

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
March 24, 2014, at 1:30 p.m.

1. Call to Order, Flag Salute and Roll Call

2. Adoption and Adjustment of Agenda

3. Public Comment

Members of the public may address the Board at this time concerning items not on the agenda. To comment on specific agenda items, please complete a speaker's request form and hand it to the Board secretary.

4. New Business (Discussion only)

- A. Ratification of Paid Invoices and Monthly Payroll for February, 2014 by Reviewing Check History Reports in Detail*
- B. Review and Consideration of Pending Legal Invoices for February, 2014*
- C. Review of February, 2014 Bank Reconciliation*
- D. Review of Budget Report for February, 2014*
- E. Discussion of Contribution to ACWA Bond Issue Polling
- F. Discussion of Verizon Cell Phone Tower Lease*

5. Announcements

- A. San Gorgonio Pass Regional Water Alliance – Technical Committee Meeting, March 26, 2014 at 4:00 pm, Banning City Hall Conference Room
- B. San Gorgonio Pass Regional Water Alliance – Committee Meeting, March 26, 2014 at 6:00 pm, Banning City Council Chambers
- C. Regular Board Meeting, April 7, 2014 at 1:30 p.m.
- D. Engineering Workshop, April 14, 2014 at 1:30 p.m.

6. Adjournment

***Information Included In Agenda Packet**

1. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Ave., Beaumont, CA 92223 during normal business hours. 2. Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be available on the Agency's Internet website, accessible at <http://www.sgpwa.com>. 3. Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951-845-2577) at least 48 hours prior to the meeting to make a request for a disability-related modification or accommodation.

BR Bank Register Report

San Gorgonio Pass Water Agency(ASG)

03/07/2014 09:49:21

Document Number	Date	Payee Name/Description	Type	Status	Source	Amount
Bank Code: WFC Wells Fargo Checking					Current Balance	\$204,165.28
015042	02/03/2014	ASSOCIATION GOVERNMENT ACCOUNTANTS	CHK	CLR	AP	\$129.00
015043	02/03/2014	BDL ALARMS, INC.	CHK	CLR	AP	\$78.00
015044	02/03/2014	BEST BEST & KRIEGER LLP	CHK	CLR	AP	\$8,379.88
015045	02/03/2014	MARY ANN HARVEY-MELLEBY	CHK	CLR	AP	\$49.28
015046	02/03/2014	METROPOLITAN WATER DISTRICT	CHK	CLR	AP	\$79.97
015047	02/10/2014	CB&T / ACWA-JPIA	CHK	CLR	AP	\$656.44
015048	02/10/2014	BEAUMONT HOME CENTER	CHK	CLR	AP	\$28.00
015049	02/10/2014	CALPERS FISCAL SERVICES DIVISION	CHK	CLR	AP	\$300,000.00
015050	02/10/2014	ERNE & SONS HEATING PLUMBING & A/C	CHK	CLR	AP	\$128.00
015051	02/10/2014	GOPHER PATROL	CHK	CLR	AP	\$48.00
015052	02/10/2014	J. R. FREEMAN CO. INC.	CHK	CLR	AP	\$91.30
015053	02/10/2014	KENNEDY/JENKS CONSULTANTS	CHK	CLR	AP	\$1,978.60
015054	02/10/2014	MARY ANN HARVEY-MELLEBY	CHK	CLR	AP	\$35.00
015055	02/10/2014	UNLIMITED SERVICES BUILDING MAINT.	CHK	CLR	AP	\$295.00
015056	02/10/2014	WASTE MANAGEMENT INLAND EMPIRE	CHK	CLR	AP	\$92.27
015058	02/15/2014	CALIFORNIA PUBLIC EMPLOYEES'	CHK	CLR	AP	\$6,977.19
015059	02/15/2014	FRANCHISE TAX BOARD	CHK	CLR	AP	\$180.06
217702	02/15/2014	EMPLOYMENT DEVELOPMENT DEPARTMENT	CHK	CLR	AP	\$924.06
276590	02/15/2014	ELECTRONIC FEDERAL TAX PAYMNT SYSTM	CHK	CLR	AP	\$6,079.71
015060	02/18/2014	CV STRATEGIES	CHK	CLR	AP	\$700.00
015061	02/18/2014	INCONTACT, INC.	CHK	CLR	AP	\$102.79
015062	02/18/2014	MATTHEW PISTILLI LANDSCAPE SERVICES	CHK	CLR	AP	\$325.00
015063	02/18/2014	SOUTHERN CALIFORNIA GAS	CHK	CLR	AP	\$130.77
015064	02/18/2014	THOMAS W. TODD, JR.	CHK	CLR	AP	\$1,013.91
015065	02/18/2014	VERIZON	CHK	CLR	AP	\$1,008.11
015066	02/18/2014	WELLS FARGO REMITTANCE CENTER	CHK	CLR	AP	\$6,964.39
015067	02/24/2014	CALIFORNIA PUBLIC EMPLOYEES'	CHK	CLR	AP	\$6,023.20
015068	02/24/2014	JEFFREY W. DAVIS	CHK	CLR	AP	\$666.77
015069	02/24/2014	KENNETH M. FALLS	CHK	CLR	AP	\$63.13
015070	02/24/2014	FEDERAL EXPRESS	CHK	CLR	AP	\$8.82
015071	02/24/2014	THEODORE F. HARING	CHK	CLR	AP	\$564.00
015072	02/24/2014	J. R. FREEMAN CO. INC.	CHK	CLR	AP	\$417.14
015073	02/24/2014	SOUTHERN CALIFORNIA EDISON	CHK	CLR	AP	\$135.42
015074	02/24/2014	SAN BERNARDINO VALLEY MUNICIPAL	CHK	O/S	AP	\$98,799.38
015076	02/27/2014	AT&T MOBILITY	CHK	O/S	AP	\$213.65
015077	02/27/2014	CALIFORNIA PUBLIC EMPLOYEES'	CHK	O/S	AP	\$7,927.19
015078	02/27/2014	STANDARD INSURANCE COMPANY	CHK	O/S	AP	\$295.52
215233	02/27/2014	ELECTRONIC FEDERAL TAX PAYMNT SYSTM	CHK	CLR	AP	\$6,167.14
217790	02/27/2014	EMPLOYMENT DEVELOPMENT DEPARTMENT	CHK	CLR	AP	\$922.89
900081	02/28/2014	DEPARTMENT OF WATER RESOURCES	CHK	CLR	AP	\$276,510.00

	Bank Totals	Items	Total Voids	Items
Checks	\$735,189.02	40	\$0.00	0
Deposits	\$0.00	0	\$0.00	0
Deductions	\$0.00	0	\$0.00	0
Bank Charges	\$0.00	0	\$0.00	0
Additions	\$0.00	0	\$0.00	0

Total for Bank Code: WFC Wells Fargo Checking

Net Activity: (\$735,189.02)

BR Bank Register Report
San Gorgonio Pass Water Agency(ASG)

03/07/2014 09:49:21

Document Number	Date	Payee Name/Description	Type	Status	Source	Amount
Report Totals					Total Current Balance	\$204,165.28
		Bank Totals	Items		Total Voids	Items
		Checks	\$735,189.02	40	\$0.00	0
		Deposits	\$0.00	0	\$0.00	0
		Deductions	\$0.00	0	\$0.00	0
		Bank Charges	\$0.00	0	\$0.00	0
		Additions	\$0.00	0	\$0.00	0
Report Total				Net Activity:		(\$735,189.02)

Report Selection Criteria

Bank Accounts	Start	End
Date Range	WFC	WFC
Check Date	Custom	
Document /Check Numbers	02/01/2014	02/28/2014
Payee Code	Start	End
	Start	End

Report Type: Single Line
Sort By: Date/Item Type
Includes Items posted from these source modules: AP AR
Includes Items with status: Outstanding Cleared Voided
Includes Items of the Activity Type: All: Check Deduction Bank Charge Deposit Addition
Includes Item Notes: No
Includes Bank Notes: No

Search For 1:
Search For 2:
Search For 3:
And/Or:
Search For 4:
Search For 5:
Search For 6:

BR Bank Register Report

San Gorgonio Pass Water Agency(ASG)

03/07/2014 09:49:49

Document Number	Date	Payee Name/Description	Type	Status	Source	Amount
Bank Code: WFC Wells Fargo Checking					Current Balance	\$204,165.28
000842	02/15/2014	DAVIS, JEFFREY W.	CHK	CLR	PR	\$4,144.84
000843	02/15/2014	DICKSON, WILLIAM E.	CHK	CLR	PR	\$942.50
000844	02/15/2014	FALLS, KENNETH M.	CHK	CLR	PR	\$2,467.55
000845	02/15/2014	MORRIS, WILLIAM R.	CHK	CLR	PR	\$1,122.56
000846	02/15/2014	RASMUSSEN, CHERYLE M.	CHK	CLR	PR	\$1,954.75
000847	02/15/2014	TODD, JR., THOMAS W.	CHK	CLR	PR	\$2,954.80
015057	02/15/2014	JETER, JOHN R.	CHK	CLR	PR	\$972.56
000848	02/27/2014	DAVIS, JEFFREY W.	CHK	CLR	PR	\$4,144.84
000849	02/27/2014	DUNCAN, RONALD A.	CHK	CLR	PR	\$1,122.56
000850	02/27/2014	FALLS, KENNETH M.	CHK	CLR	PR	\$2,477.27
000851	02/27/2014	HARVEY-MELLEBY, MARY ANN	CHK	CLR	PR	\$1,122.56
000852	02/27/2014	RASMUSSEN, CHERYLE M.	CHK	CLR	PR	\$1,954.75
000853	02/27/2014	TODD, JR., THOMAS W.	CHK	CLR	PR	\$2,994.80
000854	02/27/2014	VOIGT, BARBARA A.	CHK	CLR	PR	\$1,122.56
015075	02/27/2014	HARING, THEODORE F.	CHK	O/S	PR	\$1,022.56

	Bank Totals	Items	Total Voids	Items
Checks	\$30,521.46	15	\$0.00	0
Deposits	\$0.00	0	\$0.00	0
Deductions	\$0.00	0	\$0.00	0
Bank Charges	\$0.00	0	\$0.00	0
Additions	\$0.00	0	\$0.00	0

Total for Bank Code: WFC Wells Fargo Checking **Net Activity:** (\$30,521.46)

Report Totals	Bank Totals	Items	Total Current Balance	Total Voids	Items	\$204,165.28
Checks	\$30,521.46	15	\$0.00	\$0.00	0	
Deposits	\$0.00	0	\$0.00	\$0.00	0	
Deductions	\$0.00	0	\$0.00	\$0.00	0	
Bank Charges	\$0.00	0	\$0.00	\$0.00	0	
Additions	\$0.00	0	\$0.00	\$0.00	0	

Report Total **Net Activity:** (\$30,521.46)

Report Selection Criteria

	Start	End
Bank Accounts	WFC	WFC
Date Range	Custom	
Check Date	02/01/2014	02/28/2014
Document /Check Numbers	Start	End
Payee Code	Start	End

Report Type: Single Line
 Sort By: Date/Item Type
 Includes Items posted from these source modules: PR AR
 Includes Items with status: Outstanding Cleared Voided
 Includes Items of the Activity Type: All: Check Deduction Bank Charge Deposit Addition
 Includes Item Notes: No
 Includes Bank Notes: No

Search For 1:
 Search For 2:
 Search For 3:
 And/Or:
 Search For 4:
 Search For 5:
 Search For 6:

SAN GORGONIO PASS WATER AGENCY
LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING

<u>VENDOR</u>	<u>INVOICE NUMBER</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	140228	LEGAL SERVICES FEB14	12,659.06
METROPOLITAN WATER DISTRICT	40911	AREA OF ORIGIN NOV-DEC13	16.05

TOTAL PENDING INVOICES FOR FEBRUARY 2014

12,675.11

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
February 28, 2014**

BALANCE PER BANK AT 02/28/2014 - CHECKING ACCOUNT 322,398.60

322,398.60

LESS OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
14965	60.00	15076	213.65
15074	98,799.38	15077	7,927.19
15075	1,022.56	15078	295.52
	99,881.94		8,436.36

TOTAL OUTSTANDING CHECKS (108,318.30)

BALANCE PER GENERAL LEDGER 214,080.30

BALANCE PER GENERAL LEDGER AT 01/31/2014 439,416.25

CASH RECEIPTS FOR FEBRUARY 15,451.20

CASH DISBURSEMENTS FOR FEBRUARY

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	(735,189.02)	
NET PAYROLL FOR FEBRUARY	(30,521.46)	(765,710.48)

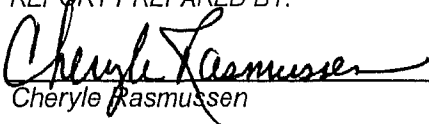
BANK CHARGES (76.67)

TRANSFERS FROM LAIF 525,000.00

TRANSFERS TO LAIF

BALANCE PER GENERAL LEDGER AT 02/28/2014 214,080.30

REPORT PREPARED BY:


Cheryl Rasmussen

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF FEBRUARY, 2014**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
02/03/14	WELLS FARGO SECURITIES	MONEY MARKET INTEREST	14.80	14.80
02/24/14	YVWD	WATER SALES	12,051.00	12,051.00
02/24/14	BINGHAM McCUTHCHEN	LAWSUIT SETTLEMENT	3,150.40	3,150.40
02/24/14	JOHN JETER	REPAYMENT PAT JETER ACWA	235.00	235.00
TOTAL FOR FEBRUARY, 2014			15,451.20	15,451.20

SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2013-14
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 28, 2014

	FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME					
INCOME					
WATER SALES	3,100,000		3,100,000	1,787,435.86	42.34%
TAX REVENUE	1,900,000		1,900,000	1,038,392.30	45.35%
INTEREST	32,000		32,000	14,743.31	53.93%
PASS-THRU	0		0		
GRANTS	0		0		
OTHER (REIMBURSEMENTS, TRANSFERS)	52,000		52,000	7,707.85	85.18%
TOTAL GENERAL FUND INCOME	5,084,000	0	5,084,000	2,848,279.32	43.98%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	2,800,000		2,800,000	1,216,402.12	56.56%
TOTAL COMMODITY PURCHASE	2,800,000	0	2,800,000	1,216,402.12	56.56%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	386,500		386,500	258,401.76	33.14%
PAYROLL TAXES	33,000		33,000	21,764.22	34.05%
WORKERS COMP INSURANCE	4,300		4,300	1,753.27	59.23%
RETIREMENT	127,000		127,000	83,725.08	34.07%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	66,000	225,000	291,000	281,298.23	3.33%
HEALTH INSURANCE	47,000		47,000	37,480.79	20.25%
DENTAL INSURANCE	5,355		5,355	4,260.51	25.59%
SGPWA STAFF MISC. MEDICAL	7,000		7,000	3,984.70	68.84%
LONG TERM DISABILITY	3,100		3,100	2,180.91	29.65%
EMPLOYEE EDUCATION	2,000		2,000	604.00	69.80%
TOTAL SALARIES AND EMPLOYEE BENEFITS	681,255	225,000	906,255	695,453.47	23.26%

SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2013-14
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 28, 2014

	FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	102,000		102,000	66,347.97	34.95%
DIRECTORS TRAVEL & EDUCATION	35,000		35,000	13,097.43	62.58%
DIRECTORS MISC. MEDICAL	22,000		22,000	4,408.02	79.96%
OFFICE EXPENDITURES					
OFFICE EXPENSE	12,000		12,000	3,970.16	66.92%
POSTAGE	1,200		1,200	819.72	31.69%
TELEPHONE	7,000		7,000	5,447.44	22.18%
UTILITIES	4,500		4,500	2,436.74	45.85%
SERVICES EXPENDITURES					
COMPUTER, WEB SITE AND TELEPHONE SUPPORT & SERVICE	4,500		4,500	6,650.76	-47.79%
GENERAL MANAGER & STAFF TRAVEL	15,000		15,000	15,931.43	-6.21%
INSURANCE & BONDS	24,000		24,000	20,023.00	16.57%
ACCOUNTING & AUDITING	21,000		21,000	20,345.00	3.12%
STATE WATER CONTRACT AUDIT	5,300		5,300	4,229.00	20.21%
OUTSIDE PROFESSIONAL SERVICES	4,000		4,000	2,900.00	27.50%
DUES & ASSESSMENTS	32,000		32,000	37,544.04	-17.33%
BANK CHARGES	1,500		1,500	594.92	60.34%
MISCELLANEOUS EXPENSES	1,000		1,000	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	2,000		2,000	173.65	91.32%
VEHICLE REPAIR & MAINTENANCE	13,000		13,000	9,287.11	28.56%
MAINTENANCE & REPAIRS - BUILDING	10,000		10,000	7,965.91	20.34%
MAINTENANCE & REPAIRS - FIELD	30,000		30,000	54.89	99.82%
CONTRACT OPERATIONS AND MAINTENANCE	160,000		160,000	84,555.90	47.15%
COUNTY EXPENDITURES					
LAFCO COST SHARE	3,200		3,200	3,358.76	-4.96%
ELECTION EXPENSE	0		0	0.00	
TAX COLLECTION CHARGES	7,500		7,500	5,605.32	25.26%
TOTAL ADMINISTRATIVE & PROFESSIONAL	517,700	0	517,700	315,747.17	39.01%

SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2013-14
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 28, 2014

	FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
GENERAL ENGINEERING					
RECHARGE					
BEAMONT AVE. RECHARGE FACILITY CEQA	42,000		42,000	29,194.46	30.49%
B.A.R.F. SERVICE CONNECTION (MT. VIEW CONNEC.)	100,000		100,000	0.00	100.00%
B.A.R.F. DESIGN PIPELINE	59,000		59,000	43,267.96	26.66%
B.A.R.F. DESIGN RECHARGE FACILITY	30,000		30,000	26,125.00	12.92%
B.A.R.F. POST DESIGN	25,000		25,000	0.00	100.00%
B.A.R.F. DESIGN PIPELINE CEQA	30,000	-30,000	0	0.00	
B.A.R.F. DESIGN PIPELINE DESIGN	80,000	-80,000	0	0.00	
STUDIES					
U.S. - Agreement #23100	135,000	110,000	245,000	156,204.87	36.24%
WATER RATE NEXUS STUDY	75,000		75,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	45,000		45,000	0.00	100.00%
SUPPORT - CAPACITY FEE & COOPERATIVE AGREEMENTS	30,000		30,000	0.00	100.00%
EMERGING CONTAMINANTS TASK FORCE	5,000		5,000	2,110.00	57.80%
WATER SUPPLY UPDATE	27,000		27,000	20,155.28	25.35%
UPDATED UWMP	35,000		35,000	4,496.70	87.15%
OTHER PROJECTS					
STRATEGIC PLAN IMPLEMENTATION - COMMUNICATIONS	15,000		15,000	3,300.00	78.00%
WATER QUALITY MODELING (SAN TIMETEO)	5,000		5,000	0.00	100.00%
SUPPLEMENTAL FUNDING AGREEMENT FOR BDCP	65,000		65,000	64,848.00	0.23%
DISTRICT VALUATION	0	10,000	10,000	6,544.75	34.55%
GENERAL AGENCY - CEQA ANALYSIS AND GIS SERVICES	5,000		5,000	1,353.88	72.92%
TOTAL GENERAL ENGINEERING	808,000	10,000	818,000	357,600.90	56.28%

SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2013-14
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 28, 2014

	FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	125,000		125,000	71,327.38	42.94%
TOTAL LEGAL SERVICES	125,000	0	125,000	71,327.38	42.94%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	8,000		8,000	4,000.00	50.00%
A - LT EDUCATION PROGRAMS	2,500		2,500	0.00	100.00%
C - ER CONSERVATION, EDUCATION AND PUBLIC RELATIONS	0	40,000	40,000	6,598.81	83.50%
TOTAL CONSERVATION & EDUCATION	10,500	0	50,500	10,598.81	79.01%
GENERAL FUND CAPITAL EXPENDITURES					
BUILDING	15,000		15,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	5,000		5,000	0.00	100.00%
OTHER EQUIPMENT	5,000		5,000	0.00	100.00%
B.A.R.F. PIPELINE CONSTRUCTION	50,000		50,000	0.00	100.00%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	75,000	0	75,000	0.00	100.00%
TRANSFERS TO OTHER FUNDS					
TRANSFERS FROM RESERVES - NEW WATER	253,000		253,000		
TOTAL GENERAL FUND EXPENSES	5,017,455	235,000	5,292,455	2,667,129.85	49.61%
GENERAL FUND NET INCOME YEAR TO DATE	319,545	-235,000	44,545	181,149.47	

SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2013-14
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE EIGHT MONTHS ENDING ON FEBRUARY 28, 2014

		FOR THE FISCAL YEAR JULY 1, 2013 - JUNE 30, 2014				
		ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME						
INCOME						
	TAX REVENUE	15,039,000		15,039,000	8,168,367.77	45.69%
	INTEREST	72,000		72,000	34,245.42	52.44%
	GRANTS	0		0	0.00	
	OTHER	1,910,000		1,910,000	1,197,244.40	37.32%
TOTAL DEBT SERVICE FUND INCOME		17,021,000	0	17,021,000	9,399,857.59	44.77%
DEBT SERVICE FUND - EXPENSES						
EXPENSES						
	SALARIES	46,000		46,000	31,306.76	31.94%
	PAYROLL TAXES	3,500		3,500	2,394.93	31.57%
	BENEFITS	31,500	33,000	64,500	50,757.24	21.31%
	SWC CONTRACTOR DUES	37,000		37,000	36,173.00	2.24%
	STATE WATER CONTRACT PAYMENTS	16,270,649		16,270,649	8,652,292.00	46.82%
	PURCHASED WATER	242,000		242,000	111,466.43	53.94%
	STATE WATER PROJECT LEGAL SERVICES	5,000		5,000	246.51	95.07%
	USGS - <i>Agreement #23100</i>	50,000		50,000	0.00	100.00%
	CONTRACT OPERATIONS AND MAINTENANCE	200,000		200,000	147,681.30	26.16%
	SWP ENGINEERING	10,000		10,000	36,270.26	-262.70%
	DEBT SERVICE UTILITIES	9,000		9,000	5,723.95	36.40%
	TAX COLLECTION CHARGES	45,000		45,000	31,763.50	29.41%
TOTAL DEBT SERVICE FUND EXPENSES		16,949,649	33,000	16,982,649	9,106,075.88	46.38%
DEBT SERVICE FUND NET INCOME YEAR TO DATE		71,351	-33,000	38,351	293,781.71	

COMMUNICATIONS GROUND LICENSE AGREEMENT

THIS LICENSE AGREEMENT (“License”), is made and entered into as of this ____ of _____, 2014, by and between SAN GORGONIO PASS WATER AGENCY (“LICENSOR”), a California Water Agency, and Los Angeles SMSA Limited Partnership, a California limited partnership dba Verizon Wireless, having a mailing address of One Verizon Way, Mailstop 4AW100, Basking Ridge, New Jersey 07920 (“LICENSEE”), both also referred to herein collectively as “Parties” and individually as “Party.”

WITNESSETH THAT:

WHEREAS, LICENSOR is the owner of that certain real property and improvements located off of Beaumont Avenue in Beaumont, California [Assessor Parcel Number 415-130-22] legally described and depicted in Exhibit “A” attached hereto located in Riverside County, California (“LICENSOR’s Property”);

WHEREAS, LICENSEE desires to obtain and LICENSOR is willing to grant, the right, on a nonexclusive basis, to LICENSEE’s the right to place certain communications equipment (“Communications Equipment”) substantially as provided in Exhibit “B” attached hereto on LICENSOR’s Property and to grant LICENSEE the right to build and operate the Communications Equipment on a portion of LICENSOR’s Property (the “Site”), all as described and limited herein;

NOW, THEREFORE, in consideration of the mutual obligations and agreements herein contained, the Parties hereby agree as follows:

1. The Site

- A. The legal description of LICENSOR’s Property is contained in Exhibit “A” attached hereto and is by this reference incorporated herein.
- B. The Site, which is the subject of this License, is contained within LICENSOR’s Property, is approximately nine hundred (900) square feet, is more specifically described as a thirty (30) foot by thirty (30) foot parcel of land, and is situated substantially as shown on Exhibit “B” attached hereto and by this reference incorporated herein.
- C. LICENSOR and LICENSEE hereby agree that, upon request of either Party, the Site will be surveyed by a licensed surveyor approved by LICENSOR at the sole cost of LICENSEE, and such completed survey, when reviewed and approved by LICENSOR, shall then constitute an amendment to Exhibit “B” and become a part of this License, without the need for further written amendment signed by the Parties.
- D. LICENSEE shall have the right to use certain portions of LICENSOR’s Property for ingress and egress to the Site from a public right-of-way, but not for construction, storage or other purposes, which portions of LICENSOR’s Property are described in Exhibit “D”, attached hereto and incorporated herein

by this reference. LICENSEE shall contact LICENSOR prior to entering LICENSOR's Property in order to ensure that its entry does not interfere with LICENSOR's operations at the Property.

2. Grant of License

In consideration of the payments by LICENSEE to LICENSOR as agreed to herein, LICENSOR hereby grants a license to LICENSEE to use the Site for the installation, maintenance, repair and operation of LICENSEE's Communications Equipment as discussed in Section 6 below.

3. Term

- A. Subject to, and contingent upon, payment of the fees and costs as required by Section 5 below, this License shall be for an initial term ("Initial Term") of ten (10) years commencing on the earlier of: (i) the first day of the third (3rd) month following signature of all Parties to this Agreement or (ii) the first day of the month in which LICENSEE commences installation of the Communications Equipment (the "Commencement Date") and ending ten (10) years thereafter. LICENSOR and LICENSEE agree that they shall acknowledge in writing the Commencement Date. LICENSOR and LICENSEE acknowledge and agree that initial License Fee (as defined below) payment(s) shall not actually be sent by LICENSEE until thirty (30) days after a written acknowledgement confirming the Commencement Date.
- B. This License shall be for the Initial Term and for such extensions of the Initial Term as set forth in Section 4 below unless terminated earlier as set forth herein. LICENSEE shall give written notice to LICENSOR prior to commencement of installation or construction relating to the Communications Equipment. This License shall not be revoked or terminated except as expressly provided herein.
- C. LICENSOR may terminate this License at any time after the expiration of the Initial Term in the event the Site is required by LICENSOR for the expansion of its administration building located on LICENSOR's Property, and LICENSOR and LICENSEE cannot agree upon a mutually acceptable area to which to relocate the Communications Equipment and Site. In such event, LICENSOR shall provide at least twelve (12) months prior written notice before the effective date of such termination as specified in the written notice. If LICENSOR terminates this License and LICENSEE is unable to secure a replacement site and construct a new communications facility, (the "Replacement Facility") LICENSOR agrees that LICENSEE may place a temporary communications facility on LICENSOR's Property in a mutually acceptable location until the Replacement Facility is operational.

4. Option to Extend Term

LICENSEE is hereby granted the option to extend this License on the same terms and conditions beyond the Initial Term for three (3) additional successive extension terms of five (5) years each (each, a "Renewal Term"). Accordingly, at the end of the Initial Term, provided that LICENSEE is not in default of any term or condition of this License (after notice and the expiration of applicable cure periods), this License will automatically renew for its first Renewal Term upon the same terms and conditions hereunder. LICENSOR or LICENSEE shall both have the option to give notice to the other of its option not to extend the term of this License at least one hundred eighty (180) days prior to the expiration of the first Renewal Term. Notwithstanding the above, LICENSEE may not exercise this option if LICENSEE has defaulted in the performance of any term or condition of this License and has failed to cure such default after notice as provided in this License.

5. Fees and Costs

- A. As provided in paragraph 3.A above, and on or before thirty (30) days prior to each anniversary of the Commencement Date during the Initial Term and each Renewal Term, LICENSEE shall pay to LICENSOR an annual license fee in the amount of Twenty-Four Thousand Dollars (\$24,000.00), adjusted in accordance with paragraph 5.B immediately below. This annual license fee, as adjusted, is referred to herein as the "License Fee."
- B. The License Fee shall automatically increase each and every year of this License, during the Initial Term and each Renewal Term, upon the anniversary of the Commencement Date by three percent (3%) over the License Fee paid during the previous year.
- C. Should LICENSEE fail to vacate and return the Site to its prior state as provided in Section 14 below, the License Fee shall be one hundred twenty-five percent (125%) of the License Fee from the immediately prior year (the "Holdover Fee"). Said Holdover Fee shall also be subject to an annual escalator as provided in paragraph 5.B above.
- D. In the event the payment of any annual License Fee or other payments set forth herein are not paid by LICENSEE within fifteen (15) business days after such payment is due, LICENSEE shall pay to LICENSOR a late payment fee equal to ten percent (10%) of the then-current License Fee or the amount past due, as applicable, which shall be immediately due and payable to LICENSOR. In addition, interest shall accrue on the delinquent amounts following the fifteenth (15th) business day from when such payment is due, which interest shall be at five percent (5%) per annum.

6. Use of the Site

- A. LICENSEE shall use the Site for the purpose of constructing, maintaining, repairing, replacing, removing and operating the Communications Equipment

and any other uses which are necessary thereto. The description and purpose of use of the Communications Equipment are attached hereto as Exhibit "C" and made a part hereof. LICENSEE shall not use the Site for any purpose other than as described in Exhibit "C" without LICENSOR's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed; provided however, LICENSEE may add to, modify, upgrade, replace, or remove any portion of LICENSEE's Communications Equipment as LICENSEE deems necessary, provided that such modification, upgrade, replacement or removal does not interfere in any manner with LICENSOR's Property or LICENSOR's operations thereon and does not result in any expansion of the Communications Equipment beyond the then-current boundaries of the Site.

B. LICENSEE's right to use the Site is conditioned on obtaining and maintaining all federal, state and local permits, certificates, licenses and approvals that are required to install, operate and maintain the Communications Equipment (collectively, "Approvals" herein). Notwithstanding anything to the foregoing, as used herein, "Communications Equipment" does not include Microwave Links/Signals or any form of power equipment except emergency generators. Generators may only be used on the Site to generate temporary power for the Communications Equipment with the prior written consent of LICENSOR. Considerations for written consent shall include, but not be limited to, permit requirements as follows:

- i. Generators, fixed or portable less than fifty (50) hp, no permit required.
- ii. Generators, portable, more than fifty (50) hp, State or AQMD Permit is required.
- iii. Generators, fixed or stationary, more than fifty (50) hp, AQMD Permit is required.

LICENSEE may install the emergency generator and related equipment described and depicted on Exhibits "B" and "E," provided LICENSEE obtains all necessary Approvals required for the installation and operation thereof as required herein.

7. Improvement, Installation, Early Access

A. Final plans respecting installation of the Communications Equipment and construction of related physical improvements to LICENSOR's Property ("Final Plans") shall be prepared at LICENSEE's sole cost and expense and submitted to LICENSOR for its written approval prior to any installation or construction of the Communications Equipment on LICENSOR's Property, which approval shall not be unreasonably withheld, conditioned, or delayed. LICENSOR hereby agrees and covenants to respond to LICENSEE's initial request for approval of Final Plans within thirty (30) days after LICENSOR's

receipt thereof. Final Plans shall be in a form and provide such content as may be reasonably required by LICENSOR. Final Plans shall, at a minimum, describe the specific location of all Communications Equipment and all related improvements to be constructed or installed at the Site, and must provide the type and size of all Communications Equipment to be installed.

- B. Prior to the Commencement Date, upon request by LICENSEE, LICENSOR shall reasonably accommodate LICENSEE and its authorized employees and agents with respect to entry onto LICENSOR's Property for the purpose of making inspections and engineering surveys and other tests and analyses needed to develop the Final Plans; provided, however, that such access shall not interfere with any business or operation at the Site or LICENSOR's Property.
- C. LICENSEE shall not commence any construction at the Site or install any equipment or facilities until and unless LICENSOR approves the Final Plans in writing, which approval shall not be unreasonably withheld, conditioned, or delayed. In the event that LICENSEE desires to relocate the Communications Equipment, or any part thereof, to a different place on the Site during the License period, separate written approval from LICENSOR respecting such relocation shall be required. LICENSOR's approval shall not be unreasonably withheld, conditioned, or delayed. LICENSOR hereby agrees and covenants to respond to LICENSEE's initial request for approval of the Final Plans within thirty (30) days thereafter. Any such relocation shall be at LICENSEE's sole cost and expense.
- D. LICENSEE shall, at LICENSEE's sole cost and expense, have the right to perform all work necessary to prepare and maintain the Site for the Communications Equipment in accordance with the Final Plans. All construction and installation work shall be performed in a good and workmanlike manner by licensed and bondable contractors, and in accordance with applicable laws. All such contractors shall maintain insurance in such amounts, against such risks and in such forms as set forth in Section 20 herein, including naming LICENSOR as an additional insured. LICENSEE shall be required to separately obtain all necessary Approvals respecting such work by the appropriate governmental entities. LICENSOR shall cooperate with LICENSEE in acquiring all Approvals.
- E. Except as otherwise provided in this License, LICENSEE acknowledges that neither LICENSOR nor any agent of LICENSOR has made any representation or warranty with respect to the condition of the Site or LICENSOR's Property or with respect to the suitability of either for the conduct of LICENSEE's operations. The commencement of any construction or installation shall conclusively establish that the Site and LICENSOR's Property are acceptable to LICENSEE and are in a satisfactory condition for use as a communications site.

8. Operation and Regulations

- A. LICENSEE shall comply with all applicable laws in designing, locating and operating the Communications Equipment, including but not limited to those laws and regulations promulgated by the Federal Communications Commission (“FCC”). LICENSEE shall upon receipt of written request at its sole cost and expense produce reasonable evidence of such compliance.
- B. The Communications Equipment and LICENSEE’s use thereof shall not unreasonably disturb or interfere with (i) any pre-existing communications equipment, computer equipment or similar equipment of any kind and nature owned or operated by LICENSOR at LICENSOR’s Property, or (ii) any pre-existing communications equipment or pre-existing use at LICENSOR’s Property which is authorized by LICENSOR. In the event that the Communications Equipment as installed and configured results in such disturbance or interference, then LICENSEE shall promptly commence curing such disturbance or interference. LICENSOR shall not permit any new use of LICENSOR’s Property after the full execution of this License that unreasonably interferes with LICENSEE’s use of the Site. In the event such new use interferes with LICENSEE’s Communications Equipment, LICENSOR shall promptly correct such interference.
- C. LICENSEE shall not interfere with LICENSOR’s improvements, fixtures, or equipment situated on LICENSOR’s Property, including, but not limited to, LICENSOR’s pipelines, wires, drainage devices, tanks, walls, or fences.
- D. Subject to paragraph 1.C above, following the Commencement Date and throughout the Initial Term and all Renewal Terms of this License, upon at least twenty-four (24) hours advance notice in writing to LICENSOR, LICENSEE and its “authorized personnel” shall be entitled to escorted access for customary maintenance of the Site during LICENSOR’s normal business hours, which are Monday through Friday between the hours of 7:30 a.m. to 12:00 p.m. and 1:00 p.m. to 4:30 p.m. (“Business Hours”). Should LICENSEE require emergency access, said access shall be obtained by calling LICENSOR’s Emergency Telephone numbers (951-906-8404) or (951-849-6743). For purposes hereof, authorized personnel shall mean only authorized employees, engineers, technicians, sublicensees, or properly authorized contractors of LICENSEE or persons under their direct supervision. All access to the Site by LICENSEE shall be subject in each instance to the reasonable security requirements, including a required escort, as well as compliance with reasonable rules and regulations from time to time in effect at LICENSOR’s Property, and of which LICENSOR shall inform LICENSEE in writing. In the event LICENSEE requires access to the Premises outside of Licensor’s Business Hours, LICENSEE will be responsible for any reasonable costs incurred by LICENSOR in providing such escorted access to the Site. LICENSOR shall provide escorted access to the Site at all times, with the exception of emergencies for LICENSEE, LICENSEE’s employees,