

DISTRICT PROFILE SUMMARY SHEET

District Contact Person(s):

MICHAEL MINES, GENERAL MANAGER

Address:

25715 Santa Rosa Road, Apple Valley, CA

P.O. Box 386 Apple Valley, CA 92307

Phone: (760) 247-9818

FAX: (760) 247-3974

E-mail Address:

jrcwd@earthlink.net

Website Address:

http://home.earthlink.net/~jrcwd

Date of Formation:

8

1511

★

March ~~15~~, 1976 (LAFCO ~~1621~~) Action included formation of this

District and dissolution of CSA#49

Principal Act:

Water Code 30000 (County Water District Law)

Improvement District(s): YES NO

If yes, please indicate name and define area of service (include map).

Governing Body: 5 member Board of Directors elected within the District

Membership: Gordonna C. Moore, President

Tim E. Post, Vice President

Susan Mulvaney, Director

Jeffrey Holmes, Director

Lorrie Bassler, Director

Public Meetings: Held on the third Thursday of each month, at 7:00 p.m.

at the District office 25715 Santa Rosa Road

★ Amended by Michael Tuerpe, LAFCO staff

AREA SERVED: Within the County of San Bernardino
 Approximately 10 square miles (1,350 acres)
 Population: Approximately 650

SERVICES

Currently Authorized Powers (Services):

SERVICE	FUNCTIONS
Water	Domestic, rural, agricultural
★	Develop water system, system maintenance : per Exhibit A

Latent Powers (Services) – those services authorized by the Agency's principal act, but not activated through the LAFCO process: NONE

SERVICE	FUNCTIONS

★ Area Served: 10 Square Miles/ 1,350 Acres

★ Population: approx 650 (Outline source for figure)

★ Registered Voters: 234 As Of 4-2-06 (Date)

Services Provided Outside Agency Boundaries: NONE

SERVICE	PROVIDED TO WHOM	DATE OF CONTRACT	SUNSET DATE

Special charges for service outside boundaries: NONE

Special policies for providing service outside boundaries: NONE

★ Amended by Michael Tuerpe, LAFCO staff

JUNIPER RIVIERA COUNTY WATER DISTRICT

SPHERE OF INFLUENCE

Established:

LAFCO Number	Resolution No./ Date Adopted	Location
★ None known 1951	1574 Aug 15, 1979	Coterminous with boundaries as determined following completion of LAFCO 1933

CHANGES:

LAFCO Number	Resolution No./ Date Adopted	Type Of Change	Location-
★ None known 2653	2315 April 29, 1991	Sphere Expansion	14.5 miles around Periphery
2693	2345 Sept 3, 1991	Sphere Reduction	Sec 25, T4N, R2W
2693A	2389 Aug 24, 1992	Sphere Reduction	Sec 13-18, 19-24, 25-30, T4N, R2W

BUDGETARY INFORMATION

	Actual 2001-02	Actual 2002-03	Actual 2003-04	Estimated 2004-05	Budgeted 2005-06
Expenditures	178,000	194,951	225,820	228,721	230,000
Capital/Fixed Assets	1,382,500	1,372,474	1,395,344	1,445,508	1,400,000
Property Tax	42,200	42,200	42,200	21,208	21,208
User Fees	45,670	41,307	48,079	48,000	48,000

★ Amended by Michael Tuerpe, LAFCO staff



3005

MUNICIPAL SERVICE REVIEW
Juniper Riviera County Water District
Proposed Sphere of Influence 2006

The following information is provided as required by Government Code Section 56430, and as requested by LAFCO as part of the Sphere of Influence proposal:

I. Infrastructure Needs and Deficiencies

1. Capital Improvement Plans/Studies

The Juniper Riviera County Water District has plans for a major Capital Improvement. The improvement is the construction of a new water well, distribution services and a new reservoir, to meet the demands of the current and future growth within the District boundaries. The project is estimated to take place in the later part of the year 2006.

Water Service Plans/Studies

2. The District conducted a Water Resource Study in 2002 to determine current water use and future water availability. The study also covered supply and demand information for the District, now and projected for the future. A copy of the study is attached as addendum item #1.

3. Sewer Service Plans/Studies

The District is located in a rural County area. Sewers are not required nor are they anticipated to reach the area within a decades time.

4. Age and Condition of Facilities

The District' basic infrastructure was constructed in 1979-1981. Portions of the system are 25 years old (Steel reservoirs and 70% of concrete pipe). Pumps, motors, hydrants, buildings, and other appurtenances are between 2-15 years old. Old pipe is replaced with, PVC pipe and pumps/motors and electrical are replaced as needed. The overall condition of the Districts distribution system, the storage system and buildings are described as "excellent".

5. Capacity Analysis

The Districts capacity for future services ("build-out") is approximately 515 meter units. The current number of meters deployed is 219. Additional capital improvements will begin when meter units installed reaches 295.

6. Future Development

The District has a tentative schedule for the construction of facilities to meet future demand of services, as described above. Revenues have been set aside specifically for the capital improvements listed above. The District, through meter sales revenue will generate the funds necessary to meet the needs of the improvements. No loans, nor an increase in water use rates are anticipated to meet the capital improvement goals.

7. Reserve Capacity

Policy is dictated by Local and State regulations and fire prevention regulations. The District meets or exceeds those regulations for reserve water capacities.

II. Growth and Population

1. Population Information

The estimated population of the District area is 1,000 persons. The area has a diverse ethnic and socio-economic mix; from welfare recipients to upper class retired families. Growth projections for the next five (5) years, includes an increase in the building of more upscale homes as property prices increase in value.

The population is projected to increase to 1,700 person over the next 5 years. Most of the growth is and will take place in the developed areas within the District boundaries. The District still has areas that were once "homestead" properties that have unimproved roads and a lack of basic some utilities, other than water.

III. Financing Opportunities and Constraints

1. Finance Plans

The District currently operates under a balanced, annually planned budget. The District's sources of revenue are: water consumption sales, water meter installation sales, shared property tax revenues, Stand By fee charges assessed to each parcel within the District, and Bond revenue collections for debt service of the Bonds purchased by the District (when the District was formed, in the late 1970's) and interest on investments made by the District

There is no Bond Rating. The District does not participate in any Joint financing projects. The District carries no debt, except for the Bonds mentioned above. Current revenue sources (water sales, meter sales, investment interest) can be expanded or increased if necessary.

IV. Cost Avoidance Opportunities

1. The District is located in a rural area of San Bernardino County approximately 6 miles southeast of the Town of Apple Valley proper. There are no other municipal entities are nearby or connected to District boundaries. The nearest other public entity is the Mariana Ranchos Water District that is approximately 3 miles west of the District boundaries. Overlapping and duplicative services are not an issue. The District is currently and effectively autonomous.

Other public water distribution systems located in the area would not benefit this District by sharing costs, administrative functions, or distributions costs. Each is unique to its own. Additionally, geographic and socio-economic issues, as well as physical topographical boundaries are prohibitive to merging with other systems. Guarantees for equal tax

apportionment, standardized land owner fees and rate structures would have to be established to provide equal service, or at least the same level of service, already in place for one, as opposed to the other entity joined with.

2. Joint Agency Practices

This District currently has only two Joint Agency Practices. They do not directly impact daily operations. Our agency has verbal agreements with two neighboring agencies to lend equipment and provide water during emergency situations only, i.e., fire, earthquake, and other natural disasters.

3. Rely on Other Agencies

The District currently employs the use of outside contractors to complete major repairs and install meters. The administrative functions of the District are carried out by a General Manager and an Office Secretary. Day to day maintenance and minor repairs are completed by a single Maintenance Engineer, all of whom have been employed by this District for over 10 years respectively. This District does not receive grants.

4. Growth Management Strategies

Plans for growth have been identified and are listed above. Supply conservation as well as a conservative approach to revenue spending have been paramount to a successful operation of this District.

There is no current annexation policy. This District's annexation policy is guided by the future need to annex and not the desire to annex. If annexation of additional land were necessary, the District would seek the guidance and follow the procedures set for by LAFCO.

5. Level of Service

The JRCWD has always met or exceeded the service requirements of our customers. This District provides open communications and open operations with its property owners. The District prides itself in its exemplary service to customers. No service complaints against, employees, Directors, or operational practices have been received in approximately six (6) years. Complaints for the area concern road conditions.

6. Per Unit Costs

The current cost per unit (100 cubic feet- 750 gallons of water) is \$2.50. There is a service charge of \$7.00 per month for all installed meters. There is a "Stand By" charge of \$30.00 per acre of land owned, billed annually. There are no other charges. There are no tiered water use rates.

The District has compared rate structure and fees charge with other water purveyors in the High Desert. The District rates are in line with most and not excessive.

V. Rate Restructuring

1. and 2.

None needed at this time. The District has not raised its water use rate in over a decade. This District has compared rates with nearly all other water purveyors in the High Desert Area and have parity with most. When the need arises, the District will respond to increasing its water use rate.

VI. Opportunities for Shared Facilities

1. and 2. Shared Facilities

This District shares no facilities and does not foresee sharing, due to geographic distances from other entities. Duplication of facilities does not exist. Other points of this section not applicable.

VII. Government Structure Options

1. Agency recommendation

Not applicable

2. Hurdles to Consolidation

- a. geographic distances to other entities for infrastructure connection, and/or operations, is economically prohibitive.
- b. socio-economic demographics of area would express autonomy
- c. overall economic operations and fiscal demands would be higher
- d. lack of local management would hinder currently efficient operations and would create diminished customer service.

3. Recommended Options

Due to the current solid economic health, efficient operations, and concentration of effort in customer service and delivery systems, the District does not, nor will seek consolidation options, or reorganization. The District's Board of Directors and a majority of their constituents harbor no desires to join with any other entity at this time.

VIII. Evaluation Of Management Efficiencies

1. Training Opportunities

Operations employees receive training in all aspects of District operations when necessary.

2. Staffing Levels

The District has three employees. The same three employees have been employed with the District for 11 continuous years. The staffing level is not anticipated to increase in the near future. The General Manager and Maintenance Engineer are California State licensed operators.

3. Technology

The District's billing system is automated. The District is currently entertaining "on-line" bill paying through its website. The District's water distribution system is run by a SCADA system.

4. Budget

The District currently operates under an annual budget that runs from July, 1 through June 30. Policies are established to control spending. Stipends are paid for Board meeting attendance and one annual budget preparation meeting. Reimbursement for travel and seminar attendance, directly related to District concerns are offered. However, in rare instances are reimbursements sought.

The public is informed of the budget preparation period and are invited to attend the budget prep workshop.

The District's financial operation is independently audited annually.

5. Joint Powers Agreements

The District has no "Joint Powers" agreements at this time.

IX. Local Accountability and Governance

1. Governing Body

The District's membership on the governing Board of Directors is by mandated public election or by appointment, according to the California Government Code. The District makes notification of Director position openings through local newspaper legal notices and through its own newsletter published monthly. Notices are also posted throughout the District, at various locations.

The five Board Directors represent the area District wide and not by Division. Board of Directors meetings take place on the third Thursday of each month at 7:00 p.m. and are open to the public.

The District meets or exceeds all required provisions of the Ralph M. Brown Act. The District has had no elections held for an open seat on the Board of Directors for over a decade. All current Directors have been appointed.

2. Customer Feedback

The District has solicited feedback from customers on a regular basis through the District's monthly newsletter.

The District has conducted surveys in the past related to demographics, computer use, road repairs and other issues.

3. Access

The District office is open from 7:00 am to 3:00 p.m., Tuesday, Wednesday, and Thursday. The Districts General Manager and Maintenance Engineer are "On Call" 24 hours a day, seven days a week.

The District publishes a newsletter on a monthly basis that is distributed to the water customers, with their billing. The Board of Directors publish their own newsletter, annually, which is distributed to all property owners and customers. Three copies of the newsletters are attached as addendum item no. 2, 2a and 2b

The District has a website at <http://home.earthlink.net/~jrcwd>.

4. Regular Progress Reports

The District publishes an annual report, and regularly solicits input from the areas customers and property owners. Discussions related to the budget and major projects are always put forth for the public to comment on and make suggestions for improvements.

CONCLUSION

The Juniper Riviera County Water District is in a solid position to provide public water distribution service to the the proposed Sphere of Influence area, where a public water supply does not exist, should the need arise. By establishing this area, in favor of this District, water can be made available to the properties and residents of the area in the near future.

The establishment of the Sphere of Influence area requested, will greatly benefit all those who reside and own property in that area.

**MANDATORY FIVE YEAR
SPHERE OF INFLUENCE REVIEW**
(Government Code Section 56425)

3005

INTRODUCTION: The questions on this form are designed to obtain data about the entity's existing sphere of influence to allow the Commission and its staff to begin to assess the mandated sphere update process. You are encouraged to include any additional information that you believe is pertinent to the process. Use additional sheets where necessary and/or include any relevant documents.

1. **NAME OF AGENCY:** Juniper Riviera County Water District

2. Provide an identification of the entities that provide service to your agency. Please indicate whether they are public or private entities and include subsidiary districts in this description. Please include a description of City or District-governed agencies (i.e., redevelopment agency, development corporations, joint powers authorities, improvement districts, etc.):

None

3. Provide a narrative description of anticipated alterations in the agency's current sphere of influence that should be considered in this review. This identification should include any potential development that would require a sphere of influence amendment for implementation, etc. (If additional room for response is necessary, please attach additional sheets to this form.)

There are no anticipated changes to this District's current sphere of influence. Should planned development in the surrounding area take place, this District would seek possible annexation through the current LAFCo provisions. This District currently has no plans for future annexation of land related to its border.

4. **CITIES:** Provide an outline of negotiations with the County of San Bernardino related to any sphere change anticipated. Please include an outline of agreements on boundaries, development standards, zoning requirements, if any. This is required pursuant to Government Code Section 56425(b).

Not applicable

5. **CITIES:** Provide an outline of the dates for adoption and plans for update, if any, for:

General Plan Elements if adopted separately NAME	DATE OF ADOPTION/UPDATE PLANS
_____	_____
_____	_____
_____	_____
_____	_____

6. **CITIES/SPECIAL DISTRICTS:** For the services provided by the agency identify the appropriate document below and provide an outline of the date of adoption, schedule for update, copy of the document and copy of environmental document, if applicable:

Master Plan for Water Utility	See Attachment
Master Plan for Sewer Utility	_____
Master Plan for Fire Service	_____
Master Plan for Park Service	_____
Urban Water Management Plan (with copy of certification from Department of Water Resources)	_____
Other (Please name):	_____
_____	_____
_____	_____
_____	_____

7. **SPECIAL DISTRICTS:** Provide an outline of the following items related to the services provided by the District. This response is specifically required by Government Code Section 56425(h) et seq.

a) Provide a written statement specifying the functions and/or classes of service provided by your District.

Water distribution to rural residential housing units

b) Provide a written description of the nature, location and extent of the functions and/or classes of service outlined above. Where the service area is less than the boundaries of the District provide a map depiction of the location.
Same as above

- c) Provide a brief outline of master plans adopted for each of the services listed above including a summary of their findings and the date of their adoption. If master plans are required to be filed with a County, State or Federal agency please note the date of their acceptance. Provide a copy of the master plans with this document if not previously provided to the LAFCO staff office including a copy of the environmental determination associated with the document.

Master Plan is attached for review. There is no environmental determination associated with the report.

8. Provide a response to the four factors outlined in Government Code Section 56425 required for a sphere of influence review outlined as follows:

- a) The present and planned land uses in the area, including agricultural and open-space lands.

The present and planned uses of land within the boundaries of this District are "rural" lots 2 1/2 acre minimum, as approved by the County of San Bernardino. Currently, residential only, equestrian.

- b) The present and probable need for public facilities and services in the area.
Current need for the area within the boundaries of this District: Paved roads. The roads are currently unimproved dirt roads, maintained by private property owners only. The District does make road repairs when the District's water distribution system is threatened with damage from rain events.

A new water well and reservoir are planned for in the next 3 years.

- c) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
The District currently provides more than adequate water distribution services within its boundaries.

d) The existence of any social or economic communities of interest in the area.

NONE

CERTIFICATION

I hereby certify that the statements furnished above and in the attached supplements, exhibits, and documents present the date and information required for this mandatory review to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE: August 15, 2005

Michael W. Mines
Signature of Official

MICHAEL W. MINES

Printed Name

General Manager

Title

Justification for Proposal and Preliminary Environmental Description Form

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the proposed project site to allow the Commission, its staff and others to adequately assess the project. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your project. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

GENERAL INFORMATION

1. NAME OF PROPOSAL: Sphere of Influence Expansion
by the Juniper Riviera County Water District

2. NAME OF APPLICANT: Juniper Riviera County Water District
MAILING ADDRESS: _____
P.O. Box 386

Apple Valley, CA 92307
PHONE: (760) 247-9818
FAX: (760) 247-3974
E-MAIL ADDRESS: jrcwd@earthlink.net

3. GENERAL LOCATION OF PROPOSAL: Highway 18 to the North, Teton Road to the South,
Lovelace Canyon Road to the East, West wall of Arraste Canyon to the West

4. Does the application possess 100% written consent of each landowner in the subject territory?
YES ___ NO X If YES, provide written authorization for change.

5. Indicate the reasons that the proposed action has been requested. _____
The proposed area, in general is serviced for water by private wells.
The Juniper Riviera County Water District, being a public water distribution
provider, can meet the needs of the area for future growth and a need
for stable and reliable public service.

6. Would the proposal create a totally or substantially surrounded island of unincorporated territory?
YES ___ NO X If YES, please provide a written justification for the proposed boundary
configuration.

LAND USE AND DEVELOPMENT POTENTIAL

- 1. Total land area (defined in acres): 7,040 acres (approx.) Expansion area
- 2. Current dwelling units in area: Expansion area 125 (approx.)
- 3. Approximate current population in area: 400
- 4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s): Rural, Agricultural, Residential, with portions of the Northern border on Highway 18 being Commercially zoned

San Bernardino County General Plan designation(s) and uses permitted by this designation(s):

Same as above in #4

- 5. Describe any special land use concerns expressed in the above plans. Possible decrease in current 2 1/2 acre per dwelling lot size, for larger home developments

- 6. Indicate the existing land use. Agricultural- Rural Residential- There are no known business entities in the proposed area.

What is the proposed land use? Agricultural-Rural Residential

- 7. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:
 - a. Has pre-zoning been completed? YES ___ NO ___
 - b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ___ NO ___

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

Not Applicable

8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

- Agricultural Land Uses
- Williamson Act Contract
- Any other unusual features of the area or permits required: _____
- Agricultural Preserve Designation
- Area where Special Permits are Required

9. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

10. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ___ NO X If YES, please explain.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. Alluvial plain on the North, Steep hills and canyons to the South, East and West

2. Describe any existing improvements on the site as % of total area.

Residential	<u>18%</u>	%	Agricultural	<u>20%</u>	%
Commercial	<u>0%</u>	%	Vacant	<u>62%</u>	%
Industrial	<u>0%</u>	%	Other	_____	%

(FOR LAFCO USE ONLY)

3. Describe the surrounding land uses:

NORTH Residential-Agricultural-Vacant

EAST Vacant-Residential-Agricultural

SOUTH Residential-Vacant-Agricultural

WEST Vacant-Residential-Agricultural

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).
For water distribution only, no appreciable change or alteration to

the existing topography, land appearance, would occur. The only exception possibly being the installation of a water storage reservoir(s)

5. Will service extensions accomplished by this proposal induce growth on this site? YES NO
Adjacent sites? YES NO Unincorporated Incorporated

Future growth is possible with service improvements and availability (Sphere of Influence expansion only)

6. Is this project a part of a larger project or series of projects? YES NO If YES, please explain.

Sphere of Influence expansion only

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME MICHAEL MINES

TELEPHONE NO. 760-247-9818

ADDRESS: P.O. Box 386

APPLE VALLEY, CA 92307

NAME _____

TELEPHONE NO. _____

ADDRESS: _____

NAME _____

TELEPHONE NO. _____

ADDRESS: _____

CERTIFICATION

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief. I understand that if this proposal is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

DATE MAY 17, 2006

Michael W. Mines

SIGNATURE OF APPLICANT

MICHAEL W. MINES

PRINTED NAME OF APPLICANT

GENERAL MANAGER

TITLE

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- CITY INCORPORATION SUPPLEMENT
- FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ACTIVATION OF LATENT POWERS SUPPLEMENT

APPLICATION TO BE SUBMITTED TO:

LOCAL AGENCY FORMATION COMMISSION
175 WEST FIFTH STREET, SECOND FLOOR
SAN BERNARDINO, CA 92415-0490
PHONE: (909)387-5866 • FAX: (909) 387-5871
E-mail address: lafco@lafco.co.san-bernardino.ca.us

KRM - REV

SUPPLEMENT SPHERE OF INFLUENCE CHANGE

JUNIPER RIVIERA COUNTY
Water District

INTRODUCTION: The questions on this form are designed to obtain data about the specific sphere of influence change proposal to allow the Commission, staff and others to adequately assess the project. You may also include any additional information that you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please provide an identification of the agencies involved in the proposed sphere of influence change:

SPHERE EXPANSION

SPHERE REDUCTION

Juniper Riviera County Water District

2. Provide a narrative description of the following factors of consideration as outlined in Government Code Section 56425. (If additional room for response is necessary, please attach additional sheets to this form.)

The present and planned land uses in the area, including agricultural and open-space lands.

Current land use for area is a combination of rural residential and agricultural

The present and probable need for public facilities and services in the area. In the proposed Sphere of Influence area there is a probable need for future public water services and improvement assessment districts.

The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide. The Juniper Riviera County Water District currently provides public water distribution services to nearly 1,000 population, with a future capacity to increase services and distribution to the future growth of the proposed Sphere of Influence area.

The existence of any social or economic communities of interest in the area. There are no current business entities in the proposed area. However, there is a continued strong growth of single residential dwellings inside the District's current boundaries and anticipated residential growth outside the District's boundary. The proposed area is similar in socio-economic demographics, with single family dwellings only in a rural environment.

3. If the proposal includes a city sphere of influence change, provide a written statement of whether or not agreement on the sphere change between the city and county was achieved. In addition, provide a written statement of the elements of agreement (such as, development standards, boundaries, zoning agreements, etc.) (See Government Code Section 56425)

4. For any sphere of influence update, either initiated by an agency or individual or mandated by Government Code Section 56430, the following service review information is required to be addressed in a narrative discussion, and attached to this supplemental form:

- a. Infrastructure needs or deficiencies within the area
- b. Growth and population projections for the area
- c. Financing constraints and opportunities by entity affected * ATTACHMENT*
- d. Cost avoidance opportunities
- e. Opportunities for rate restructuring
- f. Opportunities for shared facilities
- g. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers
- h. Evaluation of management efficiencies
- i. Local accountability and governance

The narrative description shall be signed and certified by an official of the agency(s) involved with the sphere of influence review as to the accuracy of the information provided.

(Please note that the State of California Office of Planning and Research is required to prepare guidelines for these "service reviews" by July 1, 2001.)

CERTIFICATION

I hereby certify that the statements furnished above present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE April 27, 2006

Michael W. Mines, General Manager
SIGNATURE OF APPLICANT

MICHAEL W. MINES, GENERAL MANAGER
JUNIPER RIVIERA COUNTY WATER DISTRICT

JUNIPER RIVIERA COUNTY WATER DISTRICT
(A Special District)

YEAR END

STATEMENT OF REVENUES AND EXPENSES
Cash Basis
One Month and Twelve Months Ended June 30, 2007

SCHEDULE 5
BUDGET ANALYSIS

	1 Month Ended			12 Months Ended			Budget Remaining
	Actual	Budget	Variance	Actual	Budget	Variance	
Operating Revenues							
Water Sales	\$ 6,845.35	\$ 7,083.37	\$ 238.02	\$ 85,736.08	\$ 85,000.00	\$ (736.08)	0.44
Property Tax Assessments	1,267.78	3,750.00	2,482.22	75,810.84	45,000.00	(30,810.84)	0.00
Standby Charges	0.00	4,162.50	4,162.50	46,075.96	49,950.00	3,874.04	0.00
Miscellaneous Income	0.00	0.00	0.00	10,253.00	0.00	(10,253.00)	0.00
Meter Installation	0.00	3,645.87	3,645.87	62,500.00	43,750.00	(18,750.00)	0.44
Transfer to Capital Improvement Fund	0.00	(3,645.87)	(3,645.87)	(62,500.00)	(43,750.00)	18,750.00	(0.44)
Total Operating Revenues	8,113.13	14,995.87	6,882.74	217,875.88	179,950.00	(37,925.88)	0.44
Operating Expenses							
General Manager	4,759.50	4,691.37	(68.13)	57,227.32	56,296.00	(931.32)	0.44
Clerical	2,376.30	1,400.00	(976.30)	22,343.76	16,800.00	(5,543.76)	0.00
Maintenance	952.56	1,332.50	379.94	13,343.00	15,990.00	2,647.00	0.00
Payroll Taxes Payable	647.34	516.63	(130.71)	7,856.21	6,200.00	(1,656.21)	(0.44)
Workers Comp Insurance	0.00	733.37	733.37	4,174.00	8,800.00	4,626.00	0.44
401K Administration	130.00	130.00	0.00	1,560.00	1,560.00	0.00	0.00
401K Contribution	242.65	222.00	(20.65)	2,785.56	2,664.00	(121.56)	0.00
Total Wages	9,108.35	9,025.87	(82.48)	109,289.85	108,310.00	(979.85)	0.44
Accounting Fees	448.34	450.00	1.66	5,108.39	5,400.00	291.61	0.00
Alarm	144.60	54.13	(90.47)	1,035.60	650.00	(385.60)	(0.44)
Audit Fees	0.00	375.00	375.00	4,200.00	4,500.00	300.00	0.00
Bank Charges	0.00	4.13	4.13	124.27	50.00	(74.27)	(0.44)
Contributions	0.00	0.00	0.00	775.00	0.00	(775.00)	0.00
Directors' Fees	400.00	583.37	183.37	7,200.00	7,000.00	(200.00)	0.44
Gasoline	0.00	141.63	141.63	2,037.01	1,700.00	(337.01)	(0.44)
Insurance - General	0.00	566.63	566.63	6,712.00	6,800.00	88.00	(0.44)
L.A.F.C.O.	2,032.09	15.38	(2,016.71)	2,398.73	185.00	(2,213.73)	(0.44)
Legal Fees	0.00	208.37	208.37	3,000.00	2,500.00	(500.00)	0.44
Licenses and Permits	887.00	54.13	(832.87)	1,693.00	650.00	(1,043.00)	(0.44)
Maintenance - Building	4.28	125.00	120.72	4.28	1,500.00	1,495.72	0.00
Maintenance - Non System Repairs	0.00	20.87	20.87	0.00	250.00	250.00	0.44

PRELIMINARY DRAFT
For Review and Discussion -- Subject to Change -- Not to be Reproduced

JUNIPER RIVIERA COUNTY WATER DISTRICT
(A Special District)

STATEMENT OF REVENUES AND EXPENSES
Cash Basis
One Month and Twelve Months Ended June 30, 2007

SCHEDULE 5
BUDGET ANALYSIS

	1 Month Ended		12 Months Ended		Budget Remaining
	Actual	Budget	Actual	Budget	
Operating Expenses, Continued					
Maintenance - Vehicles	10.00	62.50	2,788.98	750.00	0.00
Maintenance - Water System	280.00	487.88	3,243.67	5,855.00	(0.44)
Meetings and Seminars	0.00	0.00	70.00	0.00	0.00
Meter Installation	1,472.43	0.00	14,008.67	0.00	0.00
Transfer to Capital Improvement Fund	(1,472.43)	0.00	(14,008.67)	0.00	0.00
Mileage Expense	297.06	166.63	1,850.82	2,000.00	0.00
Miscellaneous Expenses	219.32	158.37	2,563.16	1,900.00	(0.44)
M.W.A. - Administration Fees	0.00	16.63	0.00	200.00	0.44
M.W.A. - Overdraft Fees	0.00	16.63	2,062.09	200.00	(0.44)
Office Expenses	147.78	83.37	1,959.92	1,000.00	0.44
Propane	0.00	39.62	631.54	475.00	0.44
Southern California Edison	4,120.52	2,158.37	31,556.87	25,900.00	0.44
Sphere of Influence	0.00	0.00	(245.00)	0.00	0.00
Stationery Supplies / Postage	75.43	214.62	2,465.11	2,575.00	0.44
Telephone and Cellular	215.89	216.63	2,522.98	2,600.00	(0.44)
Water Testing	285.00	83.37	2,120.00	1,000.00	0.44
Total Operating Expenses	18,675.66	15,329.13	197,168.27	183,950.00	(0.44)
Operating Revenue	(10,562.53)	(333.26)	20,707.61	(4,000.00)	0.88
Non-Operating Revenues (Expenses)					
Interest Earned	626.29	333.37	6,128.03	4,000.00	0.44
Bond Payments	0.00	0.00	(60,725.00)	0.00	0.00
Property Tax Assessment - Debt Service	1,137.16	0.00	79,574.38	0.00	0.00
Total Non-Operating Revenues (Expenses)	1,763.45	333.37	24,977.41	4,000.00	0.44
EXCESS REVENUES (EXPENSES)	\$ (8,799.08)	\$ 0.11	\$ 45,685.02	\$ 0.00	\$ 1.32

PRELIMINARY DRAFT
For Review and Discussion -- Subject to Change -- Not to be Reproduced

JUNIPER RIVIERA COUNTY WATER DISTRICT
(A Special District)

STATEMENT OF REVENUES AND EXPENSES
Cash Basis
For the Twelve Months Ended June 30, 2007

SCHEDULE 6
MULTI - PERIOD COMPARATIVE

Operating Revenues	Year-to-Date											
	7/31/06	8/31/06	9/30/06	10/31/06	11/30/06	12/31/06	1/31/07	2/28/07	3/31/07	4/30/07	5/31/07	6/30/07
Total	\$ 85,736.08	\$ 8,832.25	\$ 6,119.37	\$ 10,329.09	\$ 8,217.68	\$ 7,936.71	\$ 5,122.11	\$ 7,446.21	\$ 5,531.56	\$ 1,287.45	\$ 9,803.05	\$ 6,845.35
Water Sales	75,810.84	3,757.65	0.00	0.00	7,062.29	5,699.56	26,248.75	2,899.39	1,934.14	12,854.89	14,086.39	1,267.78
Property Tax Assessments	46,075.96	34,201.56	4,010.46	489.60	591.00	646.55	884.56	1,510.70	387.82	1,410.00	655.93	0.00
Standby Charges	10,253.00	0.00	1,307.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	62,500.00	0.00	25,000.00	12,500.00	0.00	6,250.00	0.00	6,250.00	6,250.00	0.00	0.00	0.00
Meter Installation	(62,500.00)	0.00	(25,000.00)	(12,500.00)	0.00	(6,250.00)	0.00	(6,250.00)	(6,250.00)	0.00	0.00	0.00
Transfer to Cap. Imp. Fund												
Total Operating Revenues	217,875.88	46,224.46	23,095.71	10,818.69	15,870.97	14,282.82	32,235.42	11,856.30	7,853.32	15,552.34	24,545.37	8,113.13
Operating Expenses												
General Manager	57,227.32	4,532.86	4,532.86	4,532.86	4,532.86	6,006.02	4,759.50	4,759.50	4,759.50	4,759.50	4,759.50	4,759.50
Clerical	22,343.76	1,607.04	1,130.76	1,688.04	1,488.78	2,134.67	1,683.99	1,848.98	1,627.86	2,092.23	2,473.25	2,376.30
Maintenance	13,343.00	959.85	984.15	996.30	1,410.10	1,742.48	1,190.70	1,292.77	425.25	756.95	1,262.99	952.56
Payroll Taxes Payable	7,856.21	584.19	662.98	558.00	569.33	757.18	828.31	776.65	584.43	659.96	687.81	647.34
Workers Comp Insurance	4,174.00	0.00	114.00	4,828.00	0.00	(768.00)	0.00	0.00	0.00	0.00	0.00	0.00
401K Administration	1,560.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00
401K Contribution	2,785.56	212.99	242.81	216.51	222.19	295.44	229.02	237.03	204.38	228.25	254.87	242.65
Total Wages	109,289.85	8,026.93	9,243.41	12,949.71	8,353.26	10,297.79	8,821.52	9,044.93	7,731.42	8,626.89	9,568.42	9,108.35
Accounting Fees	5,108.39	403.83	375.07	404.22	374.63	453.43	443.20	579.20	403.83	404.72	374.48	448.34
Alarm	1,065.60	87.80	24.40	60.40	126.00	93.80	73.80	77.40	73.40	87.80	61.00	144.60
Audit Fees	4,200.00	0.00	2,100.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Charges	124.27	0.00	0.00	0.00	59.83	37.90	0.00	15.04	6.11	0.00	5.39	0.00
Contributions	775.00	350.00	0.00	100.00	325.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Directors' Fees	7,200.00	500.00	1,100.00	800.00	400.00	400.00	600.00	500.00	600.00	600.00	800.00	400.00

PRELIMINARY DRAFT
For Review and Discussion -- Subject to Change -- Not to be Reproduced

JUNIPER RIVIERA COUNTY WATER DISTRICT
(A Special District)

STATEMENT OF REVENUES AND EXPENSES
Cash Basis
For the Twelve Months Ended June 30, 2007

SCHEDULE 6
MULTI - PERIOD COMPARATIVE

	Year-to-Date											
	7/31/06	8/31/06	9/30/06	10/31/06	11/30/06	12/31/06	1/31/07	2/28/07	3/31/07	4/30/07	5/31/07	6/30/07
Operating Expenses, Continued	Total											
Gasoline	2,037.01	237.75	0.00	369.28	14.76	336.93	185.52	161.19	59.00	218.52	258.00	0.00
Insurance - General	6,712.00	0.00	6,712.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L.A.F.C.O.	2,398.73	366.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,032.09
Legal Fees	3,000.00	0.00	0.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and Permits	1,693.00	806.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	887.00
Maintenance - Building	4.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.28
Maintenance - Vehicles	2,788.98	21.50	0.00	2,438.04	0.00	148.49	0.00	0.00	0.00	170.95	0.00	10.00
Maintenance - Water System	3,243.67	1,030.70	544.00	0.00	635.00	753.97	0.00	0.00	0.00	0.00	0.00	280.00
Meetings and Seminars	70.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.00	0.00	0.00
Meter Installation	14,008.67	0.00	4,465.43	1,238.46	2,100.00	635.14	2,145.93	0.00	1,125.00	600.00	226.28	1,472.43
Transfer to Cap. Imp. Fund	(14,008.67)	0.00	(4,465.43)	(1,238.46)	(2,100.00)	(635.14)	(2,145.93)	0.00	(1,125.00)	(600.00)	(226.28)	(1,472.43)
Mileage Expense	1,850.82	124.56	171.36	93.24	150.12	146.52	145.44	154.80	112.32	138.24	155.88	297.06
Miscellaneous Expenses	2,563.16	1,289.20	363.67	227.29	43.90	43.90	0.00	0.00	43.90	100.00	168.08	219.32
M.W.A. - Overdraft Fees	2,062.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,800.00	262.09	0.00	0.00
Office Expenses	1,959.92	110.66	0.00	0.00	1,023.37	0.00	0.00	0.00	0.00	0.00	659.79	147.78
Propane	631.54	0.00	0.00	0.00	0.00	70.04	211.50	0.00	0.00	0.00	0.00	0.00
Southern California Edison	31,556.87	3,361.96	3,459.46	3,618.82	0.00	3,925.62	3,134.92	2,292.36	4,292.80	0.00	3,350.41	4,120.52
Sphere of Influence	(245.00)	0.00	0.00	0.00	0.00	(245.00)	0.00	0.00	0.00	0.00	0.00	0.00
Stationery Supplies / Postage	2,465.11	73.48	236.00	0.00	156.00	195.00	47.80	761.90	234.00	0.00	412.50	75.43
Telephone and Cellular	2,522.98	207.81	199.76	202.14	203.35	222.52	205.18	245.68	206.45	192.23	240.69	215.89
Water Testing	2,120.00	0.00	180.00	450.00	0.00	300.00	120.00	140.00	180.00	140.00	140.00	285.00
Total Operating Expenses	197,168.27	16,998.82	22,629.13	18,184.67	16,440.83	16,979.25	18,990.74	13,283.24	15,743.23	11,011.44	16,194.64	18,675.66
Operating Revenue	20,707.61	29,225.64	466.58	(10,757.32)	(5,622.14)	(1,108.28)	(4,707.92)	(180.32)	(7,889.91)	4,540.90	8,350.73	(10,562.53)

PRELIMINARY DRAFT
For Review and Discussion -- Subject to Change -- Not to be Reproduced

JUNIPER RIVIERA COUNTY WATER DISTRICT
(A Special District)

STATEMENT OF REVENUES AND EXPENSES
Cash Basis
For the Twelve Months Ended June 30, 2007

SCHEDULE 6
MULTI - PERIOD COMPARATIVE

Year-to-Date	MULTI - PERIOD COMPARATIVE											
	7/31/06	8/31/06	9/30/06	10/31/06	11/30/06	12/31/06	1/31/07	2/28/07	3/31/07	4/30/07	5/31/07	6/30/07
Non-Operating Revenues (Exp)												
Interest Earned	6,128.03	253.47	415.49	404.44	352.33	508.31	700.13	585.40	651.03	642.48	622.19	626.29
Bond Payments	(60,725.00)	0.00	0.00	(38,650.00)	0.00	0.00	0.00	0.00	(22,075.00)	0.00	0.00	0.00
Prop Tax Assessment-Debt Srvc	79,574.38	8,311.33	0.00	0.00	12,077.69	7,384.84	19,788.17	2,764.02	4,721.72	12,377.95	11,011.50	1,137.16
Total Non-Operating Revenues (Exp)	<u>24,977.41</u>	<u>8,564.80</u>	<u>415.49</u>	<u>404.44</u>	<u>(38,297.67)</u>	<u>12,586.00</u>	<u>20,488.30</u>	<u>3,349.42</u>	<u>(16,702.25)</u>	<u>13,020.43</u>	<u>11,633.69</u>	<u>1,763.45</u>
EXCESS REVENUE (EXP)	<u>\$ 45,685.02</u>	<u>\$ 37,790.44</u>	<u>\$ 882.07</u>	<u>\$ (10,352.88)</u>	<u>\$ (43,919.81)</u>	<u>\$ 11,477.72</u>	<u>\$ 29,440.48</u>	<u>\$ 3,169.10</u>	<u>\$ (24,592.16)</u>	<u>\$ 17,561.33</u>	<u>\$ 19,984.42</u>	<u>\$ (6,799.08)</u>

PRELIMINARY DRAFT
For Review and Discussion -- Subject to Change -- Not to be Reproduced

JRCWD CASH AND INVESTMENT REPORT
JULY 19, 2007

AMERICAN SECURITY BANK

General Operating Account \$ 31,810
(no interest earned)

Bond Account * 30,729
Current Interest Rate-.70%

Interest earned 2007.....\$ 68

TOTAL BALANCE ON DEPOSIT IN AMERICAN SECURITY BANK \$ 62,539

DESERT COMMUNITY BANK

Capital Improvement Fund Account 69,050
Current Interest Rate- 4.0%

Interest earned 2007..... 1,520

Bond Account..... 24,092
Current Interest Rate- 4.0%

Interest earned 2007 530

TOTAL BALANCE ON DEPOSIT IN DESERT COMMUNITY BANK.....\$93,142

HIGH DESERT FEDERAL CREDIT UNION

Capital Improvement Fund Account.....\$55,041
Current Interest Rate- 3.56%

Interest Earned 2007..... \$1,004

Bond Account.....\$35,550
Current Interest Rate - 3.50

Interest Earned 2007.....\$ 550

TOTAL BALANCE ON DEPOSIT HDFCU.....\$90,561

DOWNEY SAVINGS

CAPITAL IMPROVEMENT FUND 120 DAY CERTIFICATE OF DEPOSIT\$82,946
(Interest Rate- 5.13% APR ROLLED 2-15-07)

TOTAL INTEREST EARNED ALL ACCOUNTS 2007.....\$5,092

TOTAL OPERATING CASH BALANCE..... \$ 31,810

TOTAL CAPITAL FUND BALANCE..... 207,037

TOTAL BOND CASH BALANCE..... 90,371

TOTAL CASH BALANCE ALL ACCOUNTS..... \$329,218

PRIOR MONTHS BALANCE ALL ACCOUNTS..... \$342,567

MICHAEL W. MINES, General Manager

RECEIVED
JUL 26 2007

LAFCO
San Bernardino County

JUNIPER RIVIERA COUNTY WATER DISTRICT

FINANCIAL STATEMENTS

June 30, 2006

H&H
CPA'S

JUNIPER RIVIERA COUNTY WATER DISTRICT
Notes to Financial Statements
JUNE 30, 2006

Table of Contents

	<u>Page</u>
Report of Independent Auditors	1
Financial Statements	
Statement of Net Assets	2
Statement of Revenues, Expenses, and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	6
Schedule of Costs	12

**HEIDENREICH & HEIDENREICH
CERTIFIED PUBLIC ACCOUNTANTS**

12020 S. Warner-Elliott Loop #121
Phoenix, AZ 85044
(480)704-6301 fax 785-4619

15545 Bear Valley Rd. #B
Hesperia, CA 92345
(760) 948-2899 fax 948-7712

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Juniper Riviera County Water District

We have audited the accompanying financial statements of the business-type activities of the Juniper Riviera County Water District as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Juniper Riviera County Water District's management. 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 State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Juniper Riviera County Water District as of June 30, 2006, and the results of its operations and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Juniper Riviera County Water District has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be part of, the basic financial statements.

Heidenreich & Heidenreich

Heidenreich & Heidenreich
Certified Public Accountants

Hesperia, CA
October 31, 2006

JUNIPER RIVIERA COUNTY WATER DISTRICT
Statement of Net Assets
Proprietary Fund
June 30, 2006

	Enterprise Fund
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$17,675
Accounts Receivable	22,628
Prepayments	552
Total Current Assets	40,855
 NON-CURRENT ASSETS:	
Cash and Cash Equivalents	212,699
Total Non-Current Assets	212,699
 CAPITAL ASSETS	
Cost	2,196,287
Less Accumulated Depreciation	1,015,359
Total Capital Assets	1,180,928
Total Assets	\$1,434,482
 LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	\$8,440
Accrued Interest	7,825
Bonds Payable	30,000
Total Current Liabilities	46,265
 NON-CURRENT LIABILITIES	
Bonds Payable	596,000
Total Liabilities	642,265
Invested in Capital Assets, Net of Related Debt Restricted for Capital Projects	554,928 212,699
Unrestricted	24,590
Total Net Assets	\$792,217

See Accompanying Notes

JUNIPER RIVIERA COUNTY WATER DISTRICT
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
Year Ended June 30, 2006

	Enterprise Fund
OPERATING REVENUE	
Water Sales	\$88,227
Water Services	118,750
	118,750
Total Operating Revenue	206,977
OPERATING EXPENSES	
Source of Supply (See Schedule)	1,480
Transmission and Distribution (See Schedule)	76,503
Pumping Power	24,412
Meter Installation	12,588
General and Administrative (See Schedule)	101,877
Depreciation	45,385
	45,385
Total Operating Expenses	262,245
Operating Income (Loss)	(55,268)
Non-operating Revenue (Expenses)	
Interest Income	1,855
Property Tax and Assessments	102,860
Stand By Charges	51,048
Bond Interest Expense	(31,825)
	(31,825)
Total Non-operating Revenue and Expenses	123,938
Change in Net Assets	68,670
Total Net Assets, July 1, 2005	723,547
Total Net Assets, June 30, 2006	\$792,217

See Accompanying Notes

JUNIPER RIVIERA COUNTY WATER DISTRICT
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2006

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$199,066
Payments to Suppliers	(125,221)
Payments to Employees services	(90,245)
Net Cash Provided By Operating Activities	(16,400)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Property Tax Receipts	110,987
Standby Charges Collected	51,048
Payments on Long Term Debt Principal	(28,000)
Interest Paid on Long Term Debt	(32,175)
Net Cash Provided By Financing Activities	101,860
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Receipts	1,855
Net Cash Provided By Investing Activities	1,855
Net Increase in Cash	87,315
Cash Balances - Beginning of Year	143,059
Cash Balances - End of Year	\$ 230,374

See Accompanying Notes

JUNIPER RIVIERA COUNTY WATER DISTRICT
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2006

	Enterprise Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	(\$55,268)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	45,385
Change in Assets and Liabilities:	
Receivables	(7,912)
Prepayments	(4)
Accounts Payable	1,399
Net Cash Provided by Operating Activities	<u><u>(\$16,400)</u></u>
Noncash Capital Financing Activities:	
None	

JUNIPER RIVIERA COUNTY WATER DISTRICT
Notes to Financial Statements
JUNE 30, 2006

NOTE 1 – GENERAL

Juniper Riviera County Water District, the “District”, was formed in 1976. The District completed its water system and became operational in August of 1981. The District’s service area includes an unincorporated area of Apple Valley, California. The District obtains its water supply from local wells.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Property taxes, water service charges, water sales, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The District is engaged in only business-type activities and the District’s basic financial statements consist of only the financial statements required for enterprise funds. These include a statement of net assets, a statement of revenues, expenses, and changes in net assets, a statement of cash flows, and these notes to the basic financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund-type financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Proprietary enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District are charges to the customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (mainly the existing water system), are reported in the financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value

JUNIPER RIVIERA COUNTY WATER DISTRICT
Notes to Financial Statements
JUNE 30, 2006

Capital Assets (Continued)

of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed net of construction period interest revenues earned during such periods.

Income Taxes

The District is a special district in the state of California and is exempt from federal and state income taxes.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents restricted for use in only capital projects are reported as noncurrent assets.

Receivables and Property Taxes

The District has determined that all trade and property tax receivables are collectible

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of San Bernardino collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The District receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the District. The District recognizes property tax revenues in the fiscal year in which they are due to the District and accrues as receivable such taxes.

Net Assets

In the financial statements, fund net assets are reported in three categories as follows:

JUNIPER RIVIERA COUNTY WATER DISTRICT

Notes to Financial Statements

June 30, 2006

Net Assets (Continued)

Invested in capital assets, net of related debt – This category of net assets reports the net book value of capital assets used in District operations including construction in progress all net of related accumulated depreciation and reduced by the carrying value of related long-term debt issued to finance the acquisition of such assets.

Restricted for debt service and capital projects - This category of net assets reports all unspent proceeds from the issuance of long-term debt restricted for capital asset improvement, replacement, or construction net of the related long-term debt. It also includes funds restricted for debt service payment and reserve requirements.

Unrestricted – Unrestricted net assets represents all other assets net of related liabilities available for use by the District

NOTE 3 - CAPITAL ASSETS

Capital asset changes are summarized by major classifications as follows:

Description	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Transportation Equipment	\$66,539			\$66,539
Office Equipment	4,332			4,332
Building	38,215			38,215
Utility Plant	2,071,901			2,071,901
Land	15,300			15,300
	<u>\$2,196,287</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,196,287</u>

Accumulated depreciation is summarized by major classifications as follows:

Description	Method	life	Fixed Assets June 30, 2006	Accumulated Depreciation	Depreciated Assets June 30, 2006
Transportation Equipment	Straight Line	8	\$66,539	\$66,539	\$0
Office Equipment	Straight Line	5	4,332	3,537	795
Building	Straight Line	30	38,215	21,033	17,182
Utility Plant	Straight Line	40-50	2,071,901	924,250	1,147,651
Land	N/A	N/A	15,300	0	15,300
			<u>\$2,196,287</u>	<u>\$1,015,359</u>	<u>\$1,180,928</u>

Depreciation expense for the year was \$45,385

JUNIPER RIVIERA COUNTY WATER DISTRICT
Notes to Financial Statements
June 30, 2006

NOTE 4 - LONG TERM OBLIGATIONS

On June 20, 1978, General Obligation Bonds in the amount of \$1,050,000 were approved by the voters to finance construction of a water system.

These bonds are to be repaid by a tax levy sufficient to pay principal and interest when due.

Series A of the bonds totaling \$762,500 was issued in 1979. As of June 30, 2006, \$436,000 was outstanding. In 1984 issuance began on Series B, consisting of \$285,000. As of June 30, 2006, \$190,000 was outstanding. The interest rate on both bonds is 5%.

Summarized below is the bond activity for the year:

	Balance June 30, 2005	Paid	Balance June 30, 2006
Series A	<u>\$457,000</u>	<u>\$21,000</u>	<u>\$436,000</u>
Series B	<u>197,000</u>	<u>7,000</u>	<u>190,000</u>
	<u><u>\$654,000</u></u>	<u><u>\$28,000</u></u>	<u><u>\$626,000</u></u>

JUNIPER RIVIERA COUNTY WATER DISTRICT
Notes to Financial Statements
June 30, 2006

NOTE 4 - LONG TERM OBLIGATIONS (CONTINUED)

The bonds mature on October 1 and April 1, respectively, of each year as follows:

<u>Fiscal Year</u>	<u>Series A</u>	<u>Series B</u>
2007	\$ 23,000	\$ 7,000
2008	24,000	7,000
2009	25,000	8,000
2010	26,000	8,000
2011	<u>27,000</u>	<u>8,000</u>
	125,000	38,000
Next 5 years	159,000	49,000
Next 5 years	152,000	62,000
Next 5 years		41,000
	<u>\$ 436,000</u>	<u>\$ 190,000</u>

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following components:

Water Sales	\$10,559
Property Taxes and Assessments	<u>12,069</u>
Total	<u>\$22,628</u>

JUNIPER RIVIERA COUNTY WATER DISTRICT
Notes to Financial Statements
JUNE 30, 2006

NOTE 6 – DEFINED CONTRIBUTION PLAN

The District sponsors a 401(k) defined contribution pension plan covering substantially all of its employees. Employees can contribute up to 6% of their wages. The District will match 100% of the first 3% of any employee contribution. Contributions and cost totaled \$3,947 for the year ending June 30, 2006.

JUNIPER RIVIERA COUNTY WATER DISTRICT
Schedule of Costs
June 30, 2006

SOURCE OF SUPPLY

Source of Supply Consists of:

Purification and Testing	\$1,320
Water Charges	<u>160</u>
Total	<u><u>\$1,480</u></u>

TRANSMISSION AND DISTRIBUTION

Transmission and Distribution Consists of:

Labor and Payroll Cost	\$45,253
Maintenance and Repair	<u>31,250</u>
Total	<u><u>\$76,503</u></u>

GENERAL AND ADMINISTRATIVE

General and Administrative Consists of:

Labor and Payroll Costs	\$41,107
Office Supplies and Expense	7,353
Office Utilities and Alarm Monitoring	4,384
Insurance	13,900
Pension Costs	3,947
Director's Fees	7,100
Legal, Accounting, and Other Professional Fees	9,023
Sphere of Influence	<u>15,063</u>
Total	<u><u>\$101,877</u></u>

RECEIVED
JUL 26 2007

JUNIPER RIVIERA COUNTY WATER DISTRICT
MASTER WATER PLAN AND CAPITAL IMPROVEMENTS
UPDATE

May 2007

The following information is an update to the Juniper Riviera County Water Districts Water Distribution Plan and Capital Improvements to meet current and future needs of its population:

History

As the Board of Directors are aware this District conducted a Water Resource Study in 2002. The report outlined the Districts current water supplies (2002) and its future water needs and distribution facilities upgrades and additions.

The District in 2005 established rules and regulations creating the process for capturing additional revenues for those capital improvements, needed for future growth in this area as stated in the report.

At that time the District determined that an additional water well would need to be constructed and following, an additional reservoir would need to be constructed. These projections were based upon additional housing construction and a subsequent increase in the population.

Current Status

This District and the surrounding Southern California area is experiencing a long term drought with this year termed as on the driest year on record, for the region. The Juniper Riviera County Water District has experienced a slight decrease in its water table. However, the production of the two service water wells remains consistent with prior years production, when no drought was present. A measured water conservation plan is currently in effect.

The growth for the area has been modest. Since the 2002 report, the District has added approximately fifty (55) new homes to the area. Due to the current economic environment in the region, growth has decreased dramatically. However, the District is now on the verge of fulfilling its obligation to expand its water distribution system.

This District has raised through its own methods (no outside loans or other financial assistance), enough revenue to purchase any land necessary on which to construct a new water well.

3005

WATER RESOURCE
STUDY

A REPORT AND PLAN
FOR THE FUTURE

JUNIPER RIVIERA
COUNTY WATER DISTRICT
OCTOBER, 2002

ADDENDUM #1

Page two
Water Plan Update

Additionally, the District, within a few short months, will have saved enough revenue to construct its next water well. Additional funding for another reservoir should be available in the next two years.

With the near addition of another well and reservoir, the District will meet its obligation to provide water to the "built-out" use of the Districts privately owned parcels.

For future consideration, the District at this time is seeking to establish a sphere of influence that would double in size its current sphere boundaries. Future actions by the District could include the annexation of the proposed sphere of influence area, thereby increasing the Districts water distribution obligations, infrastructure and supply.

Continued sound policy decisions made by the Board of Directors will insure the goals set years ago and now, will meet the needs of the residents in the future.


MICHAEL W. MINES, General Manager
Juniper Riviera County Water District

Cc: Board of Directors

CONCLUSION

After a review of the historical and current factual data, and future needs of the District, related to ground water supply, water consumption, and growth, the questions previously posed are answered below.

1. Does the District currently have the water production capacity and storage facilities to meet the demands of additional development; slow steady growth, moderately quick growth, or massive developing growth?

Answer: The District's distribution system does have the capacity to meet moderate growth patterns over the next several years, based upon the current growth rate and growth not to exceed approximately 275 residentially used meters. Further growth beyond the 275 meters would require additional construction and improvements to the current distribution system.

2. What will be the impact on the system, the operations, and the roadway infrastructure, due to multiple dwelling development and it's byproducts, as opposed to sporadic single home development?

Answer: There will be a significant negative impact on the District's distribution infrastructure due to increased vehicle traffic. The roads as they are now are not maintained. Increased traffic with periods of rain will inevitably erode the streets, thus requiring additional costs and repairs to the system.

With the development of many residential units in a short period of time the work load on the current pumps and machinery will increase, thus require additional maintenance and costs to the District. However, the current distribution system is adequate to insure sufficient water availability for such a development, based upon the number of parcels, as mentioned above in question and answer no. 1.

3. What future plans and actions can be considered by the District to meet the future demands of development, should it be small or large?

Answer: The District's Board of Directors have been planning to develop an additional source of water. Preliminary planning is taking place. Revenue is being set aside for the cost of a new well and reservoir for

the future. Based upon current growth projections, it is anticipated that an additional new well could be necessary in 5-7 years.

The Board of Directors must also review annually, the availability of water resources within the current system. Long periods of drought and quick, heavy growth could have a major impact on current well water supplies.

4. What fiscal plans and actions can be made to meet any future fiscal demands on the District, due to increased development?

Answer: The Board of Directors, may in the coming years, anticipate the need for additional revenues to meet the demands of additional maintenance costs, repair costs, technological improvements, and construction to the system. The additional revenue can be captured in the form of a rate increase for water consumption, or an increase in the cost for a water meter, for new residential units. At this time the District's current cost for a new meter installation is \$2,800. This cost is well below the average cost for a meter in other public water districts in the High Desert.

5. What will the "build-out" of the District's parcels require of the District now and in the future?

Answer: Nearly all water purveyors in the High Desert of Southern California, do not have the capacity to supply water in a "build out" environment. The District's build out number is approximately 550 meters in use. Should a build out attempt occur within the next several years, the District would not be in a position to handle the heavily increased load on the system, due to the lack of an adequate delivery system.

See Projected Water Consumption For Future Water Meter Sales in Figure 7

A short term build out would require additional input and actions from the County and State governments involving this area; immediate road improvement and development being one of those actions. However, the development of all the remaining vacant parcels located in the District, in a short period of time, is very remote.

Revenues from additional water sales and the future increased cost of a water meter would shoulder nearly all of the costs necessary for system improvements to meet a build out situation.

Due to no entity or person currently being responsible for road and street maintenance, it may become necessary for the residents and property owners of the area (in which the District is located) to form a legitimate self-governing body to make improvements to the roads and to meet other challenges that are sure to present themselves with future growth.

The District's ground water supply is ample. It is estimated that the District's water supply will remain steady and available well into the future, without an additional outside source of supply being sought. It is estimated that the District's aquifer, at current consumption levels has a lifetime of many decades.

As with all water supplies here in this region, water remains a most precious commodity. Conservation efforts and conservation education by the District is the hallmark of sound water distribution management, now and for the future. Additionally, large natural earth movements can have a severe impact on this areas aguifer, as would longer periods of drought, and the District should be mindful of these unforeseen natural events.

All the research and data supports the premise, that the Juniper Riviera County Water District is in a solid position to meet the future growth demands that will be placed upon it. With continued good government, good planning, future improvements and a desire to meet the needs of the consumer, the District will meet the challenges set before it now, and well into the future.

