

**AGENDA FOR THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
TEMESCAL VALLEY WATER DISTRICT
JANUARY 24, 2017, 8:30 A.M. AT
THE DISTRICT'S ADMINISTRATIVE OFFICE
22646 TEMESCAL CANYON ROAD,
TEMESCAL VALLEY, CALIFORNIA 92883**

The following is a summary of the rules of order governing meetings of the Temescal Valley Water District Board of Directors:

AGENDA ITEMS

In case of an emergency, items may be added to the Agenda by a majority vote of the Board of Directors. An emergency is defined as a work stoppage; a crippling disaster; or other activity, which severely imperils public health, safety or both. Also, items, which arise after the posting of Agenda, may be added by a two-thirds vote of the Board of Directors.

PUBLIC COMMENT

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until placed on a future agenda in accordance with Board policy.

NOTICE TO PUBLIC

All matters listed under the Consent Calendar will be voted upon by one motion. There will be no separate discussion of these items, unless a Board Member or member of the public requests that a particular item(s) be removed from the Consent Calendar, in which case, they will be considered separately under New Business.

**IF ANYONE WISHES TO SPEAK WITH THE BOARD
ABOUT ANY CONSENT CALENDAR MATTER(S),
PLEASE STATE YOUR NAME, ADDRESS,
AND APPROPRIATE ITEM NUMBER(S).**

AFFIDAVIT OF POSTING

I, Allison Harnden, Office Manager of the Temescal Valley Water District, hereby certify that I caused the posting of the Agenda at the District office at 22646 Temescal Canyon Road, Temescal Valley, California 92883 prior to January 21, 2017.

Allison Harnden, Office Manager

**AGENDA FOR REGULAR MEETING
January 24, 2017**

Page No.

1. **Roll Call and Call to Order.**
2. **Presentations and Acknowledgments.**
3. **Public Comment.**

BOARD ITEMS:

4. **Open Public Hearing on potable water, sewer treatment and recycled/non-potable cost of service study and water service charges.** **6**
 - a. Discussion of Water, Recycled Water, and Wastewater Cost of Service Study.
 - b. Accept public comment.
 - c. Close Public Hearing.
 - d. Adopt the Cost of Service Study as final.
RECOMMENDATION: To be made by the Board.
 - e. Certify number of written protests.
 - f. Adopt Resolution No. R-17-01 Modifying Rules and Regulations. **7-17**
RECOMMENDATION: To be made by the Board.
5. **Minutes of the December 20, 2016 Regular Meeting.** **18-20**
RECOMMENDATION: Approve Minutes as written.
6. **Payment Authorization Report.** **21-24**
RECOMMENDATION: Approve Report and authorize payment of the December 20, 2016-January 24, 2017 invoices.

	<u>Page No.</u>
7. Revenue & Expenditure Reports. (Unaudited).	
a. Revenue & Expenditure Reports. RECOMMENDATION: Note and file.	25-46
b. Lien update. RECOMMENDATION: Note and file.	47
8. Annual Financial Report for FY 2015/16. RECOMMENDATION: To be made by the Board.	48-89
9. Trilogy Development.	
a. Homeowners Association update.	(-)
b. Golf Course update.	(-)
10. Sycamore Creek Development.	
a. Project Update.	(-)
b. 1738 homes to be built. 1418 houses occupied to date. 81% complete.	
11. Terramor Development (Forestar Toscana).	
a. Project Update.	(-)
b. 1443 estimated houses to be built.	
12. Water Utilization Reports. RECOMMENDATION: Note and file.	90-102
13. Committee Reports.	
a. Finance (Director Rodriguez).	(-)
b. Engineering (Director Destache).	(-)
c. Public Relations (Allison Harnden).	(-)

	<u>Page No.</u>
14. General Manager's Report.	
a. General Manager's Report.	103
1. SWRCB Update.	104-105
2. Arantine Hills Settlement Agreement and Release.	106-124
RECOMMENDATION: Approve and authorize the General Manger to execute the agreement.	
b. Operations Report.	125-127
15. District Engineer's Report.	128
a. Status of Projects.	
16. District Counsel's Report.	(-)
17. Seminars/Workshops.	
a. Special District Leadership Academy.	129-131
18. Consideration of Correspondence.	132
An informational package containing copies of all pertinent correspondence for the Month of December will be distributed to each Director along with the Agenda.	
19. Adjournment.	(-)

TEMESCAL VALLEY WATER DISTRICT
PUBLIC HEARING AGENDA
January 24, 2017

1. Open Public Hearing on potable water, sewer treatment and recycled/non-potable cost of service study and water service charges.
 - a. Discussion on Water, Recycled Water, and Wastewater Cost of Service Study.
 - b. Accept public comment.
 - c. Close Public Hearing.
 - d. Adopt the Cost of Service Study as final.
RECOMMENDATION:To be made by the Board.
 - e. Certify number of written protests.
 - f. Adopt Resolution No. R-17-01 Modifying Rules and Regulations.
RECOMMENDATION: To be made by the Board.

RESOLUTION NO. R - 17 - 01

**RESOLUTION OF THE
TEMESCAL VALLEY WATER DISTRICT,
RIVERSIDE COUNTY, CALIFORNIA
MODIFYING RULES AND REGULATIONS**

WHEREAS, the Temescal Valley Water District Board of Directors adopted Rules and Regulations establishing guidelines and procedures for administration of the Temescal Valley Water District on July 9, 1991; and

WHEREAS, the water rates, charges and fees were outlined in the Rules and Regulations; and

WHEREAS, the Temescal Valley Water District amended the Rules and Regulations on June 2, 1992, July 1, 1995, June 12, 2001, June 15, 2004, June 21, 2005, August 16, 2005, June 20, 2006, August 26, 2008, July 28, 2009 August 30, 2011, August 27, 2013, April 28, 2015, and again on July 19, 2016; and

WHEREAS, the Temescal Valley Water District now desires to modify the Rules and Regulations in order to include: new water commodity rates that reflect the increases in cost associated with the purchase of water and the procurement of services and supplies; and certain administration procedures.

NOW, THEREFORE, BE IT HEREBY ORDAINED, DETERMINED AND ORDERED by the Board of Directors of the Temescal Valley Water District as follows:

25.03 WATER RATES, CHARGES AND FEES

Water service furnished by the District shall be under the classes of service and at the rates, charges and fees as follows:

A. Set-Up Fees for Accounts. An account set-up fee of \$10.00 will be charged when an existing water service is transferred to a new customer.

B. Monthly Meter Service Charge. Each water service customer shall pay a service charge for customer service, meter capacity, Western Municipal Water (WMWD) capacity, and WMWD RTS pass-through. The charge shall be made monthly under each water service account and shall be based on the size of the water meter or meters in service, as set forth in paragraph D of this Section 25.03 for each CLASS of water service. The system charge shall start upon installation of the meter.

C. Energy Charges for Pumping Water. In addition to water rates and other charges provided for in this Section 25.03, water customers receiving service shall be charged an energy pumping charge based on the quantity of water used and the elevation to which the water has been lifted to provide service. The energy pumping charge has been calculated to be \$0.09 per 100 cubic feet of water for each 100 feet of water lifted.

- 1320 Zone A = Base
- 1498 Zone B = \$.017 per CCF
- 1510 Zone C = \$0.18 per CCF
- 1550 Zone D = \$0.22 per CCF
- 1590 Zone E = \$0.26 per CCF

D. Rates and Charges for Water Service. The rates and charges for the various CLASSES of water service furnished by the District shall be as follows:

1. CLASS A - RESIDENTIAL

- (a) Defined as: Water service for single residential household and other domestic uses (other than that provided for in CLASS B).
- (b) The monthly system charges for CLASS A water service shall be as follows:

<u>Meter Size</u>	<u>Base Fixed Charge</u>
5/8"	\$19.69
3/4"	\$19.69
1"	\$19.69

- (c) Water Commodity Rate: \$2.55/unit for 0 to 7 units (Tier 1), \$2.89/unit for 8 to 18 units (Tier 2), \$3.19/unit for 19 and above.

2. CLASS B –NON-RESIDENTIAL

- (a) Defined as: Water service for commercial or industrial business establishments not provided for under CLASS D).
- (b) Water Commodity Rate: \$2.79 per unit.
- (c) In addition to charges for water furnished, a monthly charge will be made for service provided through each meter based on the meter size.

- (d) The monthly meter service charge for CLASS B water service shall be as follows:

<u>Meter Size</u>	<u>Charge per Month</u>
5/8"	\$19.69
3/4"	\$26.47
1"	\$40.03
1 1/2"	\$73.93
2"	\$114.61
3"	\$243.43
4"	\$433.27
6"	\$887.53
8"	\$1,904.53
10"	\$2,853.73

3. CLASS C - PUBLICLY OWNED ESTABLISHMENTS

- (a) Defined as: Water service for any public or governmental agency.
- (b) Water Commodity Rate: \$2.79 per unit.
- (c) The monthly meter service charge for CLASS C water service shall be as follows:

<u>Meter Size</u>	<u>Charge per Month</u>
5/8"	\$19.69
3/4"	\$26.47
1"	\$40.03
1 1/2"	\$73.93
2"	\$114.61
3"	\$243.43
4"	\$433.27
6"	\$887.53
8"	\$1,904.53
10"	\$2,853.73

4. CLASS D - IRRIGATION

- (a) Defined as: Water service provided for dedicated irrigation use:
- (i) for dedicated outdoor landscape irrigation use, or
 - (ii) for landscape irrigation of agricultural lands, or
 - (iii) for landscape irrigation of non-domestic lands.
- (b) Landscape irrigation water service shall be furnished only under the following conditions:
- (i) Upon request of the District each customer for such service shall sign and file with the District a written certification, in the form prescribed by the District, stating that the said water service is being used or will be used exclusively for irrigation purposes as defined above.
 - (ii) Irrigation water service shall be furnished on an interruptible basis. When the demand for such service from a customer or customers exceeds the District supply of water available for such service, or where the capacity of District facilities is not adequate to meet the demand for service, the District may reduce or cease delivery of water for irrigation purposes pending the restoration of the supply of water or the availability of facilities to deliver water in the amounts requested.
 - (iii) The rate for Class (D) potable Irrigation water furnished shall be \$2.94 per unit.
- (c) The monthly system charge for CLASS D water service shall be as follows:

<u>Meter Size</u>	<u>Charge per Month</u>
5/8"	\$19.69
3/4"	\$26.47
1"	\$40.03
1 1/2"	\$73.93
2"	\$114.61
3"	\$243.43
4"	\$433.27
6"	\$887.53
8"	\$1,904.53
10"	\$2,853.73

5. CLASS E - TEMPORARY WATER SERVICE

- (a) Defined as: Water service provided on a temporary basis pursuant to Section 31 of this Code.
- (b) The rate for temporary water service shall be \$4.78 per unit.

6. CLASS F - TANK TRUCKS AND TRAILERS

- (a) Defined as: Water service provided for the filling of tank trucks and trailers from a metered connection.
- (b) The rate for water furnished shall be \$4.78 per unit. Payment of charges shall be made at the completion of use, or monthly, whichever is earlier; provided that there shall be a minimum monthly connection charge of \$114.61 for this service.
- (c) Requirement for Use of Water Meter

- (1) To receive such service, the customer shall use a water meter furnished by the District to measure the amount of water furnished. The customer shall deposit the following amount with the District for use of the meter:

Meter Size	Deposit
2"	\$1,200.00
4"	\$2,000.00

- (2) Upon termination of the service, the District will refund the amount of deposit remaining after making the following deductions:
 - (i) cost of repairing or replacing the meter, fire hydrant and/or any fittings damaged or lost while in use; and
 - (ii) unpaid charges for water used or other applicable charges.
- (3) At the request of the District, the customer shall return the meter to the District for refurbishing, repair, or calibration as deemed necessary by the District.

7. CLASS G - WATER SERVICE OUTSIDE DISTRICT

- (a) Defined as: Water service for property outside the exterior boundaries of the District. This service will be provided only upon prior approval of the Board of Directors when there is a surplus of water available over and above the existing needs for service in the District. This service is temporary and may be terminated on written notice from the District. Customers for this service are sometimes referred to as "outside users."
- (b) Customers applying for CLASS G service shall pay an application fee of \$250.00.
- (c) The rate for water furnished under this CLASS G shall be two times the rate charged customers for the same CLASS of water service on a permanent meter basis under this Section 25.03, plus a monthly system charge at the rate set forth in the CLASS of water service being furnished.

8. CLASS H - WATER SERVICE OUTSIDE AN IMPROVEMENT DISTRICT

- (a) Defined as: Water service on a temporary basis for property lying within the boundaries of the District, but not within a water improvement district. Customers for this service are sometimes referred to as "outside users."
- (b) Customers applying for CLASS G service shall pay an application fee of \$250.00. The District will review the application to determine whether the land to be served should be annexed to an improvement district. If it is determined that annexation is not practical, the Board of Directors may authorize service as an outside user. This temporary service will be reviewed periodically until it is determined that the property must be annexed to an improvement district.
- (c) The rate for water furnished under this CLASS H shall be one and a half (1 1/2) the rate charged customers for the same CLASS of water service on a permanent meter basis under this Section 25.03, plus a monthly system charge at the rate set forth in the CLASS of water service being furnished.
- (d) Upon approval of the Board of Directors, a customer, who has paid all construction costs for facilities necessary to serve the customer's property in lieu of annexation to a water improvement district, shall be exempt from the provisions for CLASS H service.

9. CLASS I - RECLAIMED WATER/NON-POTABLE

- (a) Defined as: Water service provided from reclaimed water produced by the District's water reclamation plant or non-potable water from the District's well system. Reclaimed water shall not be used for domestic purposes and all other uses must comply with federal, state and local laws and regulations regarding use of reclaimed water.
- (b) The provisions of this Code, relating to cross-connections and backflow protective devices, shall be strictly enforced for use of reclaimed water.
- (c) Charges for reclaimed and non-potable water shall be determined on the basis of the category and quantity of water furnished. Monthly and unit rates for water shall be determined by the District. Base rate for reclaimed/non potable shall be \$1.99 per unit with a provision to increase the rate to \$2.44 in the event demand is greater than supply and upon 30 days' notice to all customers when potable water must be used to supplement supply.
- (d) The monthly system charge for CLASS I water service shall be as follows:

<u>Meter Size</u>	<u>Charge per Month</u>
5/8"	\$19.69
3/4"	\$26.47
1"	\$40.03
1 1/2"	\$73.93
2"	\$114.61
3"	\$243.43
4"	\$433.27
6"	\$887.53
8"	\$1,904.53
10"	\$2,853.73

10. CLASS J - SERVICE FOR FIRE PROTECTION

- (a) Defined as: Water service provided by the District for use solely in fire hydrants or fire sprinkler systems from lines or laterals connected to District water mains.
- (b) The District will not make a charge for the quantity of water used for fire protection purposes.
- (c) The monthly system charge for CLASS J service shall be \$0.002/sf for 0 to 30,000 sf and \$0.001/sf for 30,001 sf and up per month for each connection to a District water main made for fire protection service.

- (d) Surcharges for Quantities of Water Used in Excess of Monthly Base Usage Allowance during Stage III Drought Alert periods. In addition to the water rates and charges in this Section 25.03, a surcharge shall be paid by each customer for water furnished through permanent meters one inch or greater in size, when, in any month, the number of units of water furnished to the customer exceeds the monthly usage allowance during periods of Stage III Drought Alerts, shown in the schedule set forth below for the size of meter being used. A unit is 100 cubic feet or 748 gallons of water. Surcharges shall be applied at the rate of \$0.20 per unit for the number of units of water shown in Category I Usage in said schedule, and at the rate of \$0.30 per unit for the number of units shown in Category II Usage in said schedule.

The surcharges during drought periods shall be made monthly in accordance with the following schedule:

Meter Size	Non-Surcharge Monthly Unit Usage Allowance	Category I Usage	Category II Usage
5/8"-3/4"	30	31-45	46 & over
1"	75	76-225	226 & over
1-1/2"	150	151-400	401 & over
2"	240	241-600	601 & over
3"	480	481-1200	1201 & over
4"	750	751-1800	1801 & over
6"	1500	1501-4000	4000 & over
10"	3450	3451-8000	8000 & over

E. Western Municipal Water District (WMWD) Readiness to Serve Fee (RTS). In addition to water rates and other charges provided for in this Section 25.03, All CLASSES of water service except CLASS I - RECLAIMED WATER/NON-POTABLE furnished by the District shall receive the MWD RTS flat fee of \$2.27/month.

EXHIBIT B

FEE FOR SERVICE/TEMESCAL VALLEY WATER DISTRICT

<u>DESCRIPTION/ITEM</u>	<u>FEE</u>	<u>DEPOSIT</u>
Will Serve Letters	\$100.00	
Plan Checks (Deposit):		
Per Lineal Foot of Water Line		\$0.50
Per Lineal Foot of Sewer Line		\$0.50
Inspection (Deposit):		
Per Lineal Foot of Water Line - 0 to 5000 lf		\$2.00
5000 to 20000 lf		\$1.50
20000 - up lf		\$1.00
Per Lineal Foot of Sewer Line- 0 to 5000 lf		\$2.00
5000 to 20000 lf		\$1.50
20000 - up lf		\$1.00
Inspection of Detector Checks:		
3/4 Inch Detector Check Meter		\$100.00
1 Inch Detector Check Meter		\$100.00
Annexation Processing Fee		\$3,500.00
Assessment District Request		\$ 5,000.00
Main Line Extension Estimate - Deposit		\$500.00
Service Connection Estimate - Deposit		\$500.00
Meter Installation	\$50.00	
Meter Downsize or Relocation	Cost	
Meter Tests	\$35.00	
Sewer Lateral Inspections	\$100.00	
Monthly Fire Service Charge:		
0 to 30,000 square feet	\$0.002 per 100 sf	
30,001 an up square feet	\$0.001 per 100 sf	
User Charges - Water:		
Monthly Service Charge (*)	\$19.69/EDU	
WMWD RTS Pass-Through	\$2.27/EDU	
Commodity Charge (**)	\$2.55/unit for 0 to 7 units (Tier 1)	
	\$2.89/unit for 8 to 18 units (Tier 2)	
	\$3.19/unit for 19 and above units (Tier 3)	
(*) For a Residential meter.		
(**) CLASS A service only		
User Charges - Sewer:		
Monthly Sewer Service Charge	\$35.30/EDU	
Annual ID#1 Sewer Service Charge	\$540.00/EDU	
Annual ID#2 Sewer Service Charge	\$540.00/EDU	

This Schedule of Fees shall become effective on February 1, 2017 and remain in effect until such time as it is changed by a Resolution of the Board of Directors of the Temescal Valley Water District.

ADOPTED, SIGNED and APPROVED this 24th day of January 2017.

ATTEST:

APPROVED:

By: _____
Secretary, Board of Directors
Temescal Valley Water District

By: _____
President, Board of Directors
Temescal Valley Water District

Date: _____

Date: _____

I, Paul Rodriguez hereby certify that I am the duly appointed and presently acting Secretary of Temescal Valley Water District, a California Water District; that the foregoing is a full and correct copy of Resolution No. R-17-01 of said District; that said Resolution was duly adopted on January 24, 2017 at a regular meeting of the Board of Directors of said District by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of January 2017.

Paul Rodriguez, Secretary
Temescal Valley Water District

(SEAL)

**MINUTES OF THE
REGULAR MEETING OF THE
TEMESCAL VALLEY WATER DISTRICT**

December 20, 2016

PRESENT

C. Colladay
P. Rodriguez
G. Destache
J. Butler

ABSENT

D. De Frates

GUESTS

T. Davis
J. Watson
B. Clingman
C. Colladay

STAFF

J. Pape
M. McCullough
A. Harnden
K. Caldwell
J. Scheidel

1. Roll Call and Call to Order.

The regular meeting of the Temescal Valley Water District was called to order by President Colladay at 8:30 a.m.

2. Presentations and Acknowledgments.

3. Public Comment.

BOARD ITEMS:

4. Minutes of the November 22, 2016 Regular Meeting.

ACTION: Director Destache moved to approve the Minutes as presented. Director Butler seconded. Motion carried unanimously.

5. Payment Authorization Report.

ACTION: Director Rodriguez moved to approve the financial report and to authorize payment of the November 22-December 20, 2016 invoices. Director Destache seconded. Motion carried unanimously.

6. Revenue & Expenditure Reports (Unaudited).

a. Revenue & Expenditure Report.

ACTION: Note and file.

b. Lien update.

ACTION: Note and file.

7. **Draft FY 2015/16 Audit.**
8. **Trilogy Development.**
 - a. Homeowners Association update.
 - b. Golf Course update.
9. **Sycamore Creek Development.**
 - a. Project Update.
 - b. 1738 homes to be built. 1414 houses occupied to date. 81% complete.
10. **Terramor Development (Forestar Toscana).**
 - a. Project Update.
 - b. 1443 estimated houses to be built.
11. **Water Utilization Reports.**

ACTION: Note and file.
12. **Committee Reports.**
 - a. Finance (Director Rodriguez) – Director Rodriguez would like to hold a quarterly meeting with Chandler Asset Management in attendance.
 - b. Engineering (Director Destache) – Director Destache would like to schedule a meeting in February to review capital improvement items.
 - c. Public Relations (Allison Harnden) – The Board discussed the importance of nature trails in the Valley and the possibility of coordinating a meeting between Director Destache, Director Rodriguez, RCRC and Amie Kinne.
13. **General Manager’s Report.**
 - a. General Manager’s Report.
 1. SWRCB Update.
 2. Rate and Fee Public Hearing Schedule.
 3. 2016 Water, Recycled Water, and Wastewater Capacity Fee update.
 4. 2015 Urban Water Management Plan update.

b. Operations Report.

The Board asked staff to include 12 data points on the well report for next month.

14. District Engineer’s Report.

a. Status of Projects.

15. District Counsel’s Report.

16. Seminars/Workshops.

17. Consideration of Correspondence.

An informational package containing copies of all pertinent correspondence for the Month of November was distributed to each Director along with the Agenda.

18. Adjournment.

There being no further business, the December 20, 2016 Regular Meeting of the Temescal Valley Water District Board of Directors was adjourned at 10:30 a.m. by President Colladay.

ATTEST:

APPROVED:

Paul Rodriguez, Secretary

Charles Colladay, President

Date: _____

Date: _____

TEMESCAL VALLEY WATER DISTRICT

Payment Authorization Report

January 24, 2017

Check #	Date	Payee ID	Payee	Amount	
18974	12/17/16		EDUARDO LOPEZ-TRK MAINT	\$ 80.00	
18975	12/19/16	ATTM	AT & T MOBILITY	532.42	
18976	12/19/16	BGM	BIG GIANT MEDIA	422.45	
18977	12/19/16	DSC	DATABASE SYSTEMS CORP.	154.41	
18978	12/19/16	DU01	DUDEK & ASSOCIATES-CONT MGT	18,977.60	
18979	12/19/16	DU03	DUDEK & ASSOCIATES-PASS THRU	2,450.00	
18980	12/19/16	DU04	DUDEK & ASSOCIATES-ENGINEERING	1,430.00	
18981	12/19/16	FE01	FEDERAL EXPRESS	50.89	
18982	12/19/16	HO01	HOME DEPOT CREDIT SERVICES	75.42	
18983	12/19/16	ISC	IT SUPPORT CA INC.	1,225.00	IT ADMIN ONLY
18984	12/19/16	kae	K & A ENGINEERING	6,593.21	CAP-PARK CYN RD NONPOT
18985	12/19/16	Maxim	MAXIM SECURITY SERVICES	330.00	
18986	12/19/16	NDM	NEWPORT DIRECT MAIL	944.16	
18987	12/19/16	PCE	PACIFIC COAST ENVELOPE INC	3,580.74	
18988	12/19/16	WTI	WTI COMMUNICATIONS INC.	516.55	
18990	12/20/16	AD	PAYROLL	-	
18991	12/20/16	BE	PAYROLL	-	
18992	12/20/16	CC	PAYROLL	-	
18993	12/20/16	CG	PAYROLL	-	
18994	12/20/16	CL	PAYROLL	-	
18995	12/20/16	JH	PAYROLL	-	
18996	12/20/16	KC	PAYROLL	-	
18997	12/20/16	KN	PAYROLL	-	
18998	12/20/16	MM	PAYROLL	-	
18999	12/20/16	REFUND	EDWARD & PATRICIA CANO	300.00	
19000	12/20/16	DWEI	DEXTER WILSON ENGINEERING INC	340.00	
19001	12/20/16	GM	GLEN MUNCY (INSPECTION)	5,130.00	
19002	12/20/16		VOID		
19003	12/20/16	HA08	ALLISON HARNDEN-EXP RPT	146.80	
19004	12/20/16	ISC	IT SUPPORT CA INC.	5,108.40	NEW WIFI EQUIP
19005	12/20/16	SWRCB	STATE WATER RESOURCES CONTROL BOARD	65.00	
19006	12/20/16	TR01	TRAN CONTROLS SCADA SOLUTIONS, LLC.	2,880.00	MONTHLY
19007	12/20/16		VOID		
19008	12/20/16	TR012	TRAN CONTROLS SCADA SOLUTIONS, LLC.	7,085.88	CAP-SCADA STD SUMP WELL
19009	12/20/16	SWRCB	STATE WATER RESOURCES CONTROL BOARD	70.00	
19010	12/20/16	SBS	SUPER BUILDERS	1,250.00	

TEMESCAL VALLEY WATER DISTRICT

Payment Authorization Report

January 24, 2017

Check #	Date	Payee ID	Payee	Amount
19011	12/21/16	BI01	BILL'S SWEEPING SERVICE, INC.	720.00
19012	12/30/16	AD	PAYROLL	-
19013	12/30/16	BE	PAYROLL	-
19014	12/30/16	CC	PAYROLL	-
19015	12/30/16	CG	PAYROLL	-
19016	12/30/16	CL	PAYROLL	-
19017	12/30/16	JH	PAYROLL	-
19018	12/30/16	KC	PAYROLL	-
19019	12/30/16	KN	PAYROLL	-
19020	12/30/16	MM	PAYROLL	-
19021	12/30/16	CC	PAYROLL	-
19022	1/3/17		EDUARDO LOPEZ-TRK MAINT	80.00
19023	1/4/17	PCE	PACIFIC COAST ENVELOPE INC	2,293.60
19024	1/4/17	JH	PAYROLL	-
19025	1/4/17	JH	JASON HODEL-MILEAGE	64.80
19026	1/9/17	HC	HOEY CONSTRUCTION-WINDOW INSTALL	2,385.00
19027	1/10/17		EDUARDO LOPEZ-TRK MAINT	80.00
19028	1/13/17	AD	PAYROLL	-
19029	1/13/17	BE	PAYROLL	-
19030	1/13/17	CG	VOID	-
19031	1/13/17	CL	VOID	-
19032	1/13/17	JH	VOID	-
19033	1/13/17	KC	PAYROLL	-
19034	1/13/17	KN	VOID	-
19035	1/13/17	MM	PAYROLL	-
19036	1/13/17	CG	PAYROLL	-
19037	1/13/17	KN	PAYROLL	-
19038	1/13/17	CG	PAYROLL	-
19039	1/13/17	CL	PAYROLL	-
19040	1/13/17	JH	PAYROLL	-
19041	1/13/17	KN	PAYROLL	-
19042	1/13/17	MM	VOID	-
19043	1/13/17	MCC	MEL Mc CULLOUGH-INS REIMB	697.00
19044	1/13/17	FI01	FIDELITY INVESTMENTS	910.80
19045	1/13/17	CA16	VOID	-
19046	1/13/17	GM	GLEN MUNCY (INSPECTION)	2,268.00

TEMESCAL VALLEY WATER DISTRICT

Payment Authorization Report

January 24, 2017

Check #	Date	Payee ID	Payee	Amount	
19047	1/13/17	ISC	IT SUPPORT CA INC.	1,316.00	
19048	1/13/17	SO03	SOUTHERN CALIF EDISON CO.	29,419.46	
19049	1/13/17	USB01	US BANK GOVERNMENT SERVICES	4,543.04	DRIVES/SERVERS-HOLIDAY LUNCH
19050	1/13/17	CA16	CALIFORNIA CHOICE BENEFIT ADMINISTRATOR	4,218.17	
19051-19055	1/13/17		VOID	-	
19056	1/12/17	TC	TINT CITY-BRD ROOM WINDOWS	406.00	
19057	1/12/17	JH	VOID	-	
19058	1/14/17	JH	PAYROLL	-	
19059	1/14/17	JH	JASON HODEL-MILEAGE	32.40	
19060	1/14/17	HC	HOEY CONSTRUCTION-ROOF REPAIR	470.00	
19061	1/19/17	REFUND	JEREMY W. FLOYD	300.00	
19062	1/19/17	REFUND	JANICE MAC GREGORY	300.00	
19063	1/19/17	REFUND	AARON SCHROEDER	143.20	
19064	1/19/17	REFUND	WENDY PITTS	120.73	
19065	1/17/17	REFUND	DUANE BRWSTER	41.47	
19066	1/19/17	REFUND	MARIANNA LOMONACO	134.59	
19067	1/19/17	REFUND	MAZON SERGIO	51.92	
19068-19070			VOID	-	
19071	1/20/17	AEI	ADKAN ENGINEERS INC.	3,610.00	RECLAIM PERK PLAN
19072	1/20/17	ATT01	AT&T	1,506.13	
19073	1/20/17	ATTUV01	AT & T U-VERSE	63.24	
19074	1/20/17	BA01	BABCOCK LABORATORIES, INC	2,744.00	
19075	1/20/17	BRE	BRITHINEE ELECTRIC	3,487.79	
19076	1/20/17	BT	BT PIPELINE INC.	17,987.50	REPAIR 24"LINE REP COLLARS/REPLC 4" WATER
19077	1/20/17	CAM	CHANDLER INVESTMENT MANAGEMENT	1,000.00	
19078	1/20/17	CL01	CLAYSON, MANN, YAEGER & HANSEN	775.00	
19079	1/20/17	CO06	CORONA ROSE FLOWERS & GIFTS	388.75	
19080	1/20/17	COR01	CORTECH ENGEERING	4,973.58	REPAIR SLUDGE FEED PUMP
19081	1/20/17	CSG	CSG ADVISORS	16,186.72	CFD-TERRAMOR
19082	1/20/17	CUSI	CONTINENTAL UTILITY SOLUTIONS	2,800.00	
19083	1/20/17	DO01	DOWNES OIL CO., INC.	93.09	
19084	1/20/17	DPCI	DON PETERSON CONTRACTING, INC.	1,887.00	
19085	1/20/17	DU01	DUDEK & ASSOCIATES-CONT MGT	25,510.80	
19086	1/20/17	DU03	DUDEK & ASSOCIATES-PASS THRU	4,575.00	
19087	1/20/17	DU04	DUDEK & ASSOCIATES-ENGINEERING	2,155.52	
19088	1/20/17	EASI	ENGINEERED AIR SERVICES, INC.	465.50	

TEMESCAL VALLEY WATER DISTRICT
 Payment Authorization Report
 January 24, 2017

Check #	Date	Payee ID	Payee	Amount	
19089	1/20/17	ECS	ECS IMAGING INC	3,743.00	BILLING SOFTWARE
19090	1/20/17	EMS	EMS ELECTRIC MOTOR	10,556.92	REPAIR INFLUENT PUMP #5
19091	1/20/17	GEI	GEI CONSULTANTS	3,528.20	YEARLY MERCURY TESTING SARDA
19092	1/20/17	GM	GLEN MUNCY (INSPECTION)	3,159.00	
19093	1/20/17	HC	HOTLINE CONTRUCTION	3,536.52	POLE PROTECTION EQUIP
19094	1/20/17	HO01	HOME DEPOT CREDIT SERVICES	63.98	
19095	1/20/17	IEI	INNERLINE ENGINEERING INC	1,100.00	
19096	1/20/17	kae	K & A ENGINEERING	2,230.00	CALIF MEADOWS EASEMENTS
19097	1/20/17	LA04	R.W. LAWSON, INC.	450.00	
19098	1/20/17	Maxim	MAXIM SECURITY SYSTEMS	235.00	
19099	1/20/17	MU01	WILLDAN FINANCIAL SERVICES	5,695.52	YEARLY ASSESSMENTS
19100	1/20/17	NC	NORTHSTAR CHEMICAL	10,833.60	
19101	1/20/17	OVLLP	OPPER & VARCO LLP	1,000.00	WATER RIGHTS
19102	1/20/17	PLM01	PARRA LANDSCAPE MAINTENANCE	690.00	
19103	1/20/17	PPE	PRIVATE PEST EXTERMINATORS	150.00	
19104	1/20/17	RTI	RICHARDSON TECHNOLOGIES INC.	1,257.00	
19105	1/20/17	RTL	RUTAN & TUCKER, LLP	7,335.75	OLSEN CYN/218 REVIEW/GRD WATER
19106	1/20/17	SA02	SAM'S CLUB	357.97	
19107	1/20/17	SCNG	SOUTHERN CALIFORNIA NEWS GROUP	1,000.00	
19108	1/20/17	SEMA	SEMA INC.	663.93	
19109	1/20/17	ST01	STAPLES CREDIT PLAN	243.34	
19110	1/20/17	ST02	STATE COMPENSATION INSUR.FUND	2,361.67	
19111	1/20/17	TR01	TRAN CONTROLS SCADA SOLUTIONS, LLC.	1,548.37	IT OPERATIONS MONTHLY
19112	1/20/17	TR012	TRAN CONTROLS SCADA SOLUTIONS, LLC.	24,433.04	CAP-SCADA STD PLCs
19113	1/20/17	UBB	USA BLUEBOOK	1,312.08	
19114	1/20/17	UPG	UNITED POWER GENERATION	9,255.00	YEARLY MAINT
19115	1/20/17	WA01	WASTE MANAGEMENT - INLAND EMPIRE	176.00	
19116	1/20/17	WE01	WESTERN MUNICIPAL WATER DISTR.	250,200.92	
19117	1/20/17	WTI	WTI COMMUNICATIONS INC.	508.09	
Total				<u>\$548,569.63</u>	

THESE INVOICES ARE SUBMITTED TO THE
 TEMESCAL VALLEY BOARD OF DIRECTORS FOR
 APPROVAL AND AUTHORIZATION FOR PAYMENT

**TEMESCAL VALLEY WATER DISTRICT
INTERNAL BALANCE SHEET
12/31/016**

ASSETS

Fixed Assets (net of accumulated depreciation)		
Land	\$	902,118
Treatment Plants		9,432,386
Capacity Rights		13,503,639
Water System, Reservoir & Wells		9,485,718
Water & Sewer Mains		27,613,766
General Equipment Sewer/Water/ Furniture		418,065
Buildings & Entrance Improvements		384,693
		<u>61,740,385</u>
Current Assets		
Cash - Wastewater	8,876,882	
Cash - Water	8,494,386	
Cash - ID #1	424,500	
Cash - ID #2	101,905	
Cash - Nonpotable	1,539,247	
Cash - Deposits	<u>3,015,585</u>	22,452,505
Accounts Receivable-Services/Developers		987,590
Assessment Receivable		214,236
Interest Receivable		22,842
Prepaid Expenses		16,113
Inventory		<u>77,656</u>
		23,770,941
Other Assets		
Work-in-Process		119,440
Deferred Outflows - Pension		<u>\$ 158,570</u>
TOTAL ASSETS		<u>\$ 85,789,336</u>

LIABILITIES

Current Liabilities		
Accounts Payable	\$	439,615
Security Deposits		332,492
Payroll & Payroll Taxes Payable		46,102
Capacity & Meter Deposits		108,530
Fiduciary Payments Payable		2,278,781
Developer Deposits		284,351
Other Deposits		<u>11,431</u>
		3,501,303
Long-term Liabilities		
TVRP Note		2,073,795
Deferred Inflows - Pension		<u>57,103</u>
TOTAL LIABILITIES		<u>\$ 5,632,201</u>

FUND EQUITY

Fund Balances		
Waste Water Fund Balance		26,630,959
Water Fund Balance		43,487,876
ID #1 Fund Balance		565,204
ID #2 Fund Balance		629,869
Recycled Water Fund Balance		<u>8,843,227</u>
TOTAL FUND EQUITY		<u>\$ 80,157,135</u>
TOTAL LIABILITIES & FUND EQUITY		<u>\$ 85,789,336</u>

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

	DECEMBER			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<i>WASTEWATER DEPARTMENT</i>								
OPERATING REVENUE:								
MONTHLY SEWER SERVICE CHARGE	172,612	166,000	6,612	1,026,906	1,001,000	25,906	2,002,000	(975,094)
MONTHLY SERVICE CHARGE-ID #1	10,767	10,767	-	64,599	64,602	(3)	129,200	(64,601)
MONTHLY SERVICE CHARGE-ID #2	12,180	12,180	-	73,071	73,080	(9)	146,150	(73,079)
MONTHLY SEWER SERVICE CHG-R COM	8,378	9,600	(1,222)	55,631	57,400	(1,769)	115,000	(59,369)
MISC UTILITY CHARGES/ REVENUE	5,248	4,400	848	35,082	26,400	8,682	52,000	(16,918)
STANDBY CHARGES	-	-	-	4,271	-	4,271	110,000	(105,729)
CFD REIMBURSEMENTS	10,000	10,000	-	10,000	10,000	-	20,000	(10,000)
INSPECTION CHARGES	-	2,500	(2,500)	13,414	5,000	8,414	10,000	3,414
TOTAL WASTEWATER REVENUE	219,185	215,447	3,738	1,282,974	1,237,482	45,492	2,584,350	(1,301,376)
OPERATING EXPENSES:								
PLANT WAGES EXPENSE	15,563	16,000	(437)	59,819	78,800	(18,981)	165,000	(105,181)
PAYROLL TAXES EXP	242	350	(108)	999	1,620	(621)	3,000	(2,001)
EMPLOYEE BENEFITS-INS	1,259	1,300	(41)	6,986	7,800	(814)	15,500	(8,514)
EMPLOYEE BENEFITS-RETIREMENT	1,272	1,600	(328)	7,632	8,200	(568)	22,500	(14,868)
OVERTIME EXP	384	750	(366)	2,330	4,500	(2,170)	9,000	(6,670)
MILEAGE EXP	22	50	(28)	152	425	(273)	800	(648)
VACATION EXP	624	700	(76)	3,745	4,200	(455)	8,300	(4,555)
ELECTRICIAN LABOR COSTS	-	625	(625)	2,074	3,750	(1,676)	7,500	(5,426)
SCADA SYSTEM ADMIN/MAINT	619	750	(131)	3,914	4,500	(586)	9,000	(5,086)
LABORATORY TESTING COSTS	4,573	4,700	(127)	10,533	11,200	(667)	32,000	(21,467)
SLUDGE DISPOSAL/PUMPING COSTS	176	2,500	(2,324)	12,862	12,500	362	25,000	(12,138)
SLUDGE DISPOSAL BAG EXP	-	-	-	-	-	-	25,000	(25,000)
SLUDGE CHEMICAL EXP	-	6,500	(6,500)	1,677	12,500	(10,823)	20,000	(18,323)
CHEMICALS, LUBRICANTS & FUELS	3,505	5,000	(1,495)	55,668	48,000	7,668	95,000	(39,332)
EQUIPMENT RENTAL COSTS	-	-	-	675	1,000	(325)	2,000	(1,325)
EQUIPMENT REPAIRS & MAINT.	32,808	16,000	16,808	152,481	96,000	56,481	190,000	(37,519)
SEWER LINE REPAIRS	-	2,500	(2,500)	-	5,000	(5,000)	10,000	(10,000)
SEWER CLEANING AND VIDEO EXP	1,100	1,500	(400)	4,101	7,500	(3,399)	15,000	(10,899)
SECURITY AND ALARM EXP	-	350	(350)	640	1,750	(1,110)	4,000	(3,360)
PROPERTY MAINTENANCE	990	1,750	(760)	24,239	10,500	13,739	20,000	4,239
ENGINEERING/ADMIN. STUDIES	-	5,000	(5,000)	-	5,000	(5,000)	20,000	(20,000)
ENERGY COSTS	10,363	13,000	(2,637)	92,041	97,500	(5,459)	195,000	(102,959)
CONSUMABLE SUPPLIES & CLEANING	64	850	(786)	1,053	5,100	(4,047)	10,000	(8,947)
SMALL EQUIPMENT & TOOLS COST	-	250	(250)	5,926	1,500	4,426	3,000	2,926
PERMITS, FEES & TAXES	9,911	2,200	7,711	17,206	13,200	4,006	25,000	(7,794)
SAWPA BASIN MONITORING EXP	-	-	-	20,240	15,000	5,240	15,000	5,240
MAP UPDATING/GIS EXP	-	-	-	572	1,000	(428)	2,000	(1,428)
MISC. OPERATING EXP	467	100	367	844	500	344	1,000	(156)
BAD DEBT EXPENSES	-	-	-	-	-	-	1,500	(1,500)
CONTINGENCIES	-	3,500	(3,500)	-	21,000	(21,000)	36,000	(36,000)
TOTAL OPERATING EXPENSES	83,942	87,825	(3,883)	488,409	479,545	8,864	987,100	(498,691)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

	DECEMBER			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	10,204	10,350	(146)	47,521	50,100	(2,579)	100,000	(52,479)
GENERAL ENGINEERING EXP	930	1,400	(470)	6,559	8,400	(1,841)	16,000	(9,441)
ANNUAL ASSESSMENT EXP	-	-	-	2,868	2,000	868	2,000	868
PLAN CHECK & INSPECTION EXP	-	500	(500)	-	2,500	(2,500)	5,000	(5,000)
EMPLOYEE BENEFITS-INS	1,543	1,600	(57)	7,569	8,600	(1,031)	19,000	(11,431)
EMPLOYEE BENEFITS-RETIREMENT	1,908	2,000	(92)	11,448	12,000	(552)	21,000	(9,552)
WAGES EXPENSE	17,934	18,400	(466)	69,862	76,800	(6,938)	142,000	(72,138)
VACATION EXP	797	800	(3)	4,783	4,800	(17)	9,600	(4,817)
OVERTIME EXP	-	85	(85)	-	510	(510)	1,000	(1,000)
MILEAGE EXP ADMIN	98	45	53	296	270	26	500	(204)
PAYROLL TAX EXPENSES	243	300	(57)	1,059	1,400	(341)	2,500	(1,441)
CONTRACT STAFFING EXP	-	1,000	(1,000)	-	1,000	(1,000)	2,000	(2,000)
LEGAL EXPENSES	310	650	(340)	3,373	3,900	(527)	7,600	(4,227)
AUDIT EXPENSES	-	-	-	-	-	-	5,000	(5,000)
BOARD COMMITTEE MEETING EXP.	284	625	(341)	2,449	3,750	(1,301)	7,500	(5,051)
ELECTION & PUBLIC HEARING EXP	-	-	-	-	-	-	6,600	(6,600)
COMPUTER SYSTEM ADMIN	4,875	1,700	3,175	10,454	10,200	254	20,000	(9,546)
BANK CHARGES EXP	732	750	(18)	4,484	4,500	(16)	9,000	(4,516)
MISCELLANEOUS & EDUCATION EXP	-	85	(85)	825	510	315	1,000	(175)
TELEPHONE, FAX & CELL EXP	919	675	244	5,142	4,050	1,092	8,000	(2,858)
OFFICE SUPPLIES EXP	1,870	1,400	470	5,144	8,400	(3,256)	16,000	(10,856)
PRINTING EXPENSES	-	-	-	3,837	2,500	1,337	5,000	(1,163)
POSTAGE & DELIVERY EXPENSE	1,669	1,000	669	5,888	6,000	(112)	12,000	(6,112)
PUBLICATIONS, NOTICES & DUES	-	500	(500)	141	3,000	(2,859)	5,000	(4,859)
EQUIPMENT LEASE EXPENSES	1,161	500	661	3,378	3,000	378	6,000	(2,622)
INSURANCE EXPENSES	1,661	2,700	(1,039)	13,234	16,200	(2,966)	32,000	(18,766)
INVESTMENT EXP	400	400	-	2,400	2,400	-	4,800	(2,400)
COMMUNITY OUTREACH EXP	-	-	-	7,901	7,000	901	7,000	901
TOTAL ADMINISTRATIVE EXPENSES	47,538	47,465	73	220,615	243,790	(23,175)	473,100	(252,485)
TOTAL WASTEWATER EXPENSES	131,480	135,290	(3,810)	709,024	723,335	(14,311)	1,460,200	(751,176)
NET OPERATING REVENUE/EXPENSE	87,705	80,157	7,548	573,950	514,147	59,803	1,124,150	(550,200)
NON-OPERATING SOURCE OF FUNDS:								
OTHER REVENUE REIMB-MANDATE COSTS	-	-	-	-	-	-	-	-
CONNECTION FEES	29,073	-	29,073	29,073	-	29,073	-	29,073
INTEREST INCOME	836	1,000	(164)	11,188	6,000	5,188	12,000	(812)
PROPERTY TAX INCOME	26,914	6,000	20,914	50,618	36,000	14,618	65,000	(14,382)
TOTAL NON-OPER SOURCE OF FUNDS	56,823	7,000	49,823	90,879	42,000	48,879	77,000	13,879
TOTAL SEWER REVENUE/EXPENSE	144,528	87,157	57,371	664,829	556,147	108,682	1,201,150	(536,321)
TRANSFER TO CAPITAL FUND-REPLACEMENT				490,566				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				174,263				
				-				

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

WASTE WATER CAPITAL FUND:

ENDING FUNDS AVAILABLE 2015-2016	8,846,278
TRANSFER FOR CAPITAL FUND REPLACEMENT	490,566
TRANSFER FOR CAPITAL IMPROVEMENTS	174,263
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	<u>(93,367)</u>
TOTAL FUNDS AVAILABLE	<u>9,417,740</u>

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

	DECEMBER			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>WATER DEPARTMENT</u>								
OPERATING REVENUE:								
WATER SERVICE CHARGE	114,189	112,500	1,689	682,501	675,000	7,501	1,350,000	(667,499)
WATER USAGE CHARGES	205,773	162,000	43,773	1,791,824	1,431,000	360,824	2,700,000	(908,176)
WATER PUMPING CHARGE	6,815	4,500	2,315	56,880	39,750	17,130	75,000	(18,120)
FIRE PROTECTION CHARGES	2,568	2,400	168	15,362	14,400	962	28,000	(12,638)
MISC. UTILITY CHARGES	5,471	4,200	1,271	29,271	25,200	4,071	50,000	(20,729)
SERVICE METER INCOME	2,300	1,700	600	35,550	10,200	25,350	20,000	15,550
CELLULAR SITE LEASE	2,787	2,500	287	16,641	15,000	1,641	30,000	(13,359)
MWD READINESS TO SERVE CHARGE	19,682	18,750	932	116,937	112,500	4,437	225,000	(108,063)
STANDBY CHARGES	-	-	-	1,641	-	1,641	35,000	(33,359)
CFD REIMBURSEMENTS	10,000	10,000	-	10,000	10,000	-	20,000	(10,000)
INSPECTION CHARGES	-	2,500	(2,500)	-	5,000	(5,000)	10,000	(10,000)
TOTAL WATER REVENUE	369,585	321,050	48,535	2,756,607	2,338,050	418,557	4,543,000	(1,786,393)
OPERATING EXPENSES:								
WAGES EXPENSE	13,617	13,800	(183)	52,341	58,400	(6,059)	145,000	(92,659)
PAYROLL TAXES EXP	212	350	(138)	875	1,700	(825)	3,000	(2,125)
EMPLOYEE BENEFITS-INS	1,101	1,175	(74)	6,588	7,050	(462)	14,000	(7,412)
EMPLOYEE BENEFITS-RETIREMENT	1,115	1,325	(210)	6,690	7,950	(1,260)	20,000	(13,310)
OPERATION-MILEAGE EXP	-	70	(70)	194	420	(226)	750	(556)
OVERTIME EXPENSE/ ON CALL	337	750	(413)	2,039	4,500	(2,461)	9,000	(6,961)
VACATION EXP	780	710	70	4,681	4,660	21	7,300	(2,619)
CONTRACT STAFFING-METER READS	4,892	5,000	(108)	29,212	30,000	(788)	60,000	(30,788)
SCADA SYSTEM ADMIN/MAINT	542	600	(58)	6,920	3,600	3,320	7,000	(80)
LABORATORY TESTING COSTS	325	800	(475)	2,652	7,700	(5,048)	12,500	(9,848)
COMPLIANCE TESTING (ISDE/CROSS)	-	-	-	1,793	2,000	(207)	3,000	(1,207)
LEAK DETECTION EXPENSE	-	2,000	(2,000)	-	4,000	(4,000)	8,000	(8,000)
EPA WATER TESTING EXP	-	-	-	-	-	-	-	-
EQUIPMENT RENTAL COSTS	-	175	(175)	-	1,050	(1,050)	2,000	(2,000)
EQUIPMENT REPAIRS & MAINT.	5,455	6,250	(795)	33,101	37,500	(4,399)	75,000	(41,899)
WATER LINE REPAIRS	9,263	3,500	5,763	19,082	21,000	(1,918)	40,000	(20,918)
ALARM MONITORING COSTS	-	175	(175)	561	1,050	(489)	2,000	(1,439)
PROPERTY MAINTENANCE	-	500	(500)	-	3,000	(3,000)	6,000	(6,000)
ENGINEERING/ADMIN. STUDIES	-	850	(850)	-	4,100	(4,100)	8,000	(8,000)
ENERGY COSTS	7,729	7,500	229	68,248	66,250	1,998	125,000	(56,752)
CONSUMABLE SUPPLIES & CLEANING	-	700	(700)	712	4,200	(3,488)	8,000	(7,288)
CHEMICALS, LUBRICANTS & FUELS	122	425	(303)	4,475	2,550	1,925	5,000	(525)
SMALL EQUIPMENT & TOOLS COST	-	100	(100)	584	1,100	(516)	2,000	(1,416)
PERMITS, FEES & TAXES	135	1,450	(1,315)	6,854	9,750	(2,896)	18,500	(11,646)
MAP UPDATING/GIS EXP	225	625	(400)	726	3,750	(3,024)	7,500	(6,774)
SERVICE METERS & PARTS COSTS	648	2,500	(1,852)	57,831	15,000	42,831	30,000	27,831
WHOLESALE WATER PURCHASES	162,070	105,000	57,070	1,656,237	1,260,000	396,237	2,585,000	(928,763)
WATER-MWD CAPACITY CHARGE	5,904	6,700	(796)	29,520	40,200	(10,680)	80,000	(50,480)
WATER-READINESS TO SERVE/REFUSAL CHARGE	12,657	14,200	(1,543)	63,289	85,200	(21,911)	170,000	(106,711)
BAD DEBT EXPENSES	-	-	-	-	-	-	1,500	(1,500)
CONSERVATION REBATE EXP	80	625	(545)	467	3,750	(3,283)	7,500	(7,033)
CONTINGENCIES -SMALL TOOLS	-	3,000	(3,000)	-	18,000	(18,000)	35,000	(35,000)
TOTAL OPERATING EXPENSES	227,209	180,855	46,354	2,055,672	1,709,430	346,242	3,497,550	(1,441,878)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

	DECEMBER			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	8,929	9,000	(71)	41,582	43,800	(2,218)	87,500	(45,918)
GENERAL ENGINEERING EXP	630	1,400	(770)	2,912	8,400	(5,488)	16,000	(13,088)
PLAN CHECK & INSPECTION EXP	-	1,400	(1,400)	162	8,400	(8,238)	16,000	(15,838)
EMPLOYEE BENEFITS-INS	1,436	1,450	(14)	7,917	8,700	(783)	16,650	(8,733)
EMPLOYEE BENEFITS-RETIREMENT	1,670	1,800	(130)	10,020	10,200	(180)	18,350	(8,330)
ANNUAL ASSESSMENT EXP	-	-	-	2,868	2,000	868	2,000	868
WAGES EXPENSE	15,692	15,350	342	61,129	66,820	(5,691)	124,000	(62,871)
VACATION EXP	996	700	296	5,979	4,200	1,779	8,200	(2,221)
MILEAGE EXP ADMIN	183	45	138	404	270	134	500	(96)
OVERTIME EXPENSE	-	100	(100)	-	500	(500)	1,000	(1,000)
PAYROLL TAX EXPENSES	278	300	(22)	1,069	1,320	(251)	2,400	(1,331)
CONTRACT STAFFING OFFICE	-	1,000	(1,000)	-	1,000	(1,000)	2,000	(2,000)
LEGAL EXPENSES	271	1,250	(979)	2,951	7,500	(4,549)	15,000	(12,049)
AUDIT EXPENSES	-	-	-	-	-	-	5,000	(5,000)
BOARD COMMITTEE/ MEETING EXP.	249	525	(276)	1,880	3,150	(1,270)	6,300	(4,420)
COMPUTER SYSTEM EXP	4,266	1,000	3,266	6,954	6,000	954	12,000	(5,046)
BANK CHARGES EXP	641	600	41	3,924	3,600	324	7,000	(3,076)
MISCELLANEOUS & EDUCATION EXP	-	100	(100)	722	500	222	1,000	(278)
TELEPHONE, FAX, PAGER & RADIO	804	600	204	4,124	3,600	524	7,000	(2,876)
OFFICE SUPPLIES EXP	1,259	1,100	159	4,721	6,600	(1,879)	13,000	(8,279)
PRINTING EXPENSES	-	-	-	1,267	2,500	(1,233)	5,000	(3,733)
POSTAGE & DELIVERY EXPENSE	1,416	750	666	5,076	4,500	576	9,000	(3,924)
PUBLICATIONS, NOTICES & DUES	-	500	(500)	13	3,000	(2,987)	5,000	(4,987)
EQUIPMENT LEASE EXPENSES	1,052	500	552	2,992	3,000	(8)	6,000	(3,008)
INSURANCE EXPENSES	1,453	2,400	(947)	11,580	14,400	(2,820)	28,000	(16,420)
INVESTMENT EXPENSE	350	350	-	2,100	2,100	-	4,200	(2,100)
ELECTION & PUBLIC HEARING EXP	-	-	-	-	-	-	6,600	(6,600)
COMMUNITY OUT REACH EXP	-	-	-	-	3,500	(3,500)	7,000	(7,000)
TOTAL ADMINISTRATIVE EXPENSES	41,575	42,220	(645)	182,346	219,560	(37,214)	431,700	(249,354)
TOTAL WATER EXPENSES	268,784	223,075	45,709	2,238,018	1,928,990	309,028	3,929,250	(1,691,232)
NET OPERATING REVENUE/EXPENSE	100,801	97,975	2,826	518,589	409,060	109,529	613,750	(95,161)
NON-OPERATING SOURCE OF FUNDS:								
OTHER REVENUE REIMB-MANDATE COSTS	-	-	-	-	-	-	-	-
CONNECTION FEES	59,935	-	59,935	77,236	-	77,236	-	77,236
INTEREST INCOME	1,056	1,600	(544)	14,128	9,600	4,528	19,000	(4,872)
PROPERTY TAX INCOME	13,256	2,500	10,756	24,929	15,000	9,929	30,000	(5,071)
TOTAL NON-OP SOURCE OF FUNDS	74,247	4,100	70,147	116,293	24,600	91,693	49,000	67,293
TOTAL REVENUE/EXPENSE	175,048	102,075	72,973	634,882	433,660	201,222	662,750	(27,868)
TRANSFER TO CAPITAL FUND-REPLACEMENT				261,447				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				373,435				
RESERVOIR CAPACITY FEES				523,600				
CAPACITY USAGE INCOME				171,525				
LONG TERM DEBT REDUCTION				(171,525)				
				-				

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

WATER CAPITAL FUND:

ENDING FUNDS AVAILABLE 2015-2016	7,622,794
TRANSFER FOR CAPITAL FUND REPLACEMENT	261,447
TRANSFER FOR CAPITAL IMPROVEMENTS	897,035
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	<u>(59,610)</u>
TOTAL FUNDS AVAILABLE	<u>8,721,666</u>

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

	DECEMBER			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>ID#1 DEPARTMENT</u>								
OPERATING REVENUE:								
ANNUAL SEWER SERVICE CHARGE	13,725	13,725	-	82,350	82,350	-	164,700	(82,350)
TOTAL ID #1 REVENUE	13,725	13,725	-	82,350	82,350	-	164,700	(82,350)
OPERATING EXPENSES:								
MONTHLY TREATMENT PLANT COSTS	10,766	10,766	-	64,599	64,599	-	129,200	(64,601)
TOTAL OPERATING COSTS	10,766	10,766	-	64,599	64,599	-	129,200	(64,601)
ADMINISTRATIVE EXPENSES:								
ANNUAL ASSESSMENT PROCESSING	2,847	3,000	(153)	2,847	3,000	(153)	3,000	(153)
TOTAL ADMINISTRATIVE EXPENSES	2,847	3,000	(153)	2,847	3,000	(153)	3,000	(153)
TOTAL ID#1 EXPENSES	10,766	13,766	(3,000)	67,446	67,599	(153)	132,200	(64,754)
NET OPERATING REVENUE/EXPENSE	2,959	(41)	3,000	14,904	14,751	153	32,500	(17,596)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	22	31	(9)	294	185	109	370	(76)
TOTAL NON-OPER SOURCE OF FUNDS	22	31	(9)	294	185	109	370	(76)
TOTAL REVENUE/EXPENSE	2,981	(10)	2,991	15,198	14,936	262	32,870	(17,672)
TRANSFER TO CAPITAL FUND-REPLACEMENT				12,764				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				2,434				
				-				
<u>ID #1 FUND BALANCE:</u>								
ENDING FUNDS AVAILABLE 2015-2016	407,229							
TRANSFER FOR CAPITAL FUND REPLACEMENT	12,764							
TRANSFER FOR CAPITAL IMPROVEMENTS	2,434							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	-							
TOTAL FUNDS AVAILABLE	422,427							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

	DECEMBER			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<i>ID#2 DEPARTMENT</i>								
OPERATING REVENUE:								
ANNUAL SEWER SERVICE CHARGE	15,525	15,525	-	93,150	93,150	-	186,300	(93,150)
TOTAL ID #2 REVENUE	15,525	15,525	-	93,150	93,150	-	186,300	(93,150)
OPERATING EXPENSES:								
MONTHLY TREATMENT PLANT COSTS	12,179	12,179	-	73,071	73,071	-	146,150	(73,079)
TOTAL OPERATING COSTS	12,179	12,179	-	73,071	73,071	-	146,150	(73,079)
ADMINISTRATIVE EXPENSES:								
GENERAL ENGINEERING EXP	-	-	-	-	-	-	2,500	(2,500)
ANNUAL ASSESSMENT PROCESSING	2,847	3,000	(153)	2,847	3,000	(153)	3,000	(153)
TOTAL ADMINISTRATIVE EXPENSES	2,847	3,000	(153)	2,847	3,000	(153)	5,500	(2,653)
TOTAL ID#2 EXPENSES	15,026	15,179	(153)	75,918	76,071	(153)	151,650	(75,732)
NET OPERATING REVENUE/EXPENSE	499	346	153	17,232	17,079	153	34,650	(17,418)
NON-OPERATING SOURCE OF FUNDS:								
INTEREST INCOME	44	61	(17)	589	366	223	732	(143)
TOTAL NON-OPER SOURCE OF FUNDS	44	61	(17)	589	366	223	732	(143)
TOTAL REVENUE/EXPENSE	543	407	136	17,821	17,445	376	35,382	(17,561)
TRANSFER TO CAPITAL FUND-REPLACEMENT				16,946				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				875				
				-				
<i>ID #2 FUND BALANCE:</i>								
ENDING FUNDS AVAILABLE 2015-2016	108,626							
TRANSFER FOR CAPITAL FUND REPLACEMENT	16,946							
TRANSFER FOR CAPITAL IMPROVEMENTS	875							
CAPITAL IMPROVEMENT-PLANT REMOVAL	(15,868)							
TOTAL FUNDS AVAILABLE	110,579							

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

	DECEMBER			YEAR TO DATE			BUDGET 2016-2017	BUDGET REMAINING
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE		
<u>NON-POTABLE WATER DEPARTMENT</u>								
OPERATING REVENUE:								
RECYCLED/NON-POTABLE WATER SALES	74,958	91,000	(16,042)	962,766	793,000	169,766	1,300,000	(337,234)
RECYCLED/ NON-POT WATER FIXED CHARGE	14,567	11,250	3,317	83,889	67,500	16,389	135,000	(51,111)
RECYCLED/NON-POTABLE PUMPING CHARGE	1,760	2,100	(340)	25,572	18,300	7,272	30,000	(4,428)
MISC INCOME	1,843	850	993	6,273	5,100	1,173	10,000	(3,727)
TOTAL NON-POTABLE REVENUE	93,128	105,200	(12,072)	1,078,500	883,900	194,600	1,475,000	(396,500)
OPERATING EXPENSES:								
RECYCLED/NON-POTABLE LABOR EXP	9,726	10,000	(274)	37,386	39,600	(2,214)	103,000	(65,614)
PAYROLL TAXES EXP	152	210	(58)	625	972	(347)	1,800	(1,175)
EMPLOYEE BENEFITS-INS	785	840	(55)	3,878	5,040	(1,162)	10,000	(6,122)
EMPLOYEE BENEFITS-RETIREMENT	793	800	(7)	4,758	4,800	(42)	14,000	(9,242)
MILEAGE EXP	-	20	(20)	81	120	(39)	200	(119)
OVERTIME EXP	241	475	(234)	1,458	2,850	(1,392)	5,700	(4,242)
VACATION EXP	156	450	(294)	937	2,700	(1,763)	5,200	(4,263)
SCADA SYS EXP	387	575	(188)	2,446	3,450	(1,004)	6,800	(4,354)
LABORATORY TESTING COSTS	-	1,250	(1,250)	595	7,500	(6,905)	15,000	(14,405)
EQUIPMENT REPAIRS & MAINT.	20	4,200	(4,180)	5,079	25,200	(20,121)	50,000	(44,921)
NONPOTABLE WATER LINE REPAIR	-	8,500	(8,500)	21,109	51,000	(29,891)	100,000	(78,891)
SECURITY AND ALARM EXP	-	85	(85)	401	510	(109)	1,000	(599)
PROPERTY MAINTENANCE	-	420	(420)	327	2,520	(2,193)	5,000	(4,673)
ENERGY COSTS	11,327	16,500	(5,173)	126,038	156,750	(30,712)	275,000	(148,962)
CONSUMABLE SUPPLIES EXP	-	30	(30)	4,323	180	4,143	350	3,973
CHEMICALS, LUBRICANTS & FUELS	88	850	(762)	624	5,100	(4,476)	10,000	(9,376)
PERMITS AND FEES EXP	-	500	(500)	4,019	3,000	1,019	6,000	(1,981)
SERVICE METERS AND PARTS COSTS	-	600	(600)	5,181	3,600	1,581	7,000	(1,819)
RECYCLED SIGN EXP	-	250	(250)	-	1,500	(1,500)	3,000	(3,000)
MISC OPERATING EXP	-	42	(42)	358	252	106	500	(142)
POTABLE WATER EXP	-	-	-	148,960	-	148,960	-	148,960
BAD DEBT	-	-	-	-	-	-	1,600	(1,600)
TOTAL OPERATING EXPENSES	23,675	46,597	(22,922)	368,583	316,644	51,939	621,150	(252,567)

**TEMESCAL VALLEY WATER DISTRICT
REVENUE AND EXPENDITURES/BUDGET
For Six Months ending December 31, 2016**

	APRIL			YEAR TO DATE			BUDGET	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	2016-2017	REMAINING
ADMINISTRATIVE EXPENSES:								
CONTRACT MANAGEMENT	6,378	6,225	153	29,701	31,250	(1,549)	62,500	(32,799)
GENERAL ENGINEERING/ PLAN CHECK EXP	3,980	1,250	2,730	5,020	7,500	(2,480)	15,000	(9,980)
INSPECTION EXP	-	1,250	(1,250)	1,647	7,500	(5,853)	15,000	(13,353)
EMPLOYEE BENEFITS-INS	860	900	(40)	3,937	5,400	(1,463)	12,000	(8,063)
EMPLOYEE BENEFITS-RETIREMENT	1,192	1,300	(108)	7,152	7,800	(648)	13,000	(5,848)
WAGES EXPENSE	11,209	11,300	(91)	43,664	44,960	(1,296)	89,000	(45,336)
VACATION EXP	200	485	(285)	1,198	1,910	(712)	5,800	(4,602)
MILEAGE EXP	37	15	22	94	90	4	150	(56)
OVERTIME EXP	-	105	(105)	-	630	(630)	1,250	(1,250)
PAYROLL TAX EXPENSE	173	185	(12)	772	862	(90)	1,600	(828)
CONTRACT STAFFING EXP	-	1,000	(1,000)	-	1,000	(1,000)	2,000	(2,000)
LEGAL EXPENSE	194	1,000	-	2,272	6,000	(3,728)	12,000	(9,728)
AUDIT EXP	-	-	-	-	-	-	5,000	(5,000)
BOARD FEES EXP	178	375	(197)	1,343	2,250	(907)	4,500	(3,157)
ELECTION EXP	-	-	-	-	-	-	6,800	(6,800)
COMPUTER SYSTEMS EXP	3,047	750	2,297	6,871	4,500	2,371	9,000	(2,129)
BANK CHARGES	458	550	(92)	2,803	3,300	(497)	6,500	(3,697)
TELEPHONE EXP	575	420	155	2,812	2,520	292	5,000	(2,188)
OFFICE SUPPLIES	396	500	(104)	1,890	3,000	(1,110)	6,000	(4,110)
PRINTING EXP	-	-	-	895	1,250	(355)	2,500	(1,605)
POSTAGE EXP	1,619	550	1,069	4,523	3,250	1,273	6,500	(1,977)
PUBLICATION EXP	-	250	(250)	9	1,500	(1,491)	3,000	(2,991)
EQUIPMENT LEASE EXP	543	250	293	1,928	1,500	428	3,000	(1,072)
INSURANCE EXPENSE	1,038	1,700	-	8,271	10,200	(1,929)	20,000	(11,729)
ANNUAL ASSESSMENT EXP	-	-	-	-	2,100	(2,100)	2,100	(2,100)
INVESTMENT EXPENSE	250	-	250	1,500	-	1,500	3,000	(1,500)
COMMUNITY OUTREACH EXP	-	-	-	-	2,400	(2,400)	4,800	(4,800)
MISC & EDUCATION EXP	-	85	(85)	226	510	(284)	1,000	(774)
TOTAL ADMINISTRATIVE EXPENSES	32,327	30,445	3,350	128,528	153,182	(24,654)	318,000	(189,472)
TOTAL NON-POTABLE OPERATING EXPENSES	56,002	77,042	(21,040)	497,111	469,826	27,285	939,150	(442,039)
NET OPERATING REVENUE/EXPENSE	37,126	28,158	8,968	581,389	414,074	167,315	535,850	45,539
NON-OPERATING SOURCE OF FUNDS:								
CONNECTION FEES	5,144	-	5,144	9,773	-	9,773	-	9,773
INTEREST INCOME	242	350	(108)	3,241	2,100	1,141	4,100	(859)
TOTAL NON-OP SOURCE OF FUNDS	5,386	350	5,036	13,014	2,100	10,914	4,100	8,914
TOTAL REVENUE/EXPENSE	42,512	28,508	14,004	594,403	416,174	178,229	539,950	54,453
TRANSFER TO CAPITAL FUND-REPLACEMENT				124,527				
TRANSFER TO CAPITAL FUND-IMPROVEMENT				469,876				
				-				
NON-POTABLE FUND BALANCE:								
ENDING FUNDS AVAILABLE 2015-2016	1,215,422							
TRANSFER FOR CAPITAL FUND REPLACEMENT	124,527							
TRANSFER FOR CAPITAL IMPROVEMENTS	469,876							
CAPITAL IMPROVEMENT (SEE ATTACHED DETAIL)	(169,536)							
TOTAL FUNDS AVAILABLE	1,640,289							

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 1
Financing Authority
(Sycamore Creek)
12/31/2016

Special Tax Fund (Acct #105636-009)
Account Balance at Wilmington Trust \$ 16.74

BONDS PR ACCT (Acct # 105636-010)
Account Balance at Wilmington Trust 0.25

Administrative Expense Fund(Acct #105636-011)
Account Balance at Wilmington Trust 1.42

Surplus Fund (Acct #105636-012)
Account Balance at Wilmington Trust 1,591,808.09

Re-call Fund (Acct #105636-025)
Account Balance at Wilmington Trust -

TOTAL \$ 1,591,826.50

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 2
Financing Authority
(Montecito Ranch)
12/31/2016

Special Tax Fund (Acct #105636-014)
Account Balance at Wilmington Trust \$ 2.17

BONDS PR ACCT (Acct # 105636-015)
Account Balance at Wilmington Trust -

Administrative Expense Fund(Acct #105636-016)
Account Balance at Wilmington Trust 1.33

Surplus Fund (Acct #105636-017)
Account Balance at Wilmington Trust 464,798.41

TOTAL \$ **464,801.91**

TEMESCAL VALLEY WATER DISTRICT
Community Facilities District No. 3
Financing Authority
(The Retreat)
12/31/2016

<u>Special Tax Fund (Acct #105636-019)</u> Account Balance at Wilmington Trust	\$	9.92
<hr/>		
<u>BONDS PR ACCT (Acct # 105636-020)</u> Account Balance at Wilmington Trust		-
<hr/>		
<u>Administrative Expense Fund(Acct #105636-021)</u> Account Balance at Wilmington Trust		1.42
<hr/>		
<u>Surplus Fund (Acct #105636-022)</u> Account Balance at Wilmington Trust		1,263,791.92
<hr/>		
TOTAL	\$	1,263,803.26

**TEMESCAL VALLEY WATER DISTRICT
Community Facilities District
Financing Authority
12/31/2016**

Senior Lien Bonds - Revenue Fund (Acct #105636-000)	\$	0.02
- Lien Interest A/C (Acct #105636-001)		554.22
- Lien Principal A/C (Acct #105636-002)		-
- Financing Authority Surplus A/C (Acct #105636-003)		-
- Reserve Fund CFD #1 (Acct #105636-004)		2,265,530.49
- Reserve Fund CFD #2 (Acct #105636-005)		276,062.59
- Reserve Fund CFD #3 (Acct #105636-006)		1,495,525.90
Junior Lien Bonds - Revenue Fund (Acct #105639-000)		0.01
- Lien Interest A/C (Acct #105639-001)		218.15
- Lien Principal A/C (Acct #105639-002)		-
- Financing Authority Surplus A/C (Acct #105639-003)		-
- Reserve Fund CFD #1 (Acct #105639-004)		789,410.36
- Reserve Fund CFD #2 (Acct #105639-005)		100,174.23
- Reserve Fund CFD #3 (Acct #105639-006)		540,859.99
TOTAL		
	\$	5,468,335.96

Temescal Valley Water District
Capital Projects
Yearly Miscellaneous and Multi - Year

FY 2016/2017 Maintenance/ General Projects	Total Cost	Source of Funding			AS OF DEC 31, 2016 EXPENDITURES				Total YTD	Variance
		Sewer Fund	Water Fund	Recycled Fund	Previous YRS	Sewer Fund	Water Fund	Recycled Fund		
Billing Software Update/HARDWARE	\$ 110,000	\$ 44,000	\$ 38,500	\$ 27,500	\$ 48,963	\$ 6,335	\$ 5,543	\$ 3,960	\$ 15,838	\$ 45,199
Rate study	\$ 130,000	\$ 52,000	\$ 45,500	\$ 42,500	\$ 15,782	\$ 29,985	\$ 26,237	\$ 18,741	\$ 74,963	\$ 39,255
General Building Improvements	\$ 40,000	\$ 16,000	\$ 14,000	\$ 10,000	\$ -	\$ 2,939			\$ 2,939	\$ 37,061
Convert to Recycled	\$ 135,000	\$ -	\$ -	\$ 135,000	\$ 16,363				\$ -	\$ 118,637
Replace VFD	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 11,840			\$ 11,840	\$ 28,160
Upgrade PLCs	\$ 250,000	\$ 100,000	\$ 87,500	\$ 62,500	\$ 67,861	\$ 2,359			\$ 2,359	\$ 179,780
Upgrade Servers to 64b	\$ 70,000	\$ 28,000	\$ 24,500	\$ 17,500	\$ 42,848				\$ -	\$ 27,152
Sewer Management Plan Update	\$ 45,000		\$ -	\$ -	\$ -				\$ -	\$ 45,000
SCADA Standardization	\$ 35,000	\$ 15,000	\$ 15,000	\$ 5,000	\$ 20,836	\$ 8,904	\$ 8,904	\$ 3,392	\$ 21,200	\$ (7,036)
New Generator design	\$ 54,150	\$ 54,150	\$ -	\$ -	\$ -	\$ 29,858			\$ 29,858	\$ 24,292
Park Canyon RW Ext.	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ 8,267				\$ -	\$ 81,733
Air Actuator valves	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -				\$ -	\$ 40,000
Subtotal Maintenance and General	\$ 1,039,150	\$ 349,150	\$ 225,000	\$ 300,000	\$ 220,921	\$ 92,220	\$ 40,684	\$ 26,093	\$ 158,997	\$ 659,232

Multiple Fiscal Year Projects

TWC Pipeline- Retrofit and Improvements	\$ 5,240,100	\$ 890,000	\$ 3,450,000	\$ 900,000	\$ 4,930,973			\$ 129,283	\$ 129,283	\$ 179,844
Dawson Canyon Recycled Water Storage Reserv	\$ 2,816,000	\$ 1,126,400	\$ 985,600	\$ 704,000	\$ 1,971,791	\$ 1,147	\$ 1,000	\$ 793	\$ 2,940	\$ 841,269
GIS Mapping - Water Sewer RW pipelines and fa	\$ 171,700	\$ 66,000	\$ 66,000	\$ 39,700	\$ 43,410				\$ -	\$ 128,290
Well Rehab	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -			\$ 6,450	\$ 6,450	\$ 18,550
SCADA Tower	\$ 60,000	\$ 30,000	\$ 30,000	\$ -	\$ -				\$ -	\$ 60,000
Non-Potable Groundwater Development	\$ 185,000	\$ -	\$ -	\$ 185,000	\$ 62,031			\$ 6,917	\$ 6,917	\$ 116,052
Potable Groundwater Study and Development	\$ 355,000	\$ -	\$ 250,000	\$ 85,000	\$ 105,646		\$ 10,980		\$ 10,980	\$ 238,375
Dawson Canyon Potable Reservoir Design	\$ 145,000	\$ -	\$ 145,000	\$ -	\$ -		\$ 6,946		\$ 6,946	\$ 138,054
Urban Water Management Plan	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -				\$ -	\$ 100,000
Subtotal Multiple Year	\$ 9,097,800	\$ 2,112,400	\$ 5,026,600	\$ 1,938,700	\$ 7,113,850	\$ 1,147	\$ 18,926	\$ 143,443	\$ 163,516	\$ 1,820,433

TOTAL \$ 10,136,950 \$ 2,461,550 \$ 5,251,600 \$ 2,238,700 \$ 7,334,771 **\$ 93,367** **\$ 59,610** **\$ 169,536** **\$ 322,513** \$ 2,479,666

TEMESCAL VALLEY WATER DISTRICT General Ledger

For the Period From Jul 1, 2016 to Dec 31, 2016

Filter Criteria includes: 1) IDs from 567500.3 to 567501.5. Report order is by ID. Report is printed with shortened descriptions and with Hide Period Subtotals on Multi-Period Report and in Detail Format.

Account ID Account Description	Date	Reference	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
567500.3	7/1/16			Beginning Balance			
EQUIPMENT REPAIRS & MAIN	7/1/16	18352	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	7/5/16	25772	PJ	RICHARDSON TECHNOLOGIES INC. - SER	384.00		
	7/6/16	18225	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	7/12/16	13472	PJ	RS INSTRUMENTS & SERVICES - ENCLOS	666.66		
	7/20/16	18332	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	7/31/16	2016-068	PJ	DON PETERSON CONTRACTING, INC. - T+	6,115.00		
	7/31/16	14479	PJ	RS INSTRUMENTS & SERVICES - PROVID	953.50		
	8/1/16	82082	PJ	JWC ENVIRONMENTAL LLC - ROTOR	8,305.00		
	8/1/16	82082	PJ	JWC ENVIRONMENTAL LLC - QUOTE 3438	944.94		
	8/1/16	82082	PJ	JWC ENVIRONMENTAL LLC - TRANSPORT	1,743.62		
	8/1/16	82082	PJ	JWC ENVIRONMENTAL LLC - GASKET SE	59.93		
	8/16/16	18397	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	8/31/16	18501	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - A	1,785.00		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - H	1,099.00		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - B	1,084.50		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - U	986.93		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - F	1,395.00		
	8/31/16	10291	PJ	TRAN CONTROLS SCADA SOLUTIONS, - 1	1,619.95		
	8/31/16	6155	PJ	EMS ELECTRIC MOTOR - REPAIR AND REI	8,476.57		
	8/31/16	6156	PJ	EMS ELECTRIC MOTOR - REPAIR AND REI	1,578.00		
	8/31/16	6168	PJ	EMS ELECTRIC MOTOR - FIELD SERVICE	1,578.00		
	8/31/16	1187	PJ	ENGINEERED AIR SERVICES, INC. - ANNU	535.06		
	8/31/16	2016-073	PJ	DON PETERSON CONTRACTING, INC. - R	1,378.00		
	8/31/16	S2338642.00	PJ	PIRTEK FLUID TRANSFER SOLUTION - RE	238.86		
	8/31/16	10143	PJ	DAKOTA PUMP INC - BARNES BA-314 1000	505.39		
	9/1/16	2842	PJ	APPLIED INDUSTRIAL TECHNOLOGIE - DR	214.12		
	9/19/16	0601584-IN	PJ	EXCELSIOR BLOWER SYSTEMS, INC. - BE	48.59		
	9/24/16	18615	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	30.00		
	9/29/16	2016-077	PJ	DON PETERSON CONTRACTING, INC. - IN	3,997.00		
	9/29/16	SI05645	PJ	BRITHINEE ELECTRIC - INSTALL NEW MO	242.00		
	9/30/16	6197	PJ	EMS ELECTRIC MOTOR - FIELD SERVICE	1,578.00		
	9/30/16	25858	PJ	RICHARDSON TECHNOLOGIES INC. - PER	399.00		
	9/30/16	6201	PJ	EMS ELECTRIC MOTOR - field service to re	1,050.00		
	9/30/16	15607	PJ	RS INSTRUMENTS & SERVICES - QUOTE	2,191.15		
	9/30/16	15607-1	PJ	RS INSTRUMENTS & SERVICES - REPLAC	2,191.15		
	9/30/16	S2364956.00	PJ	PIRTEK FLUID TRANSFER SOLUTION - RE	360.83		
	9/30/16	48205799	PJ	CORTECH ENGINEERING - REPAIR SLUDGE	4,973.58		
	10/2/16	178001-16	PJ	NORTH AMERICAN INDUTRY TECH - LEVE	5,151.60		
	10/4/16	18652	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	10/4/16	76815	PJ	USA BLUEBOOK - SAMPLE TRANSFER PU	507.98		
	10/10/1	4337	PJ	UNITED POWER GENERATION - SERVICE	297.35		
	10/10/1	2619	PJ	EMS ELECTRIC MOTOR - REPAIR OF #5 IN	8,278.92		
	10/17/1	S00183	PJ	DALTON TRUCKING INC. - FIXED TRAILER	131.08		
	10/22/1	18734	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	10/27/1	101737	PJ	BARRETT ENGINEERED PUMPS - CU 352	1,810.56		
	10/31/1	6214	PJ	EMS ELECTRIC MOTOR - REPAIR INFLUE	8,478.57		
	10/31/1	SI05530	PJ	BRITHINEE ELECTRIC - REPLACE VFO IN	484.00		
	10/31/1	SI05737	PJ	BRITHINEE ELECTRIC - CHECK OPERATI	3,277.18		
	10/31/1	65403	PJ	R.W. LAWSON, INC. - PERFORM ROUTINE	450.00		
	11/1/16	4365	PJ	UNITED POWER GENERATION - CHECK A	592.29		
	11/1/16	1384	PJ	ENGINEERED AIR SERVICES, INC. - SERVI	473.23		
	11/1/16	2668	PJ	ENGINEERED AIR SERVICES, INC. - Troubl	626.08		
	11/1/16	S2396408.00	PJ	PIRTEK FLUID TRANSFER SOLUTION - RE	305.10		
	11/4/16	18772	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	11/15/1	18797	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	30.00		
	11/15/1	10/27/2016	PJ	NORTH AMERICAN INDUTRY TECH - SUB	2,575.80		
	11/29/1	18865	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	40.00		
	11/30/1	34	PJ	SUPER BUILDERS - PERK POND TAKE OU	25,390.00		
	11/30/1	122957	PJ	USA BLUEBOOK - 0-300 psi pressure pguge	81.83		
	11/30/1	11/22/2016	PJ	US BANK GOVERNMENT SERVICES	627.19		
	11/30/1	16628	PJ	INNERLINE ENGINEERING INC - REMOVE	1,100.00		
	12/6/16	3239	PJ	KASSEL CONTRACTING INC. - GRADING P	17,289.00		

TEMESCAL VALLEY WATER DISTRICT General Ledger

For the Period From Jul 1, 2016 to Dec 31, 2016

Filter Criteria includes: 1) IDs from 567500.3 to 567501.5. Report order is by ID. Report is printed with shortened descriptions and with Hide Period Subtotals on Multi-Period Report and in Detail Format.

Account ID Account Description	Date	Reference	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
	12/14/1	1503	PJ	ENGINEERED AIR SERVICES, INC.	465.50		
	12/15/1	5000	PJ	Maxim Security Services - SERVICE CALL IS	235.00		
	12/17/1	18974	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	32.00		
	12/20/1	EXTRA	PJ	SUPER BUILDERS - NEW PAD FOR PUMP	1,250.00		
	12/30/1	4378	PJ	UNITED POWER GENERATION	427.50		
	12/31/1	2016-085	PJ	DON PETERSON CONTRACTING, INC. - R	400.00		
	12/31/1	6255	PJ	EMS ELECTRIC MOTOR - INSTALL 2 PUMP	2,278.00		
	12/31/1	23139	PJ	RICHARDSON TECHNOLOGIES INC. - PER	399.00		
	12/31/1	23153	PJ	RICHARDSON TECHNOLOGIES INC. - SER	858.00		
	12/31/1	2016-087	PJ	DON PETERSON CONTRACTING, INC. - IN	1,487.00		
	12/31/1	SI05952	PJ	BRITHINEE ELECTRIC - SERVICE CALL O	242.00		
	12/31/1	4379	PJ	UNITED POWER GENERATION	4,200.00		
	12/31/1	SI05996	PJ	BRITHINEE ELECTRIC	3,245.79		
				Change	152,481.88		152,481.88
	12/31/1			Ending Balance			152,481.88
567500.4 EQUIPMENT REPAIRS & MAIN	7/1/16			Beginning Balance			
	7/1/16	18352	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	7/6/16	18225	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	7/15/16	10001	PJ	DAKOTA PUMP INC - REPAIR PARTS	122.74		
	7/19/16	2334	PJ	BT PIPELINE INC. - DIG OUT LEAK ON 14"	6,764.50		
	7/19/16	2345	PJ	BT PIPELINE INC. - SET 2 METER BOXES	626.50		
	7/20/16	18332	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	7/29/16	JULY 2016	SJ	UTILITY BILLING CUSTOMERS		50.00	
	8/10/16	081601	SJ	DONALD RAY ATKISM - BT REPAIR BLOW		846.00	
	8/16/16	18397	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	8/31/16	18501	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	8/31/16	2355	PJ	BT PIPELINE INC. - WORK PERFORMED O	1,762.50		
	9/24/16	18615	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	30.00		
	9/26/16	9/22/2016	PJ	KIMMEL BODY WORKS	730.12		
	9/30/16	SEPT 2016	SJ	UTILITY BILLING CUSTOMERS		9,080.00	
	9/30/16	10295	PJ	TRAN CONTROLS SCADA SOLUTIONS, - S	6,132.12		
	10/4/16	18652	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	10/22/1	18734	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	10/31/1	OCT 2016	SJ	UTILITY BILLING CUSTOMERS	9,280.00		
	11/4/16	18772	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	11/15/1	18797	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	30.00		
	11/29/1	18865	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	40.00		
	11/30/1	2406	PJ	BT PIPELINE INC. - REPAIR 4" SERVICE LI	11,331.00		
	11/30/1	11/22/2016	PJ	US BANK GOVERNMENT SERVICES	548.78		
	12/17/1	18974	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	28.00		
	12/30/1	4378	PJ	UNITED POWER GENERATION	427.50		
	12/31/1	4379	PJ	UNITED POWER GENERATION	4,200.00		
	12/31/1	2412	PJ	BT PIPELINE INC. - PROVIDE LABER AND	799.00		
				Change	43,076.76	9,976.00	33,100.76
	12/31/1			Ending Balance			33,100.76
567500.5 EQUIPMENT REPAIRS & MAIN	7/1/16			Beginning Balance			
	7/1/16	18352	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
	7/6/16	18225	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
	7/20/16	18332	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
	8/16/16	18397	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
	8/31/16	18501	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
	8/31/16	2355	PJ	BT PIPELINE INC. - WORK PERFORMED O	2,211.00		
	9/30/16	SEPT 2016	SJ	UTILITY BILLING CUSTOMERS		200.00	
	10/4/16	18652	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
	10/22/1	18734	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
	11/4/16	18772	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
	11/30/1	11/22/2016	PJ	US BANK GOVERNMENT SERVICES	391.98		
	12/17/1	18974	CD	EDUARDO LOPEZ - EQUIPMENT REPAIRS	20.00		
				Change	2,782.98	200.00	2,582.98
	12/31/1			Ending Balance			2,582.98

TEMESCAL VALLEY WATER DISTRICT
General Ledger

For the Period From Jul 1, 2016 to Dec 31, 2016

Filter Criteria includes: 1) IDs from 567500.3 to 567501.5. Report order is by ID. Report is printed with shortened descriptions and with Hide Period Subtotals on Multi-Period Report and in Detail Format.

Account ID Account Description	Date	Reference	Jrn	Trans Description	Debit Amt	Credit Amt	Balance
567501.0	7/1/16			Beginning Balance			
MAIN LINE REPAIRS	12/31/1	2411	PJ	BT PIPELINE INC.	5,352.00		
				Change	5,352.00		5,352.00
	12/31/1			Ending Balance			5,352.00
567501.4	7/1/16			Beginning Balance			
WATER LINES REPAIR	7/19/16	2333	PJ	BT PIPELINE INC. - DIG UP LEAKING 12" S	6,386.50		
	8/31/16	2355	PJ	BT PIPELINE INC. - WORK ON 6/28/2016 IN	3,433.00		
	12/31/1	2414	PJ	BT PIPELINE INC. - REPAIR LEAK IN SERVI	3,911.50		
				Change	13,731.00		13,731.00
	12/31/1			Ending Balance			13,731.00
567501.5	7/1/16			Beginning Balance			
RECYCLED WATER LINE REP	11/15/1	2394	PJ	BT PIPELINE INC. - LOCATE AND REPAIR	17,159.00		
	11/15/1	15080	PJ	HAITBRINK ASPHALT PAVING - GRIND AN	3,950.00		
				Change	21,109.00		21,109.00
	12/31/1			Ending Balance			21,109.00



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/12/16	0.71	0.67	181
12/13/16	0.71	0.67	182
12/14/16	0.72	0.67	181
12/15/16	0.72	0.68	181
12/16/16	0.72	0.68	184
12/17/16	0.72	0.68	184
12/18/16	0.72	0.68	184
12/19/16	0.72	0.68	179
12/20/16	0.72	0.68	180
12/21/16	0.72	0.68	179
12/22/16	0.73	0.68	179
12/23/16	0.73	0.68	185
12/24/16	0.73	0.68	185
12/25/16	0.73	0.68	185
12/26/16	0.73	0.68	185
12/27/16	0.73	0.68	180
12/28/16	0.73	0.68	173
12/29/16	0.73	0.68	176
12/30/16	0.74	0.68	172
12/31/16	0.74	0.68	171
01/01/17	0.74	0.74	171
01/02/17	0.74	0.74	171
01/03/17	0.74	0.74	181
01/04/17	0.74	0.74	184
01/05/17	0.75	0.74	186
01/06/17	0.75	0.74	186
01/07/17	0.75	0.74	186
01/08/17	0.75	0.74	186
01/09/17	0.75	0.74	185
01/10/17	0.75	0.74	185
01/11/17	0.75	0.74	187

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

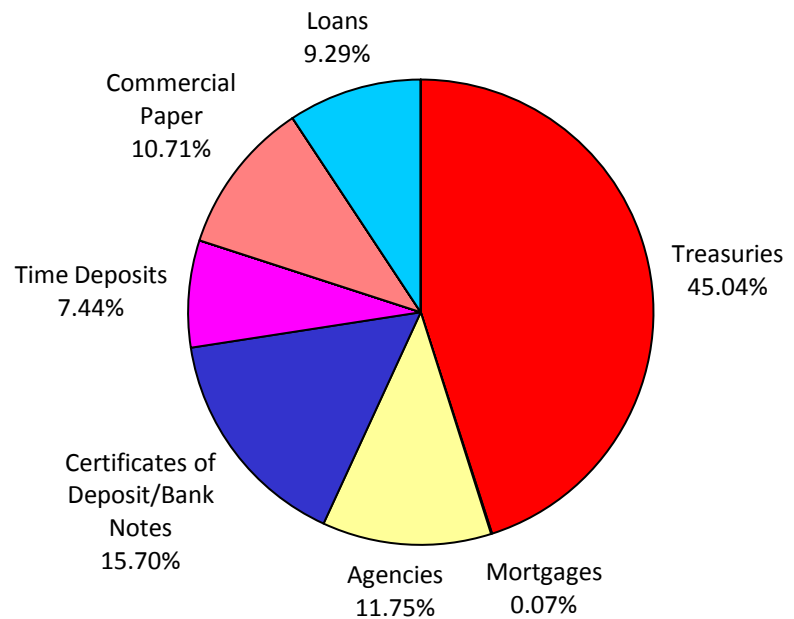
Quarter Ending 09/30/16

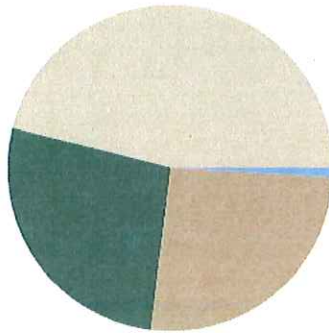
Apportionment Rate: 0.60%
 Earnings Ratio: .0001651908048883
 Fair Value Factor: 1.000306032
 Daily: 0.65%
 Quarter to Date: 0.61%
 Average Life: 165

PMIA Average Monthly Effective Yields

Dec 2016 0.719%
 Nov 2016 0.678%
 Oct 2016 0.654%

**Pooled Money Investment Account
Portfolio Composition
11/30/16
\$70.4 billion**



Holdings by Asset Class for All Accounts and Groups
 As Of 01/18/2017


■ Agency: 46 %
■ US Treasury: 27 %
■ US Corporate: 26 %
■ Money Market Fund FI: 1 %

Asset Class ▲

Cusip	Name	Maturity Date	% of Total MV	Qty	Purchase Yield	Market Yield	Original Cost	Market Value
Agency			46.1%				4,621,663.33	4,596,464
313313HMB	FFCB Discount Note	06/29/2017	2.0%	200,000	0.58	0.58	198,866.33	199,490
3130A6LZ8	FHLB Note	10/26/2017	2.0%	200,000	0.63	0.79	199,984.00	199,740
313380EC7	FHLB Note	09/08/2017	2.0%	200,000	0.64	0.79	200,256.00	199,950
313379DT3	FHLB Note	06/08/2018	2.0%	200,000	0.76	1.06	201,846.00	200,511
3130A8PK3	FHLB Note	08/07/2018	2.5%	250,000	0.79	1.11	249,150.00	248,140
313376BR5	FHLB Note	12/14/2018	2.0%	200,000	0.79	1.24	204,582.00	201,900
3137EAE3	FHLMC Note	04/09/2018	2.0%	200,000	0.85	0.99	199,660.00	199,410
3133EGF03	FFCB Note	09/14/2018	2.0%	200,000	0.85	1.14	200,098.00	199,140
3130A8EJ8	FHLB Note	06/05/2018	2.0%	200,000	0.86	1.15	199,968.00	199,180
313378A43	FHLB Note	03/09/2018	2.0%	200,000	0.96	0.98	201,466.00	200,890
3137EADK2	FHLMC Note	08/01/2019	2.0%	200,000	1.01	1.36	201,448.00	199,430
3133EFX69	FFCB Note	10/05/2018	2.0%	200,000	1.03	1.12	199,678.00	199,440
3133EFPJ0	FFCB Note	11/19/2018	2.0%	200,000	1.04	1.17	201,228.00	200,440
3130A8DB6	FHLB Note	06/21/2019	2.0%	200,000	1.04	1.33	200,496.00	199,001
313380FB8	FHLB Note	09/13/2019	2.0%	200,000	1.05	1.40	202,040.00	199,850
3135G0U05	FNMA Callable Note 1X3/6/2014	03/06/2020	1.5%	150,000	1.06	1.50	153,717.00	151,120
3135G0ZA4	FNMA Note	02/19/2019	2.0%	200,000	1.08	1.29	204,258.00	202,420
3137EADM8	FHLMC Note	10/02/2019	2.0%	200,000	1.08	1.41	201,074.00	199,130
3133782M2	FHLB Note	03/08/2019	2.0%	200,000	1.09	1.29	202,254.00	200,880
3133EGCA1	FFCB Note	06/03/2019	2.0%	200,000	1.11	1.41	199,716.00	198,350
3133EFW52	FFCB Note	07/01/2019	2.0%	200,000	1.12	1.38	200,162.00	198,890
3137EADZ9	FHLMC Note	04/15/2019	2.0%	200,000	1.14	1.29	199,932.00	199,280
3137EAE55	FHLMC Note	01/17/2020	2.0%	200,000	1.54	1.84	199,784.00	199,780
Money Market Fund FI			0.9%				94,032.75	94,032
31846V203	First American Govt Obligation Fund	01/18/2017	0.9%	94,032.75	0.01	0.01	94,032.75	94,032
US Corporate			26.0%				2,616,876.30	2,597,354
713448CW6	Pepsico Inc. Note	07/17/2017	1.3%	125,000	0.81	1.20	125,403.75	124,950
717081DJ9	Pfizer Inc. Note	05/15/2017	1.3%	125,000	0.84	1.03	125,300.00	125,020
084664BS9	Berkshire Hathaway Note	05/15/2017	1.3%	125,000	0.88	1.07	125,850.00	125,210
69371RL87	Paccar Financial Corp Note	06/06/2017	1.3%	125,000	0.90	1.13	125,241.25	124,980
166764BC3	Chevron Corp Note	11/09/2017	1.3%	125,000	0.91	1.22	125,707.50	125,120

36962G5W0	<u>General Electric Capital Corp Note</u>	04/27/2017	1.3%	125,000	0.92	1.07	126,527.50	125,42€
458140AL4	<u>Intel Corp Note</u>	12/15/2017	1.3%	125,000	0.94	1.21	125,742.50	125,15€
747525AG8	<u>Qualcomm Inc Note</u>	05/18/2018	1.3%	125,000	1.05	1.36	125,840.00	125,06€
594918BN3	<u>Microsoft Note</u>	08/08/2019	1.1%	115,000	1.14	1.55	114,881.55	113,69€
808513AK1	<u>Charles Schwab Corp Callable Note Cont 2/10/2018</u>	03/10/2018	1.0%	100,000	1.17	1.47	100,576.00	100,02€
48126EA5	<u>JP Morgan Note</u>	08/15/2017	1.3%	125,000	1.19	1.44	126,131.25	125,40€
24422ETE9	<u>John Deere Capital Corp Note</u>	01/08/2019	1.3%	125,000	1.26	1.66	126,957.50	125,691
30231GAP7	<u>Exxon Mobil Corp Note</u>	03/01/2019	1.3%	125,000	1.32	1.55	126,290.00	125,40€
02665WAH4	<u>American Honda Finance Note</u>	08/15/2019	1.3%	125,000	1.32	1.90	128,545.00	126,10€
037833AC3	<u>Apple Inc Note</u>	05/06/2019	1.3%	125,000	1.35	1.60	127,667.50	126,39€
68389XAX3	<u>Oracle Corp Note</u>	10/08/2019	1.3%	125,000	1.36	1.75	128,238.75	126,64€
89236TDE2	<u>Toyota Motor Credit Corp Note</u>	05/20/2019	1.2%	125,000	1.45	1.81	124,826.25	123,817
91159HHH6	<u>US Bancorp Callable Note Cont 3/25/2019</u>	04/25/2019	1.3%	125,000	1.48	1.79	127,482.50	126,09€
06406HCW7	<u>Bank of New York Callable Note Cont 8/11/2019</u>	09/11/2019	1.3%	125,000	1.53	1.85	127,923.75	126,41€
94974BFC8	<u>Wells Fargo Corp Note</u>	01/15/2019	1.3%	125,000	1.59	1.82	126,778.75	125,80€
40428HPH9	<u>HSBC USA Inc Note</u>	01/16/2018	1.3%	125,000	1.64	1.70	124,965.00	124,90€
US Treasury			27.0%				2,707,544.18	2,691,469
912828TG5	<u>US Treasury Note</u>	07/31/2017	2.0%	200,000	0.57	0.66	199,844.42	199,82€
912828UA6	<u>US Treasury Note</u>	11/30/2017	2.0%	200,000	0.61	0.81	200,039.73	199,687
912828K82	<u>US Treasury Note</u>	08/15/2018	2.0%	200,000	0.66	1.06	201,406.92	199,81€
912828XJ4	<u>US Treasury Note</u>	06/30/2017	1.0%	100,000	0.67	0.63	99,957.36	100,00€
912828RY8	<u>US Treasury Note</u>	12/31/2018	2.0%	200,000	0.67	1.16	203,453.79	200,84€
912828XK1	<u>US Treasury Note</u>	07/15/2018	2.0%	200,000	0.79	1.04	200,344.42	199,507
912828UF5	<u>US Treasury Note</u>	12/31/2019	2.0%	200,000	0.82	1.42	202,102.23	198,32€
912828UB4	<u>US Treasury Note</u>	11/30/2019	2.0%	200,000	0.82	1.39	201,172.54	197,81€
912828P20	<u>US Treasury Note</u>	01/31/2018	2.0%	200,000	0.84	0.88	199,703.79	199,72€
912828R51	<u>US Treasury Note</u>	05/31/2018	2.0%	200,000	0.87	0.99	200,008.48	199,69€
912828H52	<u>US Treasury Note</u>	01/31/2020	2.0%	200,000	1.00	1.45	201,649.11	198,84€
912828UV0	<u>US Treasury Note</u>	03/31/2020	2.0%	200,000	1.11	1.48	200,094.42	197,80€
912828K58	<u>US Treasury Note</u>	04/30/2020	2.0%	200,000	1.55	1.51	198,836.61	199,12€
912828XH8	<u>US Treasury Note</u>	06/30/2020	2.0%	200,000	1.78	1.56	198,930.36	200,461
			100.0%				10,040,116.56	9,979,32€

Active Lien Board Update

Balance as of 12/20/16: \$11,917.98

Payments received: \$204.72

New liens recorded: \$138.33

ACTIVE

Active liens value \$729.96

Number of active liens 5

WRITTEN OFF

Written off liens value \$11,121.63

Number of written off liens 56

Released liens 6/13/07 - 1/24/17: \$170,639.37

TEMESCAL VALLEY WATER DISTRICT

ANNUAL FINANCIAL REPORT

For the Fiscal Years Ended
June 30, 2016 and 2015

Temescal Valley Water District
Table of Contents
June 30, 2016 and 2015

TABLE OF CONTENTS

	Page
I. INDEPENDENT AUDITOR'S REPORT	1 - 3
II. MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11
III. BASIC FINANCIAL STATEMENTS	
Statement of Net Position	12
Statement of Revenues, Expenses and Changes in Net Position	13
Statement of Cash Flows	14 - 15
Statement of Fiduciary Assets and Liabilities	16
Notes to Financial Statements	17 - 34
IV. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the District's Proportionate Share of the Net Pension Liability	35
Schedule of Plan Contributions	36
V. SUPPLEMENTARY INFORMATION	
Organizational Information	37



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Temescal Valley Water District
Corona, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Temescal Valley Water District (the "District"), as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Temescal Valley Water District, as of June 30, 2016 and 2015, and the changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2016, the District adopted new accounting guidance, *GASB Statement No. 72, Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The schedule listed in the Supplementary Information section of the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule listed in the Supplementary Information section of the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used

to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule listed in the Supplementary Information section of the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 17, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Van Lant & Fankhaenel, LLP

January 17, 2017

TEMESCAL VALLEY WATER DISTRICT
Management's Discussion and Analysis
June 30, 2016

Our discussion and analysis of Temescal Valley Water District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the District's financial statements, which begin on page 12.

Financial Highlights

- The District's Net Position increased \$ 1,914,709 or 2.4 percent in the current year as a result of \$1,640,557 from operations and \$ 274,152 from other fees.
- Current assets and other restricted assets increased by \$ 1,726,206 mainly due to the net effect of a decrease in current assets of \$ 2,165,495 and an increase in restricted assets of \$ 3,891,701.
- Current year operating revenues increased by \$ 13,071. While operating expenses decreased by \$ 691,240 due mainly to lower cost of water purchase due to conservation.
- Capital asset contributions received from developers were zero in the current year and zero in the prior year, due to no granting of completed facilities within housing developments in the District's service area.
- Total revenues were \$8.9 million and \$ 8.9 million and total expenses were \$7.2 million and \$7.9 million for the current year and prior year, respectively.
- See accompanying charts for revenue and expense details, as well as capital expenditures.

Using This Annual Report

This annual report consists of a series of financial statements. The statements of net position and statements of revenues, expenses, and changes in net position (on pages 12 through 15) provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

Reporting on the District as a Whole

Our analysis of the District as a whole begins on page 4. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The statements of net position and the statements of revenues, expenses, and changes in net position, report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TEMESCAL VALLEY WATER DISTRICT
Management's Discussion and Analysis
(Continued)
June 30, 2016

These financial statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non financial factors, such as changes in the District's property tax base and the condition of the District's water and sewer facilities, to assess the overall health of the District.

The District reports in the statements of net position and the statements of revenues expenses, and changes in net position two types of activities, water and sewer services. All District activities are reported in these statements.

The District as a Whole

The District's net position increased to \$78.7 million from \$76.7 million. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) of the District's activities.

Table 1
Net Position (in Millions)
June 30

	2016	2015	2014
Capital assets	\$62.7	\$ 59.0	\$ 56.2
Current and other restricted assets	23.6	21.8	20.5
Total assets	<u>86.3</u>	<u>80.8</u>	<u>76.7</u>
Deferred Outflows of Resources	<u>.2</u>	<u>.1</u>	<u>0</u>
Current Liabilities	5.4	1.6	3.9
Noncurrent Liabilities	2.3	2.5	0
Total liabilities	<u>7.7</u>	<u>4.1</u>	<u>3.9</u>
Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Net Position			
Net Investment in Capital Assets	<u>60.5</u>	<u>56.7</u>	<u>56.3</u>
Unrestricted	<u>18.2</u>	<u>20.1</u>	<u>20.0</u>
Total net position	<u>\$78.7</u>	<u>\$76.8</u>	<u>\$76.3</u>

The net position increased by \$1,914,709 in 2016, \$1,153,683 in 2015 and \$4,386,906 in 2014. Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) decreased by \$2,082,351. This decrease arose primarily from an investment in capital assets.

TEMESCAL VALLEY WATER DISTRICT
Management's Discussion and Analysis
(Continued)
June 30, 2016

Table 2
Changes in Net Position (in millions)
June 30

	2016	2015	2014
Operating revenues	\$ 8.9	\$8.9	\$11.9
Operating expenses	7.3	7.9	7.8
Operating income (loss)	1.6	0.9	4.1
Non-operating revenues, net	.3	.2	.2
Capital contributions	-	-	-
Change in net position	\$1.9	\$1.1	\$ 4.3

The District's operating revenues remained the same as prior year. Operating expenses decreased by 7.6 percent. The factors driving these results include:

- Operating revenues remained the same as prior year. Operating expenses decreased by 7.6% due to a decrease in the purchase of water due to conservation.
- The District had 4,736 active water services at June 30, 2016 as compared to 4,670 active services at June 30, 2015 and 4,611 active services at June 30, 2014. This represents a net increase of 59 active meters or 1.3 percent.
- Capital asset contributions by developers were zero in 2016, zero in 2015, and zero in 2014 as a result of the completion and dedication of new water and sewer facilities within the new housing developments inside the District.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the District had \$67.6 million invested in a broad range of capital assets including land, water reclamation facilities, reservoirs, water transportation facilities, water and sewer mains, and sewage collection, treatment, and disposal systems, and buildings and equipment (see Table 3 below).

TEMESCAL VALLEY WATER DISTRICT
Management's Discussion and Analysis
(Continued)
June 30, 2016

Table 3
Capital Assets at Year-End (in millions)
June 30

	2016	2015	2014
Land	\$.9	\$.9	\$.9
Water capacity rights	13.5	13.5	13.5
Construction in progress	2.5	2.3	2.5
Capital assets (net of depreciation)	45.8	42.2	41.3
	\$ 62.7	\$ 58.9	\$ 56.2

Debt

At June 30, 2016, the District had \$2,245,321 in long-term debt.

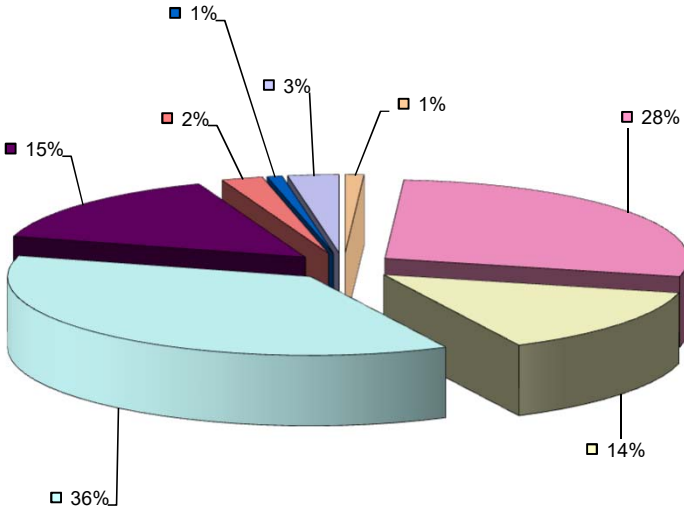
Factors Bearing on the District's Future

The District is currently experiencing very little growth in residential housing within its service area. In the 2015-2016 fiscal year, the customer base increased only by 1.4 percent. New and planned residential communities totaling approximately 1,875 residences are projected to be completed in the future. This new growth will increase the size of the District's customer base. These planned residential communities are in various stages of construction and planning. As water and sewer facilities are completed and accepted by the District, the facilities will become part of the District's capital assets and subject to operation by the District.

Contacting the District's Financial Management

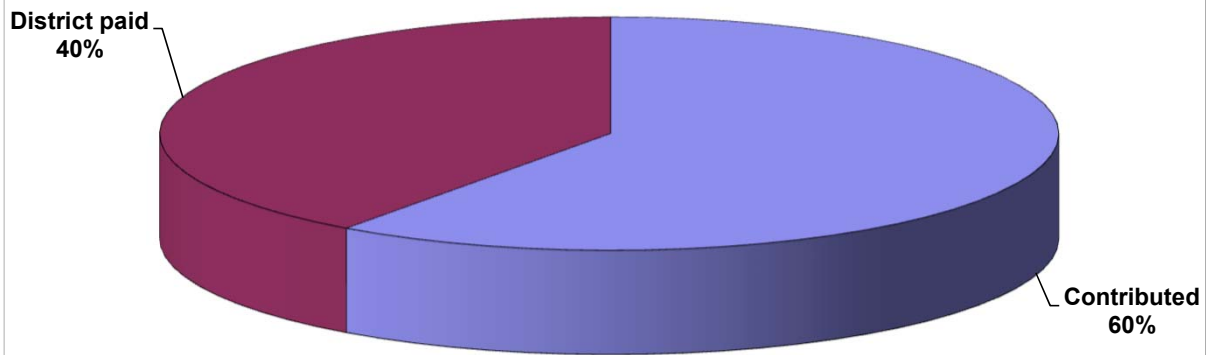
The financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Manager at: Temescal Valley Water District, 22646 Temescal Canyon Road, Temescal Canyon, California 92883.

**Temescal Valley Water District
Capital Assets
June 30, 2016**



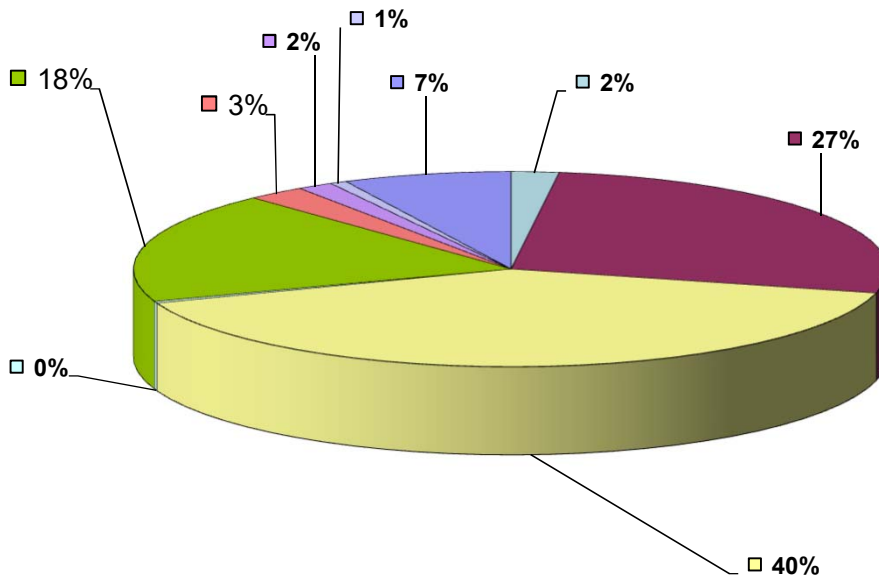
■ Land	■ Water reclamation facility	■ Reservoirs & water transportation facilities	■ Water, sewer & recycled mains
■ Water capacity rights	■ Equipment	■ Office building improvements	■ Construction in progress

**Temescal Valley Water District
Percentage of Capital Assets Contributed
June 30, 2016**



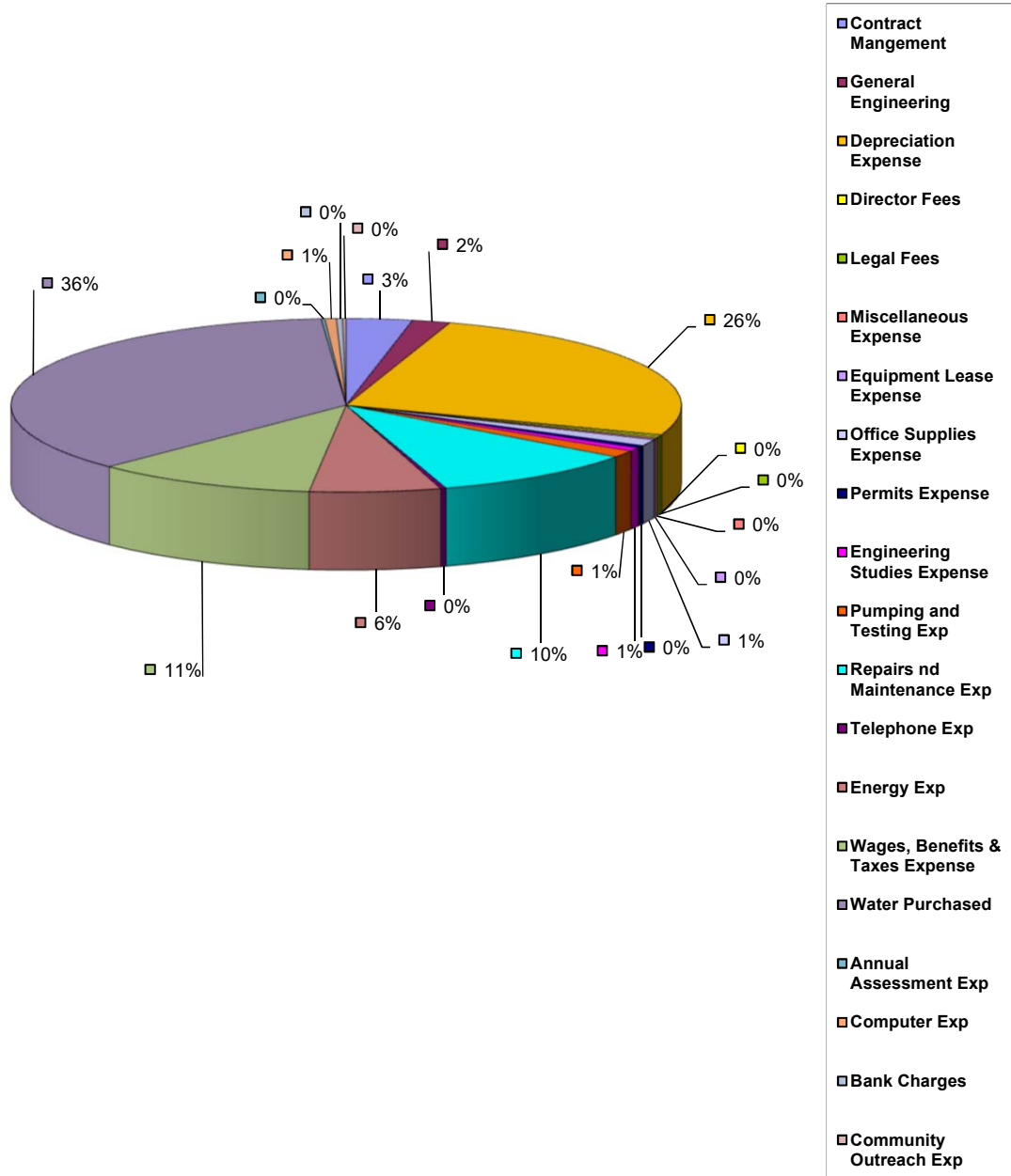
■ Contributed ■ District paid

**Temescal Valley Water District
Operating Revenue
Year ended June 30, 2016**



- | | |
|---------------------------------|-------------------------------|
| Standby charges | Sewer service fees |
| Water service fees | Connection fees |
| Recycled/Nonpotable water sales | MWD Readiness to serve charge |
| Property Taxes | Interest income |
| Other | |

**Temescal Valley Water District
Operating Expenses
Year ended June 30, 2016**



BASIC FINANCIAL STATEMENTS

Temescal Valley Water District
Statement of Net Position
June 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 17,428,054	\$ 19,586,023
Accounts Receivable:		
Utility	870,741	839,185
Other	273,253	229,330
Accrued Interest Receivable	12,917	8,025
Prepaid Expenses	-	5,085
Inventory	79,778	160,521
Total Current Assets	18,664,743	20,828,169
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	4,896,607	1,004,906
Capital Assets Not Being Depreciated:		
Land	902,118	902,118
Water Capacity Rights	13,503,639	13,503,639
Construction in Progress	2,454,558	2,324,411
Capital Assets, Net of Accumulated Depreciation	45,871,760	42,239,926
Total Noncurrent Assets	67,628,682	59,975,000
Total Assets	86,293,425	80,803,169
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Related Items	158,570	113,747
LIABILITIES		
Current Liabilities:		
Accounts Payable	238,272	278,843
Payable to Other Governmental Agencies	267,636	244,197
Due to Agency Fund	3,954,091	-
Accrued Salaries and Refunds	54,289	57,255
Related Party Payable	26,587	17,570
Excess Sewer Capacity Deposits	98,330	98,330
Other Deposits	844,186	906,576
Total Current Liabilities	5,483,391	1,602,771
Noncurrent Liabilities:		
Net Pension Liability	10,501	30,099
Loan Payable	2,245,321	2,478,515
Total Noncurrent Liabilities	2,255,822	2,508,614
Total Liabilities	7,739,213	4,111,385
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Related Items	46,602	54,060
NET POSITION		
Net Investment in Capital Assets	60,486,754	56,489,694
Unrestricted	18,179,426	20,261,777
Total Net Position	\$ 78,666,180	\$ 76,751,471

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Standby Charges	\$ 186,926	\$ 157,347
Sewer Service Fees	2,469,186	2,441,241
Water Service Fees	5,387,057	5,594,465
Connection Fees	28,038	101,688
Service Meter Income	27,400	23,800
Other	796,715	563,710
Total Operating Revenues	8,895,322	8,882,251
OPERATING EXPENSES		
Annual Assessment Processing	11,542	11,390
Bank Charges	21,198	19,893
Computer System	39,696	27,282
Community Outreach	11,981	
Contract Work - Management and Administrative	226,485	221,000
Contract Work - Operations and Engineering	130,302	88,870
Depreciation and Amortization	1,819,131	1,846,854
Director Fees	12,543	10,899
Insurance	66,092	63,033
Legal and Accounting	26,758	40,295
Map Updating		11,548
Miscellaneous	18,611	4,085
Office Equipment Rental	13,860	12,040
Office Supplies and Expenses	84,299	98,275
Operating Study	12,293	23,432
Permits	33,547	35,877
Plan Check/Inspection Fees and Studies	47,848	10,773
Pumping and Testing	92,670	102,346
Repairs, Maintenance, and Supplies	716,898	962,982
Telephone and Utilities	518,223	480,963
Wages, Employee Benefits, and Payroll Taxes	762,684	829,571
Water - Purchased	2,588,104	3,044,597
Total Operating Expenses	7,254,765	7,946,005
Operating Income (Loss)	1,640,557	936,246
NON-OPERATING REVENUES (EXPENSES)		
Property Taxes	141,315	131,679
Interest Income	65,635	33,185
Other	67,202	25,713
Total Non-Operating Revenues (Expenses)	274,152	190,577
Change in Net Position	1,914,709	1,126,823
Net Position - Beginning of Year	76,751,471	75,597,788
Restatement of Net Position	-	26,860
Net Position - End of Year	\$ 78,666,180	\$ 76,751,471

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Statement of Cash Flows
For the Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 8,819,843	\$ 8,886,485
Payments to Employees	(837,529)	(819,607)
Payments to Suppliers	(4,625,220)	(5,518,443)
Other Revenue	67,202	25,713
Net Cash Provided (Used) By Operating Activities	3,424,296	2,574,148
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Taxes	141,315	131,679
Net Cash Provided (Used) by Noncapital Financing Activities	141,315	131,679
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Loans	-	2,644,000
Principal Payments on Loans	(233,194)	(165,485)
Purchases of Capital Assets	(5,553,198)	(4,639,425)
Net Cash Provided (Used) By Capital and Related Financing Activities	(5,786,392)	(2,160,910)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Cash and Cash Equivalents	62,812	30,947
Net Cash (Used) Provided By Investing Activities	62,812	30,947
Net (Decrease) Increase in Cash and Cash Equivalents	(2,157,969)	575,864
Cash and Cash Equivalents - Beginning of Year	19,586,023	19,010,159
Cash and Cash Equivalents - End of Year	\$ 17,428,054	\$ 19,586,023

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Statement of Cash Flows - Continued
For the Years Ended June 30, 2016 and 2015

	2016	2015
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 1,640,557	\$ 936,246
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,819,131	1,846,854
Other Revenue	67,202	25,713
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable:		
Utility	(31,556)	8,940
Other	(43,923)	(4,706)
(Increase) Decrease in Prepays	5,085	52,621
(Increase) Decrease in Inventory	80,743	(95,261)
(Increase) Decrease in Deferred Outflows Related to Pensions	(44,823)	(30,453)
Increase (Decrease) in Accounts Payable	(70,554)	(26,203)
Increase (Decrease) in Payable to Other Governmental Agencies	23,439	(151,587)
Increase (Decrease) in Accrued Salaries and Refunds	(2,966)	12,692
Increase (Decrease) in Net Pension Liability	(19,598)	(26,335)
Increase (Decrease) in Deferred Inflows Related to Pensions	(7,458)	54,060
Increase (Decrease) in Related Party Payable	9,017	(28,433)
	<u>\$ 3,424,296</u>	<u>\$ 2,574,148</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets on account	\$ 144,334	\$ 114,351

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Statements of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and Investments with Fiscal Agent	\$ 10,065,186	\$ 12,773,195
Due from Water District	3,954,091	
Total Assets	\$ 14,019,277	\$ 12,773,195
LIABILITIES		
Due to Bondholders	\$ 14,019,277	\$ 12,773,195
Total Liabilities	\$ 14,019,277	\$ 12,773,195

The accompanying notes are an integral part of this statement.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The reporting entity includes the accounts of the general District and the related improvement districts located within the service area of the general District. The District is a special district created for the purpose of providing water, water treatment, and sewage disposal services to customers within its service area. The District has a contract to purchase a majority of their water from Western Municipal Water District. In a past year, the District's board of directors ratified the formation of the Lee Lake Water District Financing Corporation to facilitate the issuance of certificates of participation. The certificates may be issued to assist in the financing of costs of design and engineering of certain sewer system and water system improvements. Although the Financing Corporation qualifies as a component unit for inclusion within these financial statements, the certificates have not been issued and there has been no other activity to record in these financial statements to date. As of July 1, 2015, the District, formerly named the Lee Lake Water District, officially changed the name to Temescal Valley Water District.

Basis of Accounting and Measurement Focus

As a governmental agency, the District is subject to accounting and reporting standards established by the Governmental Accounting Standards Board (GASB). As the majority of revenues consist of water sales and related services, the District as a whole, for financial statements purposes, is classified as a proprietary fund. Separate financial statements are provided for the proprietary fund and the agency fund. The District uses the accrual basis of accounting. The financial activities of the District are accounted for using the economic resources measurement focus. Under this method, all assets and liabilities associated with its operations are included on the statement of net position; revenues are recorded when earned and become measurable; and expenses are recorded when liabilities are incurred.

The District reports its water and sewer operations as a single enterprise fund. Additionally, the District reports an agency fund to account for money received by the District as an agent for individuals, other governments and other entities. Specifically, the District accounts for activities of the Community Facilities Districts in the agency fund. The agency fund is reported using the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents. The District invests funds with the State of California Pooled Local Agency Investment Fund (LAIF). Due to the high liquidity of this investment, the funds are classified as a cash equivalent. Fair value in external investments pools such as LAIF are determined based on the District's pro rate share of the fair value of the Pool's underlying portfolio. Some of the cash and cash equivalents have been classified as restricted in accordance with applicable standards, and are not included in the statement of cash flows.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventory

Inventory consists of supplies and excess Equivalent Dwelling Units (EDUs) and is recorded at the lower of cost (first-in, first-out) or market.

Capital Assets

The District records the acquisition of capital assets and additions, improvements, and other capital outlays that significantly extend the life of an asset. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. Capital assets purchased by the District are carried at cost. Assets are depreciated using the straight-line method of depreciation over their estimated useful lives ranging from five to fifty years.

Revenue and Expenses

Revenues and expenses are distinguished between operating and nonoperating items. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are fees in connection with providing water and sewer services to customers.

Operating expenses include the costs of providing water and sewer services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Property Taxes

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	March	
Levy Date	July 1 to June 30	
Due Date	November 1	1st Installment
	March 1	2nd Installment
Collection Date	December 10	1st Installment
	April 10	2nd Installment

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The District assesses its property taxes through the County tax rolls. Property taxes are recognized as revenue in the period for which the taxes are levied.

Reclassification

Certain reclassifications have been made to prior fiscal year amounts to conform with the current fiscal year financial statement presentations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District reports deferred outflows as a result of the District's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows as a result of the District's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

Net Position

The difference between assets and liabilities is reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net investment in capital assets, consist of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position reflects the carrying value of assets less related liabilities that have external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position represents the remaining fund equity balance.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position.

Pension Plan

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

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2016 and June 30, 2015 are classified in the accompanying financial statements as follows:

	2016	2015
Statement of Net Position:		
Cash and Cash Equivalents	\$ 17,428,054	\$ 19,586,023
Restricted Cash and Cash Equivalents	4,896,607	1,004,906
Total Cash and Investments - Statement of Net Position	\$ 22,324,661	\$ 20,590,929
Statement of Fiduciary Assets and Liabilities:		
Cash and Investments with Fiscal Agent	\$ 10,065,186	\$ 12,773,195

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

2) CASH AND INVESTMENTS - Continued

Cash and investments as of June 30, 2016 and June 30, 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Cash on Hand	\$ 400	\$ 400
Deposit with Financial Institutions	7,982,044	6,311,123
Investments in LAIF	<u>14,342,217</u>	<u>14,279,406</u>
 Total Cash and Investments	 <u>\$22,324,661</u>	 <u>\$ 20,590,929</u>
 Cash and Investments with Fiscal Agent:		
Money Market Funds	<u>\$ 10,065,186</u>	<u>\$ 12,773,195</u>
 Total Cash and Investments with Fiscal Agent	 <u>\$ 10,065,186</u>	 <u>\$ 12,773,195</u>

Investments Authorized by the District's Investment Policy

The table below identifies the investment types that are authorized by the District's investment policy, which is in accordance with the California Government Code. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provision of the California Government Code or the District's investment policy:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Allowable Investment Percentage</u>	<u>Maximum in one Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	75%	None
U.S. Agency Securities	5 years	60%	\$6,000,000
Banker's Acceptances	180 days	20%	\$2,000,000
Commercial Paper	270 days	20%	10%
Negotiable Certificates of Deposits	5 years	30%	\$7,500,000
Medium-Term Notes	5 years	30%	\$1,000,000
Mutual Funds	None	20%	\$1,000,000
Money Market Mutual Funds	None	20%	\$1,000,000
County Pooled Investments	None	None	None
Local Agency Investment Fund (LAIF)	None	100%	100%
Community Facility District	None	40%	None
Assessment District	None	40%	None

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2016:

		Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
LAIF	\$ 4,330,765	\$ 4,330,765	\$ -	\$ -	\$ -
U.S. Treasury Obligations	1,002,932	400,229	401,625	201,078	-
U.S. Agency Securities	3,478,955	248,536	803,230	2,427,189	-
Commercial Paper	448,627	448,627	-	-	-
Money Market Funds	2,959,205	2,959,205	-	-	-
Negotiable CD	249,967	249,967	-	-	-
Medium-Term Notes	1,871,766	626,104	351,828	893,834	-
Cash and Investments with Fiscal Agent:					
Money Market Funds	<u>10,065,186</u>	<u>10,065,186</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 24,407,403</u>	<u>\$ 19,328,619</u>	<u>\$ 1,556,683</u>	<u>\$ 3,522,101</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

2) CASH AND INVESTMENTS - Continued

Investment Type		Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A	Not Rated
LAIF	\$ 4,330,765	N/A	\$ -	\$ -	\$ -	\$4,330,765
U.S. Treasury Obligations	1,002,932	N/A	1,002,932	-	-	-
U.S. Agency Securities	3,478,955	N/A	-	3,478,955	-	-
Commercial Paper	448,627	A	-	-	448,627	-
Money Market Funds	2,959,205	AAA	2,959,205	-	-	-
Negotiable CD	249,967	N/A	-	-	249,967	-
Medium-Term Notes	1,871,766	A	-	758,958	1,112,808	-
Cash and Investments with Fiscal Agent:						
Money Market Funds	<u>10,065,186</u>	AAA	<u>-</u>	<u>10,065,186</u>	<u>-</u>	<u>-</u>
Total	<u>\$24,407,403</u>		<u>\$3,962,137</u>	<u>\$14,303,099</u>	<u>\$1,811,402</u>	<u>\$4,330,765</u>

Concentration of Credit Risk

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments (other than U.S. Treasury securities, mutual funds and external investment pools).

Custodial Credit Risk

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

As of June 30, 2016 and June 30, 2015, the District had deposits with financial institutions in excess of federal depository insurance limits of \$7,732,044 and \$6,440,108, respectively, which were collateralized by securities held by the pledging Financial Institution's Agent but not in the District's name.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

2) CASH AND INVESTMENTS - Continued

Fair Value of Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2016:

- U.S. Treasury Obligations of \$1,002,932 are valued using quoted marked prices (Level 1 inputs)
- U.S. Agency Securities of \$3,478,955 are valued using institutional bond quotes (Level 2 inputs)
- Commercial Paper of \$448,627 is valued using a matrix pricing model (Level 2 inputs)
- Negotiable CD's of \$249,967 are valued using market prices (Level 2 inputs)
- Medium-Term Notes of \$1,871,766 are valued using institutional bond quotes (Level 2 inputs)

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

All temporary investments are with the Local Agency Investment Fund (LAIF) administered by the State Treasurer's Office. The yield of LAIF for the quarter ended June 30, 2016 was 0.552%. The estimated amortized cost and fair value of the LAIF Pool at June 30, 2016 was \$75,395,751,047 and \$75,442,588,513, respectively. The District's share of the Pool at June 30, 2016 was approximately .006 percent. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each local government may invest up to \$65,000,000 in the Fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments in LAIF are secured by the full faith and credit of the State of California. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of asset-backed securities totaling \$1,718,918,000. LAIF's (and the District's) exposure to risk (credit, market or legal) is not currently available.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

3) CAPITAL ASSETS

Capital assets are presented as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 902,118	\$ -	\$ -	\$ 902,118
Water Capacity Rights	13,503,639	-	-	13,503,639
Construction in Progress	2,324,411	130,147	-	2,454,558
Total Capital Assets, Not Being Depreciated	16,730,168	130,147	-	16,860,315
Capital Assets, Being Depreciated:				
Water Reclamation Facility	22,063,942	160,818	-	22,224,760
Reservoirs	10,544,570	1,865,258	-	12,409,828
Water and Sewer Mains	30,118,239	2,920,893	-	33,039,132
Office Building Improvements	191,354	-	-	191,354
Sewage Systems (Improvement Districts)	2,381,665	397,747	-	2,779,412
Equipment - Water and Sewer	1,989,950	-	-	1,989,950
Administration Building	529,200	-	-	529,200
Well Systems	46,014	106,249	-	152,263
Total Capital Assets, Being Depreciated	67,864,934	5,450,965	-	73,315,899
Less Accumulated Depreciation:				
Water Reclamation Facility	(12,275,134)	(729,880)	-	(13,005,014)
Reservoirs	(2,665,104)	(261,541)	-	(2,926,645)
Water and Sewer Mains	(6,808,107)	(618,580)	-	(7,426,687)
Office Building Improvements	(76,860)	(15,904)	-	(92,764)
Sewage Systems (Improvement Districts)	(2,119,831)	(54,630)	-	(2,174,461)
Equipment - Water and Sewer	(1,461,532)	(115,620)	-	(1,577,152)
Administration Building	(203,488)	(20,900)	-	(224,388)
Well Systems	(14,952)	(2,076)	-	(17,028)
Total Accumulated Depreciation	(25,625,008)	(1,819,131)	-	(27,444,139)
Total Capital Assets Being Depreciated, Net	42,239,926	3,631,834	-	45,871,760
Capital Assets, Net	\$ 58,970,094	\$ 3,761,981	\$ -	\$ 62,732,075

*The beginning balance was adjusted by (\$167,384) for amounts that were recorded as Construction in Progress in the prior year but should have been more appropriately reported as accounts receivable. This adjustment has no effect on the beginning net position of the District.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

4) EXCESS SEWER CAPACITY DEPOSITS

In connection with the District's construction of its water reclamation plant, the District can offer "excess" sewer capacity to individuals outside Community Facilities Districts (CFD) 87-5 and 89-1. According to the agreement, the District shall pay to the CFDs, without interest, the reimbursement amount for the oversized sewer capacity utilized by the connection of those parties outside the CFDs. As of June 30, 2016 and 2015, the District held deposits of \$98,330 and \$98,330, respectively, from individuals interested in hooking up to the District's plant. Payment to the CFDs shall be due upon receipt of the full connection fee or commencement of service, whichever is earlier.

5) DESIGNATIONS OF DISTRICT UNRESTRICTED NET POSITION

For the amounts reported as unrestricted net position in these financial statements, the District's Board of Directors has designated \$15,183,815 to be set aside for the future major refurbishing or replacement of the wastewater utility plant as of June 30, 2016.

6) DEFINED BENEFIT PENSION PLAN

General Information about the Defined Benefit Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors 2 rate plans (both are miscellaneous.) Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2014 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2014 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

6) DEFINED BENEFIT PENSION PLAN – Continued

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensation	2%	2%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	8.597% + \$1,050	6.25%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The District's required contribution for the unfunded liability was \$1,050 in fiscal year 2016.

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

The District's contributions to the Plan for the year ended June 30, 2016 were \$49,928

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

As of June 30, 2016, the District reported \$10,501 net pension liability for its proportionate share of the net pension liability.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

6) DEFINED BENEFIT PENSION PLAN – Continued

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.00048%
Proportion - June 30, 2015	0.00015%
Change - Increase (Decrease)	-0.00033%

For the year ended June 30, 2016, the District recognized pension expense of \$29,413. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 49,928	\$ -
Differences between actual and expected experience	3,281	-
Changes in assumptions	-	31,041
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	105,361	-
Net differences between projected and actual earnings on plan investments	-	15,561
	<u> </u>	<u> </u>
Total	<u>\$ 158,570</u>	<u>\$ 46,602</u>

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

6) DEFINED BENEFIT PENSION PLAN – Continued

\$49,928 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,		
2017	\$	22,245
2018		22,349
2019		17,157
2020		289
2021		-
Thereafter		-

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.65%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

Changes of Assumptions:

GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

6) DEFINED BENEFIT PENSION PLAN – Continued

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

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

6) DEFINED BENEFIT PENSION PLAN – Continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

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

1% Decrease	6.65%
Net Pension Liability	\$ 17,610
Current Discount Rate	7.65%
Net Pension Liability	\$ 10,501
1% Increase	8.65%
Net Pension Liability	\$ 4,631

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

Payable to the Pension Plan

At June 30, 2016, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

7) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Premiums are paid annually by the District.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2016 and June 30, 2015, there were no such liabilities to be reported.

8) DEBT WITHOUT DISTRICT COMMITMENT

The District has issued \$79,145,000 in Community Facilities District Special Tax Bonds to finance the acquisition and construction of public improvements within the Community Facilities Districts No. 1, 2, and 3. In July of 2014, the bonds were refinanced and combined into Series A and Series B bonds of \$51,695,000 and \$18,045,000. The refinanced bonds have the same maturity dates with a lower interest rate. The Bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982, and are special obligations of the District payable solely from revenues derived from special taxes levied on taxable land within the Community Facilities Districts. The Bonds are not general obligations of the District. Neither the faith and credit of the District, nor of either County, nor the State or any related political subdivision, is pledged to the payment of the Bonds. Therefore, these Bonds are not reflected as debt in the District's financial statements. As of June 30, 2016, the remaining balance on the bonds was \$65,870,000.

9) COMMITMENTS AND CONTINGENCIES

Construction Commitments

The District has active construction projects as of June 30, 2016. At year-end the District's commitments are as follows:

	Costs Incurred	Remaining Commitment
Recycled Pipeline	\$ 1,852,401	\$ 3,240,256
Dawson Canyon Reservoir - Design	11,505	133,495
Dawson Canyon Reservoir - Build	18,994	2,197,006
Total	\$ 1,882,900	\$ 5,570,757

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

10) RELATED PARTY TRANSACTIONS

The District contracts with Dudek & Associates for management and engineering services. The services of the general manager for the District are hired under this contract. The general manager has an ownership interest in Dudek & Associates. The District owed Dudek & Associates \$26,587 and \$17,570 at June 30, 2016 and 2015, respectively, for services received. In addition, the District incurred the following costs to Dudek & Associates for the years ended June 30, 2016 and 2015 as follows:

	June 30,	
	2016	2015
General Management	\$ 226,485	\$ 235,326
Engineering and Special Projects	50,031	146,752
Total	\$ 276,516	\$ 382,078

11) LOAN PAYABLE

In the 2014-15 Fiscal year, the District entered into a loan agreement with the Elsinore Valley Municipal Water District (EVMWD) to purchase a pipeline owned by EVMWD for \$2,644,000. Under the terms of the agreement, in exchange for the pipeline, EVMWD received the right to use the District's excess capacity water rights from Western Municipal Water District (WMWD). The loan balance is reduced based on EVMWD's purchases of the District's excess water capacity. EVMWD's purchases from year to year are expected to fluctuate and, therefore, the final maturity of the loan is unknown because there is not an established repayment schedule. During the 2015-16 fiscal year, EVMWD purchased \$233,194 of the District's excess capacity rights from WMWD. The remaining loan balance as of June 30, 2016 and June 30, 2015 was \$2,245,321 and \$2,478,515, respectively.

12) JOINT VENTURE

The District is a member of the California Finance Authority for Delinquent Special Taxes and Assessments (Authority), along with the Cities of Norco and Riverside. The Authority was established to implement and finance a program for the purchase from the member agencies of delinquent special taxes, assessments and property-related fees and charges that are collected on the secured property tax roll. The District has determined to assign to the Authority certain delinquent special taxes (levied under the Mello-Roos Community Facilities Act of 1982) in consideration of the agreement by the Authority to pay the purchase price to the District for such liens and to assume all responsibility and pay all costs in connection with the enforcement and collection of such liens. Separate financial statements for the Authority are currently not available.

Temescal Valley Water District
Notes to Financial Statements
June 30, 2016 and 2015

13) DUE TO AGENCY FUND

The District, as a pass-through agency, held property tax assessments for the Community Facilities Districts as of June 30, 2016 of \$3,954,091. This amount represents the amounts received by the District prior to June 30, 2016 for the benefit of the Community Facilities District (Agency Fund) because it was not deemed practical as described in the GASB 68 pronouncement.

REQUIRED SUPPLEMENTARY INFORMATION

Temescal Valley Water District
Required Supplementary Information
June 30, 2016 and 2015

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
Last 10 Years*

	Measurement Period	
	2015	2014
Proportion of the Net Pension Liability	0.00015%	0.00048%
Proportionate Share of Net Pension Liability	\$ 10,501	\$ 30,099
Covered - Employee Payroll	\$ 603,039	\$ 572,273
Proportionate Share of the Net Pension Liability as a percentage of Payroll	1.74%	5.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.84%	91.51%

Notes to the Schedule of the District's Proportionate Share of the Net Pension Liability

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

Temescal Valley Water District
Required Supplementary Information
June 30, 2016 and 2015

SCHEDULE OF PLAN CONTRIBUTIONS
Last 10 Years*

	2016	2015
Contractually Required Contributions (actuarially determined)	\$ 49,928	\$ 48,665
Contributions in Relation to the Actuarially Determined Contributions	(49,928)	(48,665)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 592,447	\$ 603,039
Contributions as a Percentage of Covered Employee Payroll	8.43%	8.07%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2014

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

SUPPLEMENTARY INFORMATION

TEMESCAL VALLEY WATER DISTRICT
Organizational and Insurance Information

June 30, 2016

Organizational Information

The Lee Lake Water District (the "District") was formed December 27, 1965 for the purpose of providing irrigation, industrial, and domestic water for the District area. The District was formed and is governed by the California Water Code Section 34000. The area encompasses approximately 6,700 acres or 10-1/2 square miles of land south and east of the City of Corona following the floor of Temescal Canyon to a boundary in the vicinity of Indian Truck Trail. The District's service area is predominantly business, agricultural, unimproved, and includes residential homes as of June 30 of 4,736 for 2016, 4,679 for 2015, and 4,605 for 2014.

In February 1979, the District formed Improvement District No.1 to operate a wastewater treatment facility to serve Tract 11959 which is located at the intersection of Maitre Road and Highway 71. The facility was completed during the year ended June 30, 1984.

In August 1983, the District formed Improvement District No.2 to operate a wastewater treatment facility to serve Tract 13990 in the unincorporated area of Riverside County. A facility was completed and accepted by the District as of October 1990.

January 1992 marked the completion and the subsequent operation of the District's facilities first water reclamation facility. Those facilities include a wastewater reclamation plant sewer, and water mains. The District has expanded the water reclamation facility to 1.57 mg/day and operates six tanks and seven pressure zones to deliver potable and non-potable water.

As of July 1, 2015 Lee Lake Water District has changed its name by resolution to Temescal Valley Water District.

The officers of the District and the date of expiration of terms of office are as follows:

Charles Colladay	President	November	2019
Paul Rodriguez	Vice President/Secretary	November	2017
Grant Destache	Board Member-Engineering Com	November	2017
John Butler	Board Member-Engineering Com	November	2019
Damon De Frates	Board Member-Finance Com	November	2017

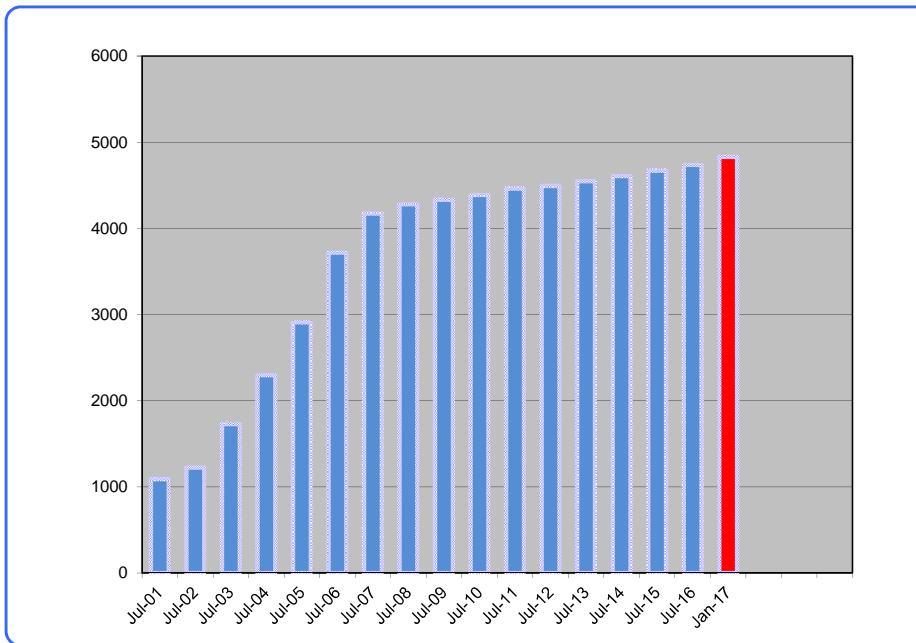
Insurance

The District maintains a commercial general liability, wrongful acts, employment practices, and employment benefit liability policy with coverage in the amount of \$1,000,000 for each occurrence and aggregate coverage of \$3,000,000, fire damage coverage for any one fire of \$1,000,000, hired and non-owned auto liability coverage of \$1,000,000 per accident and excess liability coverage per occurrence/aggregate limit of insurance of \$5,000,000, and property insurance in the amount of \$22,468,981. The District also has crime coverage in the amount of \$250,000 for employee dishonesty and forgery or alteration, \$250,000 for theft, disappearance or destruction, and \$100,000 for computer fraud. As mandated by the State, the District has covered all employees with a workers' compensation policy through the State Compensation Insurance Fund.

TEMESCAL VALLEY WATER DISTRICT CUSTOMER COUNT PER YEAR(RESIDENTIAL)

(Excludes SID#1 and SID#2 sewer customers)

DATE	Jul-01	Jul-02	Jul-03	Jul-04	Jul-05	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Jul-16	Jan-17
CUSTOMERS	1090	1223	1729	2295	2910	3718	4173	4279	4332	4386	4463	4492	4547	4605	4670	4736	4830



RESIDENTIAL	Total Homes	Completed Homes	
Wildrose Ranch	1043	1043	100%
Trilogy at Glen Ivy	1317	1317	100%
Painted Hills	204	204	100%
Canyon Oaks	26	26	100%
Montecito Ranch	305	305	100%
Sycamore Creek	1748	1418	81%
The Retreat	525	517	98%
Toscana Hills	1443	0	0%
	<u>6611</u>	<u>4830</u>	73%

TOTAL CUSTOMER COUNT REPORT
December 31, 2016

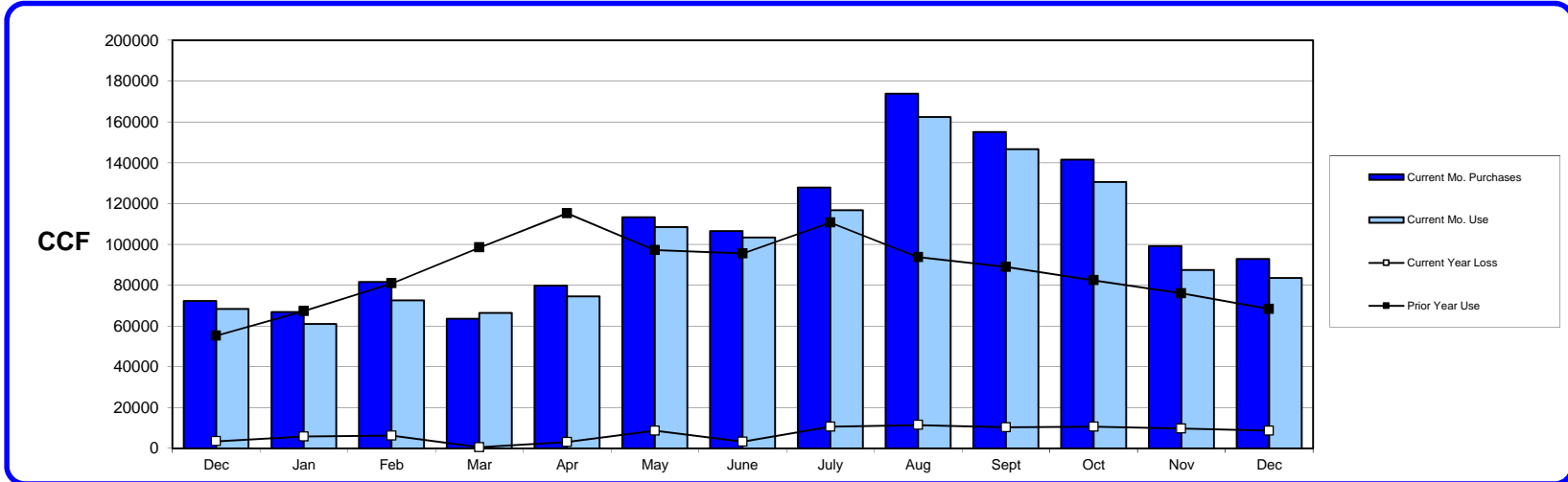
	Water & Sewer	Water Only	Sewer Only	Count
New homes added 4 Accts closed/transferred 57 Empty Homes 8			Butterfield (305) Calif. Meadows (345)	
Residential	4958	2	650	5610
Commercial	84	0	2	86
Commercial-fireheld inactive	41			41
Public Govt	3	1	0	4
Irrigation-Industrial	0	66	0	66
Non-Potable Water other	0	136	0	136
Construction-Bulk Sales	0	6	0	6
Total Active Customers				

DELINQUENT REPORT

Meters Read - Customers Billed	5256	
Received Delinquent Notice on current bill	427	8.12%
Turned Off for lack of payment	0	0.00%
Customers turned back on, amount paid	0	0.00%

WATER USAGE REPORT FOR THIRTEEN MONTHS

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
Beg Water Levels	7718	8157	8223	11024	7649	9846	8387	8502	9117	9865	7982	8320	10346	
Ending Water Levels	8157	8223	11024	7649	9846	8387	8502	9117	9865	7982	8320	10346	11057	
Cur Yearly Purchases	72145	66752	81421	63424	79673	113267	106499	127829	173678	154992	141397	99087	92774	1372938
Cur Yr Monthly Use	68282	60973	72419	66313	74479	108426	103216	116641	162272	146618	130468	87384	83501	1280992
Prior Yr Monthly Use	55145	67177	80811	98395	115197	97158	95479	110679	93626	88794	82309	75904	68282	1128956



SUMMARY

CCF

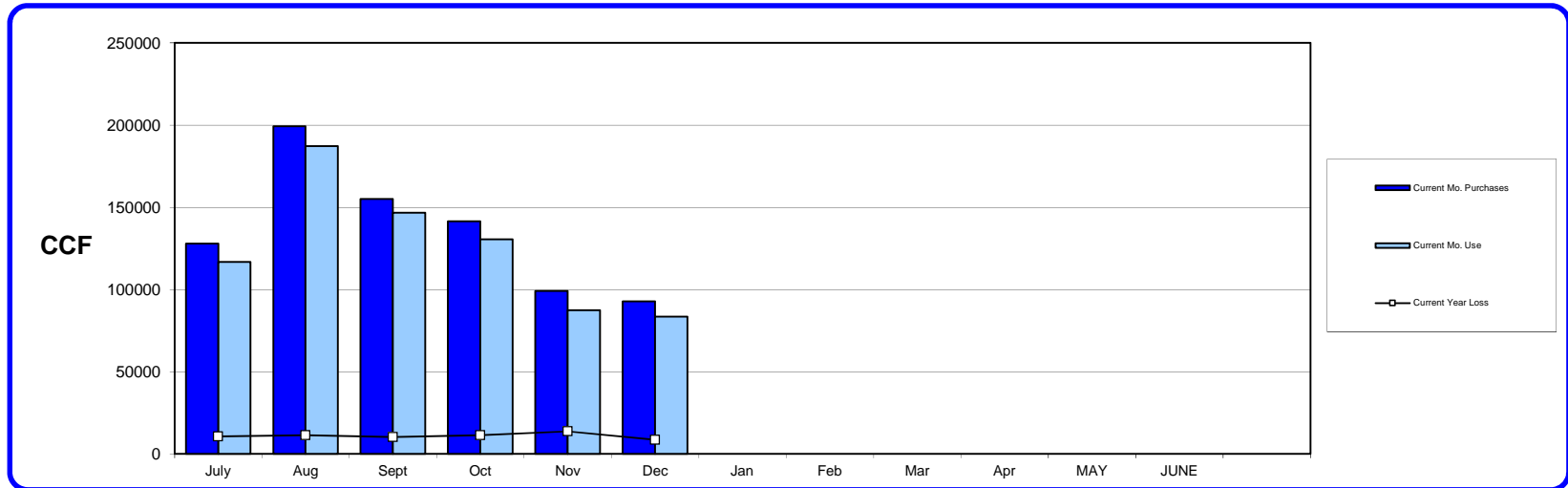
Beginning Water in System 7718 CCF
 Water Purchased in last 13 months 1372938 CCF
 Water Used in last 13 months 1280992 CCF
 Water Remaining in System 11057 CCF
 (Loss)/Gain over last 13 months (88607) CCF

-6.45%

KEY
2014-2015
2015-2016
2016-2017

WATER USAGE REPORT FOR FY 2016-2017

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	TOTAL
Beg Water Levels	8502	9117	9865	7982	8320	10346							
Ending Water Levels	9117	9865	7982	8320	10346	11057							
Cur Yearly Purchases	127829	173678	154992	141397	99087	92774							789757
Cur Yr Monthly Use	116641	162272	146618	130468	87384	83501							726884
GAIN/LOSS (UNITS)	10573	11310	10257	11267	13729	8562							65698



YEAR	%
2014-2015	-5.61
2015-2016	-4.83

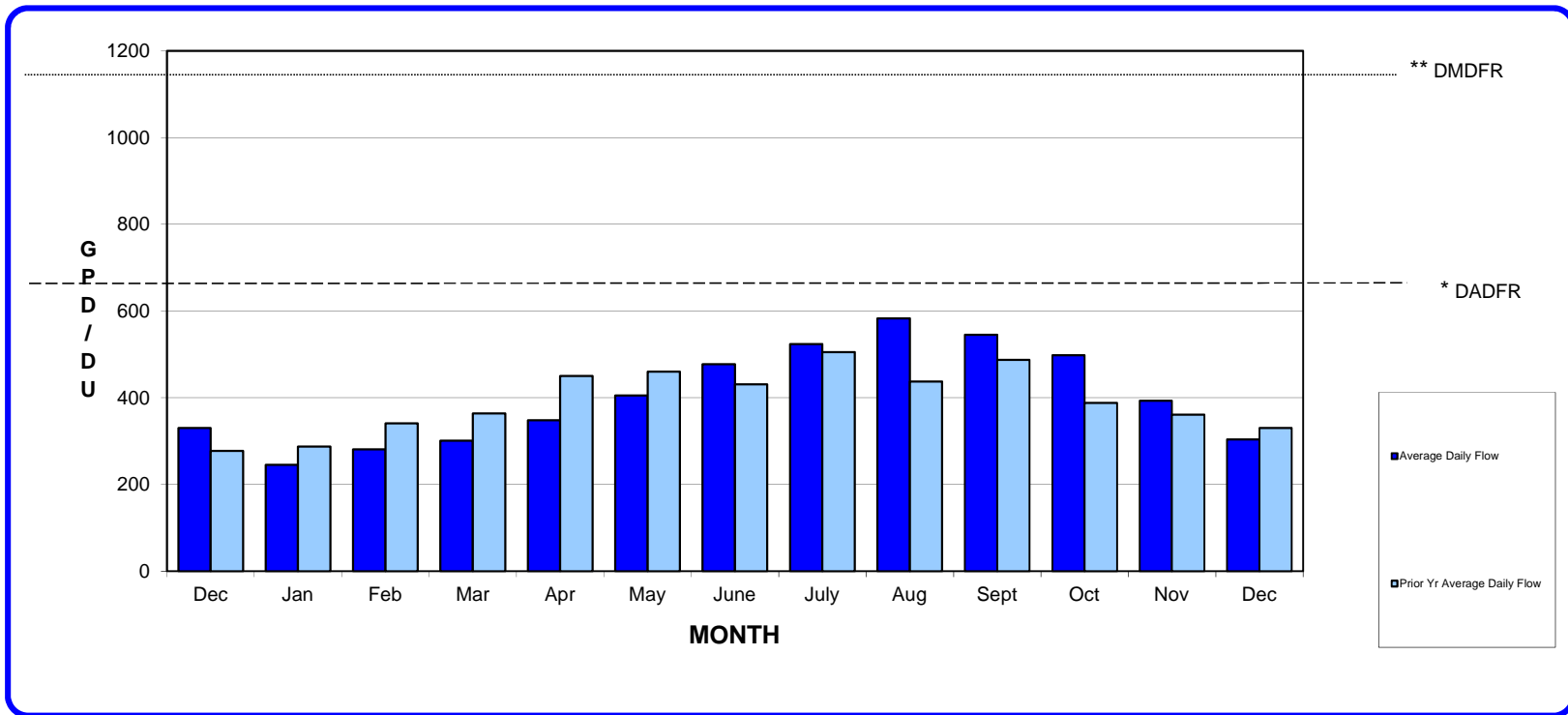
SUMMARY	CCF
Beginning Water in System	8502 CCF
Water Purchased	789757 CCF
Water Used	726884 CCF
Water Remaining in System	11057 CCF
(Loss)/Gain FY to date	(60318) CCF
	-7.64%

RESIDENTIAL WATER USAGE

AVERAGE DAILY FLOW

(GALLONS per DAY per RESIDENTIAL DWELLING UNIT CONNECTED)

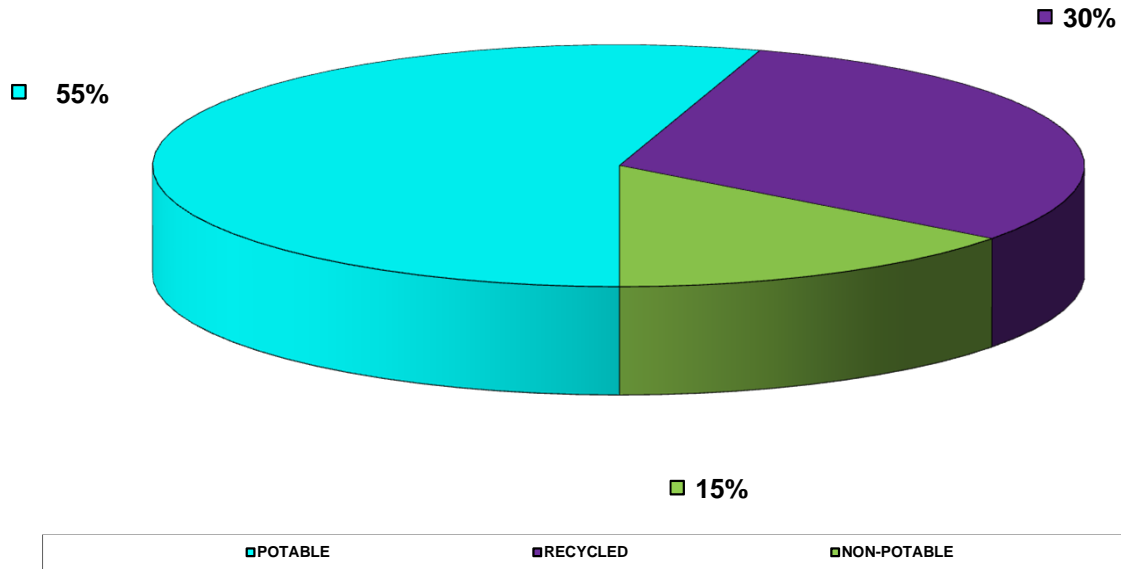
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YEARLY AVERAGE
Average Daily Flow	330	245	281	301	348	405	477	524	583	545	498	393	304	409
Prior Yr Average Daily Flow	277	287	341	364	450	460	431	505	437	487	388	361	330	403



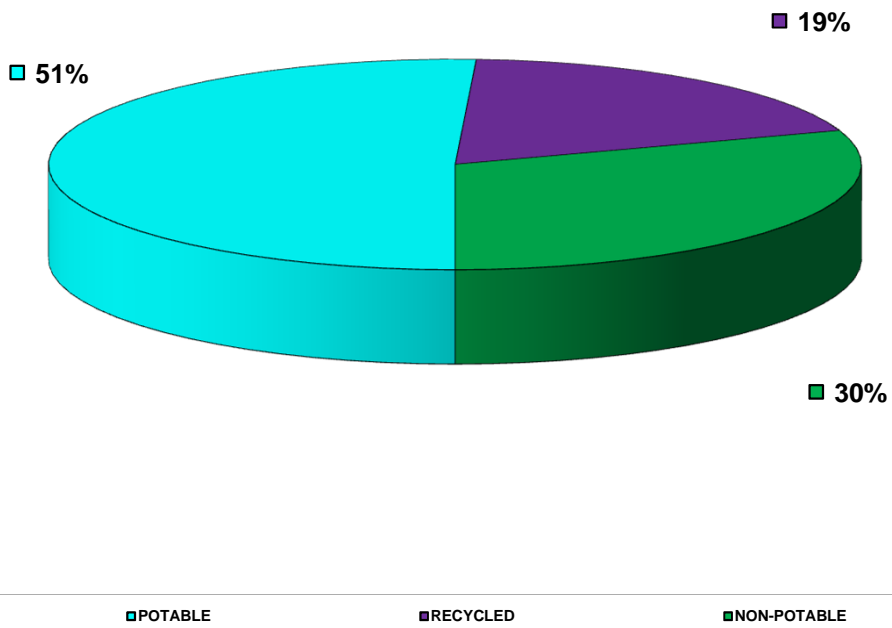
Key
 2014-2015
 2015-2016
 2016-2017

* DESIGN AVERAGE DAILY FLOW RATE IN GPD (650)
 ** DESIGN MAXIMUM DAILY FLOW RATE IN GPD (1140)

**Temescal Valley Water District
Volume of Water Sold
For Six Months Ending December 31, 2016
F/Y 2016-2017**

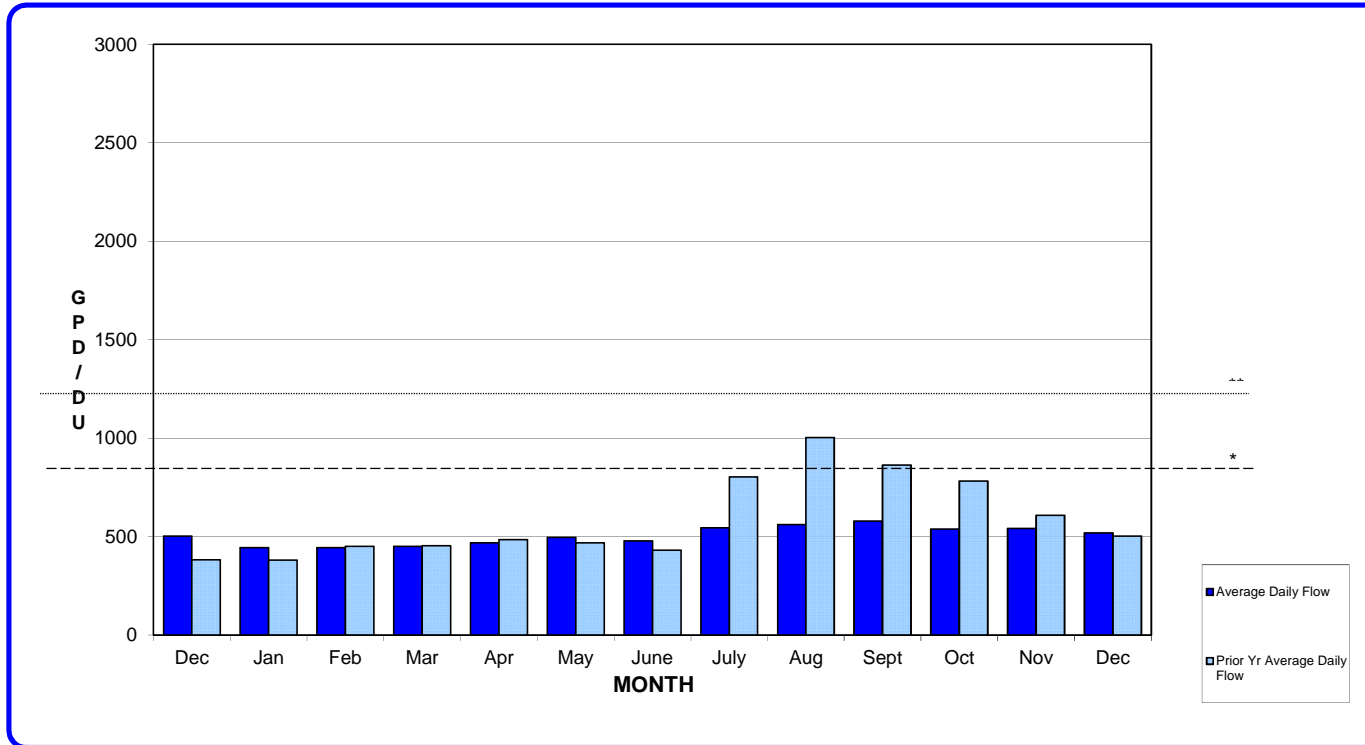


**Temescal Valley Water District
Water Volume Sold
For F/Y 2015-2016
Twelve Months**



COMMERCIAL WATER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per COMMERCIAL DWELLING UNIT CONNECTED)

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YEARLY AVERAGE
Average Daily Flow	503	444	444	451	469	496	478	546	561	579	539	542	518	506
Prior Yr Average Daily Flow	383	381	451	454	485	469	431	803	1004	863	782	608	503	1033



Key
 2014-2015
 2015-2016
 2016-2017

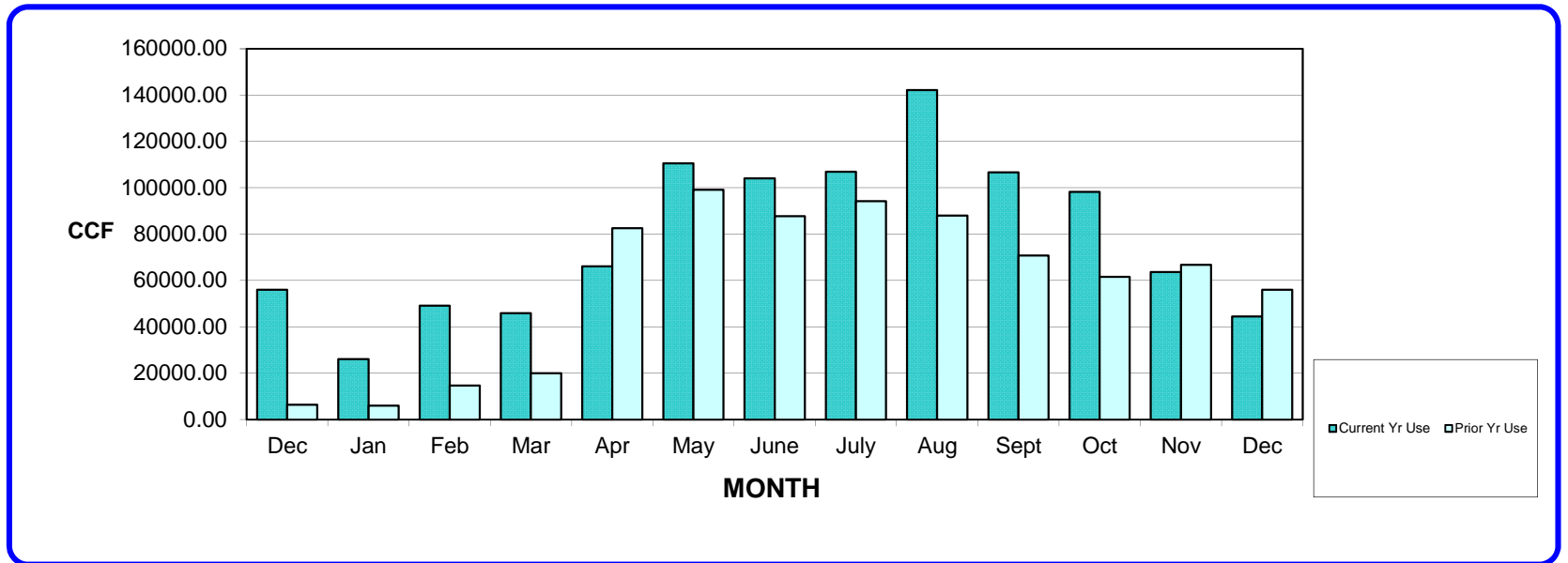
* DESIGN AVERAGE DAILY FLOW RATE IN GPD (650)

** DESIGN MAXIMUM DAILY FLOW RATE IN GPD (1140)

NOTE: EMISSARIES STARTED USING WATER

RECYCLED AND NON-POTABLE WELL WATER MONTHLY FLOW (ccf)

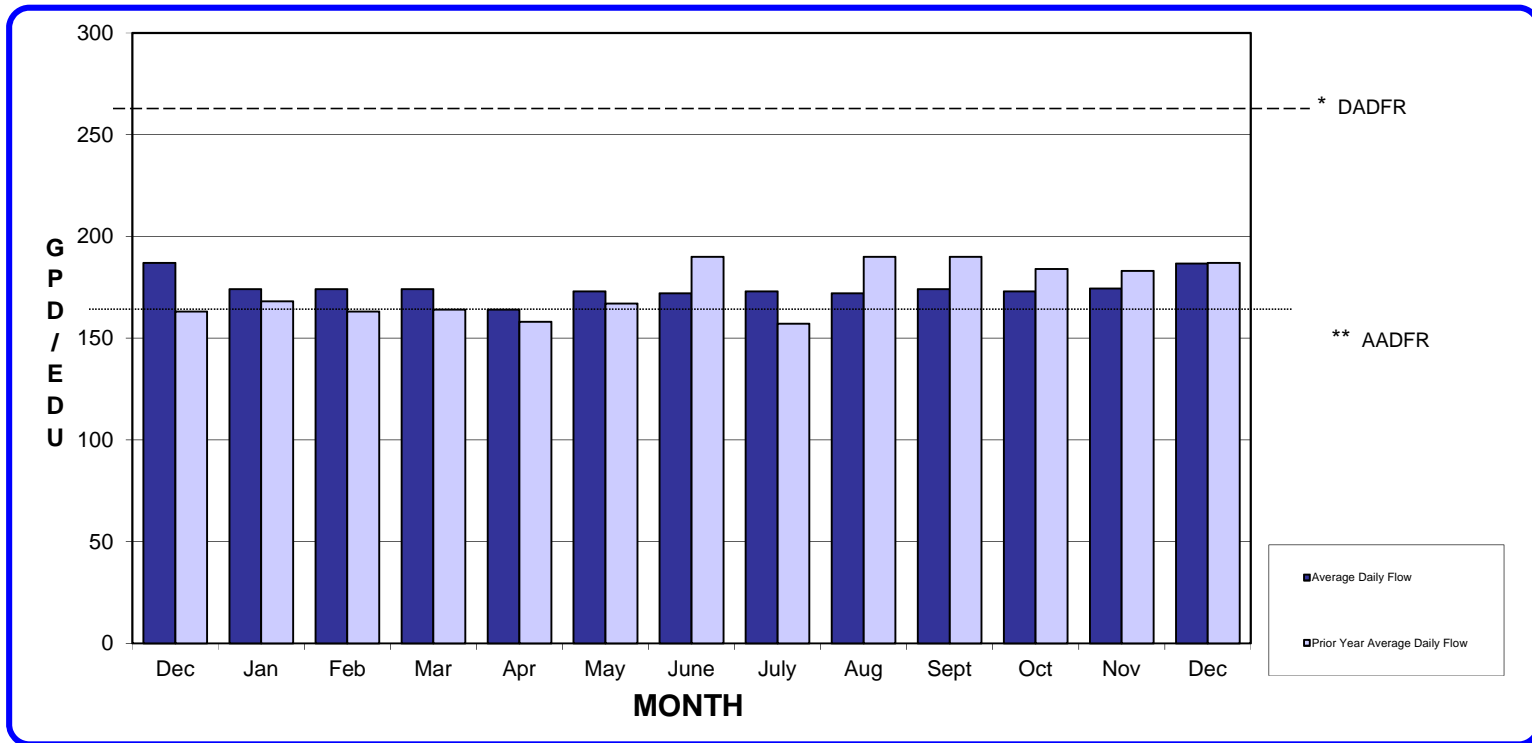
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Current Yr Use	56050.32	26122.81	49169.19	45887.67	66124.51	110560.21	104019.74	106957.12	142210.12	106718.90	98261.40	63655.96	44418.02
Prior Yr Use	6409.58	6042.52	14725.03	19938.46	82604.83	99197.00	87702.00	94170.28	88058.82	70781.92	61621.08	66739.00	56050.32
Revenue	\$94,725	\$44,147	\$84,561	\$77,550	\$77,550	\$190,723	\$179,425	\$183,977	\$240,312	\$184,646	\$169,073	\$112,792	\$76,130



Key
2014-2015
2015-2016
2016-2017

RESIDENTIAL & COMMERCIAL SEWER USAGE AVERAGE DAILY FLOW (GALLONS per DAY per DWELLING UNIT)

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	12-Month Average
Average Daily Flow	187	174	174	174	164	173	172	173	172	174	173	174	187	189
Prior Year Average Daily Flow	163	168	163	164	158	167	190	157	190	190	184	183	187	175



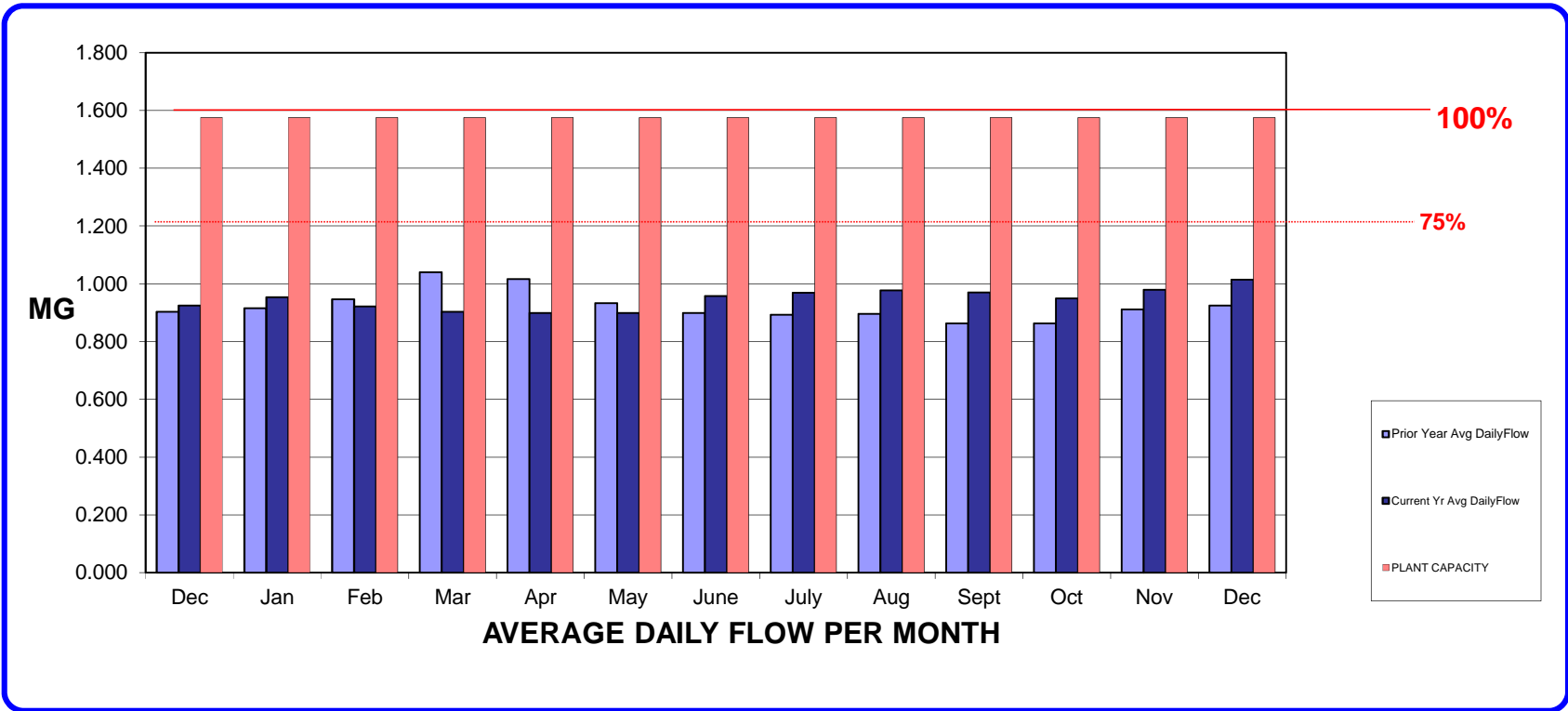
Key
2014-2015
2015-2016
2016-2017

** ACTUAL AVERAGE DAILY FICCF

RECLAMATION PLANT FLOW REPORT AVERAGE DAILY FLOW (Million Gallons)

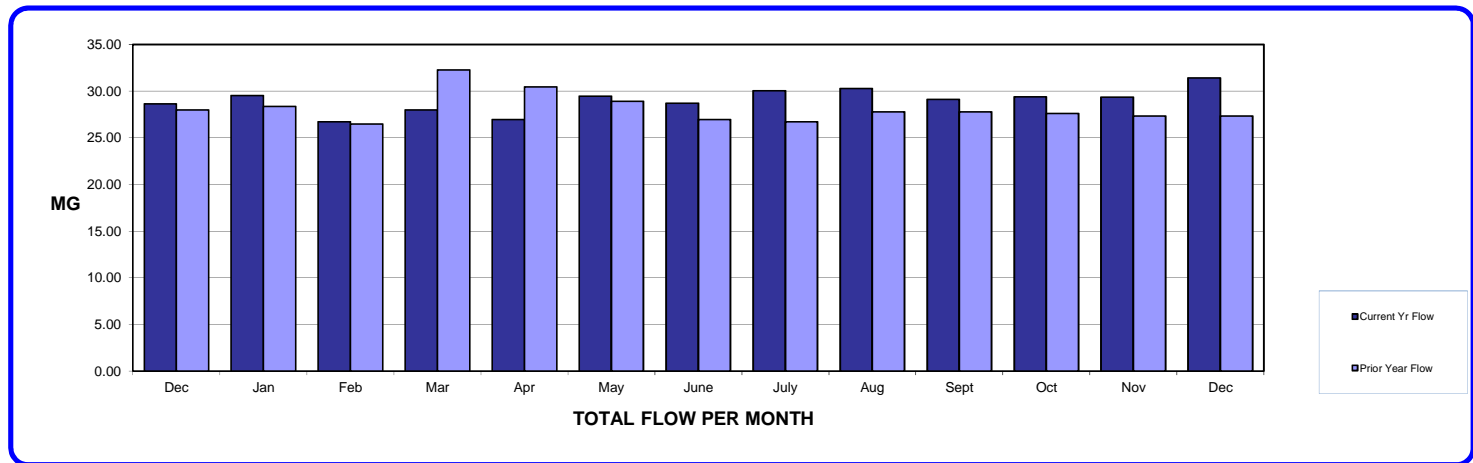
Key	
2013-2014	
2014-2015	
2015-2016	

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Current Yr Avg DailyFlow	0.9240	0.9530	0.9210	0.9030	0.8990	0.8990	0.9570	0.9690	0.9770	0.9700	0.9490	0.9790	1.0140
Prior Year Avg DailyFlow	0.9030	0.9150	0.9460	1.0400	1.0160	0.9330	0.8990	0.8930	0.8960	0.8630	0.8630	0.9110	0.9240
PLANT CAPACITY	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575	1.575



RECLAMATION PLANT DISCHARGE REPORT MONTHLY FLOW (Million Gallons)

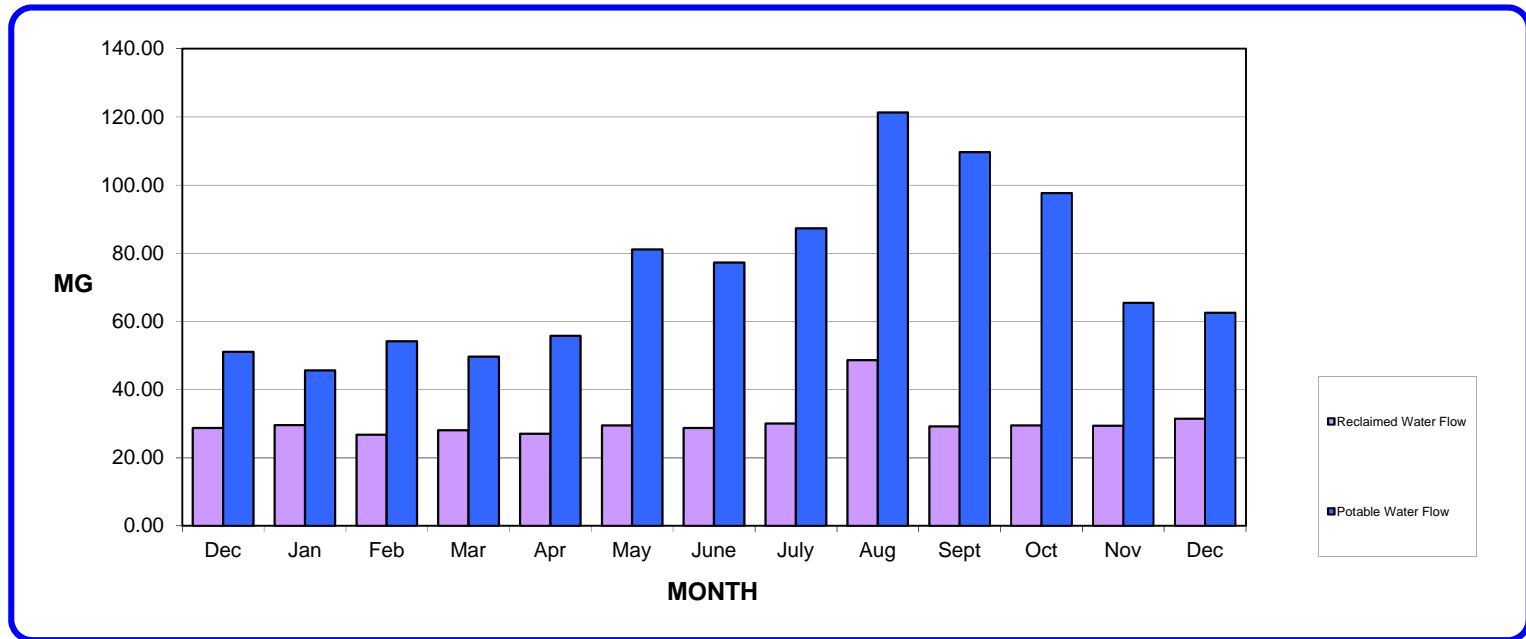
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total/yr
Current Yr Flow	28.64	29.54	26.71	27.99	26.96	29.47	28.70	30.03	30.30	29.11	29.41	29.36	31.42	349.00
Prior Year Flow	27.99	28.35	26.48	32.26	30.47	28.92	26.97	26.72	27.78	27.78	27.60	27.32	27.32	337.97
Potential Revenue	\$64,700	\$66,740	\$84,561	\$63,220	\$60,894	\$66,582	\$64,842	\$67,836	\$68,448	\$65,748	\$66,439	\$66,324	\$70,978	\$812,612
Current Month Revenue	\$11,332	\$18,687	\$55,530	\$56,976	\$60,894	\$66,582	\$64,842	\$67,836	\$68,448	\$65,748	\$66,439	\$66,324	\$66,324	\$724,630
Additional Potential Rev	\$53,368	\$48,052	\$29,031	\$6,245	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,654	\$87,983



Key
 2014-2015
 2015-2016
 2016-2017

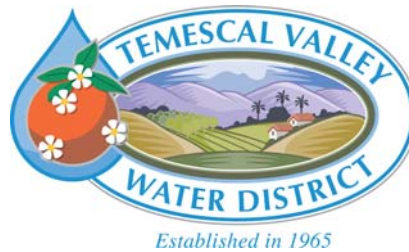
RECLAIMED WATER VERSUS POTABLE WATER MONTHLY FLOW (Million Gallons)

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
No. of Sewer Dwelling Units Connected	5471	5470	5480	5493	5492	5513	5507	5515	5541	5559	5568	5602	5610
Reclaimed Water Flow	28.64	29.54	26.71	27.99	26.96	29.47	28.70	30.03	48.60	29.11	29.41	29.36	31.42
Potable Water Flow	51.08	45.61	54.17	49.60	55.71	81.10	77.21	87.25	121.30	109.67	97.59	65.36	62.45



Month	AVG								TOTAL		
	Wildrose(2)	Montecito(3)	Trilogy(4)	Painted Hills(5)	Syc Crk(6)	Retreat(7)	Avg All Resid	IND-BK / IRR	RECYCLED- Inc Retreat Golf	NONPOT- Other	NONPOT-Trilogy Golf
AVG '07-'08	18.1	32.7	15.9	32.2	21.7	37.1	25.9	106.6			
AVG '08-'09	24.6	33.8	17.0	33.3	32.6	40.8	25.4	53.3			
AVG '09-'10	21.9	30.0	15.8	30.2	26.3	38.0	23.0	51.7			
AVG '10-'11	20.6	27.6	15.5	25.8	25.1	35.2	22.3	36.0			
AVG '11-'12	21.0	27.9	15.9	27.3	24.7	34.0	22.5	82.3			
AVG '12-'13	21.9	31.3	15.6	27.5	23.6	30.5	22.9	190.0			
AVG '13-'14	22.5	33.8	16.5	28.2	24.5	30.6	23.0	9.8			
AVG '14-'15	20.7	28.4	15.4	26.8	21.9	28.2	21.2	62.8			
AVG '15-'16	17.4	21.3	10.6	22.4	16.9	24.3	16.5	105.4	38,401.9	4,639.1	18,977.2
Jul-16	22.5	32.8	15.4	33.2	21.7	32.9	22.6	184.1	63,548.0	4,607.5	36,728.0
Aug-16	28.5	42.5	28.2	42.2	27.1	43.1	31.1	375.7	76,504.9	2,689.2	17,143.1
Sep-16	28.5	42.5	39.1	42.2	27.1	43.1	31.1	375.7	60,099.0	31,347.0	15,211.0
Oct-16	19.5	32.8	21.1	25.6	19.0	27.8	21.8	121.4	57,201.0	27,684.8	12,592.0
Nov-16	15.7	26.1	13.6	19.9	15.5	21.8	16.6	404.4	43,645.0	5,068.0	14,943.0
Dec-16	15.1	25.3	11.8	17.6	15.3	21.0	15.6	226.6	31,939.0	4,273.4	8,173.0
Jan-17											
Feb-17											
Mar-17											
Apr-17											
May-17											
Jun-17											
AVG '16-'17											

AMOUNTS IN UNITS (CCF) (ONE UNIT = 748 GALS.)



January 19, 2017

Board of Directors
Temescal Valley Water District

RE: General Manager's Report

Dear Board:

The following is a brief status report on a number of issues that I have been involved in since the last meeting.

- Working on non-potable water supply improvements
 - New Sump Well – New Well Pump – **In and operational**
 - Terramor Basin Park Perk Piping – **Design approved**
 - Park Canyon Drive RW line – **Design in progress**
 -
- Working on Conservation opportunities and RW conversion locations -
- Working with Land Developers on water and sewer fees for multiple infill projects.
 - Deleo adjacent to Tom's Farms – **No Activity**
 - Forest Boundary – Plan Checking design plans - **Signed**
 - Retreat Infill – **Kiley Court**
 - Temescal Canyon Road at Campbell Ranch Road – **No Activity**
 - Kiley Family Trust Property – **Tract Map Stage**
- Terramor CFD
- Terramor Review:
 - New sewer lift station – **In Construction**
 - Percolation area – **In Design**
 - RW and Potable Tank Siting – **In Design**
- Terramor Onsite Water, Sewer and RW improvements
 - 1320 Water line - **In Construction**
 - 1509 Water line - **In Construction**
 - Back Bone Gravity Sewer –**In Construction**
 - Potable Water Booster Upgrade – **In Construction**
 - RW Water - **In Construction**
- Sycamore Creek:
 - TM 36317 Water Sewer and RW improvement plans **Signed**
 - TM 36317 Potable Booster – **In Design**

Temescal Valley Water District

22646 Temescal Canyon Road | Temescal Valley, CA 92883-4106 | tel: 951.277.1414 | fax: 951.277.1419

www.temescalvwd.com

TEMESCAL VALLEY WATER DISTRICT
POTABLE WATER USAGE
SWRCB TRACKING

Temescal Valley Demographics 3.4213 occupants/residence
Residential Delivery 80.00%

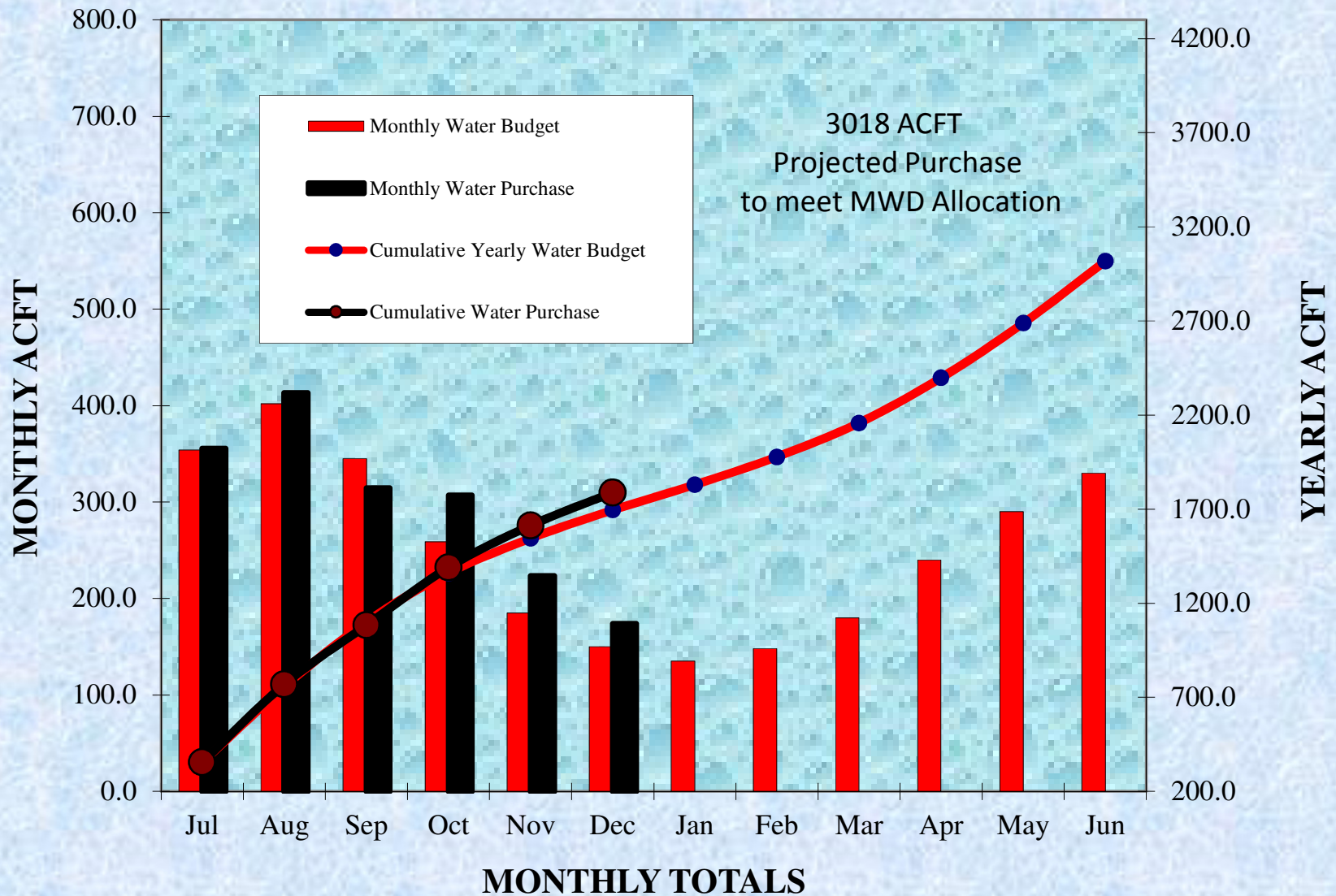
	Occupied						Occupied						Monthly 2013 vs 2016
	Homes	Population	2013(units)	Gallons	Residential	GPCD	Homes	Population	2016(units)	Gallons	Residential	GPCD	
JAN	4,550	15,567	68,183	51,000,884	40,800,707	87	4,821	16,494	60,293	45,099,164	36,079,331	72.9	-16.54%
FEB	4,459	15,256	66,442	49,698,616	39,758,893	87	4,818	16,484	71,503	53,484,244	42,787,395	86.5	-0.40%
MARCH	4,585	15,687	89,195	66,717,860	53,374,288	113	4,828	16,518	61,941	46,331,868	37,065,494	74.8	-34.05%
APRIL	4,532	15,505	102,118	76,384,264	61,107,411	131	4,841	16,563	72,681	54,365,201	43,492,161	87.5	-33.37%
MAY	4,655	15,926	114,784	85,858,432	68,686,746	144	4,840	16,559	105,395	78,835,460	63,068,368	127.0	-11.69%
JUNE	4,655	15,926	147,102	110,032,296	88,025,837	184	4,861	16,631	100,887	75,463,476	60,370,781	121.0	-34.32%
JULY	4,652	15,916	155,550	116,351,400	93,081,120	195	4,855	16,610	113,843	85,154,564	68,123,651	136.7	-29.87%
AUG	4,622	15,813	155,221	116,105,308	92,884,246	196	4,863	16,638	156,629	117,158,492	93,726,794	187.8	-4.09%
SEPT	4,632	15,847	143,899	107,636,452	86,109,162	181	4,889	16,727	124,044	92,784,912	74,227,930	147.9	-18.33%
OCT	4,624	15,820	105,745	79,097,260	63,277,808	133	4,907	16,788	110,245	82,463,260	65,970,608	131.0	-1.76%
NOV	4,640	15,875	99,180	74,186,640	59,349,312	125	4,916	16,819	84,598	63,279,304	50,623,443	100.3	-19.49%
DEC	4,637	15,865	59,809	44,737,132	35,789,706	75	4,958	16,963	79,933	59,789,884	47,831,907	94.0	24.99%
Yearly			1,307,228.00	Units					1,141,991.75	Units			

3,000.98 ACFT	2,621.65 ACFT
Sum of Residential Water 782,245,235	Sum of Residential Water 683,367,863
Average Population 2016 15,750	Average Population 2016 16,649
Yearly GPCD 136	Yearly GPCD 112
	Year over Year Average GPDC Savings 17.36%

WHOLESALE BUDGET vs PURCHASE

Water Year July 2016 through June 2017

3018 ACFT PROJECTION



MEMORANDUM

DATE: January 24, 2017

TO: Board of Directors
Temescal Valley Water District

FROM: General Manager

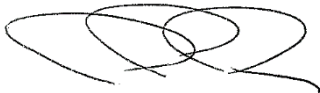
SUBJECT: ARANTINE HILLS SETTLEMENT AGREEMENT AND RELEASE

BACKGROUND

Over many months Dave Saunders and I have been working on an agreement that will allow the abandonment of a portion of the Temescal Water Company AG line that crosses the new Arantine Hills Development. The line is outside our service area and crosses from the Northern end of our District Boundary into the Eagle Glen Development in the City of Corona, and was part of the infrastructure we received when we purchased the AG system from EVMWD. We have no customers in this area and the line is an old concrete line that does not fit into our non-potable system. We are being compensated at approximately the rate that it would cost to relocate the line within the development. This money will be used to repair or extend the non-potable system within our service area.

Compensation = \$120,000

Respectfully submitted,



Jeff Pape
General Manager

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("**Agreement**") is entered into to be effective as of December 16, 2016 by ARANTINE HILLS HOLDINGS LP, a Delaware limited partnership ("**Arantine**") and TEMESCAL VALLEY WATER DISTRICT (f/k/a LEE LAKE WATER DISTRICT), a California Water District formed in 1965 ("**Water District**"). Arantine and Water District are hereinafter individually referred to as a "**Party**" and collectively as the "**Parties**."

Arantine is the owner and developer of the Arantine Hill Project ("**Project**"), a residential development located on Arantine's real property located in the City of Corona, California ("**Project Site**"). Water District is a public water service provider with water delivery infrastructure in the vicinity of the Project, including a water pipe that traverses the Project Site. That portion of the pipeline that lies within the boundaries of the Project Site is referred to as the "**Pipeline**." That portion of the pipe infrastructure that exists off the Project Site and may remain in use is referred to as the "**Water Line**."

RECITALS

Whereas, Arantine has obtained approvals to develop new housing on the Project Site and has commenced rough grading of the Project Site, including the area in the vicinity of the Pipeline;

Whereas, Water District has asserted that its Pipeline is located pursuant to easement rights across the Project Site;

Whereas, Water District and Arantine have agreed that it is unnecessary to resolve any dispute that may exist regarding Water District's claimed rights of record to cross the Project Site because Water District has determined that it can abandon the Pipeline on the Project Site subject to certain conditions as described below; and

Whereas, Arantine is agreeable to the conditions that will allow Water District to abandon the Pipeline on the Project Site.

The Parties now wish to resolve all disputes between them and in furtherance thereof desire to enter into this Agreement. Now, therefore, in consideration of good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree to the following terms and conditions governing Water District's abandonment of the Pipeline on the Project Site and Arantine's accommodation of that abandonment.

AGREEMENT

1. **Payment.** Arantine will make payments amounting to \$150,000 (the "**Payment**"), subject to an offset described below, to compensate Water District for its agreement not to pursue its rights, if any, to the Pipeline across the Project Site, and for abandoning the Pipeline, delivering the Quitclaim Deed (as defined below) and terminating the Water Line outside of and away from the Project Site. Less than \$100 of the Payment shall be deemed to be attributable to the value of the rights conveyed by the Quitclaim Deed.

2. **Arantine Credit Against Payment Obligation.** Arantine will be given a dollar-for-dollar credit in the amount of \$30,000 toward the \$150,000 Payment, which credit relates to all costs incurred by Arantine (such as engineering, construction or removal of pipeline, general overhead, legal, etc.) in reaching and documenting the terms of the Agreement. Accordingly, the net payment to Water District shall be \$120,000.

3. **Good Faith Deposit and Further Payments.** Within fourteen (14) days of the execution of this Agreement, Arantine will release to Water District a good faith deposit of \$80,000. The deposit will be in the form of a wire transfer/deposit to Water District. The balance of the money due to Water District (that is \$40,000) shall be remitted to Water District in the same manner as the deposit on the earlier of (i) five (5) days after Arantine has completed the demolition and removal of the Pipeline, or (ii) thirty (30) days of the execution of this Agreement, provided Water District makes no objection or otherwise interferes in any manner with Arantine's demolition and removal of the Pipeline.

4. **Demolition and Quitclaim of any Interest in Pipeline.** Upon execution of this Agreement the parties hereby agree that Arantine shall have immediate, full and complete permission, access and right to demolish and remove the Pipeline without any further approval or oversight by Water District. In addition, within five (5) days of payment of the good faith deposit described in Paragraph 3 above, Water District will deliver to Arantine an original, fully executed and notarized quitclaim deed conveying to Arantine any right title or interest of Water District in the Project Site ("**Quitclaim Deed**"), which Arantine shall have the right to record in the Official Records of Riverside County, California. The Quitclaim Deed will be substantially in form attached as Exhibit A to this Agreement and suitable for recordation by Arantine.

5. **Water Drainage.** It is understood that the span of the Pipeline across the Project Site is likely holding water currently because it is at a low point and water has likely pooled in the Pipeline. Arantine agrees that it will handle any water released by the Pipeline during demolition.

6. **Water District to Manage Water Line.** Water District will terminate its Water Line well away from the boundary of the Project Site. Arantine shall have no responsibility with respect to Water District's management of its Water Line.

7. **Dispute Resolution.** The Parties agree to meet and confer in a good faith attempt to resolve any disputes as soon as reasonably possible. If there is a failure to reach a written mutual agreement as to any such matters then the Parties shall resolve such dispute by referring the matter to binding arbitration to resolve those disputes. Accordingly, any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Orange County before a single arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures, and in accordance with JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

EACH PARTY ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THAT BY EXECUTING THIS AGREEMENT EACH PARTY IS AGREEING TO SUBMIT DISPUTES ARISING OUT OF THE AGREEMENT TO NEUTRAL ARBITRATION AND IS GIVING UP ANY RIGHTS SUCH PARTY MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BY JURY TRIAL.

ARANTINE initials:  WATER DISTRICT initials: _____.

8. **Release by Water District.** EXCEPT FOR OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT, WATER DISTRICT FOR ITSELF, AND ON BEHALF OF AND WITH THE INTENT TO BIND ITS MEMBERS, PARTNERS, SUCCESSORS AND ASSIGNS, HEREBY RELEASES, ACQUITS, REMISES AND DISCHARGES ARANTINE, THE NEW HOME COMPANY SOUTHERN CALIFORNIA, LLC, THE NEW HOME COMPANY, INC., AND EACH OF THEIR PREDECESSORS, SUCCESSORS AND ASSIGNS, AND ALL OF THEIR PAST OR PRESENT, INDIRECT OR DIRECT MEMBERS, INVESTORS, PARENTS, SUBSIDIARIES, HEIRS, EXECUTORS, ADMINISTRATORS, AFFILIATED ENTITIES, AND EACH OF THEIR PAST OR PRESENT EMPLOYEES, AGENTS, REPRESENTATIVES, ATTORNEYS, ACCOUNTANTS, SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, PARTNERS, REINSURERS, ADVISORS, SURETIES, SUCCESSORS AND ASSIGNS AND ALL PERSONS ACTING BY, THROUGH, UNDER OR IN CONCERT WITH THEM, OR ANY OF THEM, (COLLECTIVELY, THE "**DEVELOPER PARTIES**") FROM ALL ACTIONS, CLAIMS, DEMANDS, LOSSES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) OF ANY KIND, WHETHER KNOWN OR UNKNOWN, WHICH ASSOCIATION HAD, MAY NOW HAVE, OR HEREAFTER HAS AGAINST DEVELOPER AND/OR THE DEVELOPER PARTIES, ARISING FROM OR RELATED IN ANY WAY TO THE PIPELINE.

9. **Release by Arantine.** EXCEPT FOR OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT, ARANTINE FOR ITSELF, AND ON BEHALF OF AND WITH THE INTENT TO BIND ITS MEMBERS, PARTNERS, SUCCESSORS AND ASSIGNS, HEREBY RELEASES, ACQUITS, REMISES AND DISCHARGES WATER DISTRICT, AND EACH OF THEIR PREDECESSORS, SUCCESSORS AND ASSIGNS, AND ALL OF THEIR PAST OR PRESENT, INDIRECT OR DIRECT MEMBERS, INVESTORS, PARENTS, SUBSIDIARIES, HEIRS, EXECUTORS, ADMINISTRATORS, AFFILIATED ENTITIES, AND EACH OF THEIR PAST OR PRESENT EMPLOYEES, AGENTS, REPRESENTATIVES, ATTORNEYS, ACCOUNTANTS, SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, PARTNERS, REINSURERS, ADVISORS, SURETIES, SUCCESSORS AND ASSIGNS AND ALL PERSONS ACTING BY, THROUGH, UNDER OR IN CONCERT WITH THEM, OR ANY OF THEM, (COLLECTIVELY, THE "**WATER DISTRICT**") FROM ALL ACTIONS, CLAIMS, DEMANDS, LOSSES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS) OF ANY KIND, WHETHER KNOWN OR UNKNOWN, WHICH ASSOCIATION HAD, MAY NOW HAVE, OR HEREAFTER HAS AGAINST WATER DISTRICT, ARISING FROM OR RELATED IN ANY WAY TO THE PIPELINE.

10. **Effect of Releases.** Arantine and Water District each acknowledges that it is aware that it or its attorneys may hereinafter discover facts different from or in addition to the facts it or its attorneys now know or believe to be true with respect to the subject of the foregoing release in paragraphs 8 and 9 ("**Releases**"), but, it is Arantine's and Water District's intention hereby to fully, finally and absolutely and forever settle any and all claims that now exist or may have existed between the Parties arising from or related in any way to the Pipeline. Therefore, Arantine and Water District each hereby expressly waives any right Arantine or Water District may have under Civil Code Section 1542 which reads as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR." Arantine and Water District agrees that no promise, inducement, representation, warranty or agreement not contained in this Agreement has been made to Arantine or Water District to induce Arantine or Water District to execute this Agreement.

11. **Binding on Successors.** The terms and conditions herein contained shall be binding upon and inure to the benefit of the successors and assignees of the Parties hereto.

12. **No Prior Assignments.** The Parties hereto represent and warrant that they have not heretofore assigned or transferred or purported to assign or transfer, to any other person, entity, association, corporation, or firm whatsoever, any claim, debt, liability, demand, obligation, expense, action or causes of action herein released.

13. **No Outstanding or Known Future Claims/Causes of Action.** Each Party affirms that it has not filed with any governmental agency or court any type of action or report against the other Party, and currently knows of no existing act or omission by the other Party that may constitute a claim or liability excluded from the release in paragraph 8 above.

14. **Applicable Law.** This Agreement shall be construed in accordance with the laws of the State of California.

15. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the Parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

16. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties, oral or written, (including, without limitation any email correspondence) are hereby superseded and merged herein.

17. **Warranty of Authority and Independent Advice.** Each Party represents that the signatory below has the authority to bind it to this Agreement and that each Party has had the opportunity to consult with counsel of its choosing in seeking advice regarding the Agreement.

18. **Writing Required.** No addition to or modification of any term or provision of this Agreement is effective unless in writing and signed by the Parties.

19. **Construction.** This Agreement shall be deemed to have been jointly prepared by the Parties, and shall not be construed against one Party or the other in the event of any claimed uncertainty or ambiguity.

20. **Further Documents.** The Parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

21. **Notices.** Any notices required under this Agreement must be in writing, and may be given either personally, by email (with confirmation) or by overnight delivery by nationally recognized overnight courier service. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Parties hereto, designate any other person or address in substitution of the address to which such notice shall be given. Such notices shall be given to the Parties at their addresses set forth below:

Water District:

Temescal Valley Water District
Office: (951) 277-1414
Direct: (951) 667-6323
Attn: Jeff R. Pape, General Manager
Email: jeffp@TemescalVWD.com

Arantine:

Arantine Hills Holdings LP
c/o The New Home Company Inc.
85 Enterprise, Suite 450
Aliso Viejo, CA 92656
Attn: John Sherwood
Email: legalnotices@nwhm.com


22. **Attorneys' Fees.** Should a lawsuit or Legal Arbitration proceeding be brought to enforce this Agreement or resolve a dispute, the "prevailing party" (as defined in the California Code of Civil Procedure) shall be entitled to recover its costs of suit including reasonable attorneys' fees. This right of recovery includes costs and attorneys' fees incurred in connection with any appeals and any post-judgment collection proceedings.

23. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

TEMESCAL VALLEY WATER DISTRICT

ARANTINE HILLS HOLDINGS LP,
a Delaware limited partnership

By: _____

By:  _____

Its: _____

Its: VP So Cal _____

Dated: _____, 2016

Dated: 12/21, 2016

EXHIBIT A
to
Settlement Agreement and Release
Form of Quitclaim Deed
(See Attached)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:**

Arantine Hills Holdings LP
c/o The New Home Company Inc.
85 Enterprise, Suite 450
Aliso Viejo, CA 92656
Attn: John Sherwood

SPACE ABOVE LINE FOR RECORDER'S USE

Assessor Parcel Nos. _____

RIVERSIDE COUNTY
DOCUMENTARY TRANSFER TAX: \$0
This is a conveyance where the consideration and
value is less than \$100.00 (R&T 11911)

QUITCLAIM DEED

Temescal Valley Water District (f/k/a Lee Lake Water District), a California Water District formed in 1965 ("Water District"), does hereby RELEASE, REMISE AND QUITCLAIM to Arantine Hills Holdings LP, a Delaware limited partnership ("Arantine"), any and all of Water District's right, title and interest in and to that certain real property in the City of Corona, County of Riverside, State of California, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"), including without limitation Water District's right, title and interest in and to any water facilities or infrastructure located in, on, under or across the Property.

TEMESCAL VALLEY WATER DISTRICT

Dated: _____, 20__

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

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 _____)
) ss:
COUNTY OF _____)

On _____, 20__ before me, _____
Notary Public (insert name and title of the officer),

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]

**EXHIBIT A
TO QUITCLAIM DEED
LEGAL DESCRIPTION OF PROPERTY**

[TO BE ATTACHED]

075359\8447762v1

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

That certain real property situated in the State of California, County of Riverside, City of Corona, and is described as follows:

PARCEL 1: (APN 279-190-045-5)

PARCEL "B" OF THAT CERTAIN LOT LINE ADJUSTMENT NO. 4132, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED AUGUST 20, 1999 AS INSTRUMENT NO. 373743 OF OFFICIAL RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF GOVERNMENT LOTS 10 AND 15 IN SECTION 17, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF GOVERNMENT LOT 10, WHICH BEARS SOUTH 00° 33' 30" WEST, 878.85 FEET FROM THE NORTHEAST CORNER THEREOF; THENCE CONTINUING SOUTH 00° 33' 30" WEST, ON THE EAST LINE OF SAID GOVERNMENT LOTS 10 AND 15, 1,747.95 FEET TO THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 15; THENCE NORTH 89° 56' 30" WEST, ON THE SOUTH LINE OF SAID GOVERNMENT LOT 15, 1,009.28 FEET; THENCE NORTH 39° 00' 30" EAST, 253.00 FEET; THENCE NORTH 52° 35' 30" EAST, 226.00 FEET; THENCE NORTH 21° 58' 30" EAST, 200.00 FEET; THENCE NORTH 12° 59' 30" EAST, 245.00 FEET; THENCE NORTH 39° 17' 30" EAST, 234.00 FEET; THENCE NORTH 33° 13' 30" EAST, 350.00 FEET; THENCE NORTH 22° 55' 00" EAST, 559.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THAT CERTAIN PARCEL MORE PARTICULARLY DESCRIBED AS FOLLOWS: LOT 1 OF EXCLUSION MAP OF ALL THE LANDS FROM CORONITA TRACT NO. 3, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER CERTIFIED COPY OF DECREE RECORDED NOVEMBER 4, 1960 AS INSTRUMENT NO. 95289 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, IN SECTIONS 16 AND 17, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN. EXCEPT THAT PORTION OF SAID TRACT CONVEYED TO THE STATE OF CALIFORNIA FOR FREEWAY PURPOSES, BY FINAL ORDER OF CONDEMNATION RECORDED AUGUST 20, 1966 AS INSTRUMENT NO. 93858 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA. ALSO EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS: THAT PORTION OF SAID LOTS 1, 2, 3, "A" AND "G" IN BLOCK "A" OF CORONITA TRACT NO. 3, DESCRIBED AS FOLLOWS:

BEGINNING AT NORTHWEST CORNER OF BLOCK "A" OF SAID TRACT; THENCE NORTH 89° 27' 30" EAST, ON THE NORTH LINE OF SAID BLOCK "A", 346.06 FEET; THENCE SOUTH 31° 27' 30" WEST, 401.00 FEET; THENCE SOUTH 37° 19' 30" WEST,

234.00 FEET TO THE WEST LINE OF SAID BLOCK "A"; THENCE NORTH 00° 33' 30" EAST, ON THE WEST LINE OF BLOCK "A", 524.89 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN SECTION 16, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

ALSO EXCEPTING THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA FOR FREEWAY PURPOSES IN A GRANT DEED RECORDED SEPTEMBER 14, 1998, AS INSTRUMENT NO. 388624, OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF GOVERNMENT LOT 9, IN SECTION 17, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY A MAP ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, IN BOOK 82 OF RECORDS OF SURVEYS, AT PAGES 94 AND 95, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTHWESTERLY RIGHT OF WAY OF ROUTE 15, AS SHOWN BY CALIFORNIA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP NO. 989585, ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID COUNTY AS FILE NO. 204-416, IN THE COURSE SHOWN BY SAID MAP AS "NORTH 48° 55' 22" WEST 368.66," DISTANT THEREON FROM THE NORTHWEST TERMINUS OF SAID LINE SOUTH 48° 55' 22" EAST 289.36 FEET; THENCE SOUTH 49° 28' 32" WEST 19.40 FEET; THENCE SOUTH 12° 28' 19" EAST 100.00 FEET; THENCE NORTH 77° 31' 41" EAST 35.74 FEET TO A TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1050.00 FEET; THENCE ALONG SAID CURVE 65.30 FEET THROUGH A CENTRAL ANGLE OF 5° 33' 47" TO SAID RIGHT OF WAY, AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1255.00 FEET, AS SHOWN BY SAID MAP, THE RADIAL TO THE BEGINNING OF SAID CURVE BEARS SOUTH 38° 20' 23" WEST; THENCE NORTHWESTERLY ALONG SAID RIGHT OF WAY THE FOLLOWING COURSES: ALONG SAID CURVE THROUGH A CENTRAL OF 2° 44' 15", A DISTANCE OF 59.96 FEET AND NORTH 48° 55' 22" WEST 79.30 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION LYING NORTHERLY FROM THE FOLLOWING DESCRIBED LINE: COMMENCING AT THE NORTHERLY TERMINUS OF THAT CERTAIN COURSE IN THE EASTERLY BOUNDARY OF TRACT NO. 28476 SHOWN ON A MAP FILED IN BOOK 270, PAGES 90 THROUGH 102, INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY, AS BEING NORTH 01° 21' 56" EAST, 355.20 FEET; THENCE ALONG SAID CERTAIN COURSE SOUTH 01° 20' 35" WEST, 238.09 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 88° 39' 25" EAST, 63.89 FEET; THENCE NORTH 38° 16' 05" EAST, 146.00 FEET; THENCE NORTH 61° 16' 05" EAST, 341.50 FEET; THENCE NORTH 70° 46' 05" EAST, 90.17 FEET; THENCE NORTH 80° 16' 05" EAST, 436.85 FEET TO THE SOUTHWESTERLY RIGHT OF WAY LINE OF INTERSTATE HIGHWAY 15 AS SHOWN BY CALIFORNIA DEPARTMENT OF

TRANSPORTATION RIGHT OF WAY DRAWING NO. 989585, ON FILE IN THE OFFICE OF THE COUNTY SURVEYOR OF SAID COUNTY AS FILE NO. 204-416.

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESCRIBED AS PARCEL A ON THAT CERTAIN DEED TO THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION RECORDED DECEMBER 26, 2008, AS INSTRUMENT NO. 2008-0672262 OF OFFICIAL RECORDS AND SHOWN ON A MAP ATTACHED THERETO AND MADE A PART THEREOF.

PARCEL 2: (APN 279-240-018-5)

THAT PORTION OF LOT 1 OF EXCLUSION MAP OF ALL THE LANDS FROM CORONITA TRACT NO. 3, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER CERTIFIED COPY OF DECREE RECORDED NOVEMBER 4, 1960 AS INSTRUMENT NO. 95289 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, IN SECTION 16, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA FOR FREEWAY PURPOSES, BY FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 20, 1966 AS INSTRUMENT NO. 93858 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

EXCEPT THEREFROM THAT PORTION OF SAID LAND DESCRIBED AS PARCELS A AND B ON THAT CERTAIN DEED TO THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION RECORDED DECEMBER 26, 2008, AS INSTRUMENT NO. 2008-0672262 OF OFFICIAL RECORDS AND SHOWN ON A MAP ATTACHED THERETO AND MADE A PART THEREOF.

PARCEL 3: (APN 030-004-7)

ALL THAT PORTION OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTHWEST CORNER OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE SOUTH 89° 55' 30" EAST, ALONG THE NORTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 404.68 FEET; THENCE SOUTH 00° 04' 30" WEST, PARALLEL WITH THE EAST LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 1086.39 FEET; THENCE SOUTH 89° 55' 30" EAST, PARALLEL WITH THE NORTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 412.12 FEET; THENCE SOUTH 00° 04' 30" WEST, PARALLEL WITH THE EAST LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 1013.06 FEET; THENCE SOUTH 11° 36' 30" WEST, A DISTANCE OF 94.38 FEET; THENCE SOUTH 57° 37' 00" WEST, A DISTANCE OF 255.08

FEET; THENCE SOUTH 53° 35' 30" WEST, A DISTANCE OF 503.84 FEET TO THE SOUTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE SOUTH 89° 30' 45" WEST, ALONG THE SOUTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 181.90 FEET TO THE SOUTHWEST CORNER OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE NORTH 00° 10' 15" EAST, ALONG THE WEST LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 2630.30 FEET TO THE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM AN UNDIVIDED TWO-THIRDS INTEREST IN ALL OIL, GAS, MINERALS, HYDROCARBON SUBSTANCES AND CLAY UNDERLYING SAID LAND, AND THAT MAY BE PRODUCED OR RECOVERED THEREFROM, AS RESERVED IN DEED FROM PUBLIX TITLE COMPANY, A CORPORATION, RECORDED NOVEMBER 13, 1956 IN BOOK 1997 PAGE 567 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SAID RESERVATION HAS SINCE BEEN CONVEYED TO H. HOWARD GOODMAN, TRUSTEE OF THE GOODMAN TRUST OF 1977, BY DOCUMENT RECORDED JUNE 27, 1980 AS INSTRUMENT NO. 118070 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 4: (APN 282-030-005-8)

ALL OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF;

EXCEPTING THEREFROM THAT PORTION MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 20; SAID CORNER BEARS SOUTH 89° 55' 30" EAST, A DISTANCE OF 1316.81 FEET FROM THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 20; THENCE SOUTH 00° 04' 30" WEST, ALONG THE EASTERLY LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION, 1597.05 FEET; THENCE SOUTH 49° 49' WEST, 108.29 FEET; THENCE SOUTH 39° 51' WEST, 296.65 FEET; THENCE SOUTH 55° 12' WEST, 264.10 FEET; THENCE SOUTH 11° 36' 20" WEST, 54.52 FEET; THENCE NORTH 00° 04' 30" EAST, AND PARALLEL WITH THE EASTERLY LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 20, 2099.45 FEET TO A POINT ON THE NORTHERLY LINE THEREOF; THENCE SOUTH 89° 55' 30" EAST, ALONG THE NORTHERLY LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 20, 500.00 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM ALL THAT PORTION OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE SOUTH 89° 55' 30" EAST, ALONG THE NORTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 404.68 FEET; THENCE SOUTH 00° 04' 30" WEST, PARALLEL WITH THE EAST LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 1086.39 FEET; THENCE SOUTH 89° 55' 30" EAST, PARALLEL WITH THE NORTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 412.12 FEET; THENCE SOUTH 00° 04' 30" WEST, PARALLEL WITH THE EAST LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 1013.06 FEET; THENCE SOUTH 11° 36' 30" WEST, A DISTANCE OF 94.38 FEET; THENCE SOUTH 57° 37' 00" WEST, A DISTANCE OF 255.08 FEET; THENCE SOUTH 53° 35' 30" WEST, A DISTANCE OF 503.84 FEET TO THE SOUTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE SOUTH 89° 30' 45" WEST, ALONG THE SOUTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 181.90 FEET TO THE SOUTHWEST CORNER OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE NORTH 00° 10' 15" EAST, ALONG THE WEST LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 2630.30 FEET TO THE POINT OF BEGINNING; ALSO EXCEPTING THEREFROM THAT PORTION LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE NORTHEAST CORNER OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, SAID CORNER BEARS SOUTH 89° 55' 30" EAST, 1316.81 FEET FROM THE NORTHWEST CORNER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE SOUTH 00° 04' 30" WEST, ALONG THE EASTERLY LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION, 1597.05 FEET TO THE POINT OF BEGINNING OF THE LINE TO BE DESCRIBED; THENCE SOUTH 49° 49' WEST, 108.29 FEET; THENCE SOUTH 39° 51' WEST, 296.65 FEET; THENCE SOUTH 55° 12' WEST, 264.10 FEET; THENCE SOUTH 11° 36' 30" WEST, 148.90 FEET; THENCE SOUTH 57° 37' WEST, 255.07 FEET;

THENCE SOUTH 53° 35' 30" WEST, 503.84 FEET TO THE SOUTH LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE SOUTH 89° 30' 45" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 181.90 FEET TO THE SOUTHWEST CORNER OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20;

ALSO EXCEPTING THEREFROM AN UNDIVIDED TWO-THIRDS INTEREST IN ALL OIL, GAS, MINERALS, HYDROCARBON SUBSTANCES AND CLAY UNDERLYING

SAID LAND, AND THAT MAY BE PRODUCED OR RECOVERED THEREFROM, AS RESERVED IN DEED FROM PUBLIC TITLE COMPANY, A CORPORATION, RECORDED NOVEMBER 13, 1956 IN BOOK 1997 PAGE 567 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SAID RESERVATION HAS SINCE BEEN CONVEYED TO H. HOWARD GOODMAN, TRUSTEE OF THE GOODMAN TRUST OF 1977, BY DOCUMENT RECORDED JUNE 27, 1980 AS INSTRUMENT NO. 118070 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 5: (APN 282-030-003-6)

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE SOUTH 89° 17' 15" WEST, ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER, 1490.86 FEET; THENCE NORTH 23 ° 00' 40" EAST 132.22 FEET; THENCE NORTH 26 ° 13' 15" EAST 308.62 FEET; THENCE NORTH 28 ° 06' 45" EAST 271.13 FEET; THENCE NORTH 40 ° 41' 15" EAST 302.15 FEET; THENCE NORTH 36 ° 33' 15" EAST 321.19 FEET; THENCE NORTH 48 ° 24' 15" EAST 363.02 FEET; THENCE NORTH 56 ° 44' 15" EAST 360.49 FEET; THENCE NORTH 45 ° 48' 45" EAST 204.82 FEET; THENCE NORTH 89 ° 54' 45" EAST 45.55 FEET, MORE OR LESS, TO A POINT ON THE EAST LINE OF SAID NORTHWEST QUARTER, DISTANT THEREON NORTH 0 ° 03' 15" WEST 1733.74 FEET FROM THE SOUTHEAST CORNER THEREOF; THENCE SOUTH 0 ° 03' 15" EAST, ALONG SAID EAST LINE, 1733.74 FEET, TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM A ONE-HALF INTEREST IN AND TO ANY OIL, GAS, OR OTHER MINERALS, AS RESERVED IN DEED FROM ROBERT A. MC MILLAN ET AL TO D.W. HENDRICKSON ET AL, RECORDED DECEMBER 21, 1956, IN BOOK 2015, PAGE 10 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA. SAID PROPERTY IS ALSO SHOWN AS PARCEL 1 ON RECORD OF SURVEY ENTITLED "RECORD OF SURVEY OF A PORTION OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN" ON FILE IN BOOK 25 PAGE 13 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 5A:

A PERMANENT EASEMENT AND RIGHT OF WAY FOR INGRESS AND EGRESS TO AND FROM SAID PARCEL 1 ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THE NORTHWEST QUARTER OF THE WEST ONE HALF OF THE SOUTHWEST QUARTER OF SECTION 20 AND THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, AND THAT PORTION OF THE SOUTHERLY ONE HALF OF GOVERNMENT LOT 7 WHICH LIES SOUTHEAST OF A LINE DRAWN FROM THE NORTHEAST CORNER OF

SAID SOUTHERLY ONE HALF OF GOVERNMENT LOT 7 TO THE SOUTHWEST CORNER THEREOF, AND ALL OF GOVERNMENT LOTS 8, 10, 14, AND 15, IN SECTION 17, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN.

PARCEL 5B:

A PERMANENT EASEMENT AND RIGHT OF WAY FOR THE PURPOSE OF INSTALLING, USING, MAINTAINING, REPAIRING AND REPLACING AN IRRIGATION PIPELINE TO SAID PARCEL 1; TOGETHER WITH NECESSARY INGRESS AND EGRESS TO INSTALL, MAINTAIN, REPAIR AND REPLACE ALL NECESSARY PUMPS AND EQUIPMENT TO OPERATE THE SAME, ACROSS THE FOLLOWING DESCRIBED REAL PROPERTY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

THE NORTHWEST QUARTER OF THE WEST ONE HALF OF THE SOUTHWEST QUARTER OF SECTION 20 AND THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, AND THAT PORTION OF THE SOUTHERLY ONE HALF OF GOVERNMENT LOT 7 WHICH LIES SOUTHEAST OF A LINE DRAWN FROM THE NORTHEAST CORNER OF SAID SOUTHERLY ONE HALF OF GOVERNMENT LOT 7 TO THE SOUTHWEST CORNER THEREOF, AND ALL OF GOVERNMENT LOTS 8, 10, 14, AND 15, IN SECTION 17, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN; TOGETHER WITH ALL THOSE CERTAIN RIGHTS, USES, COVENANTS, AND CONDITIONS, AS SET OUT IN THAT CERTAIN AGREEMENT AND ADDENDUM THERETO, RECORDED DECEMBER 21, 1956 IN BOOK 2015 PAGE 17 AS INSTRUMENT NO. 86105 AND BOOK 2015 PAGE 1 AS INSTRUMENT NO. 86106 BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY.

PARCEL 6: (APN 282-030-008-1)

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PARCEL 7: (APN 282-030-006-9)

THAT PORTION OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 6 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, SAID CORNER BEARS SOUTH 89° 55' 30" EAST, A DISTANCE OF 1316.81 FEET FROM THE NORTHWEST CORNER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20; THENCE SOUTH 00° 04' 30" WEST, ALONG THE EASTERLY LINE OF THE WEST ONE-HALF OF THE NORTHEAST

ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 1597.05 FEET; THENCE SOUTH 49° 49' WEST, A DISTANCE OF 108.29 FEET; THENCE SOUTH 39° 51' WEST, A DISTANCE OF 296.65 FEET; THENCE SOUTH 55° 12' WEST, A DISTANCE OF 264.10 FEET; THENCE SOUTH 11° 36' 30" WEST, A DISTANCE OF 54.52 FEET; THENCE NORTH 00° 04' 30" EAST, AND PARALLEL WITH THE EASTERLY LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 2099.45 FEET TO A POINT ON THE NORTHERLY LINE THEREOF; THENCE SOUTH 89° 55' 30" EAST, ALONG THE NORTHERLY LINE OF THE WEST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 20, A DISTANCE OF 500.00 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM AN UNDIVIDED TWO-THIRDS INTEREST IN ALL OIL, GAS, MINERALS, HYDROCARBON SUBSTANCES AND CLAY UNDERLYING SAID LAND, AND THAT MAY BE PRODUCED OR RECOVERED THEREFROM, AS RESERVED IN DEED FROM PUBLIX TITLE COMPANY, A CORPORATION, RECORDED NOVEMBER 13, 1956 IN BOOK 1997 PAGE 567 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SAID RESERVATION HAS SINCE BEEN CONVEYED TO H. HOWARD GOODMAN, TRUSTEE OF THE GOODMAN TRUST OF 1977, BY DOCUMENT RECORDED JUNE 27, 1980 AS INSTRUMENT NO. 118070 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 8: (APN 279-180-024-5)

LOT D OF PARCEL MAP NO. 30156, IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 203, PAGES 23 THROUGH 29 INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 9:

PERMANENT EASEMENTS AS CONTAINED IN THE DOCUMENT ENTITLED "GRANT OF EASEMENT" RECORDED JULY 22, 2011 AS INSTRUMENT NO. 2011-0321330 OF OFFICIAL RECORDS AND CONTAINED IN THE DOCUMENT ENTITLED "IRREVOCABLE OFFER OF DEDICATION" RECORDED JULY 19, 2012 AS INSTRUMENT NO. 2012-0336145 OF OFFICIAL RECORDS, BOTH OF SAID COUNTY.

January 19, 2017

Board of Directors
Temescal Valley Water District

Re: Water and Sewer Operations – December 2016

Dear Board Members:

Temescal Valley Water District operations personnel perform the following tasks on a regular and routine basis:

- Managed 212.91 acre-feet of water through system.
- Collected monthly potable water samples. We are now collecting four samples per week as required by the State Water Resources Control Board, Division of Drinking Water.
- Submitted monthly report to the Regional Water Quality Control Board for:
 - Temescal Valley Wastewater Reclamation Facility
- Submitted monthly report to the State Water Resources Control Board, Division of Drinking Water for TVWD distribution system monitoring.
- Read 5256 water meters.
- Maintained aesthetic appearance of all District facilities.
- 0 shut-offs.
- Responded 111 service calls.
- Installed 4 meters for the various developers
- Responded to 52 USA Dig Alerts to mark District underground utilities.

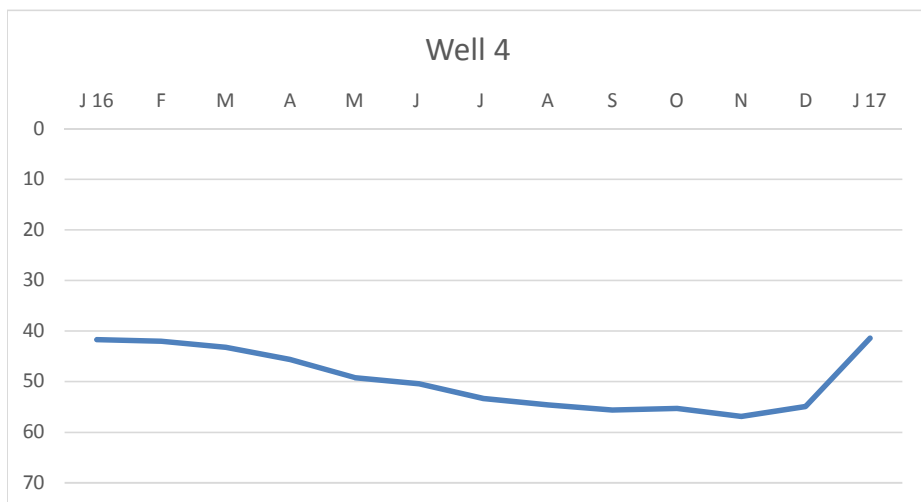
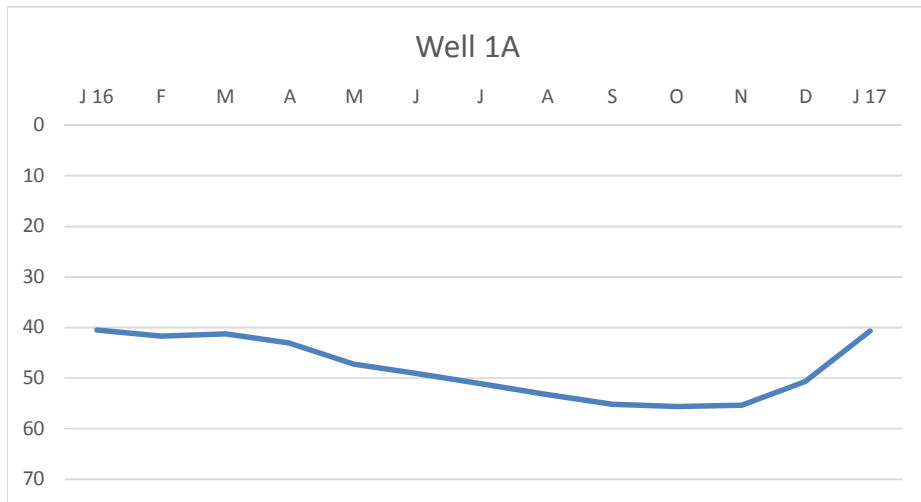
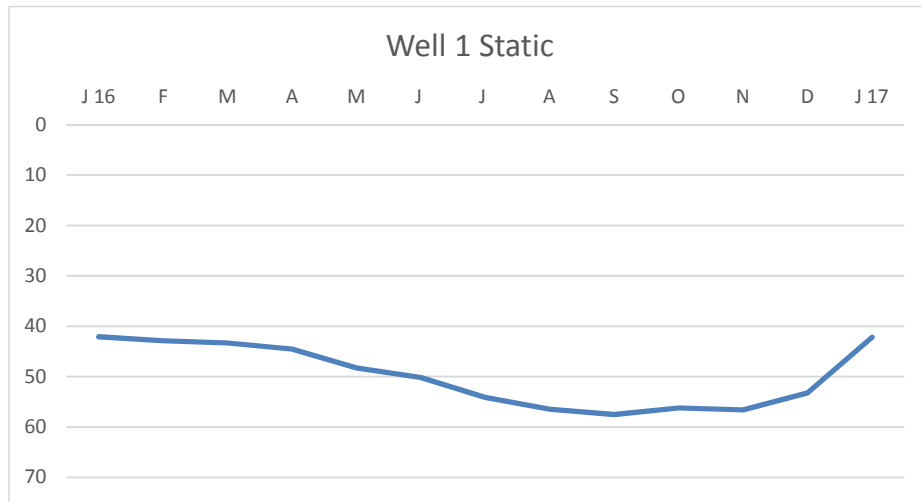
In addition to the above regular and routine tasks we also performed the following operational tasks.

- Discovered a leak on reclaimed water line at Temescal Canyon rd. and Dawson Canyon rd. BT Pipeline excavated and repaired leak.
- Discovered a leak on reclaimed water line at Temescal Canyon rd. and Squaw Mountain rd. BT Pipeline excavated and repaired leak.
- Overflow storage basin (north end of TVWRF) is completely empty. Earthwork to remove bottom foot of material and scarify bottom to promote water percolation has been completed. Block structure is complete and pump has been installed. Basin is back in service and remaining piping and electrical can now be accomplished. Since 12/14/16 all effluent from the treatment facility has been directed to the basin.
- Submitted December report to the State Water Resources Control Board via CWIQS.

Sincerely,

Kenneth R. Caldwell, Operations Superintendent

13 month data of wells 1A, 4, and static. All measurements are from ground level to water surface. Top of each chart (0) is ground level.



**TEMESCAL VALLEY WATER DISTRICT
ENGINEERING DEPARTMENT**

DISTRICT ENGINEER'S MONTHLY REPORT

Date: January 19, 2017
To: Jeff Pape, General Manager
From: Justin Scheidel, District Engineer
Subject: Engineering Activities Update for the Month of January 2017

Following is a summary of the status of current engineering projects:

PLAN CHECKING & DEVELOPER RELATED PROJECTS

Terramor Water, Sewer, & RW Improvements In-Tract Backbone (8432) – Engineering review previously completed, currently under construction.

Terramor Water, Sewer, & RW Improvements In-Tract Laterals (8773) – Engineering review of tracts 36593, 36593-1/6 previously completed, currently under construction.

Terramor Regional Sewer LS (8957) – Engineering review completed, currently under construction.

Forest Boundary Tract 35249 (9351) – No engineering activity this month.

TVWD Water Reclamation Facility Expansion (9830) – Currently reviewing PDR and 30% plans developed by Dexter Wilson Engineering. Review includes coordination of process modifications with operations staff.

CAPITAL IMPROVEMENT PROJECTS

None Currently.

AS-NEEDED ENGINEERING SERVICES

General Engineering Initiated During FY 2016/17 (1401-16XX)

Phase 1603: Wastewater Related Services for FY 2016/17. No engineering activity this month.

Phase 1604: Potable Water Related Services for FY 2016/17. Prepare District Engineer's report and attend monthly board meeting.

Phase 1605: Non-Potable Water Related Services for FY 2016/17. No engineering activity this month.

Phase 1606: Wastewater Mapping Updates for FY 2016/17. Integration of new facilities into District GIS for development of new District maps.

Phase 1607: Potable Water Mapping Updates for FY 2016/17. Integration of new facilities into District GIS for development of new District maps.



A Comprehensive Governance Conference for Elected and Appointed Directors/Trustees

This conference content is based on the CSDA Special District Leadership Academy's (SDLA) groundbreaking, curriculum-based continuing education program, which recognizes the necessity for the board and general manager to work closely toward a common goal. SDLA provides the knowledge base to perform essential governance responsibilities.

More Locations



La Jolla

February 26 - March 1, 2017

Embassy Suites La Jolla
4550 La Jolla Village Drive
San Diego, CA 92122

Find Out More (<http://members.csdanet/imis15/EventDetail?EventKey=17SDLACON1>)



San Luis Obispo

April 23-26, 2017

Embassy Suites San Luis Obispo
333 Madonna Road
San Luis Obispo, CA 93405

Find Out More (<http://members.csdanet/imis15/EventDetail?EventKey=17SDLACON2>)



Napa

July 9-12, 2017

Embassy Suites Napa Valley
1075 California Blvd.
Napa, CA 94559

Find Out More (<http://members.csga.net/imis15/EventDetail?EventKey=17SDLACON3>)

"Clear, concise, relevant materials and dialogue with examples. Extremely useful."
M. Leffel, Director, Monterey Peninsula Airport District

Schedule

Sunday

5:30 – 7:00 p.m. **Registration and Networking Reception**
Take a moment to network with your peers from throughout the state at this informal networking reception. Reception includes light appetizers.

Monday

8:30 a.m. – 12:30 p.m. **Building a Foundation for Good Governance**
In this informational session, the instructor will lay the groundwork for good governance in your district. Attendees will discover:

- Why good governance is so important to the overall well-being of the district.
- The traits of effective directors.
- What good governance means and how to effectively put it into practice
- How to move your board from "I" to "we," including how to become an effective team, establish team standards, and essential conditions for team building.

This session covers Module 1 of the Special District Leadership Academy: Governance Foundations.

12:30 – 1:30 p.m. Lunch provided (All Attendees)

1:45 – 4:30 p.m. **Fulfilling Your Districts' Mission - Charting the Course**
This session will highlight the importance of setting the direction for your district. Learn the critical components of direction setting for your district along with how to avoid planning pitfalls. Attendees will walk through the steps of establishing and fulfilling your district's mission, vision, values, and strategic goals and how to communicate those objectives to your constituents.

- Establishing your district's mission, vision and values.
- Identifying strategic goals and objectives.
- How to communicate those objectives to your constituents.

This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.

5:30 – 7:00 p.m. **Sip and Savor Evening Reception**
Join us at this reception for networking and entertainment.
Sponsored by SDRMA

Tuesday

8:30 – 10:00 a.m.

Get the Word Out! Best Practices for Communication and Outreach

This session looks at common communication breakdowns and areas for improvement in public agency communications. It will discuss proper and effective communication methods to be aware of as a governing official including:

- Identifying audiences
- Responding to public input
- Media relations
- Legislative outreach and advocacy

This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.

10:00 a.m. – 10:30 a.m.

Break (All Attendees)

10:30 a.m. – 12:00 p.m.

Defining Board and Staff Roles and Relationships (Part 1)

This conference session will teach participants how to determine the Human Resource health of their district and what areas to focus on as a board and individual governing official including:

- Identifying the board's role in human resources
- Recognizing HR red flags and positive indicators
- Developing and maintaining essential HR policies
- Covering confidentiality and legal liabilities
- Evaluating the general manager

This session covers Module 4 of the Special District Leadership Academy: Board's Role in Human Resources.

12:00 – 1:00 p.m.

Lunch Provided (All Attendees)

1:15 – 4:00 p.m.

Defining Board/Staff Roles and Relationships (Part 2)

Open Evening

Wednesday

8:30 a.m. – 12:00 p.m.

Show Me the Money! What Do Board Members Need to Know about District Finances?

This session will provide a review and insight of important financial concepts, reports, and policies specific to public agencies including special districts. Attendees will learn:

- How to ask the right questions
- How to link the finance process to the district mission and goals
- Budget process, budget assessment, and communicating budget information to the public
- How to develop and analyze capital improvement plans and reserve guidelines

This session covers Module 3 of the Special District Leadership Academy: Board's Role in Finance and Fiscal Accountability.

12:00 – 12:30 p.m.

Graduation Certificate Distribution

At the completion of the conference attendees will be awarded a certificate of completion for the Special District Leadership Academy

"As a new board member, I truly enjoyed attending the Governance Foundations workshop. The material was informative and the instructor did an outstanding job answering relevant questions that were posed. I recommend this workshop to anyone serving as an elected official."

Shiva Frentzen, Director, Cameron Park Community Services District

Attendees Will Learn

- 1 Working as a team: The roles of the board and staff.
- 2 Attributes and characteristics of highly effective boards.
- 3 How culture, norms, values, and operating styles influence the district.
- 4 Specific jobs that the board must perform.

- 5 How individual values, skills, and knowledge help to shape how effective boards operate.
- 6 The importance of moving from "I" to "we" as the governance team.
- 7 The board's role in setting direction for the district.
- 8 The board's role in finance and fiscal accountability.
- 9 Much more!
- 10 Register Today! (http://members.csga.net/iMIS15/CSGA/Events/Calendar/CSGA/Events_Calendar.aspx?hkey=2051da45-1bbc-424d-87cf-fe08bc70189d)

More about SDLA

Local boards are the reason, and really the only reason, why local control is local. Special district boards are the voices of the community. We are also a large reason why special districts exist.

The truth is that every elected or appointed public official needs to worry about governance. Governance is what boards do. It is what they bring to the table. Governance is taking the wishes, needs and desires of the community and transforming them into policies that govern the district. Survival of special districts depends in large part on how well boards do their jobs.

Whether you are new to the board or someone who has served for many years, this conference provides essential tools and information to effectively govern your district!

SDRMA Credit Incentive Points

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points can be earned based on an agency's attendance at the Special District Leadership Academy Conference reducing SDRMA member's annual contribution amount.

Social

(<https://www.facebook.com/specialdistrict>)

(<https://twitter.com/specialdistrict>)

#SDLA2017 (<http://twitter.com/intent/tweet?text=Spread+the+word!+Let+districts+know+about+this+exciting+conference!+Thanks+@specialdistrict+%23SDLA2015>)

Presented by California Special Districts Association (<http://www.csga.net>) and Special District Risk Management Authority (<http://www.sdrma.org/>)