick Pay   | \$ -                | \$ 2,077         | \$ 14,342         | #DIV/0!       |
| 04-506-50025                 | Benefits-Boots                 | \$ 4,750            | \$ -             | \$ 1,200          | 25.26%        |
| 04-506-51003                 | R&M - Structures               | \$ 26,519           | \$ -             | \$ -              | 0.00%         |
| 04-506-51011                 | R&M - Valves                   | \$ 500              | \$ -             | \$ -              | 0.00%         |
| 04-506-51020                 | R&M - Pipelines                | \$ 500              | \$ -             | \$ (276)          | -55.16%       |
| 04-506-51021                 | R&M - Service Lines            | \$ 4,000            | \$ -             | \$ -              | 0.00%         |
| 04-506-51022                 | R&M - Fire Hydrants            | \$ 4,000            | \$ -             | \$ -              | 0.00%         |
| 04-506-51030                 | R&M - Meters                   | \$ 1,500            | \$ -             | \$ -              | 0.00%         |
| 04-506-51140                 | General Supplies & Expenses    | \$ 7,000            | \$ 1,036         | \$ 1,038          | 14.82%        |
| 04-506-51210                 | Utilities - Power Purchases    | \$ 84,500           | \$ 6,204         | \$ 26,113         | 30.90%        |
| 04-506-54002                 | Dues & Subscriptions           | \$ 3,000            | \$ 2,848         | \$ 2,858          | 95.25%        |
| 04-506-54005                 | Computer Expenses              | \$ 11,000           | \$ -             | \$ 850            | 7.73%         |
| 04-506-54011                 | Printing & Publications        | \$ -                | \$ -             | \$ -              | N/A           |
| 04-506-54012                 | Education & Training           | \$ 3,500            | \$ 310           | \$ 446            | 12.74%        |
| 04-506-54014                 | Public Relations               | \$ 4,200            | \$ -             | \$ 440            | 10.49%        |
| 04-506-54016                 | Travel Related Expenses        | \$ 1,000            | \$ 208           | \$ 453            | 45.25%        |
| 04-506-54017                 | Certifications & Renewals      | \$ 500              | \$ -             | \$ -              | 0.00%         |
| 04-506-54019                 | Licenses & Permits             | \$ 7,500            | \$ 11,898        | \$ 11,898         | 158.64%       |
| 04-506-54020                 | Meeting Related Expenses       | \$ 1,400            | \$ 349           | \$ 540            | 38.56%        |
| 04-506-54022                 | Utilities - YVWD Services      | \$ 12,500           | \$ -             | \$ 1,890          | 15.12%        |
| 04-506-54025                 | Telephone & Internet           | \$ 1,400            | \$ 84            | \$ 497            | 35.53%        |
| 04-506-54104                 | Contractural Services          | \$ 10,000           | \$ 712           | \$ 3,002          | 30.02%        |
| 04-506-54107                 | Legal                          | \$ 500              | \$ -             | \$ -              | 0.00%         |
| 04-506-54108                 | Audit & Accounting             | \$ 4,000            | \$ -             | \$ 150            | 3.75%         |
| 04-506-54109                 | Professional Fees              | \$ 30,000           | \$ -             | \$ 6,898          | 22.99%        |
| 04-506-54110                 | Laboratory Services            | \$ -                | \$ -             | \$ -              |               |
| 04-506-55500                 | Depreciation                   | \$ -                | \$ -             | \$ -              | #DIV/0!       |
| 04-5-06-56001                | Insurance                      | \$ 25,000           | \$ 2,083         | \$ 8,333          | 33.33%        |
| 04-5-06-57030                | Regulatory Compliance          | \$ 6,500            | \$ -             | \$ 6,030          | 92.77%        |
| 04-5-06-57040                | Environmental Compliance       | \$ 500              | \$ -             | \$ -              | 0.00%         |
|                              | <b>TOTAL RECYCLED EXPENSES</b> | <b>\$ 1,301,447</b> | <b>\$ 90,522</b> | <b>\$ 370,719</b> | <b>28.49%</b> |



**Date:** November 19, 2019

**Prepared By:** Mike Kostelecky, Operations Manger

**Subject:** Consideration to Authorize the Rehabilitation of Drinking Water Production Well No. 12

**Recommendation:** That the Board authorize the General Manager to rehabilitate Well No. 12 by Tri County Pump Company for a sum not to exceed \$82,762.

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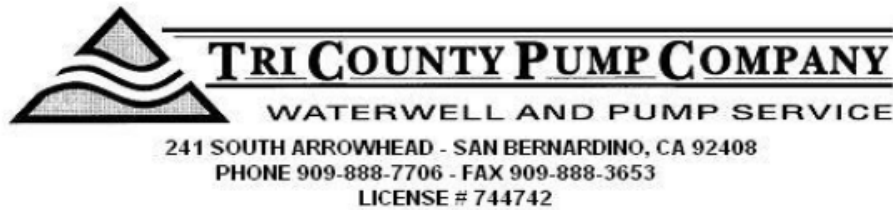
On September 13, 2019 during daily site checks, staff discovered a vibration from well 12 as it was running. After inspection it was believed to have suffered a bearing malfunction and would be pulled from the hole on September 23<sup>rd</sup>.

Upon breaking down the equipment further, Tri County Pump Company has determined the vibration was caused from wear as the column, tube, and shaft have been in service since 2005. In 2002, the column and tube were flipped end over end to maximize life but are now in need of full replacement. The well was video logged on October 3<sup>rd</sup> which showed the majority of the perforations are open and relatively clean, however there does exist 12 feet of sediment that should be bailed out. This well is known for pumping sand and since 12 feet of sediment exists, staff has requested a bid to install a down hole sand separator to help minimize this cycle of wear caused by the sand.

Attached is the bid for the work already completed by Tri County Pump Company plus bailing the well, new 8" and 3" by 20' column pipes/inner column assemblies, and a sand separator. The bowl assembly is rebuildable.

District staff is requesting your consideration to authorize Tri County Pump Company to rehabilitate drinking water production well 12 summarized above and found in the attached quote in the amount not to exceed \$82,761.09.





October 28, 2019

Yucaipa Valley Water District  
 P.O. Box 730  
 12770 Second Street  
 Yucaipa, CA 92399

Quote Number: 102819-1AB

Attention: Mr. Ron McCall

Subject: Well #12 - Revised

We have pulled, disassembled, inspected and documented the subject pump. We have also video logged the well. The majority of the perforations are open and relatively clean, however, the well has accumulated approximately 12' of fill material. The bowl assembly is rebuildable, but the all of the column, tube, and shaft have been in service since 2005 and requires replacement. The following is our complete estimate to repair.

**Field Labor**

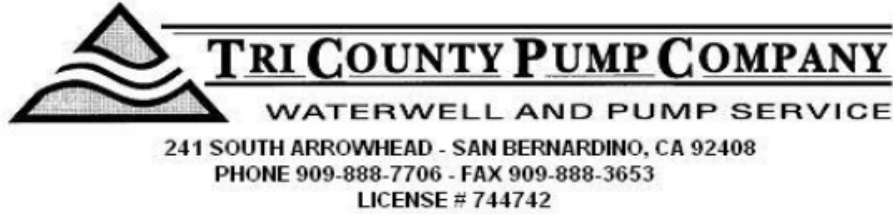
|   |            |
|---|------------|
| Travel to and from jobsite; pull pump and transport to shop for inspection<br>(3 man crew and equipment - 15 hours @ \$420.00 per hour) | \$6,225.00 |
| Video Log Well  | \$1,000.00 |
| Travel to and from jobsite; bail well<br>(2 man crew and equipment - 8 hours @ \$305.00 per hour)                                       | \$2,440.00 |
| Travel to and from jobsite; install pump, check rotation, and adjust pump<br>(3 man crew and equipment - 16 hours @ \$420.00 per hour)  | \$6,720.00 |
| Travel to and from jobsite; start up and test run<br>(2 man crew and equipment - 4 hours @ \$305.00 per hour)                           | \$1,220.00 |

**Shop Labor**

|  |            |
|--|------------|
| Disassemble, inspect, document, press out and in bowl bearings, machine for impeller seal rings, assemble bowl assembly, stab tube and shaft into column pipe, and load out for installation | \$3,420.00 |
| Sandblast discharge head and bowl assembly and paint   | \$950.00   |

**Materials**

|   |             |
|---|-------------|
| 1 - Roll Off Rental   | \$900.00    |
| 1 - Set; Impeller Seal Rings                                      | \$2,448.00  |
| 1 - Set; Bowl Bearings  | \$1,679.00  |
| 1 - 1-11/16" x 123-9/16" 416SS Bowl Shaft                         | \$1,008.00  |
| 1 - Lot; SS Bowl Bolting  | \$319.00    |
| 1 - Lakos Down Hole Sand Seperator                                | \$5,805.00  |
| 1 - 1-15/16" x 109-1/8" 416SS Head Shaft w/ Adjusting Nut and Key | \$1,455.00  |
| 24 - 8" x 20' T&C Butt Column Pipe @ \$631.00 each                | \$15,144.00 |
| 1 - 8" x 10' T&C Butt Column Pipe                                 | \$375.00    |
| 1 - 8" x 5' T&C Butt Column Pipe                                  | \$345.00    |
| 1 - 8" x 5' TBE Butt Column Pipe                                  | \$241.00    |
| 24 - 3" x 1-15/16" x 20' Inner Column Assembly @ \$832.00 each    | \$19,968.00 |
| 1 - 3" x 1-15/16" x 10' Inner Column Assembly                     | \$462.00    |
| 2 - 3" x 1-15/16" x 5' Inner Column Assembly @ \$280.00 each      | \$560.00    |
| 1 - 8" x 5' TOE Taper Suction Pipe w/ SS Cone Strainer            | \$573.00    |
| 1 - Rebuilt Stretch Assembly                                      | \$650.00    |



Yucaipa Valley Water District  
 Well #12 - Revised  
 October 28, 2019  
 Page 2

|   |                                 |
|---|---------------------------------|
| 1 - Lot; Copper Line and Fitting                          | \$75.00                         |
| 7 - 8" x 3" Black Widow Spider @ \$30.00 each             | \$210.00                        |
| 1 - Lot; 1/4" SS Air Line w/ Gauge, Fittings, and Bracket | \$2,078.00                      |
| 1 - Lot; SS Bandit and Buckles                            | \$250.00                        |
| 1 - Lot; Turbine Oil                                      | \$144.00                        |
| 1 - Lot; Motor Oil  | \$150.00                        |
| 1 - Lot; Nuts, Bolts, Ring Gaskets, Etc.                  | \$75.00                         |
| 1 - Electrical Connection Kit                             | \$200.00                        |
| 1 - Lot; Miscellaneous Shop Supplies                      | \$150.00                        |
| 1 - Lot; Estimated Incoming Freight                       | \$1,150.00                      |
|   | Estimated Labor \$21,975.00     |
|   | Estimated Materials \$56,414.00 |
|   | Sales Tax 7.75% \$4,372.09      |
|   | Total Estimate \$82,761.09      |

We can procure all items and complete this installation within 2-3 weeks after your approval and your authorization to proceed.

This estimate is valid for thirty (30) days from the above date, and subject to review thereafter.

We trust this estimate will suffice for your needs, and should any additional information be required, please do not hesitate to contact us.

Sincerely,

Andy Bradbury



**Date:** November 19, 2019

**Prepared By:** John Wrobel, Public Works Manager  
Allison M. Edmisten, Chief Financial Officer

**Subject:** Overview of Cost Accounting Methodology for the Yucaipa Valley Regional Brineline – Mountain View Power Plant

**Recommendation:** That the Board adopt Resolution 2019-23 Setting the Cost Accounting Methodology for the Yucaipa Valley Regional Brineline – Mountain View Power Plant.

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Annually, District staff performs maintenance tasks to the Yucaipa Valley Regional Brineline (“Brineline”). The Brineline extends from the Wochholz Regional Water Recycling Facility, 14 miles to E Street in San Bernardino, where it connects to the Inland Empire Brine Line (IEBL). These maintenance tasks consist of hydro-jetting and video inspection of the Brineline which takes approximately 40 days to complete each year.

Until recently, the District was the only discharger to the Brineline. In 2019, the Mountain View Power Generating Station began discharging cooling tower blow down waste into the Brineline under a permit with the Santa Ana Watershed Project Authority (SAWPA). The Mountain View connection is located on Van Leuven Street in Redlands, and there is 3.94 miles of Brineline from their connection (approximately 28% of the total distance) to the IEBL connection.

Mountain View discharges approximately 431,000 gallons per day (approximately 52% of the total discharge), while YVWD discharges approximately 391,000 gallons per day. As a result of the total distance as well as total discharge by Mountain View, 40% of the annual maintenance cost (average of the two percentages above) for the above mentioned 4 miles of the lateral will be paid by the Mountain View Power Generating Station. This cost will be billed to the Edison Mountain View Power Generating Station on a monthly basis. Below is the detailed breakdown of the cost of the annual maintenance expense for the last 4 miles of the Brineline.

#### Financial Impact

The costs listed above will be reviewed annually and brought before the Board of Directors for approval. The annual charge for FY 2019-20 will be billed in January for a total of \$119,685.03 and will result in additional revenue for the Sewer Division.



**RESOLUTION NO. 2019-23****RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
YUCAIPA VALLEY WATER DISTRICT APPROVING THE COST ACCOUNTING  
METHODOLOGY FOR THE YUCAIPA VALLEY REGIONAL BRINELINE –  
MOUNTAIN VIEW POWER PLANT**

WHEREAS, the Yucaipa Valley Water District (the “District”) has approved the cost accounting methodology for the Yucaipa Valley Regional Brineline – Mountain View Power Plant based on the latest actual cost evaluation associated with providing this service; and

WHEREAS, the District and Mountain View Power Generating Station executed an agreement on December 17, 2008 agreeing that upon Mountain View’s connection to the Brineline, the District would invoice Mountain View for its prorated share of operation and maintenance costs; and

WHEREAS, the District has allocated the cost of allowing the Mountain View Power Generating Station to discharge into the Brineline; and

WHEREAS, District staff will invoice the annual cost for the fiscal year in January of each year. Any unpaid amount from the January invoice that is not paid by June of that same calendar year, will be added to the property tax for the Mountain View Power Generating Station; and

WHEREAS, the District staff has presented the cost information and billing methodology at publicly noticed board workshops.

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NOW, THEREFORE, the Board of Directors of Yucaipa Valley Water District, based on the foregoing Recitals, do hereby RESOLVE, DETERMINE, AND ORDER as follows:

This Resolution shall be effective immediately and shall remain in effect until such time as it is rescinded or superseded.

PASSED, APPROVED and ADOPTED this 19<sup>th</sup> day of November 2019.

YUCAIPA VALLEY WATER DISTRICT

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Chris Mann, President Board of Directors

ATTEST:

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Joseph B. Zoba, General Manager

|  | Hours | Rate   | Total               |
|--|-------|--|---------------------|
| Ongoing Maintenance Cost                       |       |  |                     |
| Public Works Supervisor                        |       |  |                     |
| (4 hrs/wk *52)                                 | 208   | \$79.39  | \$16,513.12         |
| Annual Depreciation Cost                       |       |  | \$487,525.98        |
| <b>1/3 cost for Mountain View line length</b>  |       |  | \$166,332.90        |
| <b>50% of cost to be paid by Mountain View</b> |       |  | <b>\$83,166.45</b>  |
| Staff Time                                     |       |  |                     |
| Public Works Supervisor                        | 88    | \$79.39  | \$6,986.32          |
| Utility Service Worker IV                      | 88    | \$69.64  | \$6,128.32          |
| Utility Service Worker III                     | 88    | \$62.77  | \$5,523.76          |
| (2) Utility Service Worker I                   | 176   | \$46.29  | \$4,073.52          |
| Equipment                                      |       |  |                     |
| Aquatech                                       | 88    | \$125.00   | \$11,000.00         |
| Water Truck                                    | 88    | \$22.50  | \$1,980.00          |
| Utility Truck                                  | 88    | \$16.00  | \$1,408.00          |
| Light Board                                    | 88    | \$15.00  | \$1,320.00          |
| Confined Space                                 | 88    | \$2.25   | \$198.00            |
| Brineline Insurance                            |       | \$22,499.00  | \$22,499.00         |
| Water – 21,000 gallons                         | -     | \$1.425 per 1,000 gal                              | \$29.93             |
| Video Inspection                               | -     | \$1,950 per day                                    | \$21,450.00         |
| Utility Service Worker III                     | 56    | \$62.77  | \$3,515.12          |
| (2) Utility Service Worker I                   | 112   | \$46.29  | \$5,184.48          |
|  |       | <b>Subtotal Annual Cost</b>                        | <b>\$91,296.45</b>  |
|  |       |  |                     |
|  |       | <b>40% of annual cost paid by Mountain View</b>    | <b>\$36,518.58</b>  |
|  |       | <b>Mountain View Maintenance Cost (from above)</b> | <b>\$83,166.45</b>  |
|  |       | <b>Total Annual Cost for Mountain View</b>         | <b>\$119,685.03</b> |
|  |       |  |                     |
|  |       | <b>Remaining 60% annual cost paid by YVWD</b>      | <b>\$54,777.87</b>  |
|  |       | <b>YVWD Maintenance Cost (from above)</b>          | <b>\$420,872.65</b> |
|  |       | <b>Total Annual Cost for YVWD</b>                  | <b>\$475,650.52</b> |



Yucaipa Valley Water District

Director Memorandum 09-002

**Date:** January 7, 2009 **Job:** Not Applicable  
**Prepared By:** Joseph Zoba, General Manager **G/L:** Not Applicable  
**Subject:** Ratification of Letter Agreement with Mountainview Power Company Relating to the Yucaipa Valley Regional Brineline Extension Project

**Recommendation:** That the Board ratifies the Letter Agreement as presented.

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At the Board meeting on December 17, 2008, the District staff discussed the attached agreement with Mountainview Power Company that will provide 0.5 million gallons per day of pipeline capacity in a portion of the Yucaipa Valley Regional Brineline for the Mountain View Power Plant.

The agreement was executed by the General Manager on December 17, 2008 and Mountainview provided the District with a payment of \$750,000 on December 30, 2008. Upon approval by the Board, the District staff will make the necessary arrangements with Dudek for the design of this additional capacity in the lower portion of the Yucaipa Valley Regional Brineline.

December 17, 2008

Subject: Letter of Agreement Relating To The Yucaipa Valley Regional Brineline Extension Project

This Letter of Agreement, effective December 17, 2008, is by and between the Yucaipa Valley Water District ("District") and Mountainview Power Company, LLC ("Mountainview").

The District is in the process of preparing the final design of the approximately 15 mile Yucaipa Valley Regional Brineline Extension Project ("Facility"). The Facility will connect the Wochholz Regional Water Recycling Facility located in Yucaipa to the existing Santa Ana Regional Interceptor in San Bernardino.

At this time the District can reserve 0.5 million gallons per day (mgd) of the Facility's pipeline capacity in approximately 20,700 linear feet of the proposed brineline extension for use by Mountainview for the operational life of the Facility, expected to be at least fifty (50) years. Specifically, this pipeline capacity would extend from a new 600 gpm connection located in the Southern California Edison right-of-way west of the intersection of Mission Road and Van Leuven Street downstream to the proposed connection point with the existing Santa Ana Regional Interceptor in the vicinity of the San Bernardino Wastewater Treatment Plant, as shown on the map attached hereto as SCE Exhibit.

Prior to December 31, 2008, Mountainview will make a payment to the District in the amount of \$750,000.00 for the estimated connection and pipeline capacity fee (the "Mountainview Participation Payment"). Upon receipt of the Mountainview Participation Payment, the District will cause its design engineers to adjust the final design for the Facility to provide an additional 600 gpm connection and 0.5 mgd of pipeline capacity solely for Mountainview's use (the "Mountainview Pipeline Capacity"). The participation by other parties in the Facility will not reduce or otherwise affect the amount of the Mountainview Participation Payment, or the District's obligation to design and complete construction of the Mountainview Pipeline Capacity without change. However, the District may unilaterally terminate this Agreement without any further obligation to Mountainview if such termination occurs prior to the design of the Facility in which case District shall refund the \$750,000.00, without interest, to Mountainview.

Within sixty (60) days following the completion of construction of the Facility, the District will provide Mountainview with documentation verifying the actual engineering and construction costs incurred by the District as a direct result of the Mountainview Pipeline Capacity. The District will provide Mountainview with a billing credit to the extent such costs are less than the Mountainview Participation Payment, and an invoice to the

extent such costs exceed the Mountainview Participation Payment. The billing credit or payment of the excess costs shall be made within 120 days of the completion of construction of the Facility.

In the event that the construction of the Facility is not completed and in full operation by July 1, 2012, the District will promptly thereafter provide Mountainview with documentation verifying the actual engineering and construction costs incurred by the District as a direct result of the Mountainview Pipeline Capacity, and refund the Mountainview Participation Payment to Mountainview by no later than September 30, 2012, less the amount expended or which the District is contractually required to pay to third party contractors for work directly relating to the design or construction of the Mountainview Pipeline Capacity.

Upon Mountainview's connection to the Facility, the District will invoice Mountainview for its prorated share, based on the percentage the Mountainview Pipeline Capacity makes up of the Facility's total capacity, of the actual operation and maintenance costs incurred by the District related to the Facility, including depreciation, amortization, maintenance, and operation, insurance and other related expenses (collectively, "O&M"). The District may only adjust the amount of O&M costs invoiced to Mountainview once every twelve (12) months. Mountainview shall pay such invoice within thirty (30) days of receipt of the invoice.

In the event that Mountainview desires in the future to acquire additional pipeline and treatment and disposal capacity, it shall purchase such capacity from the District at the prices in effect at that time.

Mountainview shall have the right to assign this Letter of Agreement to Southern California Edison Company without the District's consent. Assignment of this Letter of Agreement or of Mountainview Pipeline Capacity to any other person or entity shall require the District's advance written approval.

Mountainview Power Company, LLC

By: [Signature]

Name: R.W. Kreyer

Title: President

Date: 12/17/08

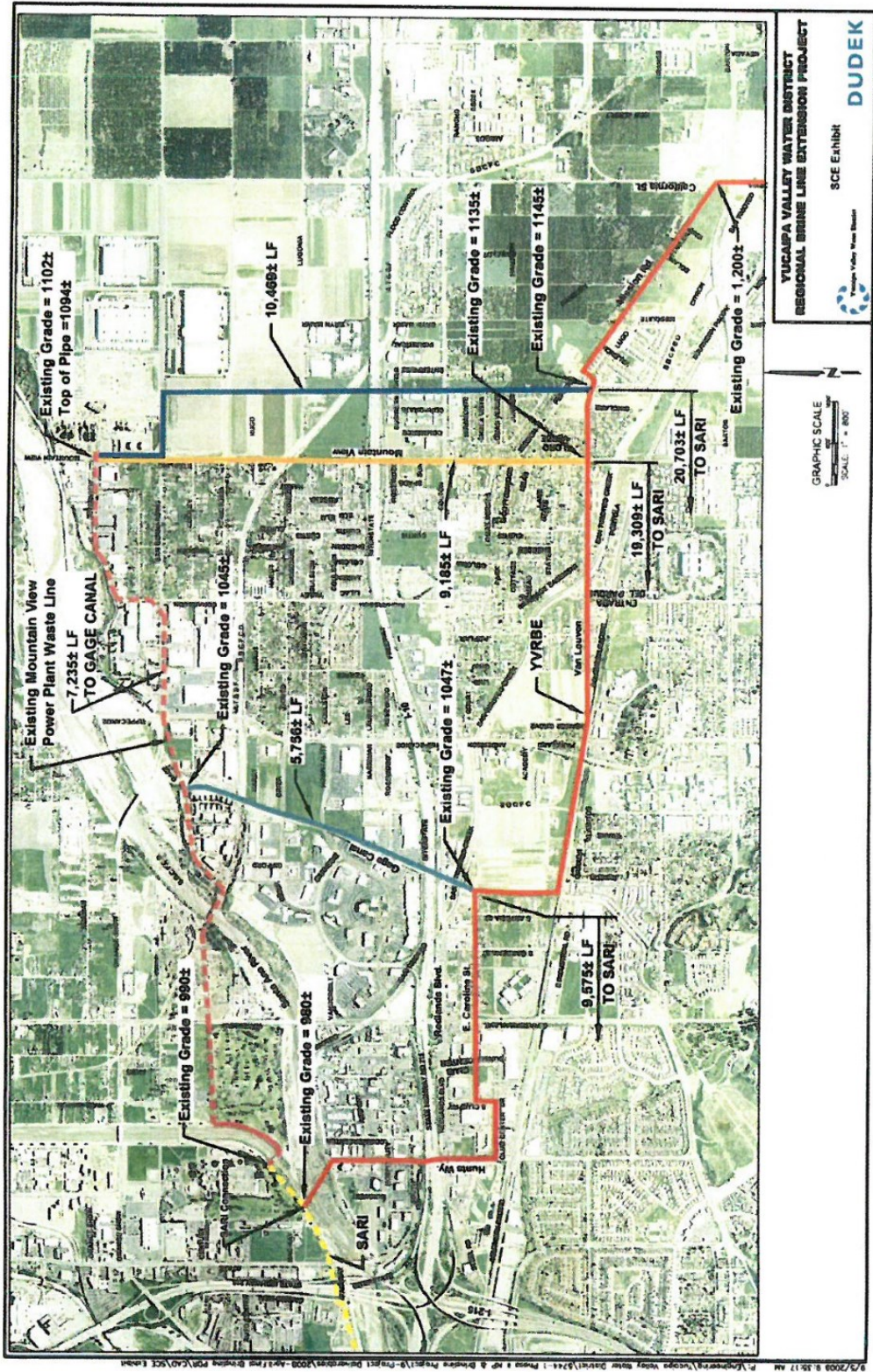
Yucaipa Valley Water District

By: [Signature]

Name: Joseph B. Zeder

Title: General Manager

Date: 12/17/08





**Date:** November 19, 2019

**Prepared By:** Joseph Zoba, General Manager

**Subject:** Consideration of Resolution No. 2019-24 Authorizing the Purchase of Property at 12816 Second Street, Yucaipa

**Recommendation:** That the Board adopt Resolution No. 2019-24.

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The Yucaipa Valley Water District is in the process of purchasing approximately 1.6 acres at 12816 Second Street, Yucaipa.

The title company requested that the Board of Directors adopt the attached resolution authorizing the purchase of this property.

**RESOLUTION NO. 2019-24**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
YUCAIPA VALLEY WATER DISTRICT AUTHORIZING THE PURCHASE OF  
PROPERTY AT 12816 SECOND STREET, YUCAIPA**

WHEREAS, the Yucaipa Valley Water District (the "District") is a public agency of the State of California organized and existing pursuant to the provisions of the County Water District Law of this State (Section 30000, et seq. of the Water Code); and

WHEREAS, the Yucaipa Valley Water District has entered into escrow for the purchase of property located at 12816 Second Street, Yucaipa, California.

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDERED, by the Board of Directors of the Yucaipa Valley Water District, that the General Manager is authorized to execute the necessary documents to purchase said property and to forward certified copies of this Resolution to the title company upon request.

PASSED AND ADOPTED this 19<sup>th</sup> day of November 2019.

YUCAIPA VALLEY WATER DISTRICT

\_\_\_\_\_  
Chris Mann, President Board of Directors

ATTEST:

\_\_\_\_\_  
Joseph B. Zoba, General Manager





**Date:** November 19, 2019

**Prepared By:** Joseph Zoba, General Manager

**Subject:** Filing a Notice to Adjust Rights of an Overlying Party Due to Proposed Provision of Water Service by an Appropriator with the Beaumont Basin Watermaster

**Recommendation:** That the Board authorize the General Manager to file the Notice to Adjust Rights of an Overlying Party Due to Proposed Provision of Water Service by an Appropriator with the Beaumont Basin Watermaster.

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On February 4, 2004, *A Judgment Pursuant to Stipulation Adjudicating Groundwater Rights in the Beaumont Basin* was filed with the Superior Court of the State of California for the County of Riverside as Case No. RIC 389197. This Stipulated Judgment created the Beaumont Basin Watermaster and identified Appropriator Parties, Appropriator Water Rights, Overlying Parties, Overlying Water Rights, and the Adjustment of Rights which provides for the transfer of Overlying Water Rights to an Appropriator Party.

The initial Overlying Water Rights identified for the Oak Valley Development Company, successor in interest to Oak Valley Partners, (OVDC/OVP) in the Stipulated Judgment was 1,806 acre feet.

On February 4, 2015, the Watermaster reevaluated the safe yield of the Beaumont Basin pursuant to Section V.5.Y. of the Stipulated Judgment and adjusted the Overlying Water Rights identified for OVDC/OVP to 1,398.9 acre feet.

The Overlying Water Rights will be adjusted every ten years consistent with the Stipulated Judgment which may increase or decrease the Overlying Water Rights that are hereby transferred to the Yucaipa Valley Water District.

## NOTICE TO ADJUST RIGHTS OF AN OVERLYING PARTY DUE TO PROPOSED PROVISION OF WATER SERVICE BY AN APPROPRIATOR

Please take notice that Yucaipa Valley Water District (“Appropriator”) proposes to provide retail water service to Oak Valley Partners (“Overlying Owner”) and that all original 1,806 / revised 1,398.90 acre feet (“Earmarked Water”) of Overlying Water Rights will be transferred to the Appropriator when the Overlying Owner received water service on October 9, 2018.

Notice is hereby given that the Watermaster will reduce the Overlying Owner’s Overlying Water Right(s) (as shown in Exhibit B, Column 4 of the Judgment and modified by the redetermination of safe yield) by the amount of Earmarked Water and adjust the Appropriative Water Rights of the Appropriator effective on the day when water service is first provided by the Appropriator.

**OVERLYING OWNER**

Oak Valley Development Company /  
Oak Valley Partners

Overlying Party

John Ohanian

Authorized Agent – Print Name

Title

Signature

Date

Post Office Box 645

Calimesa, California 92320

Address for Notice

(909) 795-8941

Telephone

johanian@tvglc.com

Email Address

**APPROPRIATOR**

Yucaipa Valley Water District

Appropriator Party

Joseph B. Zoba

Authorized Agent – Print Name

General Manager

Title

Signature

Date

Post Office Box 730

Yucaipa, California 92399

Address for Notice

(909) 797-5119 x2

Telephone

jzoba@yvwd.us

Email Address

For Watermaster Use

Date Form is Received:

Date Earmarked Water is First Used:

# Board Reports



Yucaipa Valley Water District

# 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  
72 full time employees

**FY 2019-20 Operating Budget:** Water Division - \$14,455,500  
Sewer Division - \$12,217,712  
Recycled Water Division - \$1,301,447

**Number of Services:** 13,794 drinking water connections serving 19,243 units  
14,104 sewer connections serving 22,774 units  
111 recycled water connections serving 460 units

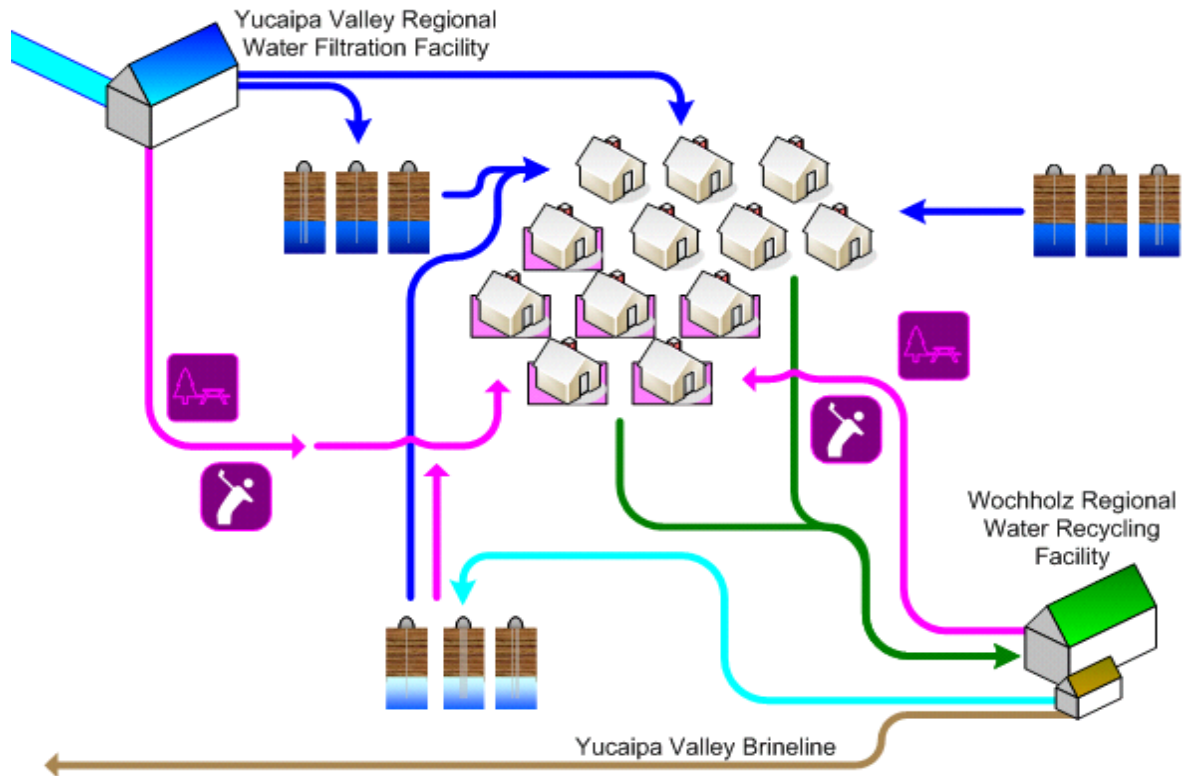
**Water System:** 223 miles of drinking water pipelines  
2,033 fire hydrants  
27 reservoirs - 34 million gallons of storage capacity  
18 pressure zones  
2.958 billion gallon annual drinking water demand  
Two water filtration facilities:  
- 1 mgd at Oak Glen Surface Water Filtration Facility  
- 12 mgd at Yucaipa Valley Regional Water Filtration Facility

**Sewer System:** 8.0 million gallon treatment capacity - current flow at 3.5 mgd  
213 miles of sewer mainlines  
4,504 sewer manholes  
5 sewer lift stations  
1.27 billion gallons of recycled water produced per year

**Recycled Water:** 22 miles of recycled water pipelines  
5 reservoirs - 12 million gallons of storage  
0.681 billion gallon annual recycled water demand

**Brine Disposal:** 2.2 million gallon desalination facility at sewer treatment plant  
1.756 million gallons of Inland Empire Brine Line capacity  
0.595 million gallons of treatment capacity in Orange County

**Sustainability Plan:** A Strategic Plan for a Sustainable Future: The Integration and Preservation of Resources, adopted on August 20, 2008.



**Typical Rates, Fees and Charges:**

- Drinking Water Commodity Charge:
 

|                                   |                                |
|-----------------------------------|--------------------------------|
| 1,000 gallons to 15,000 gallons   | \$1.429 per each 1,000 gallons |
| 16,000 gallons to 60,000 gallons  | \$1.919 per each 1,000 gallons |
| 61,000 gallons to 100,000 gallons | \$2.099 per each 1,000 gallons |
| 101,000 gallons or more           | \$2.429 per each 1,000 gallons |
  
- Recycled Water Commodity Charge:
 

|                       |                                |
|-----------------------|--------------------------------|
| 1,000 gallons or more | \$1.425 per each 1,000 gallons |
|-----------------------|--------------------------------|
  
- Water Meter Service Charge (Drinking Water or Recycled Water):
 

|                         |                   |
|-------------------------|-------------------|
| 5/8" x 3/4" Water Meter | \$14.00 per month |
| 1" Water Meter          | \$23.38 per month |
| 1-1/2" Water Meter      | \$46.62 per month |
  
- Sewer Collection and Treatment Charge:
 

|                            |                   |
|----------------------------|-------------------|
| Typical Residential Charge | \$42.43 per month |
|----------------------------|-------------------|

**State Water Contractors:** San Bernardino Valley Municipal Water District  
San Gorgonio Pass Water Agency



|                             | San Bernardino Valley Municipal Water District | San Gorgonio Pass Water Agency |
|-----------------------------|--|--------------------------------|
| Service Area Size           | 353 square miles                               | 222 square miles               |
| Table "A" Water Entitlement | 102,600 acre feet                              | 17,300 acre feet               |
| Imported Water Rate         | \$125.80 / acre foot                           | \$399 / acre foot              |
| Tax Rates for FY 2019-20    | \$0.1425 per \$100                             | \$0.1775 per \$100             |
| Number of Board Members     | Five (5)                                       | Seven (7)                      |
| Operating Budget FY 2019-20 | \$58,372,000                                   | \$9,551,000                    |

**Imported Water Charges (Pass-through State Water Project Charge)**

- San Bernardino Valley Municipal Water District - Customers in San Bernardino County or City of Yucaipa pay a pass-through amount of \$0.270 per 1,000 gallons.
- San Gorgonio Pass Water Agency - Customers in Riverside County or City of Calimesa pay a pass-through amount of \$0.660 per 1,000 gallons. A proposed rate change to \$0.857 per 1,000 gallons is pending future consideration by YVWD.





## 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 wastewater 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 wastewater treatment process. This high-quality product can be recycled as a soil amendment on farmland or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

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

**Certificate of Participation (COP)** – A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

**Coliform Bacteria** - A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere used as indicators of sewage pollution. E. coli are the most common bacteria in wastewater.

**Collections System** - In wastewater, it is the system of typically underground pipes that receive and convey sanitary wastewater or storm water.

**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.

**Contaminants of Potential Concern (CPC)** - Pharmaceuticals, hormones, and other organic wastewater contaminants.

**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.

**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.

**Levels of Service (LOS)** - Goals to support environmental and public expectations for performance.

**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 to 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.

**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.

**Santa Ana River Interceptor (SARI) Line** - A regional brine line designed to convey 30 million gallons per day (MGD) of non-reclaimable wastewater from the upper Santa Ana River basin to Orange County Sanitation District for treatment, use and/or disposal.

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

**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 wastewater.

**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.

**South Coast Air Quality Management District (SCAQMD)** - Regional regulatory agency that develops plans and regulations designed to achieve public health standards by reducing emissions from business and industry.

**Special district** - A form of local government created by a local community to meet a specific need. Yucaipa Valley Water District is a County Water District formed pursuant to Section 30000 of the California Water Code

**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.

**Surface Water** - Water found in lakes, streams, rivers, oceans, or reservoirs behind dams. In addition to using groundwater, Yucaipa Valley Water District receives surface water from the Oak Glen area.

**Sustainable Groundwater Management Act (SGMA)** - Pursuant to legislation signed by Governor Jerry Brown in 2014, the Sustainable Groundwater Management Act requires water agencies to manage groundwater extractions to not cause undesirable results from over production.

**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 wastewater as it trickles over them.

**Underground Service Alert (USA)** - A free service (<https://www.digalert.org>) 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 carry 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.

**Water Pressure** - Water pressure is created by the weight and elevation of water and/or generated by pumps that deliver water to customers.

**Water Service Line** - A water service line is used to deliver water from the Yucaipa Valley Water District's mainline distribution system.

**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.

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

**Water-Wise House Call** - a service which provides a custom evaluation of a customer's indoor and outdoor water use and landscape watering requirements.

**Well** - a hole drilled into the ground to tap an underground aquifer.

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





## 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 |
| SGMA   | Sustainable Groundwater Management Act          |
| 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                   |