



**AGENDA  
REGULAR MEETING  
BOARD OF DIRECTORS  
IDYLLWILD WATER DISTRICT**

**Board Room  
Idyllwild Water District  
25945 Highway 243  
Idyllwild, California**

**November 20, 2019  
6:00 PM**

**1. CALL TO ORDER**

**2. ROLL CALL: Schelly \_\_\_\_ Szabadi \_\_\_\_ Gin \_\_\_\_ Kunkle \_\_\_\_ Hunt \_\_\_\_**

**3. PLEDGE OF ALLEGIANCE**

**4. ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

*Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code (Brown act), upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Idyllwild Water District (District) after the Agenda was posted.*

**5. ORAL/WRITTEN COMMUNICATIONS FROM THE PUBLIC OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD REGARDING ITEMS NOT ON THIS AGENDA (Government Code § 54954.2).**

*Under Oral Communications, any person wishing to address the Board on matters not on this agenda should indicate their desire to speak by filling out and submitting a "Speaker Request Form" to the Board Secretary before the meeting begins. No action will be taken on any oral communications item since such item does not appear on this Agenda, unless the Board of Directors makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda (Government Code §54954.2). Speaking time shall generally be limited to four (4) minutes, unless a longer period is permitted by the Board President.*

**6. APPROVAL OF MINUTES \***

A. Consider Approval of Minutes of the Board of Directors' Regular Meeting of October 16, 2019

**7. CONSENT CALENDAR \***

*Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.*

- A. Consider Approval of Financial Statements, month ending October 31, 2019
- B. Consider Approval of District Warrants and Other Disbursements, month ending October 31, 2019
- C. Consider Approval of Operations Report, month ending October 31, 2019
- D. Consider Approval of a Request by Southern California Edison (SCE) for Grant of Easement to acquire right-of-way from Idyllwild Water District to install electrical infrastructure. SCE is to compensate District at a fair market value rate of \$1,000.00.

#### **BOARD ACTION ITEMS**

#### **8. DISCUSSION AND POSSIBLE ACTION TO APPROVE DISTRICT'S AUDIT REPORT \***

*The Board of Directors will hear a presentation from the District's auditor (Rogers, Anderson, Malody & Scott), and will consider accepting the audit for Fiscal Year 2018-2019.*

#### **BOARD INFORMATION ITEMS**

*This item is intended for information only, at the discretion of the Board, may be discussed.*

#### **9. REVIEW ANALYSIS REPORT OF PRECIPITATION, WATER LEVELS AND PRODUCTION DATA COLLECTED FROM CALENDAR YEAR 2000 TO 2019 \***

#### **10. ACWA-JPIA DISTRICT RECOGNITION \***

#### **11. EXECUTIVE REPORTS \***

- A. General Manager's Report
- B. Board Members' Comments

#### **12. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT REGULAR BOARD MEETING**

#### **13. CLOSED SESSION**

- A. **CLOSED SESSION:** The board will meet in closed session pursuant 30 day public employee performance evaluation of the general manager, Darren Milner, govt. Code section 54957(b).

#### **14. ADJOURNMENT - To Wednesday, December 18, 2019 at 6:00 p.m.**

*To the next Board meeting is a Regular Meeting scheduled for December 18, 2019 at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.*

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*Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as requested by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the District Secretary at: (951) 659-2143 at least 48 hours before the meeting, if possible.*

*Any writings or documents provided to a majority of the members of the Board of Directors regarding any item on this agenda will be made available for public inspection at the District's Administrative Headquarters Building located at: 25945 Highway 243, Idyllwild, California, during normal business hours.*

#### **\* ATTACHMENTS**

# MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

October 16, 2019 - 6:00 P.M.

**CALL TO ORDER:** President Schelly called the meeting to order at 6:00 p.m.

**ROLL CALL:** *President Schelly, Director Steve Kunkle, Director David Hunt, Director Les Gin and Jeannine Olsen, Board Secretary was also present.*

Excused Absence: Vice President Szabadi

Public Present: 5

**PUBLIC COMMENTS:** Steve Moulton questioned when IWD will be getting a new General Manger.

## **1. CONSENT CALENDAR:**

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately. General Manager Comments are verbal and will follow action on the written materials.

**A. MINUTES** — \_\_\_\_\_ September 18, 2019 \_\_\_\_\_  
September 25, 2019

## **B. FINANCIAL REPORTS September 2019**

Income statement for the 3rd month ending September 2019

District warrants for JULY 2019

Check # 15629-15675	= \$ 248,359.39
Gross Payroll	= \$ 71,750.00
Federal/State PR taxes	= 5 13,410.00
LAIF Transfers	= \$ 0
Transfers/charges	= \$ 228.00

## **C. OPERATIONS REPORT FOR THE THIRD MONTH — September 2019**

### **GENERAL MANAGER'S WORK IN PROGRESS:**

**A MOTION was made by President Schelly to approve the Consent Calendar with the changes Director Kunkle required and Director Gin seconded. The vote was as follows:**

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly			Peter Szabadi
Steve Kunkle			
David Hunt			
Les Gin			

2. **SIGNATURE CARD RESOLUTION #767:** The board will consider updating BBVA signature cards.

**Director Gin made a motion to approve Resolution #767 new signers, Darren Milner, GM for BBVA Compass Bank and Director Hunt seconded. The vote was as follows:**

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly			Peter Szabadi
Steve Kunkle			
David Hunt			
Les Gin			

3. **REPLACEMENT TRUCK PURCHASE:** The Board of Directors will consider the purchase of a replacement truck for vehicle #2 for the new field supervisor.

**Director Hunt made a motion to approve the purchase of a replacement truck in the amount of \$34,000 to replace vehicle #7 and President Schelly seconded. The vote was as follows:**

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly			Peter Szabadi
Steve Kunkle			
David Hunt			
Les Gin			

4. **APPROVAL OF THE FIELD SUPERVISOR CONTRACT:** The Board will consider approval for the new Field Supervisor position.

**Director Hunt made a motion to approve the Field Supervisor contract for Mitch Freeman and Director Gin seconded. The vote was as follows:**

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly			Peter Szabadi
Steve Kunkle			
David Hunt			
Les Gin			

Mitch Freeman gave a brief introduction to the public and the board.



5. **APPROVAL THE GENERAL MANAGER CONTRACT :** The Board will Consider approval the contract for the new Idyllwild water district General Manager position.

**Director Hunt made a motion to approve the General Manager contract for Darren Milner and Director Gin seconded. The vote was as follows:**

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly			Peter Szabadi
Steve Kunkle			
David Hunt			
Les Gin			

Darren Milner gave a brief introduction to the public and the board.

6. **CLOSED SESSION:** Performance reviews for all IWD workers.

**DIRECTORS COMMENTS: NO ACTION TAKEN**

**ADJOURNMENT:** To the next Regular Meeting scheduled for November 20, 2019 at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

IDYLLWILD WATER DISTRICT

IDYLLWILD WATER DISTRICT

BY: \_\_\_\_\_  
DR. Charles Schelly-  
BOARD PRESIDENT

BY: \_\_\_\_\_  
Jeannine Olsen-  
BOARD SECRETARY

# Memo

**To:** Board of Directors

**From:** General Manager

**Date:** January 20, 2019

**Subject:** ITEM 7A/7B – OCTOBER 2019 FINANCIAL STATEMENT AND WARRANTS

Recommendation:

That the Board of Directors considers an action to Receive and File for the October 2019 Financial Report and Warrants .

Background:

Attached is the Financial Report and Warrants for the Board's information.

Attachments//

IDYLLWILD WATER DISTRICT  
 WATER FUND CONDENSED INCOME STATEMENT  
 FOR FISCAL MONTH ENDING OCTOBER 2019

		FOR THE MONTH OF		September	2019
CONDENSED CATEGORY	ACTUAL	BUDGET	VARIANCE	%	
OPERATING REVENUES:					
BASE-RESIDENTIAL/COMMERCIAL	63,440	65,000	-1,560	-2.40%	
SALES-RESIDENTIAL/COMMERCIAL	56,037	110,000	-53,963	-49.06%	
OTHER OPERATING REVENUE	1,841	1,565	276	17.64%	
OTHER NON- OPERATING REVENUE*	0	0	0		
TOTAL OPERATING REVENUES	121,318	176,565	-55,247	-31.29%	
OPERATING REVENUE BY CATEGORY	FOR THE MONTH OF		September F (U)	2019	
	ACTUAL	BUDGET	VARIANCE	%	
BASE RATE - RESIDENTIAL	47,392	48,500	-1,108	-2.28%	
BASE RATE - COMMERCIAL	16,048	16,500	-452	-2.74%	
SALES-RESIDENTIAL	30,959	50,500	-19,541	-38.70%	
SALES-COMMERCIAL	25,078	59,500	-34,422	-57.85%	
SALES-SEWER	0	0	0	0.00%	
SALES-CONSTRUCTION/OTHER	500	0	500	0.00%	
TRANSFER FEES	0	0	0	0.00%	
TURN ON/OFF FEES	50	50	0	0.00%	
LIEN & LIEN RELEASE FEES	15	15	0	0.00%	
DELINQUENCY FEES	1,276	1,500	-224	-14.93%	
WILL SERVE LETTER FEES	0	0	0	0.00%	
OTHER MISCELLANEOUS	0	0	0	0.00%	
INSTALLATION FEES	0	0	0	0.00%	
CAPACITY FEES	0	0	0	0.00%	
TOTAL OPERATING REVENUES	121,318	176,565	-55,247	-31.29%	

**IDEAL WILD WATER DISTRICT  
WATER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING OCTOBER 2019**

		FOR THE MONTH OF		OCTOBER	2019
CONDENSED CATEGORY		ACTUAL	BUDGET	VARIANCE	%
OPERATING REVENUES:					
BASE-RESIDENTIAL/COMMERCIAL		63,440	65,000	-1,560	-2.40%
SALES-RESIDENTIAL/COMMERCIAL		56,037	110,000	-53,963	-49.06%
OTHER OPERATING REVENUE		1,841	1,565	276	17.64%
OTHER NON-OPERATING REVENUE*		0	0	0	
TOTAL OPERATING REVENUES		121,318	176,565	-55,247	-31.29%
OPERATING REVENUE BY CATEGORY		FOR THE MONTH OF		OCTOBER F (U)	2019
		ACTUAL	BUDGET	VARIANCE	%
BASE RATE - RESIDENTIAL		47,392	48,500	-1,108	-2.28%
BASE RATE - COMMERCIAL		16,048	16,500	-452	-2.74%
SALES-RESIDENTIAL		30,959	50,500	-19,541	-38.70%
SALES-COMMERCIAL		25,078	59,500	-34,422	-57.85%
SALES-SEWER		0	0	0	0.00%
SALES-CONSTRUCTION/OTHER		500	0	500	0.00%
TRANSFER FEES		0	0	0	0.00%
TURN ON/OFF FEES		50	50	0	0.00%
LIEN & LIEN RELEASE FEES		15	15	0	0.00%
DELINQUENCY FEES		1,276	1,500	-224	-14.93%
WILL SERVE LETTER FEES		0	0	0	0.00%
OTHER MISCELLANEOUS		0	0	0	0.00%
INSTALLATION FEES		0	0	0	0.00%
CAPACITY FEES		0	0	0	0.00%
TOTAL OPERATING REVENUES		121,318	176,565	-55,247	-31.29%

**IDYLLWILD WATER DISTRICT  
WATER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING OCTOBER 2019**

FOR THE MONTH OF OCTOBER 2019

**CUBIC FEET OF SALES:**

	<b>Residential</b>	<b>Commercial</b>	<b>Total</b>
	C.F	C.F	
R1 5/8	486,006	72,500	558,506
R2 3/4	6,070	14,661	20,731
R3 1"	5,980	91,580	97,560
R4 1.1/2"	0	45,390	45,390
R5 2"	0	11,510	11,510
R6 3"	0	2,210	2,210
IA 3"	0	93,440	93,440
NC-WWTP	0	1,280	1,280

**TOTAL CUBIC FEET OF SALES      498,056      332,571      830,627**

**NUMBER OF CUSTOMER BILLS:**

	<b>R</b>	<b>C</b>	<b>Total</b>
R1 5/8	1,434	107	1,541
R2 3/4	12	18	30
R3 1"	35	36	71
R4 1.1/2"	0	12	12
R5 2"	0	9	9
R6 3"	0	1	1
IA 3"	0	1	1
NC-WWTP	0	1	1
<b>TOTAL NUMBER OF CUSTOMER BILLS</b>	<b>1,481</b>	<b>185</b>	<b>1,666</b>

<b>SewerAcct    S</b>	<b>418</b>	<b>167</b>	<b>585</b>
Fire Services   F "2"	0	0	0
Fire Services   F "3"	0	0	0
Fire Services   F "4"	0	3	3

**Total Idyllwild Customers**

**2,254**

**IDEALWILD WATER DISTRICT  
SEWER FUND/CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING OCTOBER 2019**

FOR THE MONTH OF OCTOBER 2019

CONDENSED BY CATEGORY	ACTUAL	BUDGET	VARIANCE	%
OPERATING REVENUES:				
BASE-RESIDENTIAL/COMMERCIAL	56,559	56,559	0	0.00%
OTHER OPERATING	0	0	0	0.00%
<b>TOTAL OPERATING REVENUES</b>	<b>56,559</b>	<b>56,559</b>	<b>0</b>	<b>0.00%</b>
OPERATING EXPENSES:				
1- WAGES AND SALARIES	12,550	18,000	5,450	30.28%
2- RETIREMENT AND LIFE INSURANCE	1,297	2,500	1,203	48.12%
3- MEDICAL INSURANCE	3,752	5,000	1,248	24.96%
4- UNIFORM EXPENSE	37	300	263	87.67%
5- WORKER'S COMPENSATION INSURANCE	0	200	200	100.00%
6- RETIREMENT MEDICAL INSURANCE	383	917	534	58.22%
7- BOARD REIMBURSEMENT	63	200	137	68.50%
8- OFFICE SUPPLIES	86	400	314	78.50%
9- OFFICE CLEANING SERVICES	70	150	80	53.33%
10- POSTAGE AND MAIL FEE	464	400	-64	-16.00%
11- EDUCATION AND TRAINING	0	200	200	100.00%
12- TRAVELING, MILEAGE, MEAL REIMBURSEMENT	0	292	292	100.00%
13- DUE AND SUBSCRIPTION FEE	3,470	1,000	-2,470	-247.00%
14- COMPUTER SERVICES	269	1,000	731	73.10%
15- LEGAL SERVICES	2,215	500	-1,715	-343.00%
16- UTILITIES - ELECTRICITY	7,367	4,000	-3,367	-84.18%
17- UTILITIES - GAS & FUEL	271	437	166	37.94%
18- UTILITIES - PROPANE	65	25	-40	-160.00%
19- UTILITIES - TELEPHONE&INTERNET	313	292	-21	-7.32%
20- UTILITIES - WASTE MANAGEMENT FEE	64	125	61	48.80%
21- VEHICLES REPAIRS AND MAINTENANCE	84	500	416	83.20%
22- ENGINEERING SERVICES	1,358	2,000	642	32.10%
22- MAINTENANCE AND SUPPLIES	9,903	200	-9,703	-4851.50%
23- GENERAL PLANT SERVICES	1,161	2,500	1,339	53.56%
24- SEWER PERMIT AND LICENSE(State Fee)	0	500	500	100.00%
25- MINOR EQUIPMENT AND SUPPLIES	0	42	42	100.00%
26- SEWER LEASE	0	250	250	100.00%
27- ADVERTISING AND PUBLISHING	0	125	125	100.00%
28- LABORATORY SERVICES	683	2,000	1,317	65.85%
29- GENERAL AUTO AND LIBILITY INSURANCE	4,792	1,000	-3,792	-379.20%
30- SECURITY SYSTEM (ADT)	0	208	208	100.00%
31- ACCOUNTING & AUDITING FEE	1,875	2,000	125	6.25%
32- LINE CLEANING	0	100	100	100.00%
<b>Total Expenses</b>	<b>52,592</b>	<b>47,362</b>	<b>-5,230</b>	<b>-11.04%</b>
<b>Total INCOME OR (LOSS)</b>	<b>3,967</b>	<b>9,197</b>		



**IDYLLWILD WATER DISTRICT  
SEWER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING OCTOBER 2019**

**SEWER FUND OPERATING REVENUES**

**FOR THE MONTH OF OCTOBER 2019**

	ACTUAL	BUDGET	F (U) VARIANCE	%
BASE RATE-COMMERCIAL	38,642	38,642	0	0.00%
BASE RATE- RESIDENTIAL	17,917	17,917	0	0.00%
TRANSFER FEE	0	0	0	0.00%
FACILITY CHARGE FROM IAF	0	0	0	0.00%
INSPECTION FEE	0	0	0	0.00%
OTHER MISCE	0	0	0	0.00%
<b>TOTAL OPERATING REVENUE</b>	<b>56,559</b>	<b>56,559</b>	<b>0</b>	<b>0.00%</b>
<b>EQUIVALENT DWELLING UNITS (E.D.U'S)</b>				
RESIDENTIAL	456	456	0.0	0.00%
COMMERCIAL	937	937	0.0	0.00%
<b>TOTAL E.D.U'S</b>	<b>1,393</b>	<b>1,393</b>	<b>0.0</b>	<b>0.00%</b>
<b>TOTAL Customers</b>	<b>418</b>	<b>167</b>	<b>585</b>	

**IDYLLWILD WATER DISTRICT**  
**DISTRICT WARRANTS AND OTHER DISBURSEMENTS**  
**FOR THE MONTH ENDED OCTOBER 31, 2019**

DATE	CHECK NUMBER	PAYEE	DESCRIPTION	AMOUNT
10/01/2019	15876	AllState Benefits	Monthly Charge for Insurance	304.12
10/01/2019	15877	Association of California Water Agencies	Annual IWD Agency Due 2020	11,780.00
10/01/2019	15878	California Computer Options , Inc	IT Services Charge	777.25
10/01/2019	15879	Forest Lumber	Supplies For Water and Sewer	1,254.53
10/01/2019	15880	Frontier	Monthly Charge for Phone and Internet	440.25
10/01/2019	15881	Inland Water Works Supplies Co.	Material for Streets Project	6,107.31
10/01/2019	15882	Mission Linen & Uniform Service	Monthly Laundry Uniforms	146.74
10/01/2019	15883	S.C.E.	Electric Monthly Charge	11,103.41
10/01/2019	15884	Streamline	Monly Charge for IWD Website	200.00
10/01/2019	15885	State Water Board	Water System Fees	396.00
10/01/2019	15886	The So-Co Group , Inc	Purchase Gas and Diesel For IWD	3,442.49
10/01/2019	15887	USA Bluebook	Supplies For Water and Sewer	641.03
10/01/2019	15888	Verizon Wireless	Monthly Charge for Emergency Cell Phones	203.39
10/01/2019	15689	Natalie Vidales	Mileages To Babcock	48.40
10/01/2019	15690	Underground Services Alert	New Tickets Charges	26.50
10/09/2019	15691	ACWA/ JPIA	Annual Auto and General Liability Insurance	19,171.00
10/09/2019	15692	Arrow Printing , Inc.	Printing Letterhead and Envelopes	211.11
10/09/2019	15693	Burtonics Business System	Quarter Contract Base for Copier Machine	39.29
10/09/2019	15694	California Computer Options , Inc	IT Services Charge	139.00
10/09/2019	15695	Employee Relation	Pre Employment Background check	33.80
10/09/2019	15696	Ferrellgas	Charge For Propane	12.00
10/09/2019	15697	Thomas Lovejoy	Retirement Medical Insurance	1,533.60
10/09/2019	15698	Time Warner Cable	Monthly For Phone & Internet Office	405.14
10/09/2019	15699	Village Hardware	Supplies For Water and Sewer	130.65
10/09/2019	15700	ACWA/ JPIA	Worker's Comp From 7/1- 9/30/2019	3,444.17
10/09/2019	15701	Idyllwild Water District	To be Deposit at Hemet Bank For Payroll	34,000.00
10/09/2019	15702	ACWA/ JPIA	Medical Insurance For November 2019	11,565.67
10/15/2019	15703	Burtonics Business System	Quarter Contract Base for Copier Machine	117.86
10/15/2019	15704	CR&R Incorporated	Monthly Services For Trash	259.37
10/15/2019	15705	Four Seasons Cleaning	Monthly Cleaning Services	280.00
10/15/2019	15706	Infosend, Inc	Postage and Mailing the IWD Bills	926.49
10/15/2019	15707	S.C.E.	Administrative Services for Plan 457b	1,250.00
10/15/2019	15708	USA Bluebook	Supplies For Water And Sewer	75.83
10/15/2019	15709	Vaughan 's Industry Repair , inc	Repair Sewer Spencer	9,903.28
10/15/2019	15710	Gosch Auto	Purchase Toyota Tacoma 2019 for Field Supervisor	1,800.00
10/23/2019	15711	A.C Byers Trucking , Inc	Sludge Hauling Fees	1,540.00
10/23/2019	15712	Aleshire & Wynder, LLP	Monthly Legal Services Charge	8,858.60
10/23/2019	15713	Browning Electric Company	Electric Services Charge	587.75
10/23/2019	15714	Central Communication	Monthly Answering Services	126.00
10/23/2019	15715	Chase Card Services	Treatment Class for Field Workers, Office Supplies	1,126.91
10/23/2019	15716	EBS Utilities Adjusting , Inc	Install 5 manhole Frame	9,225.00
10/23/2019	15717	Idyllwild Heating &Cooling , Inc	Service the Air Condition at the Office	338.20
10/23/2019	15718	Inland Water Works Supplies Co.	Material for Streets Project	17.56
10/23/2019	15719	Rapid Data , Inc	Processing Fee for Stand by Taxes to the County	909.00
10/23/2019	15720	Rogers , Anderson , Malody , Scott CPA	First Payment for Audit Fees	7,500.00
10/23/2019	15721	Staples Credit	Office Supplies	185.05
10/23/2019	15722	T-Mobile	Data Plan For Solar	20.00
10/23/2019	15723	Idyllwild Water District	To be Deposit at Hemet Bank For Payroll	30,000.00
10/23/2019	15724	AllState Benefits	Monthly Insurance	304.12
10/23/2019	15725	Riverside County Treasurer	1nd Property Tax Installment	71.87
10/23/2019	15726	Babcock Lab	Monthly Lab Test for Water and Sewer	7,146.40
10/23/2019	15727	California Computer Options , Inc	Monthly Charge	777.25
10/23/2019	15728	Riverside County Treasurer	1nd Property Tax Installment	373.02
10/23/2019	15729	Infosend, Inc	Postage and Mailing the IWD Bills	926.23
10/23/2019	15730	Jerry Johnson	Purchase Security Door and Boots	429.51
10/23/2019	15731	Verizon Wireless	Monthly Charge For Cell Phones	203.39

TOTAL DISTRICT WARRANTS	\$191,835.54
OTHER DISBURSEMENTS:	
TOTAL PAYROLL	\$61,087.81
L.A.I.F. ELECTRONIC TRANSFERS	\$0.00
BANK SERVICE CHARGES AND FEES	\$257.00
<b>TOTAL DISTRICT WARRANTS &amp; OTHER DISBURSEMENTS</b>	<b>\$253,180.35</b>

# Memo

**To:** Board of Directors  
**From:** General Manager  
**Date:** January 20, 2019  
**Subject:** ITEM 7C – OCTOBER 2019 OPERATIONS REPORT

Recommendation:

That the Board of Directors considers an action to Receive and File for the October, 2019 Operations Report.

Background:

Attached is the Operations Report for the Board's information.

Attachments//

## Idyllwild Water District Monthly Recap

Month: October 2019

Date: 11/01/2019

Supplies to system: 899,289 cf      20.64 af

Increase / **Decrease** 283,777 cf      24% Billing period      11% Daily demand

<u># of wells available</u>	<u>14</u>	<u>GPM Available</u>	<u>333</u>
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Full time	H21, 2, FV1A
Part time	4,13,15,23, FV#2, Golden Rod

<u>Strawberry Creek Diversion 217,600 CF</u>	<u>5.0 af</u>
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Foster Lake Level (max 18')      12'

IWD Flushing	2,000 gallons	
Main line leaks	43,000 gallons	Leaks & Flushing
Fire Dept. use	10,000 gallons	
HYD sales	29,695 gallons	H & H Paving
Sewer Plant	11,818 gallons	
Total	96,513 gallons	

## Well statics

Foster Lake Area	#3	3.25'	#7	3.5'	#14	12.75'	FL Average	6.5'
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Creek Area      #23    9'      #24    17'

Nature Center      #26    26'              #27    25'              #28   101'

Fern Valley      FV1A 393'      FV#2    252'

STORAGE		LEVEL	VOLUME
Foster Lake Tanks	11,698 cf/ft	21.3	249,167
Rock Dale Tank	2718 cf/ft	22.9	62,242
Delano Tank	1337 cf/ft	17.6	23,531
South Ridge Tank	3509 cf/ft	19.4	68,074
Wild Wood Tank	919 cf/ft	11.6	10,660
Golden Rod Tank	891 cf/ft	20.2	17,998

Total 431,672 cf      Storage Supplies Max of 3.702 MG 87% in storage

Production Days 28      Production minutes 40,320      Average GPM 164.98

## **Operations Report for October 2019**

Currently – Stage 1

Production – October- 1,103,780 C.F 164.98 avg. gpm

Foster Lake level – 12 '0"

Water and Sewer installations: 0 Installation for Meter

Leaks: 5

Mainline -2-/Unmetered -3/Metered -17 Customer Leaks

October 2019 Water Loss 8 %

### **Production:**

Drinking water storage- 3.228 MG

14 wells available/9 utilized/3 Full Time/6 Part Time

Wastewater Treatment Plant

October 2019-Average daily flow 87,000 gpd/Average weekend flow 108,000 gpd

October 2018-Average daily flow 88,110 gpd/Average weekend flow 100,804 gpd

Precipitation

October 2019 – 28.26" Y.T.D. – .01 "– .64" Y.T.D. 2018

Diversion -217,600 cf 5.0 af

### **STATIC WELL LEVELS**

	<b>September 2019</b>	<b>October 2019</b>	<b>October 2018</b>	<b>October 2017</b>
<b>Foster Lake (Average 3 wells)</b>	3.83' Static	6.5' Static	27' Static	0' Static
<b>Well # 26 (Nature Center)</b>	23.5 Static	26' Static	51' Static	95' Static
<b>Well # 27 (Nature Center)</b>	23.5' Static	25' Static	0' Static	50' Static
<b>Well #28 (Rockdale)</b>	97 ' Static	101" Static	122' Static	120' Static
<b>Downtown Wells* #23 &amp; #24</b>	6 ' Static 15' Static	9' Pumping 17' Static	220' Pumping 21' Static	210' Pumping 15' Static
<b>FV1A</b>	384' Static	393' Pumping	371' Pumping	327' Pumping
<b>FV2</b>	43' Static	252' Recovering	320' Pumping	309' Pumping

\*Downtown Wells Static level is an average for 2017. April 2018 and 2019 both well levels are included

## Idyllwild Water District Well Production Data

October 2019

Well #	Cubic feet	AF	PT/FT	Status	GPM	Comment
Horizontal #1	55,780	1.28	FT	ON	11.7	
FL #2	538,470	12.3	FT	ON	106.6	
FL #4	14,576	.33	PT	OFF	38.0	
FL #10	0	.57	PT	OFF	8.9	
FL #11	0					
FL #12	0					
FL #13	22,120	.51	PT	OFF	38.3	
FL #15	93,805	2.51	PT	OFF	28.7	
FL #16	0					
#23 Stratton	36,680	.84	PT	OFF	40.0	
#24 Curtis	0					
#25 Donahoo	0					
#26 Nature Center	0					
#27 Nature Center	0					
#28 Rock Dale	0					
FV#1A	213,880	4.91	FT	ON	39.5	
FV#2	107,749	2.47	PT	OFF	35.8	
Golden Rod	20,720	.48	PT	OFF	18.7	
Oakwood						

Total Cubic Feet 1,103,780

---

Cedar Glen Meter 520,260 cf 11.94 af

In District Production 379,029 cf 8.70 af

TOTAL SUPPLIES TO SYSTEM 889,289 cf 20.64 af

Days of Production 28 Minutes of Production 40,320 Average system GPM 164.98



# Memo

**To:** Board of Directors

**From:** General Manager

**Date:** November 20, 2019

**Subject:** **ITEM 7D – CONSIDER APPROVAL OF A REQUEST BY SOUTHERN CALIFORNIA EDISON FOR GRANT OF EASEMENT ON IWD PROPERTY**

Recommendation:

Staff recommends the Board of Directors (Board) approve a grant of easement request by Southern California Edison (SCE), identified as Assessor Parcel Numbers: 559-030-006 & 559-020-001 for the amount of \$1,000.00.

Background:

In order for the Southern California Edison Company (SCE) to continue to provide the Idyllwild community with quality electrical service, some electrical changes are required to a portion of an electrical circuit that passes through the above-referenced location. These changes require the installation of some new electrical equipment. To implement these changes, it is necessary for SCE to acquire rights-of-way from Idyllwild Water District (IWD).

SCE will need an easement to permit the installation and maintenance of electrical facilities on the Association's property. The enclosed aerial photo and maps show the approximate location of the proposed easement. Specifically, SCE will be upgrading its existing underground cable on IWD's property. As part of these upgrades, SCE is in need of installing several "pullbox" structures for which it will require rights.

SCE will compensate IWD at a fair market value rate for this easement at \$1,000.00.

Attachments//

September 9, 2019

Idyllwild Water District  
Attn: Admin  
P.O. Box 397  
Idyllwild, CA 92549

**SUBJECT:** Electrical Design Change to Area: vacant lot (East Side of San Timoteo Canyon Road) - Redlands  
SCE Reference No.: TD1277173  
Our Reference No: DSB801758421

To Whom it May Concern:

In order for the Southern California Edison Company (SCE) to continue to provide your area with quality electrical service, some electrical changes are required to a portion of an electrical circuit that passes through the above-referenced location. These changes require the installation of some new electrical equipment. To implement these changes, it is necessary for Southern California Edison to acquire rights of way from the Idyllwild Water District.

SCE will need an easement to permit the installation and maintenance of electrical facilities on the Association's property. The enclosed aerial photo and maps show the approximate location of the proposed easement. Specifically, SCE will be upgrading its existing underground cable on the Water District's property. As part of these upgrades, SCE is in need of installing several "pullbox" structures for which it will require rights. **SCE will compensate you at a fair market value rate for this easement, which in this particular case is \$1,000.00.**

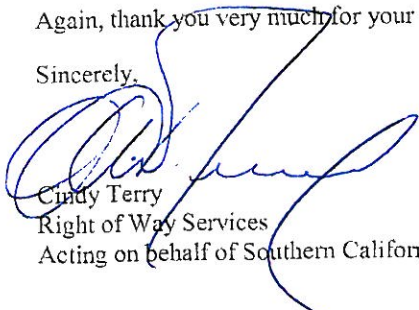
Enclosed please find an original and one copy of a Grant of Easement. Please have the original Grant of Easement signed, have the signatures notarized and return in the envelope provided. Please ensure that the notary stamp is clear and legible to aid in recording by the County Recorder's Office. If you prefer for a notary service to come to you, please contact me at (714) 568-1800 ext. 224. Please keep the map and the copy of the easement for your records.

Southern California Edison Company sincerely appreciates your cooperation on this issue. All planned work for this easement will be done at no cost to you, our customer. Future maintenance of equipment installed will be at the expense of Southern California Edison and will be solely Southern California Edison's responsibility. Construction work on your property will be as minimal as possible. Any disturbance to your property caused by construction shall be restored to as near as possible to its previous condition.

Should you have any questions regarding the Grant of Easement, please feel free to call me at (714) 568-1800 ext. 224 or email me at [cterry@spectrumland.com](mailto:cterry@spectrumland.com), otherwise I will follow up with you shortly regarding this request.

Again, thank you very much for your time and consideration.

Sincerely,



Cindy Terry  
Right of Way Services  
Acting on behalf of Southern California Edison

2 Innovation Way  
Pomona, CA 91768



# EDISON

An EDISON INTERNATIONAL<sup>®</sup> Company

September 9, 2019

Subject: Southern California Edison's Offer to Purchase Grant of Easement  
Work Order: TD11447914  
Reference No.: DSB80157994

Idyllwild Water District:

Southern California Edison (SCE) is offering to purchase the right of way easement across your properties in the County of Riverside, State of California, identified as Assessor Parcel Numbers: 559-030-006 & 559-020-001 for the amount of \$1,000.00. The amount is based on the appraised fair market value of the easement, as determined by a licensed appraiser in compliance with all State regulations. A copy of the appraisal summary is enclosed for your review and file.

If you accept this offer, please sign in the space(s) below and return this letter to acknowledge your acceptance. Please sign and notarize the Grant of Easement document and return all originals to my office at your earliest convenience. Once the originals have been received, a check in the amount of the offer will be promptly forwarded to you. Thank you for your cooperation in this matter.

AGREED and ACCEPTED:

BY: \_\_\_\_\_  
                     Authorized Signer                      Print Name                      Date

BY: \_\_\_\_\_  
Authorized Signer                      Print Name                      Date

BY: Lorena Muñoz, SCE Date \_\_\_\_\_



RECORDING REQUESTED BY

SOUTHERN CALIFORNIA  
**EDISON**

An EDISON INTERNATIONAL Company

WHEN RECORDED MAIL TO

SOUTHERN CALIFORNIA EDISON COMPANY

2 INNOVATION WAY, 2nd FLOOR  
POMONA, CA 91768

Attn: Title and Valuation

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SCE Doc. No.

**GRANT OF  
EASEMENT**

DOCUMENTARY TRANSFER TAX \$ _____ _____ COMPUTED ON FULL VALUE OF PROPERTY CONVEYED _____ OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE	DISTRICT Menifec	SERVICE ORDER TD1447914	SERIAL NO	MAP SIZE
SCE Company _____ SIG OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME	FIM 581-1855-5 APN 559-030-006 560-020-001	APPROVED REAL PROPERTIES DEPARTMENT	BY SLS/BT	DATE 07/09/2019

IDYLLWILD WATER DISTRICT, (hereinafter referred to as "Grantor"), hereby grants to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, its successors and assigns (hereinafter referred to as "Grantee"), an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications (eg. through fiber optic cable), in, on, over, under, across and along that certain real property in the County of Riverside, State of California, described as follows:

VARIOUS STRIPS OF LAND LYING WITHIN SECTIONS 1 AND 12, TOWNSHIP 5 SOUTH, RANGE 2 EAST, SAN BERNARDINO MERIDIAN, THE CENTERLINES OF SAID STRIPS ARE DESCRIBED AS FOLLOWS:

STRIP #1 (6.00 FEET WIDE)

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 12; THENCE ALONG THE WESTERLY LINE OF SAID SECTION 12, SOUTH 00°46'30" EAST 653.74 FEET; THENCE LEAVING THE WESTERLY LINE OF SAID SECTION 12, NORTH 89°13'30" EAST 9.47 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH 89°47'25" EAST 6.00 FEET TO A POINT OF ENDING, SAID POINT HEREINAFTER REFERRED TO AS POINT "A".

STRIP #2 (6.00 FEET WIDE)

COMMENCING AT SAID POINT "A"; THENCE SOUTH 89°46'39" EAST 443.05 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH 89°47'25" EAST 6.00 FEET TO A POINT OF ENDING, SAID POINT HEREINAFTER REFERRED TO AS POINT "B".

STRIP #3 (6.00 FEET WIDE)

COMMENCING AT SAID POINT "B"; THENCE NORTH 40°39'04" EAST 436.22 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 52°20'28" EAST 6.00 FEET TO A POINT OF ENDING.

STRIP #4 (6.00 FEET WIDE)

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 12; THENCE ALONG THE NORTHERLY LINE OF SAID SECTION 12, SOUTH 87°18'30" EAST 1851.20 FEET; THENCE LEAVING THE NORTHERLY LINE OF SAID SECTION 12, NORTH 02°41'30" EAST 592.60 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 21°03'29" WEST 6.00 FEET TO A POINT OF ENDING, SAID POINT HEREINAFTER REFERRED TO AS POINT "C".

STRIP #5 (6.00 FEET WIDE)

COMMENCING AT SAID POINT "C"; THENCE NORTH 15°45'20" WEST 600.03 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 02°42'08" EAST 6.00 FEET TO A POINT OF ENDING.

THE AREA OF THE ABOVE-DESCRIBED STRIPS OF LAND IS APPROXIMATELY 180 SQUARE FEET.

It is understood and agreed that the above description is approximate only, it being the intention of the Grantor(s) to grant an easement for said systems as constructed. The centerline of the easement shall be coincidental with the centerline of said systems as constructed in, on, over, under, across, and along the Grantor(s) property.

This legal description was prepared pursuant to Sec. 8730(c) of the Business & Professions Code.

Grantor further grants, bargains, sells and conveys unto the Grantee the right of assignment, in whole or in part, to others, without limitation, and the right to apportion or divide in whatever manner Grantee deems desirable, any one or more, or all, of the easements and rights, including but not limited to all rights of access and ingress and egress granted to the Grantee by this Grant of Easement.

Grantor agrees for himself, his heirs and assigns, not to erect, place or maintain, nor to permit the erection, placement or maintenance of any building, planter boxes, earth fill or other structures except walls and fences on the above described real property. The Grantee, and its contractors, agents and employees, shall have the right to trim or cut tree roots as may endanger or interfere with said systems and shall have free access to said systems and every part thereof, at all times, for the purpose of exercising the rights herein granted; provided, however, that in making any excavation on said property of the Grantor, the Grantee shall make the same in such a manner as will cause the least injury to the surface of the ground around such excavation, and shall replace the earth so removed by it and restore the surface of the ground to as near the same condition as it was prior to such excavation as is practicable.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**GRANTOR**

**IDYLLWILD WATER DISTRICT**

\_\_\_\_\_  
Signature

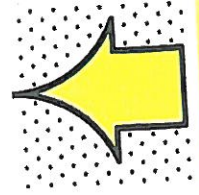
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of \_\_\_\_\_ )



**NOTARIZE**

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public, personally appeared

\_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)



MATCH LINE 'C'  
SEE BELOW RIGHT

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.
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\*INTERCEPT\*  
\*PLACEMENT REQUIRED\*  
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\*INTERCEPT\*  
\*PLACEMENT REQUIRED\*  
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MATCH LINE 'C'  
SEE ABOVE LEFT

MATCH LINE 'C'  
SEE ABOVE LEFT

LOCATION 4

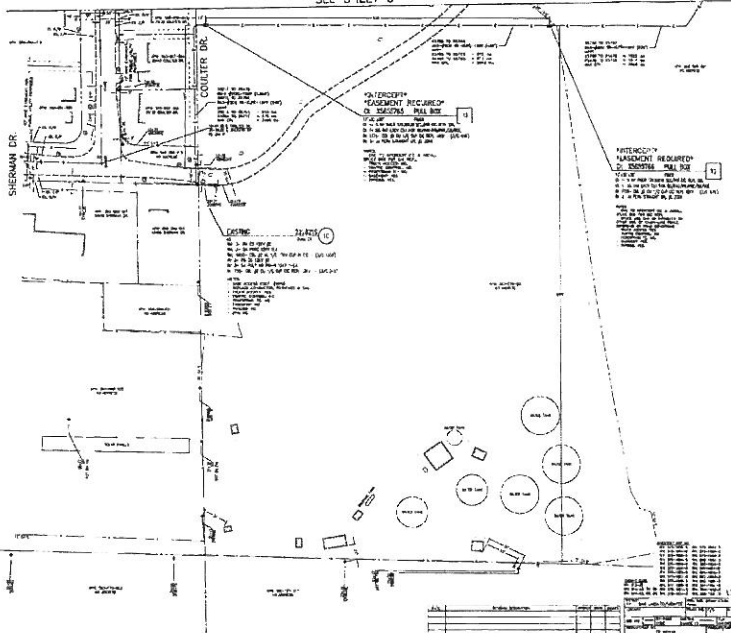
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FINAL DESIGN  
APPROVED FOR CONSTRUCTION

1072863

MATCH LINE STA. 12+00  
SEE SHEET 6



LOCATION 4

| NO. | DESCRIPTION | AMOUNT | DATE |
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| 1   | ...         | ...    | ...  |
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| 3   | ...         | ...    | ...  |
| 4   | ...         | ...    | ...  |
| 5   | ...         | ...    | ...  |
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| 10  | ...         | ...    | ...  |

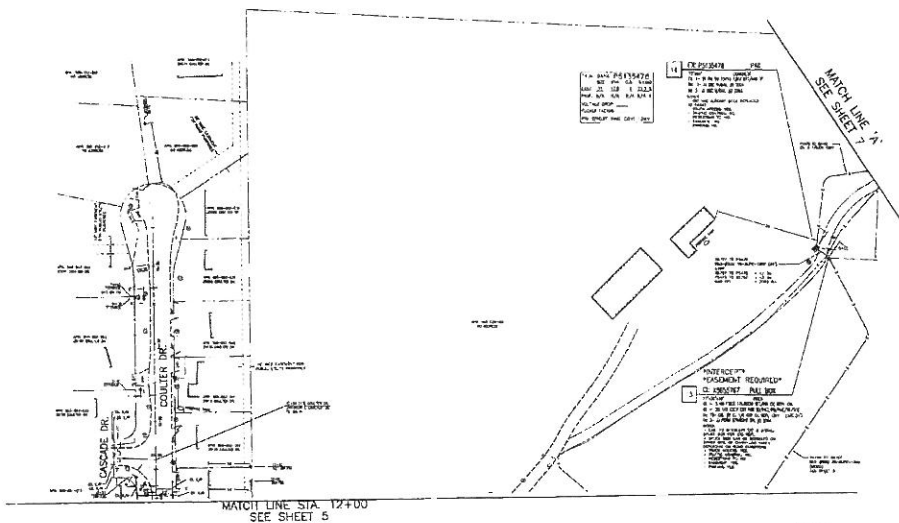
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| 1   | ...         | ...    | ...  |
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| 7   | ...         | ...    | ...  |
| 8   | ...         | ...    | ...  |
| 9   | ...         | ...    | ...  |
| 10  | ...         | ...    | ...  |



FINAL DESIGN

UPPER MERIDIAN CONSULTING

1072883



1. 1/2" = 100' (1/4" = 200')  
 2. 1/4" = 100' (1/8" = 200')  
 3. 1/8" = 100' (1/16" = 200')  
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 3. 1/8" = 100' (1/16" = 200')  
 4. 1/16" = 100' (1/32" = 200')



LOCATION 4

| NO. | DESCRIPTION  | DATE    | BY       | CHECKED  | APPROVED |
|-----|--------------|---------|----------|----------|----------|
| 1   | DESIGN       | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 2   | CONSTRUCTION | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 3   | FINAL DESIGN | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 4   | CONSTRUCTION | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 5   | FINAL DESIGN | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 6   | CONSTRUCTION | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 7   | FINAL DESIGN | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 8   | CONSTRUCTION | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 9   | FINAL DESIGN | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |
| 10  | CONSTRUCTION | 10/1/00 | J. J. J. | J. J. J. | J. J. J. |

FINAL DESIGN

EDISON

1072883





SOUTHERN CALIFORNIA  
**EDISON®**

An *EDISON INTERNATIONAL®* Company

***Real Properties Department  
Real Estate Valuation***

***September 6, 2019***

Cindy Terry  
Spectrum Land Services  
725 W. Town and Country Road, Suite 410  
Orange, CA 92868  
(714) 568-1800 x 224

SUBJECT: DSB Pine Cove Circuit, Owner: Idyllwild Water District  
Parcel # 559-030-006 and 560-020-001, Location: eastern terminus of  
Sherman Drive, north of Idyllwild Road (CA-243) and just southeast of Pine  
Cove Park, Idyllwild (Unincorporated Riverside County), California 92549  
Lat: 33.76377 Lon: -116.733  
File # 19-070, Not# 203708419, WO# 801857994

The following appraisal is reported in a restricted format for the valuation of a utility easement for an underground electrical supply system and communication system. The following report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for the specific type of appraisal and report. This Restricted Appraisal Report limits the use of the report to the client (The Southern California Edison Company) only and the rationale for how the appraiser arrived at the opinions and conclusion set forth in the report may not be understood properly without additional information in the appraiser's work file and may be only provided upon request and utilized by the Client. The appraiser is not responsible for unauthorized use of this report.

Southern California Edison (SCE) is currently seeking to obtain a non-exclusive, subterranean electrical easement which encumbers a portion of the subject larger parcel for the installation of new pull boxes where no existing rights are present. The subject larger parcel is mostly vacant land with some ancillary improvements for a water facility and Foster Lake reservoir, in the community of Idyllwild (Unincorporated Riverside County), California. It is identified by the following highlighted LandVision map.

necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications (eg. through fiber optic cable) in, on, over, under, across and along (the subject property easement area)."

According to the Grant of Easement document that was provided, "the Grantor further grants, bargains, sells and conveys unto the Grantee the right of assignment, in whole or in part, to others, without limitation, and the right to apportion or divide in whatever manner Grantee deems desirable, any one or more, or all, of the easements and rights, including but not limited to all rights of access and ingress and egress granted to the Grantee by the Grant of Easement."

"The Grantor agrees for himself, his heirs and assigns, not to erect, place or maintain, nor to permit the erection, placement or maintenance of any building, planter boxes, earth fill or other structures except walls and fences on the (the subject property easement area). The Grantee, and its contractors, agents and employees, shall have the right to trim or cut tree roots as may endanger or interfere with said systems and shall have free access to said systems and every part thereof, at all times, for the purpose of exercising the rights herein granted; provided, however, that in making any excavation on said property of the Grantor, the Grantee shall make the same in such a manner as will cause the least injury to the surface of the ground around such excavation, and shall replace the earth so removed by it and restore the surface of the ground to as near the same condition as it was prior to such excavation as is practicable."

A copy of the Grant of Easement deed is located in the addenda.

## **BASIS OF VALUATION**

"Fair Market Value", as defined pursuant to California Code of Civil Procedure in Article 4, is as follows:

Measure of Compensation for Property Taken.

1263.320 (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of the property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

1263.330 The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following:

(a) The project for which the property is taken;

(b) The eminent domain proceeding in which the property is taken;



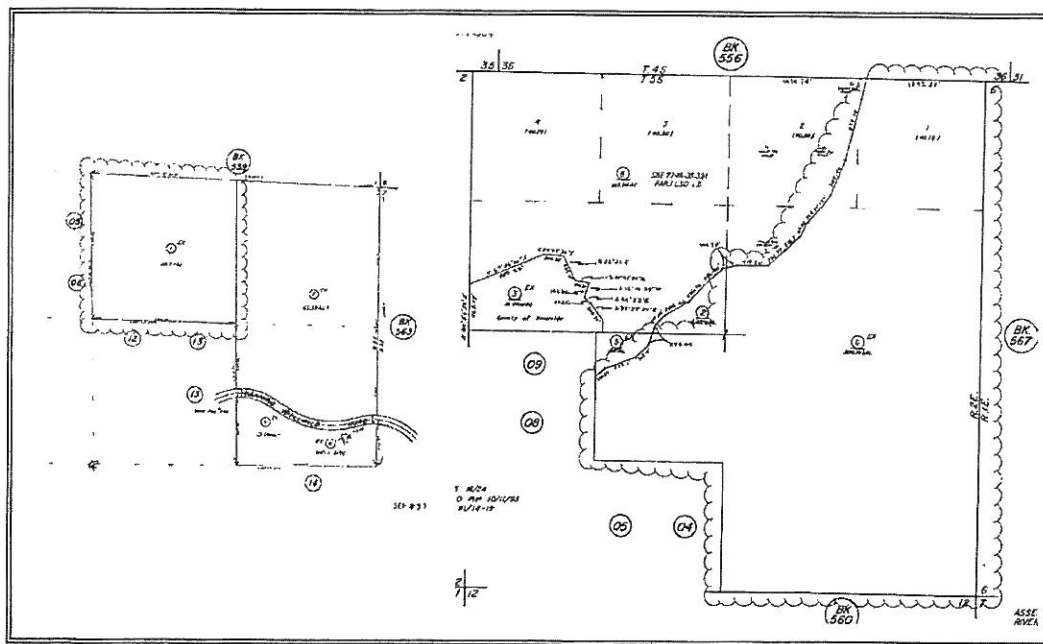
contiguity. For there to be unity of title, the parcel(s) must be owned or controlled by the same individual or group of individuals. Unity of use requires that the parcel(s) possess the same use, or an integrated use, with the land. It is controlled by the highest and best use of the parcel(s). Although contiguity is not always required, normally parcels sharing this unity are physically contiguous to one another. If two parcels, for instance, are separate and devoted to different uses, the taking of one parcel will not damage the other parcel.

In this appraisal, the proposed acquisition areas are located on two legal parcels, Assessor Parcel Numbers ("APNs") 559-030-006 and 560-020-001. According to Public Records, the subject owner also owns APNs 560-060-019, which provides access to the water facility. The subject owner owns additional land, however, for purposes of analysis, APNs 560-060-019, 559-030-006 and 560-020-001 represent one larger parcel.

APN: 560-060-019, 559-030-006 and 560-020-001

Ownership: Idyllwild Water District

Size and shape: Per the plat map, the subject larger parcel is irregular in shape and contains a land area of 347.02± acres or 15,116,191± square feet.



Interest Appraised: Proposed permanent utility easement over assumed fee simple land.

Property Type: Conservation

General Plan: The General Plan Land Use designation is Conservation Habitat for the northern portion of the subject and Water for the southern portion of the subject, which are consistent and conforming to the respectful zonings.

Highest and Best Use as-vacant: “Highest and Best Use”, as defined in the Dictionary of Real Estate Appraisal (6th Edition), Appraisal Institute, page 109, is as follows: “the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissible, physical possibility, financial feasibility, and maximum productivity.” The highest and best use as-vacant is for an open space use.

Purpose and Intended Use: This appraisal is provided for internal Edison valuation purposes to determine the value of granting an easement to Southern California Edison for utility purposes. The intended use is for Southern California Edison Real Properties staff to assist in negotiations of the property rights and is considered confidential. The report is not intended for any other use. The intended user of this report are the SCE Real Properties staff (the Client) and their representatives. There are no other intended users. The appraiser’s opinions and conclusions may not be understood properly without additional information in the appraiser’s work file.

Date of value: The date of value is September 4, 2019.

Date of Inspection: No visual inspection was performed. Improvements noted on the subject larger parcel was gathered from aerial imagery from Google Earth Pro and LandVision.

Date of Report: The date of report is September 6, 2019.

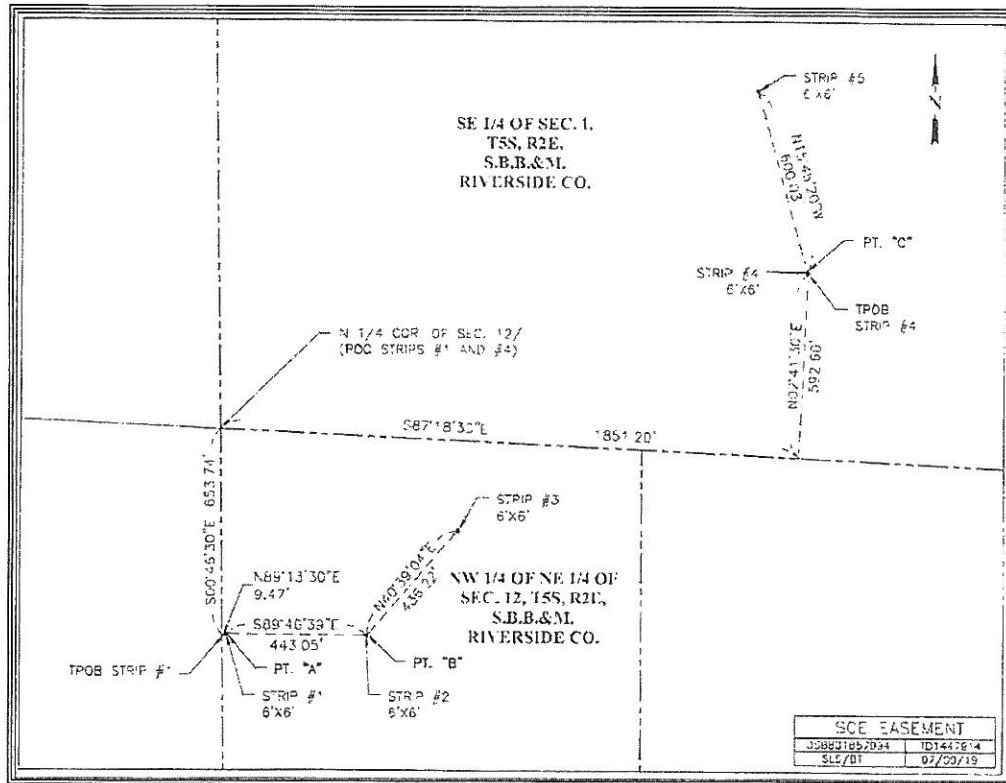
Methodology: In this appraisal, the most applicable approach is the Sales Comparison Approach. The Cost and Income Approach were not included as the subject property’s portions of land right to be acquired are vacant.

*Sales Comparison Approach* – The Sales Comparison Approach is based on the consideration of comparable land sales and is applicable to the valuation of the land rights to be acquired. Since only a portion of the land rights are proposed to be acquired (and valued), only the land will be analyzed.

*Cost Approach* – The Cost Approach is based in part on a replacement cost new of improvements less depreciation. Since the property right being appraised is an easement and does not impact any improvements

## ACQUISITION DATA

Area to be acquired: Permanent Easement consisting of five strips of land that have a gross land area of approximately 180± square feet. The easement areas are located at the southern portion of the subject larger parcel, square-shape strips of land that are 6 feet wide by 6 feet long.



Severance damages: I have concluded that there is no severance damages as a result of the part acquired or the construction in the manner proposed. In the before and after analysis, there is no market evidence that the easement will negatively influence the current use of the land. Thus, the highest and best use of the remainder remains the same in the after condition as in the before condition.

Benefits: None noted.

Date of Value: September 4, 2019

## Selected Market Data

| SUMMARY OF LAND SALE COMPARABLES |   |              |  |                                       |  |                 |
|----------------------------------|---|--------------|--|---------------------------------------|--|-----------------|
| Sale No.                         | Property Identification   | Sale Date    | Grantor                                | Zoning                                | Land Area (Acre)   | Sale Price      |
|                                  |   | Document No. | Grantee                                | Land Use                              | Topography   | Sale Price/Acre |
| 1                                | Castile Canyon Rd & Poppe Rd<br>San Jacinto<br>APN: 547-070-001 to -007, and -010 to -012                       | Aug-19       | Russell D Smith, Jr., etc.             | W-2-20                                | 480.00   | \$2,500,000     |
|                                  |   | 308784       | Soboba Band of Luiseno Indians         | Open Space Rural                      | Rolling hills, steep bluffs, & Canyons                       | \$5,208         |
| 2                                | East of El Toro Road<br>Anza<br>APN: 577-110-011  | May-19       | Zaghella Separate Property Trust, etc. | R-R-10                                | 152.96   | \$400,000       |
|                                  |   | 154048       | HMONGC LLC                             | Rural Mountainous & Rural Residential | Level plateau with rolling hills, steep bluffs, & Canyons    | \$2,615         |
| 3                                | NEC State Hwy 74 and 371<br>Mountain Center<br>APN: 577-070-007 & -008  | Jul-18       | Christopher Schafer etc.               | R-A-20                                | 82.35  | \$520,000       |
|                                  |   | 286506       | Nevada Investments Inc.                | Rural Mountainous                     | Rolling hills, steep bluffs, & Canyons                       | \$6,315         |
| 4                                | 34245 Sage Road<br>Hemet<br>APN: 470-190-039 ++++++   | May-19       | Victor R. and Donna J. Hill, etc       | R-R                                   | 326.00   | \$1,900,000     |
|                                  |   | 174610       | Camaray L. Davalos, etc., et al.       | Rural Mountainous                     | Rolling hills, steep bluffs, & Canyons                       | \$5,828         |
| Subj.                            | Eastern Terminus of Sherman Drive, north of CA-243<br>Idyllwild<br>APN: 560-060-019, 559-030-006, & 560-020-001 | Subject      | —                                      | N-A-160 & W-1                         | 347.02   | —               |
|                                  |   | —            | —                                      | Conservation Habitat                  | Generally level areas, rolling hills, canyon, & steep bluffs | —               |

where no existing rights are present will be located at southern portion of the subject larger parcel. It is assumed this easement will restrict some subterranean property rights as well as implementing partial restrictions to some of the surface rights. The easement areas are vacant land and within current underground 12 kV lines. All improvements, if any, will be replaced in kind or protected in place. Given the foregoing, it is my opinion that the rights to be acquired equate to 75% of the underlying fee rights within the proposed easement area.

### NOMINAL VALUE AWARD FOR COSTS

As we can see from the analysis presented above, the value in the property rights proposed to be taken in the easement is small. Nonetheless, the transfer of the property rights to be acquired does impose a requirement that the property owner review project information, and execute necessary documents to bring about the transfer of these specified property rights. These requirements necessitate the consideration of the concept of “nominal value” which is described as follows:

“That amount of money necessary to effect a transfer of title to property where the property has no recognized independent use.”<sup>2</sup>

The monetary inducement to effect a transaction is, at least in part, driven by the anticipated costs associated with the transaction process, along with the time that must be devoted by the property owner to complete the process. We assume that the mapping, legal description, deed of easement, and all recording fees will be prepared and/or paid for by the public agency which is acquiring the specific property rights. Accordingly, there are no anticipated costs to the owner for these purposes. However, the owner may reasonably wish to retain legal counsel to review these documents, and to obtain the assurance that the property rights being transferred are as represented by the acquiring public agency. For the type of property under consideration, it is my opinion that the actual transaction costs would be on the order of magnitude of a few hundred dollars. Accordingly, it is our opinion that for the property rights proposed to be acquired, the indication of “**nominal value**” is in the total amount of:

**\$1,000 (ONE THOUSAND DOLLARS)**

---

<sup>2</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, Fifth Edition, 2010

7. The appraiser has not been provided any information regarding the presence of any material or substance on or in any portion of the subject properties or improvements thereon, which material or substance possesses or may possess toxic, hazardous, and/or other harmful and/or dangerous characteristics. Unless otherwise stated in the report, the appraiser did not become aware of the presence of any such material or substance during the appraiser's inspection of the subject properties. However, the appraiser is not qualified to investigate or test for the presence of such materials or substances. The presence of such materials or substances may adversely affect the value range of the subject properties. The value estimated in this report is predicated on the assumption that no such material or substance is present on or in the subject properties or in such proximity; thereto that it would cause a loss in value. The appraiser assumes no responsibility for the presence of any such substance or material on or in the subject properties, nor for any expertise or engineering knowledge required to discover the presence of such substance or material. Unless otherwise stated, this report assumes the subject properties are in compliance with all federal, state, and local environmental laws, regulations, and rules.
8. Unless otherwise stated, the subject properties are valued assuming them to be in full compliance with all applicable zoning and land use regulations and restrictions.
9. Unless otherwise stated, the properties are valued assuming that all required licenses, permits, certificates, consents or other legislative and/or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. No engineering survey was made by the appraiser. Except as specifically stated, data relative to size and area of the subject properties was taken from sources considered reliable and no encroachment of the subject properties are considered to exist.
11. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights or whether the properties are subject to surface entry for the exploration or removal of such materials, except as is expressly stated.
12. Maps, plats, and exhibits included in this report are for illustration only to serve as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.
13. No opinion is intended to be expressed for matters that require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
14. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and improvements must not be used in conjunction with any other report and are invalid if so used.
15. Possession of this report, or a copy of it, does not carry with it the right of publication. Without the written consent of the appraiser, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with proper written qualification and only in its entirety for its stated purpose.
16. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance of said hearing. Further, unless otherwise indicated, separate arrangements shall be made concerning compensation for the appraiser's time to prepare for and attend any such hearing.
17. In the event that appraiser is subpoenaed for a deposition or judicial or administrative proceeding and is ordered to produce the appraisal report and files, appraiser shall immediately notify the client. Appraiser shall appear at the deposition or judicial or administrative hearing with the appraisal report and files and answer all questions unless client provides appraiser with legal

### CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

I have not made a personal inspection of the property that is the subject of this report.

No one provided significant real property assistance to the persons signing this report.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I have completed the standards and ethics education requirements for Candidates of the Appraisal Institute. As of the date of this report, I have completed the requirements of the Continuing Education Program of the Bureau of Real Estate Appraisers and the International Right of Way Association.



Daniel Kazden, SR/WA  
SCREA AG039951  
Expires April 4, 2020

September 6, 2019

Date



RECORDING REQUESTED BY



SOUTHERN CALIFORNIA  
**EDISON**

An EDISON INTERNATIONAL Company

WHEN RECORDED MAIL TO  
SOUTHERN CALIFORNIA EDISON COMPANY

2 INNOVATION WAY, 2nd FLOOR  
POMONA, CA 91768

Attn: Title and Valuation

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SCE Doc. No.  
**GRANT OF  
EASEMENT**

|   |  |   |              |                    |
|---|--|---|--------------|--------------------|
| DOCUMENTARY TRANSFER TAX \$ _____<br>_____<br>COMPUTED ON FULL VALUE OF PROPERTY CONVEYED<br>OR COMPUTED ON FULL VALUE LESS LIENS AND<br>ENCUMBRANCES REMAINING AT TIME OF SALE | DISTRICT<br>Meniffee                             | SERVICE ORDER<br>TD1447914                | SERIAL NO    | MAP SIZE           |
| SCE Company<br>SIG OF DECLARANT OR AGENT DETERMINING TAX FIRM NAME  | FIM 581-1855-5<br>APN 559-030-006<br>560-020-001 | APPROVED<br>REAL PROPERTIES<br>DEPARTMENT | BY<br>SLS/BT | DATE<br>07/09/2019 |

IDYLLWILD WATER DISTRICT, (hereinafter referred to as "Grantor"), hereby grants to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, its successors and assigns (hereinafter referred to as "Grantee"), an easement and right of way to construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications (eg. through fiber optic cable), in, on, over, under, across and along that certain real property in the County of Riverside, State of California, described as follows:

VARIOUS STRIPS OF LAND LYING WITHIN SECTIONS 1 AND 12, TOWNSHIP 5 SOUTH, RANGE 2 EAST, SAN BERNARDINO MERIDIAN, THE CENTERLINES OF SAID STRIPS ARE DESCRIBED AS FOLLOWS:

STRIP #1 (6.00 FEET WIDE)

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 12; THENCE ALONG THE WESTERLY LINE OF SAID SECTION 12, SOUTH 00°46'30" EAST 653.74 FEET; THENCE LEAVING THE WESTERLY LINE OF SAID SECTION 12, NORTH 89°13'30" EAST 9.47 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH 89°47'25" EAST 6.00 FEET TO A POINT OF ENDING, SAID POINT HEREINAFTER REFERRED TO AS POINT "A".

STRIP #2 (6.00 FEET WIDE)

COMMENCING AT SAID POINT "A"; THENCE SOUTH 89°46'39" EAST 443.05 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE SOUTH 89°47'25" EAST 6.00 FEET TO A POINT OF ENDING, SAID POINT HEREINAFTER REFERRED TO AS POINT "B".

STRIP #3 (6.00 FEET WIDE)

COMMENCING AT SAID POINT "B"; THENCE NORTH 40°39'04" EAST 436.22 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 52°20'28" EAST 6.00 FEET TO A POINT OF ENDING.

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public, personally appeared

\_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

10-018  
AN DR.

19+71  
222821S

19+70  
4569233E

EXISTING

222821S

Class C4

10

45'

RM: 3- PH CS 12KV #2

RM: 3- SA PORC 12KV IEA

RM: 4050- CBL #2 AL 1/C 17KV CLP IN CIC - (3/C 1350')

IN: 3- PH CS 12KV #2

IN: 3- SA POLY NO PRI-N 12KV 1-EA

IN: 735- CBL #2 CU 1/C CLP REPL 12KV - (3/C 245')

NOTES:

- GATE ACCESS CODE: #9090
- REPLACE CONDUCTOR, POTHEADS & SAS.
- TRUCK ACCESS: YES
- TRAFFIC CONTROL: NO
- PEDESTRIAN TC: NO
- EASEMENT: NO
- PWRD88: NO
- JPA: NO

2190005  
NOT FIF

2189995  
NOT FIF

20' GATE



WATER TANK



APN:  
NO

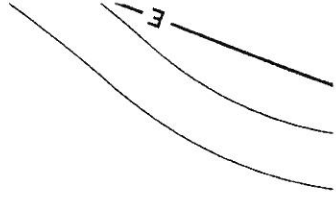
**\*INTERCEPT\***  
**\*EASEMENT REQUIRED\***

CI: X5655768    PULL BOX    16

2'6"x4'x3'6"    CONC. LT TRAFFIC  
CI: 1- S SPL BOX PB 2'6"x4'X3'6" C LT INTER  
CI: 1- SS TAX EXCV CST FOR BD/PAD/PB/PME/SB/SOE  
IN: 1854- CBL #2 CU 1/C CLP CIC REPL 12KV - (3/C 618')  
IN: 3- JJ PERM STRAIGHT SPL #2 200A

- NOTES:
- UP-HILL, NARROW DIRT ROAD. ROAD MAY BE WASHED AND REQUIRE MAINTENANCE FOR ACCESS.
  - CIVIL CREW TO INTERCEPT CIC & INSTALL CONC. LT TRAFFIC PULL BOX.
  - TRUCK ACCESS: YES.
  - TRAFFIC CONTROL: NO

X5769 TO P1509  
IN:3-#2CU TR-XLPE-12KV (638')—  
MPPT  
X5769 TO P1509    = 1976 lbs  
P1509 TO X5769    = 705 lbs  
MAX EPL            = 2066 lbs



# Memo

**To:** Board of Directors

**From:** General Manager

**Date:** November 20, 2019

**Subject:** ITEM 8 - CONSIDER ACCEPTANCE OF THE FISCAL YEAR 2018-2019  
AUDIT

Recommendation:

That the Board of Directors accept the Fiscal Year 2018-2019 Audit and make it available to any interested parties.

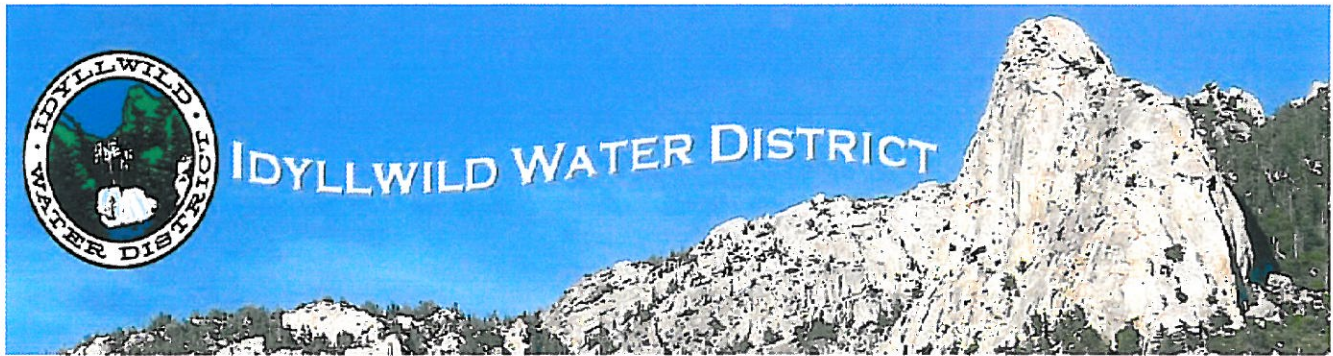
Background:

The District is required by State law to have its financial status audited annually by a certified public accountant. The District hired Rogers, Anderson, Malody & Scott, LLP to audit the District Financial Statements FOR FY 2018-2019.

Scott Manno, the partner in charge of the District's Audit, will be present to review his firm's Findings and opinions regarding the District's financial status and documentation.

Attachments//

**DRAFT**  
**SUBJECT TO CHANGE**



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2019**

**Idyllwild Water District**

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**DRAFT**  
**SUBJECT TO CHANGE**

**Idyllwild Water District**  
**List of Principal Officers**  
**As of June 30, 2019**

*BOARD OF DIRECTORS*

| <u>Title</u>   | <u>Name</u>     |
|----------------|-----------------|
| President      | Charles Schelly |
| Vice-President | Peter Szabadi   |
| Director       | Les Gin         |
| Director       | David Hunt      |
| Director       | Steve Kunkle    |

*ADMINISTRATION*

|                         |               |
|-------------------------|---------------|
| General Manager         | Darren Milner |
| Chief Financial Officer | Hosny Shouman |

*ORGANIZATION*

The Idyllwild Water District was formed on March 21, 1955 for the purpose of providing a domestic water supply to the community of Idyllwild, California under Section 30000 of the California Water Code. Improvement District No. 1 was established by Board action on March 10, 1966 to provide wastewater services within the community.



# DRAFT SUBJECT TO CHANGE

## ***Independent Auditor's Report***

Board of Directors  
Idyllwild Water District  
Idyllwild, California

### **Report on the financial statements**

We have audited the accompanying financial statements of the Idyllwild Water District (the 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 an opinion 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*. 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 opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2019, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

***Other matters***

***Required supplementary information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the OPEB related schedules, as listed in the table of contents, 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 reporting required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our reports dated **October XX, 2019**, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

San Bernardino, California  
**October XX, 2019**



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The intent of the management's discussion and analysis is to provide highlights of the Idyllwild Water District's (the District) operational and financial activities for the fiscal year ended June 30, 2019. Readers are encouraged to review this section in conjunction with the accompanying financial statements and notes.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The District operates under California Irrigation District Law as a utility enterprise. As such, the District presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting, similar to methods used by private sector companies. These financial statements are designed to provide readers with a broad overview of the finances and also present changes in cash balances, and information about both short-term and long-term activities of the District. There are three required components to these statements; the Management's Discussion and Analysis (MD&A), the financial statements, and the notes to the financial statements. As an enterprise fund, the District's financial statements include four components:

- 1) **Statement of Net Position** presents information on all of the District's assets, liabilities and deferred inflows/outflows with the difference between the two reported as net position. The statement of net position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility. 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. Net position is displayed in three categories: net investment in capital assets; restricted; and unrestricted.
- 2) **Statement of Revenues, Expenses and Changes in Net Position** presents information which show how the District's net position changed during the year. All of the current year's revenues and expenses are recorded on an accrual basis, meaning when the underlying transaction occurs, regardless of the timing of the related cash flows. These statements measure the success of the District's operations over the past year and determine whether the District has recovered its costs through water sales, user fees and other charges.
- 3) **Statement of Cash Flows** provides information regarding the District's cash receipts and cash disbursements during the year. These statements report cash activity in four categories: operating; noncapital financing; capital and related financing; and investing. This statement differs from the statement of revenues, expenses, and changes in net position in that it accounts only for transactions that result from cash receipts and cash disbursements. As in the past, the statement of cash flows continues to reconcile the reasons why cash from operating activities differ from operating income.
- 4) **Notes to the Basic Financial Statements** provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. The notes are located immediately following the financial statements.

### **THE DISTRICT'S OPERATIONS - AN OVERVIEW**

The District operates under the authority of Section 30000, Division 12 of the California Water Code and engages in water and wastewater activities, which are classified, as "proprietary". These activities are accounted for much like that of a private business using the full accrual method of accounting for financial transactions. Major activities include production and treatment of groundwater; sale and delivery of water to domestic and commercial accounts; and collection, treatment and disposal of wastewater. The District also owns a small fleet of vehicles and other rolling stock to support the various operating activities for water and wastewater.

**FINANCIAL HIGHLIGHTS**

**WATER SALES:**

Water sales increased for the year by \$268,365 or 21.8% from the prior year's amount and ended the year at \$1,499,668. This is attributed to a changing rate for commercial accounts. Total cubic feet sold for the fiscal year was 10,743,221. The District is in No Stage for water conservation.

**WASTEWATER SALES:**

Wastewater service charges increased by \$63,275 or 10.3% from the prior year and ended the year at \$677,317. The equivalent dwelling units is the same as the prior year at 1,377.01 EDU. There were no new residential or commercial connections added during the year.

**CAPITAL ASSETS:**

During the year, the water fund increased capital assets being depreciated by \$1,047,927. Overall, capital assets in the water fund increased by a net of \$342,420 due to depreciation expense of \$224,120, an increase of \$542,581 and decrease of \$1,030,468 related to construction in progress, an increase in capital assets being depreciated of \$1,057,447 and a loss of disposal of \$3,020.

|  | <u>2018/2019</u><br><u>Amount</u> |
|--|-----------------------------------|
| Capital assets being depreciated:          |                                   |
| Beginning capital assets being depreciated | \$ 8,850,938                      |
| Additions:                                 |                                   |
| Carbon Filter                              | 117,636                           |
| North Circle Pipeline                      | 858,718                           |
| Auto Gun Reader Machine                    | 11,415                            |
| Gas Powered Generator                      | 15,564                            |
| Flow Measuring Weir Project                | 54,114                            |
| Total Additions                            | <u>1,057,447</u>                  |
| Deletions:                                 |                                   |
| Office Equipment                           | <u>(9,520)</u>                    |
| Total Deletions                            | <u>(9,520)</u>                    |
| Total capital assets being depreciated     | <u>\$ 9,898,865</u>               |

**CAPITAL ASSETS, Continued:**

During the year, the capital assets of the wastewater fund decreased by a net of \$11,680 from the prior year due to depreciation expense \$117,375 and an increase in capital assets being depreciated of \$105,695.

|  | <u>2018/2019<br/>Amount</u> |
|--|-----------------------------|
| Capital assets being depreciated:                  |                             |
| Beginning capital assets being depreciated         | \$ 2,957,955                |
| Additions:   |                             |
| Ager Machine                                       | 99,695                      |
| Fence  | <u>6,000</u>                |
| Total Additions                                    | <u>105,695</u>              |
| Total capital assets being depreciated - additions | <u><u>\$ 3,063,650</u></u>  |

**INVESTMENT INCOME:**

This past year investment income experienced an increase in earned percentages from the prior year. There are conservative investment policy restrictions on types of investments such as treasury bills, certificates of deposits, savings, money market funds, and local agency investment funds (state and local). Total investment income for the water and wastewater funds was a combined \$68,580.

**PROPERTY TAXES:**

This past year property tax revenues experienced an increase in revenues from the previous year of \$6,081 or 1.4%. Total property tax revenues for the year ended was \$439,187.

**DISTRICT OPERATIONS:**

Combined operating expenses, excluding depreciation expense of \$341,495 totaled \$1,716,699 which represents an decrease of \$481,781 or an decrease of 21.91% from the prior year. Increases occurred in the following expense categories: Engineering Services, Wages.

**DEPRECIATION EXPENSE:**

The water fund's depreciation expense was \$224,120 and the wastewater fund's was \$117,375 for a total of \$341,495 an increase of \$683 or 0.20% from the prior year. This increase is due to typical depreciation expense changes.



**TOTAL REVENUES:**

Combined revenues for the year totaled \$2,856,814 compared to the prior year of \$2,659,411, an increase of \$197,403 or 7.4%. The increase is primarily due to increase in water sales and increase in property taxes. The following table presents a comparison of revenues by category for the two years of 2017/2018 and 2018/2019:

**COMBINED REVENUES BY CATEGORY  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2019**

| <i>Revenue category</i> | 2017/2018           |             | 2018/2019           |             | Change            |             |
|-------------------------|---------------------|-------------|---------------------|-------------|-------------------|-------------|
|                         | Amount              | % of total  | Amount              | % of total  | Amount            | %           |
| Water sales             | \$ 1,231,303        | 46.30%      | \$ 1,499,668        | 52.49%      | \$ 268,365        | 21.8%       |
| Wastewater services     | 614,042             | 23.09%      | 677,317             | 23.71%      | 63,275            | 10.3%       |
| Service fees and other  | 51,298              | 1.93%       | 30,577              | 1.07%       | (20,721)          | -40.4%      |
| Investment income       | 37,934              | 1.43%       | 68,580              | 2.40%       | 30,646            | 80.8%       |
| Property taxes - 1%     | 433,106             | 16.29%      | 439,187             | 15.37%      | 6,081             | 1.4%        |
| Standby charge          | 29,214              | 1.10%       | 43,865              | 1.54%       | 14,651            | 50.2%       |
| Capacity fee            | 172,593             | 6.49%       | 97,290              | 3.41%       | (75,303)          | 100.0%      |
| Other income            | 89,921              | 3.4%        | 409                 | 0.01%       | (89,512)          | -99.5%      |
| Total revenues          | <u>\$ 2,659,411</u> | <u>100%</u> | <u>\$ 2,856,893</u> | <u>100%</u> | <u>\$ 197,482</u> | <u>7.4%</u> |

**TOTAL EXPENSES:**

Combined expenses for the year totaled \$2,062,085 compared to a prior year of \$2,539,952 a decrease of \$477,867 or 18.8%, which includes total operating expenses of \$1,760,412 (excluding other operating, non-operating and interest) compared to the prior year of \$2,019,446. The primary reason for this decrease are reductions in the operating and general administration expenses and engineering studies compared with the previous year.

**COMBINED EXPENSES BY CATEGORY  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2019**

| <i>Expense category</i> | 2017/2018           |               | 2018/2019           |               | Change              |               |
|-------------------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|                         | Amount              | % of total    | Amount              | % of total    | Amount              | %             |
| Water operations        | \$ 634,368          | 25.0%         | \$ 637,453          | 30.9%         | \$ 3,085            | 0.5%          |
| Wastewater operations   | 397,688             | 15.7%         | 234,913             | 11.4%         | (162,775)           | -40.9%        |
| General and admin       | 987,390             | 38.9%         | 888,125             | 43.1%         | (99,265)            | -10.1%        |
| Other operating         | 519,846             | 20.5%         | 297,782             | 14.4%         | (222,064)           | -42.7%        |
| Other non-operating     | 660                 | 0.0%          | 3,891               | 0.2%          | 3,231               | 489.5%        |
| Total expenses          | <u>\$ 2,539,952</u> | <u>100.0%</u> | <u>\$ 2,062,164</u> | <u>100.0%</u> | <u>\$ (477,788)</u> | <u>-18.8%</u> |

**STATEMENT OF NET POSITION:**

The District's net position increased by \$794,729 or 8.7%, due to current operations. Net position decreased by \$264,371 in the prior year. The District ended the year with \$9,908,133 in total net position. Following is a summary table of statement of net position comparing the changes from fiscal year 2017/2018 and 2018/2019:

**STATEMENT OF NET POSITION:**

|                                      | 2017/2018           | 2018/2019           | Change            |              |
|--------------------------------------|---------------------|---------------------|-------------------|--------------|
|                                      |                     |                     | Amount            | %            |
| <b>Assets:</b>                       |                     |                     |                   |              |
| Current                              | \$ 4,134,690        | \$ 4,725,145        | \$ 590,455        | 14.3%        |
| Non-current: capital                 | 6,462,128           | 6,792,868           | 330,740           | 5.1%         |
| <b>Total assets</b>                  | <b>10,596,818</b>   | <b>11,518,013</b>   | <b>921,195</b>    | <b>8.7%</b>  |
| <b>Deferred outflow of resources</b> |                     |                     |                   |              |
| OPEB related                         | 51,445              | 79,845              | 28,400            | 55.2%        |
| <b>Liabilities:</b>                  |                     |                     |                   |              |
| Current                              | 86,672              | 123,534             | 36,862            | 42.5%        |
| Other non-current                    | 1,370,248           | 1,500,279           | 130,031           | 9.5%         |
| <b>Total liabilities</b>             | <b>1,456,920</b>    | <b>1,623,813</b>    | <b>166,893</b>    | <b>11.5%</b> |
| <b>Deferred inflow of resources</b>  |                     |                     |                   |              |
| OPEB related                         | 77,939              | 65,912              | (12,027)          | -15.4%       |
| <b>Net position:</b>                 |                     |                     |                   |              |
| Net investment in capital assets     | 6,462,128           | 6,792,868           | 330,740           | 5.1%         |
| Unrestricted                         | 2,651,276           | 3,115,265           | 463,989           | 17.5%        |
| <b>Total net position</b>            | <b>\$ 9,113,404</b> | <b>\$ 9,908,133</b> | <b>\$ 794,729</b> | <b>8.7%</b>  |

**CHANGES IN FINANCIAL CONDITION OF THE DISTRICT:**

The following provides explanations for some of the changes between fiscal years, as reflected in the above balance sheet data:

**CURRENT ASSETS:**

Current assets increased by \$590,455 or 14.3% from the prior year. This is due primarily from the increase in property taxes, reduced operating expenses for waste water and increase in sales of water. Inventory increased by \$14,295. Service receivables increased by \$136,147 or 346.9% and property tax receivable increased by \$4,203 or 21.5%.

**CURRENT LIABILITIES:**

Current liabilities increased by \$36,862 due primarily to accounts payable, payroll liabilities and compensation balances.

**LONG-TERM DEBT OUTSTANDING:**

The District currently has no long term debt outstanding.

**NET OPEB LIABILITY:**

The District had an actuarial firm perform calculation of the net OPEB liability for the "Retiree's Health Benefit Plan" in accordance with GASB statement 75. A net increase in the net OPEB liability was recorded in the current fiscal year in the amount of \$130,031. See note 10 for more information.

**CAPITAL ASSETS:**

The District reported capital assets of \$6,792,868, net of accumulated depreciation, at the end of the fiscal year compared to \$6,462,128 in fiscal year 2017/2018, an increase of \$330,740 or 5.1%. See notes 1 and 2 for more information. The following is a table comparing the change in capital assets between the two fiscal years:

**CAPITAL ASSETS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2019**

|                                      | 2017/2018           | 2018/2019           | Change            |             |
|--------------------------------------|---------------------|---------------------|-------------------|-------------|
|                                      |                     |                     | Amount            | %           |
| Construction in progress             | \$ 942,507          | \$ 454,620          | \$ (487,887)      | -51.8%      |
| Land and land improvements           | 606,101             | 606,101             | -                 | 0.0%        |
| Source of supply                     | 1,336,153           | 1,336,153           | -                 | 0.0%        |
| Pumping plant                        | 97,162              | 97,162              | -                 | 0.0%        |
| Treatment plant                      | 683,377             | 801,012             | 117,635           | 17.2%       |
| Transmission and distribution        | 5,464,238           | 6,322,956           | 858,718           | 15.7%       |
| General plant                        | 1,416,130           | 1,593,399           | 177,269           | 12.5%       |
| Subsurface lines                     | 1,389,330           | 1,389,330           | -                 | 0.0%        |
| Wastewater treatment facilities      | 1,109,175           | 1,109,175           | -                 | 0.0%        |
| Wastewater disposal facilities       | 313,328             | 313,328             | -                 | 0.0%        |
| <b>Total capital assets</b>          | <b>13,357,501</b>   | <b>14,023,236</b>   | <b>665,735</b>    | <b>5.0%</b> |
| <b>Less accumulated depreciation</b> | <b>(6,895,373)</b>  | <b>(7,230,368)</b>  | <b>(334,995)</b>  | <b>4.9%</b> |
| <b>Net capital assets, net</b>       | <b>\$ 6,462,128</b> | <b>\$ 6,792,868</b> | <b>\$ 330,740</b> | <b>5.1%</b> |



**DISTRICT REVENUES AND EXPENSES ACTUAL VS. BUDGET:**

The table below compares actual revenues and expenses of the District to budgeted and/or projected amounts used by the District to monitor performance during the fiscal year. The following is a table of total revenues and expenses comparing the actual results with budgeted projections:

**ACTUAL VERSUS BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| <i>Revenues</i>                       | Actual       | Budget       | Variance   |
|---------------------------------------|--------------|--------------|------------|
| Water base fees and revenue           | \$ 1,529,745 | \$ 1,371,953 | \$ 157,792 |
| Wastewater base fees and revenue      | 677,817      | 674,285      | 3,532      |
| Interest and other revenues           | 166,279      | 10,000       | 156,279    |
| Property taxes - 1% and standby fees  | 483,052      | 443,089      | 39,963     |
| Total revenues                        | 2,856,893    | 2,499,327    | 357,566    |
| <i>Expenses</i>                       |              |              |            |
| Water operations (including G&A)      | 1,354,414    | 1,433,976    | 79,562     |
| Wastewater operations (including G&A) | 362,364      | 535,928      | 173,564    |
| Depreciation                          | 341,495      | 334,955      | (6,540)    |
| Other expense                         | 3,891        | -            | (3,891)    |
| Total expenses                        | 2,062,164    | 2,304,859    | 242,695    |
| Change in net position                | \$ 794,729   | \$ 194,468   | \$ 600,261 |

The District's capital budget was \$875,000. The District incurred capital costs of \$675,255 during the year.

**UPCOMING EVENTS:**

The District is currently working on a Pipeline Replacement Project for South Circle and Village Center Drives, financed by IWD for around \$900,000. The expected completion date is the end of October 2019.

The District has updated its Water Service Policies and Procedures and is currently working to update the other Policies and Procedures.

The District is in Stage 1 of Water Conservation and has lifted the restrictions on issuing water meters

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT:**

This management's discussion and analysis section is designed to provide Idyllwild Water District elected officials, our customers, and creditors with a general overview of the District's financial activities for fiscal year 2018/2019 for public monies it receives and expends. If you have any questions regarding this section or require additional financial information, please contact the District, at 25945 CA-243, Idyllwild, California 92549 or online at [idyllwildwater.com](http://idyllwildwater.com).

|                                       | Water            | Improvement<br>District No. 1 -<br>Wastewater | Total             |
|---------------------------------------|------------------|---|-------------------|
| <b>Assets</b>                         |                  |   |                   |
| Current assets:                       |                  |   |                   |
| Cash and investments                  | \$ 2,231,191     | \$ 2,004,973                                  | \$ 4,236,164      |
| Certificates of deposit               | 25,504           | 157,926                                       | 183,430           |
| Accounts receivable, net:             |                  |   |                   |
| Sales and service                     | 127,508          | 47,883  | 175,391           |
| Taxes and assessments                 | 16,176           | 7,581   | 23,757            |
| Accrued interest receivable           | 9,365            | 7,383   | 16,748            |
| Inventories                           | 81,636           | 928   | 82,564            |
| Prepays                               | 5,318            | 1,773   | 7,091             |
|                                       | <u>2,496,698</u> | <u>2,228,447</u>                              | <u>4,725,145</u>  |
| Total current assets                  |                  |   |                   |
| Capital assets:                       |                  |   |                   |
| Land and land improvements            | 580,135          | 25,966  | 606,101           |
| Construction in progress              | 454,620          | -   | 454,620           |
| Property, plant and equipment, net    | 4,945,263        | 786,884                                       | 5,732,147         |
|                                       | <u>5,980,018</u> | <u>812,850</u>                                | <u>6,792,868</u>  |
| Total capital assets                  |                  |   |                   |
| Total assets                          | <u>8,476,716</u> | <u>3,041,297</u>                              | <u>11,518,013</u> |
| <b>Deferred Outflows of Resources</b> |                  |   |                   |
| OPEB related                          | 59,884           | 19,961  | 79,845            |
|                                       | <u>59,884</u>    | <u>19,961</u>                                 | <u>79,845</u>     |
| Total deferred outflows of resources  |                  |   |                   |

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

|                                      | Water        | Improvement<br>District No. 1 -<br>Wastewater | Total        |
|--------------------------------------|--------------|---|--------------|
| <b>Liabilities</b>                   |              |   |              |
| Current liabilities:                 |              |   |              |
| Accounts payable                     | \$ 94,730    | \$ 5,255                                      | \$ 99,985    |
| Unearned revenue                     | -            | 6,721   | 6,721        |
| Compensated absences payable         | 12,621       | 4,207   | 16,828       |
| Total current liabilities            | 107,351      | 16,183  | 123,534      |
| Noncurrent liabilities:              |              |   |              |
| Net OPEB liability                   | 1,125,208    | 375,071                                       | 1,500,279    |
| Total noncurrent liabilities         | 1,125,208    | 375,071                                       | 1,500,279    |
| Total liabilities                    | 1,232,559    | 391,254                                       | 1,623,813    |
| <b>Deferred Inflows of Resources</b> |              |   |              |
| OPEB related                         | 49,434       | 16,478  | 65,912       |
| Total deferred inflows of resources  | 49,434       | 16,478  | 65,912       |
| <b>Net position</b>                  |              |   |              |
| Net investment in capital assets     | 5,980,018    | 812,850                                       | 6,792,868    |
| Unrestricted                         | 1,274,589    | 1,840,676                                     | 3,115,265    |
| Total net position                   | \$ 7,254,607 | \$ 2,653,526                                  | \$ 9,908,133 |

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

Idyllwild Water District  
Statement of Revenues, Expenses and Changes in Net Position  
For the year ended June 30, 2019

DRAFT  
Page 1 of 2  
SUBJECT TO CHANGE

|                                    | Water            | Improvement<br>District No. 1 -<br>Wastewater | Total            |
|------------------------------------|------------------|---|------------------|
| <b>Operating revenues</b>          |                  |   |                  |
| Water sales:                       |                  |   |                  |
| Residential                        | \$ 906,978       | \$ -  | \$ 906,978       |
| Commercial                         | 592,690          | -   | 592,690          |
| Wastewater service fees:           |                  |   |                  |
| Residential                        | -                | 209,760                                       | 209,760          |
| Commercial                         | -                | 467,557                                       | 467,557          |
| Service fees and other             | 30,077           | 500   | 30,577           |
| <b>Total operating revenues</b>    | <b>1,529,745</b> | <b>677,817</b>                                | <b>2,207,562</b> |
| <b>Operating expenses</b>          |                  |   |                  |
| Source of supply                   | 245,573          | -   | 245,573          |
| Transmission and distribution      | 133,308          | -   | 133,308          |
| Pumping                            | 21,054           | -   | 21,054           |
| Water treatment                    | 156,500          | -   | 156,500          |
| Customer accounts                  | 81,018           | -   | 81,018           |
| Wastewater collection              | -                | 7,466   | 7,466            |
| Wastewater treatment               | -                | 107,056                                       | 107,056          |
| Wastewater disposal                | -                | 120,391                                       | 120,391          |
| Other operating                    | 245,595          | 52,187  | 297,782          |
| General and administrative         | 695,486          | 192,639                                       | 888,125          |
| <b>Total operating expenses</b>    | <b>1,578,534</b> | <b>479,739</b>                                | <b>2,058,273</b> |
| <b>Operating income (loss)</b>     | <b>(48,789)</b>  | <b>198,078</b>                                | <b>149,289</b>   |
| <b>Nonoperating revenues</b>       |                  |   |                  |
| Investment income                  | 40,102           | 28,478  | 68,580           |
| Property taxes and assessments     | 320,084          | 119,103                                       | 439,187          |
| Other income                       | 330              | 79  | 409              |
| Grant revenue                      | -                | -   | -                |
| Gain on disposal of capital assets | -                | -   | -                |
| Standby fees                       | 33,642           | 10,223  | 43,865           |
| Capacity fees                      | 91,843           | 5,447   | 97,290           |
| <b>Total nonoperating revenues</b> | <b>486,001</b>   | <b>163,330</b>                                | <b>649,331</b>   |

The notes are an integral part of these financial statements.

Idyllwild Water District  
Statement of Revenues, Expenses and Changes in Net Position  
For the year ended June 30, 2019

DRAFT  
Page 2 of 2  
**SUBJECT TO CHANGE**

|  | Water               | Improvement<br>District No. 1 -<br>Wastewater | Total               |
|--|---------------------|---|---------------------|
| <b>Nonoperating expenses</b>                 |                     |   |                     |
| Agency debt and county services              | \$ 871              | \$ -  | \$ 871              |
| Loss on disposal of capital assets           | 3,020               | -   | 3,020               |
| Total nonoperating expenses                  | 3,891               | -   | 3,891               |
| Change in net position                       | 433,321             | 361,408                                       | 794,729             |
| Net position, beginning of year, as restated | 6,821,286           | 2,292,118                                     | 9,113,404           |
| Net position, end of year                    | <u>\$ 7,254,607</u> | <u>\$ 2,653,526</u>                           | <u>\$ 9,908,133</u> |

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



|   | Water        | Improvement<br>District No. 1 -<br>Wastewater | Total        |
|---|--------------|---|--------------|
| <b>Cash flows from operating activities</b>                                 |              |   |              |
| Cash received from customers  | \$ 1,429,137 | \$ 642,278                                    | \$ 2,071,415 |
| Cash payments for services, supplies<br>and employees                       | (1,266,609)  | (345,089)                                     | (1,611,698)  |
| Net cash provided by (used for) operating activities                        | 162,528      | 297,189                                       | 459,717      |
| <b>Cash flows from noncapital financing<br/>activities</b>                  |              |   |              |
| Property taxes -1% received   | 318,167      | 116,817                                       | 434,984      |
| Other nonoperating income   | 33,972       | 10,302  | 44,274       |
| Other nonoperating expenses   | (871)        | -   | (871)        |
| Net cash provided by (used for) noncapital<br>financing activities          | 351,268      | 127,119                                       | 478,387      |
| <b>Cash flows from capital and related<br/>financing activities</b>         |              |   |              |
| Acquisition and construction of capital assets                              | (569,560)    | (105,695)                                     | (675,255)    |
| Capacity fees received  | 91,843       | 5,447   | 97,290       |
| Net cash provided by (used for) capital and related<br>financing activities | (477,717)    | (100,248)                                     | (577,965)    |
| <b>Cash flows from investing activities</b>                                 |              |   |              |
| Proceeds from investments   | (479)        | (249)   | (728)        |
| Investment income   | 37,537       | 26,456  | 63,993       |
| Net cash provided by (used for) investing activities                        | 37,058       | 26,207  | 63,265       |
| Net increase (decrease) in cash and cash equivalents                        | 73,137       | 350,267                                       | 423,404      |
| Cash and cash equivalents, beginning of year                                | 2,158,054    | 1,654,706                                     | 3,812,760    |
| Cash and cash equivalents, end of year                                      | \$ 2,231,191 | \$ 2,004,973                                  | \$ 4,236,164 |

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

|   | Water             | Improvement<br>District No. 1 -<br>Wastewater | Total             |
|---|-------------------|---|-------------------|
| <b>Reconciliation of operating income</b> |                   |   |                   |
| <b>(loss) to cash cash used for</b>       |                   |   |                   |
| <b>operating activities</b>               |                   |   |                   |
| Operating income (loss)                   | \$ (48,789)       | \$ 198,078                                    | \$ 149,289        |
| Adjustments to reconcile operating        |                   |   |                   |
| income (loss) to net cash used for        |                   |   |                   |
| operating activities:                     |                   |   |                   |
| Depreciation                              | 224,120           | 117,375                                       | 341,495           |
| (Increase) decrease in assets:            |                   |   |                   |
| Receivables                               | (100,608)         | (35,539)                                      | (136,147)         |
| Inventories                               | (14,295)          | -   | (14,295)          |
| Changes in deferred outflows of resources |                   |   |                   |
| (increase) decrease:                      |                   |   |                   |
| OPEB related                              | (21,300)          | (7,100)                                       | (28,400)          |
| Increase (decrease) in liabilities:       |                   |   |                   |
| Accounts payable                          | 45,426            | 53  | 45,479            |
| Net OPEB liability                        | 97,523            | 32,508  | 130,031           |
| Compensated absences payable              | (5,211)           | (3,406)                                       | (8,617)           |
| Changes in deferred inflows of resources  |                   |   |                   |
| increase (decrease) in liabilities:       |                   |   |                   |
| OPEB related                              | (9,020)           | (3,007)                                       | (12,027)          |
| Net cash (used for) operating activities  | <u>\$ 162,528</u> | <u>\$ 297,189</u>                             | <u>\$ 459,717</u> |

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