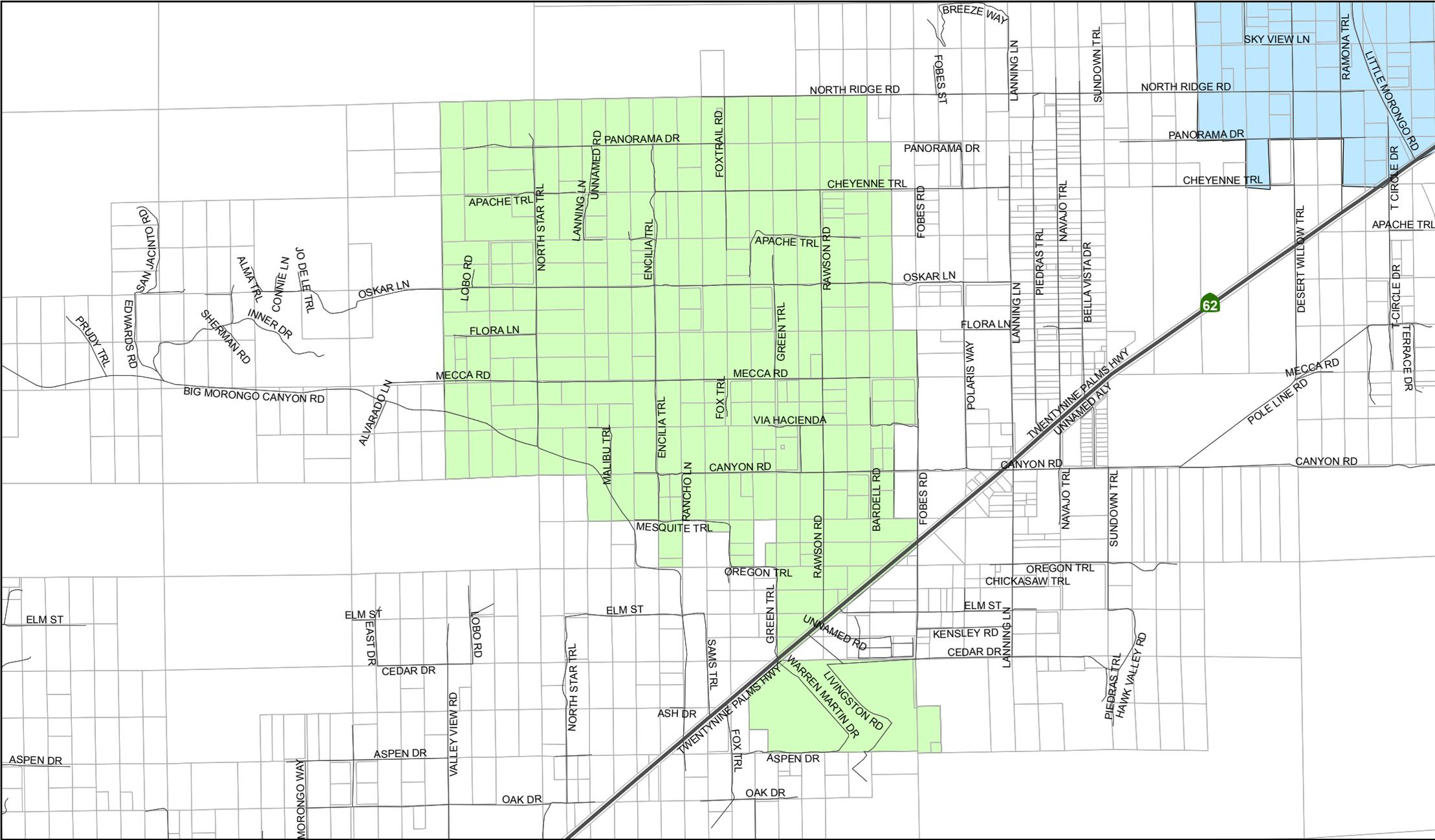


# **County Service Area 70 Zone W-3**

## **Map – Current Boundary**

**Attachment 4a**



**COUNTY SERVICE AREA 70 ZONE W-1 (Hacienda)**

 CSA 70 W-1

# **County Service Area 70 Zone W-3**

## **Financial Information: Budget and Audit**

**Attachment 4b**

## Water Districts Enterprise Funds - Consolidated

### DESCRIPTION OF MAJOR SERVICES

Special Districts Department provides for the management, funding, and maintenance of water distribution systems throughout unincorporated areas of the County through 8 County Service Areas (CSA). Revenue sources include property taxes, service charges and user fees.

Budget at a Glance	
Total Expenditure Authority	\$11,945,968
Total Sources	\$8,433,406
Rev Over/(Under) Exp	(\$3,512,562)
Total Staff	0

**CSA 42 Oro Grande** was established by an act of the County of San Bernardino Board of Supervisors (Board) on December 27, 1965 to provide water connection and maintenance services to the community of Oro Grande located 5 miles northwest of Victorville. Services are funded by service charges and user fees. This CSA provides services to 138 water connections and does not utilize an Advisory Commission or Municipal Advisory Council (MAC). Meetings are held with residents as needed in the Oro Grande Community Building.

**CSA 64 Spring Valley Lake** was established by an act of the Board on December 30, 1968 to provide water connection and maintenance services to the community of Spring Valley Lake. Services are funded by property taxes, service charges and user fees. This CSA provides services to 3,812 water connections and does not utilize an Advisory Commission or MAC. Meetings are held with residents as needed in the Community Building (Great Room).

**CSA 70 CG Cedar Glen** was established by an act of the Board on July 12, 2005 to provide water connection and maintenance services to the community of Cedar Glen. The CSA has undertaken a multi-phase capital improvement project to upgrade system infrastructure. Services are funded by service charges and user fees. This CSA provides services to 330 water connections and does not utilize an Advisory Commission or MAC. Meetings are held with residents as needed.

**CSA 70 F Morongo Valley** was established by an act of the Board on September 20, 1971 to provide water connection and maintenance services to the community of Morongo Valley including three wells, one booster station and a reservoir that stores 260,000 gallons of water. Services are funded by service charges and user fees. This CSA provides services to 85 water connections and does not utilize an Advisory Commission or MAC. Meetings are held with residents as needed in the Covington Park Community Room.

**CSA 70 J Oak Hills** was established by an act of the Board on December 28, 1971 to provide water connection and maintenance services to the community of Oak Hills located 16 miles southwest of Victorville including the maintenance of four wells, five booster stations, nine water storage reservoirs and approximately 130 miles of water pipelines ranging from 6 inches in diameter to 16 inches. Services are funded by service charges and user fees. This CSA provides services to 3,175 water connections and is supported by a Board appointed Advisory Commission and utilizes the Oak Hills Community Building for meetings.

**CSA 70 W-1 Goat Mountain** was established by an act of the Board on November 5, 1973 to provide water connection and maintenance services to the community of Goat Mountain located 10 miles north of Yucca Valley in the Landers area including the maintenance of three wells, two booster stations and reservoir storage of 420,000 gallons. Services are funded by service charges and user fees. This CSA provides services to 646 water connections and does not utilize an Advisory Commission or MAC. Meetings are held with residents as needed in the Belfield Hall.

**CSA 70 W-3 Hacienda** was established by an act of the Board on December 6, 1976 to provide water connection and maintenance services to the community of Hacienda located 10 miles north of Yucca Valley including the maintenance of two wells, four booster stations and 110,000 gallons of reservoir storage. Services are funded by service charges and user fees. This CSA provides services to 169 water connections and does not utilize an Advisory Commission or MAC. Meetings are held with residents as needed in the Covington Park Community Room.

SPECIAL DISTRICTS



## BUDGET CHANGES AND OPERATIONAL IMPACT

Major appropriation changes include a decrease in operating expenses of \$611,766 primarily due to a reduction in services and supplies and transfers for administrative costs. An increase in depreciation of \$604,784 is due to a change of methodology for the accounting of depreciation. Major revenue changes include a decrease in grant revenue of \$2.0 million, an increase in fee/rate revenue of \$766,648 due to increased fees and service charges, and a reduction in operating transfers in due to a reduction in planned capital improvement projects.

## DETAIL OF 2012-13 RECOMMENDED BUDGET

	2012-13			
	Appropriation	Revenue	Revenue Over/(Under)	Staffing
<b>Enterprise Funds</b>				
CSA 42 Oro Grande (EAS)	553,146	282,018	(271,128)	0
CSA 64 Spring Valley Lake (ECB)	3,985,244	2,923,581	(1,061,663)	0
CSA 70 CG Cedar Glen (ELL)	1,137,912	651,539	(486,373)	0
CSA 70 F Morongo Valley (EBY)	365,631	294,643	(70,988)	0
CSA 70 J Oak Hills (ECA)	4,147,721	3,034,931	(1,112,790)	0
CSA 70 W-1 Goat Mountain (ECS)	1,007,973	755,476	(252,497)	0
<b>CSA 70 W-3 Hacienda (ECY)</b>	<b>538,953</b>	<b>344,665</b>	<b>(194,288)</b>	<b>0</b>
CSA 70 W-4 Pioneertown (EDD)	209,388	146,553	(62,835)	0
Total Enterprise Funds	11,945,968	8,433,406	(3,512,562)	0

**CSA 42 Oro Grande** - Appropriation of \$553,146 includes operating expenses for water connection services including operations and maintenance costs, transfers for administrative costs, operating transfers out including transfers for depreciation and capital improvements. Revenue of \$282,018 includes user fees, connection fees and service charges.

**CSA 64 Spring Valley Lake** – Appropriation of \$3,985,244 includes operating expenses for water connection services including operations and maintenance costs, transfers for administrative costs, operating transfers out to fund various capital improvement projects including a Service Line Replacement, depreciation for future replacement projects, a Well Rehab project, Archway improvements, a Manifold Well project, Hesperia Interconnection, and a Meter Replacement Project, and contingencies. Revenue of \$2,923,581 primarily includes property taxes, user fees, connection fees, service charges, and operating transfers in from the replacement reserve fund for capital improvement projects.

**CSA 70 CG Cedar Glen** – Appropriation of \$1,137,912 includes operating expenses for water connection services including operations and maintenance costs, transfers for administrative costs, other charges for loan payments consisting of a CSA Revolving Loan Fund and a County loan payment, and contingencies. Revenue of \$651,539 includes user fees, connection fees and service charges.

**CSA 70 F Morongo Valley** – Appropriation of \$365,631 includes operating expenses for water connection services including operations and maintenance costs, transfers for administrative costs, operating transfers out to fund a Uranium Cleanup Project and a meter replacement project, and contingencies. Revenue of \$294,643 includes user fees, connection fees, service charges, and an operating transfer in from the replacement reserve to fund the costs of the above mentioned capital improvement projects.



**CSA 70 J Oak Hills** – Appropriation of \$4,147,721 includes operating expenses for water connection services including operations and maintenance costs, transfers for administrative costs, other charges for loan and debt service, operating transfers out to fund a Radio Read Meters project, the Booster Site project, a Roof Repair project for Well 1 and Booster 3, and the Well House project, and contingencies. Revenue of \$3,034,931 includes fees, connection fees, service charges, and operating transfers in of \$223,400 from the replacement reserve fund to assist in the costs of the above mentioned capital improvement projects.

**CSA 70 W-1 Goat Mountain** – Appropriation of \$1,007,973 includes operating expenses for water connection services including operations and maintenance costs, transfers for administrative costs, operating transfers out to provide funding for the Rehab Pressure Reducing Valve (PRV) Stations project, the Reservoir A Rehab project, the Meter Replacement project, and the Service Line Replacement project, and contingencies. Revenue of \$755,476 is primarily from user fees, connection fees, service charges, and operating transfers in from the replacement reserve fund to assist in the costs of the above mentioned capital improvement projects.

**CSA 70 W-3 Hacienda** – Appropriation of \$538,953 includes operating expenses for water connection services including operations and maintenance costs, transfers for administrative costs, operating transfers out to provide funding for the Meter Replacement project, the Pipeline Replacement project, an Uranium Cleanup project, and contingencies. Revenue of \$344,665 includes user fees, connection fees, service charges, and operating transfers in from the replacement reserve to assist in the funding of the above mentioned capital improvement projects.

**CSA 70 W-4 Pioneertown** – Appropriation of \$209,388 includes operating expenses for water connection services including operations and maintenance costs, transfers for administrative costs, operating transfers out to provide funding for the Meter Replacement project, and contingencies. Revenue of \$146,553 is primarily from user fees, connection fees, service charges, and operating transfers in from the replacement reserve to assist in the funding of the above mentioned capital improvement projects.

## STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with Water Districts.



## 2012-13 CAPITAL IMPROVEMENT PROJECTS ADMINISTERED BY SPECIAL DISTRICTS DEPARTMENT By Supervisorial District by Function

#	CIP	District	District	Project Name	Description	Proj.	Fund	District	Restricted	Carryover	Total	Funding
Proj.	Log #	Type	Name			Type	Dept	Funds	Funding	Balance		Source*
							Org					
Third District Cont'd												
74	2036	Sanitation	CSA 53 B Fawnskin	Stations A,B,C Improvements	Improvements to Lift stations A, B, and C for Fawnskin sanitation district.		EAI 365 365	5,000	0	40,360	45,360	
75	TBD	Sanitation	CSA 53 B Fawnskin	Station A & C Pipe Replacement	Replace existing damaged pipe		EBA 365 365	0	0	43,800	43,800	
76	2013	Sanitation	CSA 53 B Fawnskin	Manhole Sealing	Spray application sealant of approximately 55 existing manholes that currently allow significant water inflow	RU	EBB 365 100	55,000	0	0	55,000	
77	2035	Sanitation	CSA 53 B Fawnskin	Pipeline Repair	Replace existing damaged pipe		EBB 365 101	65,100	0	0	65,100	
78	2064	Water	CSA 70 F Morongo Valley	Uranium Treatment	Treat and remove uranium from water		CDW 135 2064	0	115,000	0	115,000	State Grant
79	2065	Water	CSA 70 F Morongo Valley	Meter Replacement	Replace with more efficient radio read meters		CDW 135 2065	25,000	0	0	25,000	
80	2060	Water	CSA 70 W-1 Goat Mtn	Rehab PRV Stations	Rehabilitate the pressure relief valve stations for CSA 70 W-1		CCW 345 2060	34,400	0	0	34,400	
81	2061	Water	CSA 70 W-1 Goat Mtn	Rehab Reservoir A/site 2	Rehabilitate Reservoir A at site 2 for CSA 70 W-1		CCW 345 2061	77,600	0	0	77,600	
82	2062	Water	CSA 70 W-1 Goat Mtn	Water Meter Replacement	Replace with more efficient radio read meters		CCW 345 2062	116,500	0	0	116,500	
83	2063	Water	CSA 70 W-1 Goat Mtn	Replace Service Lines	Replace service lines as needed throughout the district		CCW 345 2063	183,100	0	0	183,100	
84	2056	Water	CSA 70 W-3 Hacienda	Water Meter Replacement	Replace with more efficient radio read meters		EJQ 350 2056	100,000	0	0	100,000	
85	2057	Water	CSA 70 W-3 Hacienda	Uranium Treatment	Treat and remove uranium from water		EJQ 350 2057	115,000	0	0	115,000	State Grant
86	2058	Water	CSA 70 W-3 Hacienda	Pipeline Replacement	Replace existing waterlines that have reached their service life or have repeated failures		EJQ 350 2058	33,600	0	0	33,600	
87	2059	Water	CSA 70 W-3 Hacienda	Replace Boosters	Replace aged booster stations for CSA 70 W-3		EJQ 350 2059	0	0	45,600	45,600	
88	2050	Water	CSA 70 W-4 Pioneer Town	Water Meter Replacement	Replace with more efficient radio read meters		CEA 360 2050	34,600	0	0	34,600	
89	1Z27	Water	CSA 70 W-4 Pioneertown	Offsite Pipeline/Supply Project	Design and construction of a 3.5-mile water pipeline, a 75,000-gallon water reservoir and a 200-gpm pump station	C	CQP 360 360	0	379,800	125	379,925	Prop 84
90	2015	Water	CSA 70 W-4 Pioneertown	Manifold Piping Wells 4 & 5	Construction of necessary piping to interconnect two existing wells for blending of the water	C	END 360 360	0	0	21,221	21,221	
Total Third District								1,579,002	1,562,800	7,036,490	10,178,292	
Fifth District												
91	0009	Park	Bloomington Recreation & Park	Kessler Park Improvements	Multiple phased project to construct new facilities at an existing park including tot lot, baseball fields, skate park, concession building & equestrian facilities	C	CNJ 625 0009	500,000	0	781,863	1,281,863	
92	1017	Park	Bloomington Recreation & Park	Bloomington Education Center	Installation of new flooring and fencing at existing facility	RE	CAQ 625 625	30,278	0	0	30,278	
93	1Z18	Park	Bloomington Recreation & Park	Ayala Park Improvements	Design and construct five fitness stations along a 1/4-mile fitness course	C	CAR 625 625	42,500	0	25,942	68,442	
Total Fifth District								572,778	-	807,805	1,380,583	
<b>TOTAL PROJECTS - OPERATING FUNDS</b>								<b>2,700,348</b>	<b>-</b>	<b>-</b>	<b>2,700,348</b>	
<b>TOTAL PROJECTS - CAPITAL PROJECT FUNDS</b>								<b>3,586,216</b>	<b>4,168,343</b>	<b>12,753,213</b>	<b>20,507,772</b>	
<b>TOTAL CARRYOVER PROJECTS</b>								<b>6,286,564</b>	<b>4,168,343</b>	<b>12,753,213</b>	<b>23,208,120</b>	

\*If funding source column is blank, it is funded within the District budget.



## 2012-13 RECOMMENDED RESERVES SPECIAL DISTRICTS DEPARTMENT

DISTRICT TYPE DISTRICT NAME and PROJECT NAME	FUND DEPT	2012-13 APPROP	FUND BALANCE	FINANCING SOURCES OPERATING TRANSFER					
				DISTRICT FUNDS	LOAN or GRANT	CDH	OTHER		
<b>CSA 82 Searles Valley</b>									
Capital Replacement Reserve	EIG 495	394,002	250,108	143,894	0	0	0	0	0
Capital Expansion Reserve	EGB 495	254,677	254,027	650	0	0	0	0	0
<b>Total</b>		648,679	504,135	144,544	0	0	0	0	0
<b>TOTAL FOR SANITATION RESERVES</b>		<u>7,448,027</u>	<u>5,967,401</u>	<u>1,480,626</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>STREETLIGHTS</b>									
RESERVES MAINTAINED IN DISTRICT OPERATIONS BUDGET									
<b>WATER DISTRICTS</b>									
<b>CSA 42 Oro Grande</b>									
Capital Replacement Reserve	EAX 310	269,915	191,451	78,464	0	0	0	0	0
Capital Expansion Reserve	EAT 310	156,146	134,146	22,000	0	0	0	0	0
<b>Total</b>		426,061	325,597	100,464	0	0	0	0	0
<b>CSA 64 Spring Valley Lake</b>									
Capital Replacement Reserve	EIV 420	679,215	426,415	252,800	0	0	0	0	0
Capital Expansion Reserve	EBT 420	460,778	455,278	5,500	0	0	0	0	0
<b>Total</b>		1,139,993	881,693	258,300	0	0	0	0	0
<b>CSA 70 CG Cedar Glen</b>									
Capital Expansion Reserve	ELN 563	846	841	5	0	0	0	0	0
<b>Total</b>		846	841	5	0	0	0	0	0
<b>CSA 70 F Morongo Valley</b>									
Capital Replacement Reserve	EIO 135	141,368	123,440	17,928	0	0	0	0	0
Capital Expansion Reserve	EBX 135	139,382	138,982	400	0	0	0	0	0
<b>Total</b>		280,750	262,422	18,328	0	0	0	0	0
<b>CSA 70 J Oak Hills</b>									
Capital Replacement Reserve	EFO 165	602,792	490,170	112,622	0	0	0	0	0
Capital Expansion Reserve	EFG 165	3,383,725	3,324,658	59,067	0	0	0	0	0
Rate Stabilization Fund	EFZ 165	504,000	502,000	2,000	0	0	0	0	0
<b>Total</b>		4,490,517	4,316,828	173,689	0	0	0	0	0
<b>CSA 70 W-1 Goat Mountain</b>									
Capital Replacement Reserve	EFQ 345	591,271	473,537	117,734	0	0	0	0	0
Capital Expansion Reserve	EDY 345	315,750	314,950	800	0	0	0	0	0
<b>Total</b>		907,021	788,487	118,534	0	0	0	0	0
<b>CSA 70 W-3 Hacienda</b>									
Capital Replacement Reserve	EFT 350	95,475	62,370	33,105	0	0	0	0	0
Capital Expansion Reserve	ECW 350	10,299	10,059	240	0	0	0	0	0
<b>Total</b>		105,774	72,429	33,345	0	0	0	0	0
<b>CSA 70 W-4 Pioneertown</b>									
Capital Replacement Reserve	EFW 360	92,830	82,580	10,250	0	0	0	0	0
<b>Total</b>		92,830	82,580	10,250	0	0	0	0	0
<b>TOTAL FOR WATER RESERVES</b>		<u>7,443,792</u>	<u>6,730,877</u>	<u>712,915</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>GRAND TOTAL FOR RESERVES</b>		<u>24,590,956</u>	<u>22,339,815</u>	<u>2,251,141</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



Special Revenue Summary

Appr Unit	Description	2011 Actual	2012 Adopted	2012 Q2 Budget	2012 Q4 Budget	2012 Estimated	2012 Actual	2013 Requested	2013 Recommended	Change
<b>APPROPRIATION</b>										
<b>Staffing Expenses</b>										
100	Salaries And Benefits	0	0	0	0	0	0	0	0	0
	<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>										
200	Services And Supplies	37,180	51,212	51,212	0	39,125	0	66,513	66,513	15,301
241	Central Services	0	0	0	0	0	0	0	0	0
294	Travel and Related Costs	0	0	0	0	0	0	0	0	0
300	Other Charges	0	0	0	0	0	0	0	0	0
540	Transfers	94,846	98,269	98,269	0	98,269	0	170,711	170,711	72,442
	<b>Subtotal</b>	<b>132,026</b>	<b>149,481</b>	<b>149,481</b>	<b>0</b>	<b>137,394</b>	<b>0</b>	<b>237,224</b>	<b>237,224</b>	<b>87,743</b>
<b>Capital Expenditures</b>										
400	Land	0	0	0	0	0	0	0	0	0
410	Improvements To Land	0	0	100,000	0	0	0	0	0	-100,000
420	Easements/Right of Ways	0	0	0	0	0	0	0	0	0
430	Struct & Improv To	0	80,000	0	0	0	0	0	0	0
440	Equipment	0	0	25,000	0	25,000	0	0	0	-25,000
450	Vehicles	0	0	0	0	0	0	0	0	0
460	Lease	0	0	0	0	0	0	0	0	0
465	Lease	0	0	0	0	0	0	0	0	0
470	Lease Purchase-Vehicles	0	0	0	0	0	0	0	0	0
480	Construction In Progress	0	0	0	0	0	0	0	0	0
490	Capitalized Software	0	0	0	0	0	0	0	0	0
	<b>Subtotal</b>	<b>0</b>	<b>80,000</b>	<b>125,000</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-125,000</b>
<b>Reimbursements</b>										
541	Reimbursements	0	0	0	0	0	0	0	0	0
	<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contingencies</b>										
600	Contingencies and	0	89,204	64,204	0	0	0	53,129	53,129	-11,075
	<b>Subtotal</b>	<b>0</b>	<b>89,204</b>	<b>64,204</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,129</b>	<b>53,129</b>	<b>-11,075</b>
	<b>TOTAL</b>	<b>132,026</b>	<b>318,685</b>	<b>338,685</b>	<b>0</b>	<b>162,394</b>	<b>0</b>	<b>290,353</b>	<b>290,353</b>	<b>-48,332</b>
<b>Operating Transfers Out</b>										

Special Revenue Summary

Appr Unit	Description	2011 Actual	2012 Adopted	2012 Q2 Budget	2012 Q4 Budget	2012 Estimated	2012 Actual	2013 Requested	2013 Recommended	Change
530	Operating Transfers Out	44,000	0	0	0	0	0	248,600	248,600	248,600
	<b>Subtotal</b>	<b>44,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>248,600</b>	<b>248,600</b>	<b>248,600</b>
	<b>TOTAL REQUIREMENTS</b>	<b>176,026</b>	<b>318,685</b>	<b>338,685</b>	<b>0</b>	<b>162,394</b>	<b>0</b>	<b>538,953</b>	<b>538,953</b>	<b>200,268</b>
	<b>REVENUE</b>									
	<b>Taxes</b>									
00	Taxes	173	150	150	0	0	0	0	0	-150
	<b>Subtotal</b>	<b>173</b>	<b>150</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-150</b>
	<b>State/Federal/Other Govt</b>									
40	State Aid	0	0	0	0	0	0	115,000	115,000	115,000
50	Federal Aid	0	0	0	0	0	0	0	0	0
60	Other Governmental Aid	0	0	0	0	0	0	0	0	0
	<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>115,000</b>	<b>115,000</b>	<b>115,000</b>
	<b>Fee/Rate</b>									
10	Licenses, Permits &	0	0	0	0	0	0	0	0	0
20	Fines, Forfeitures &	4,084	2,500	2,500	0	3,010	0	3,010	3,010	510
70	Charges For Current	152,644	142,720	142,720	0	142,232	0	146,480	146,480	3,760
	<b>Subtotal</b>	<b>156,728</b>	<b>145,220</b>	<b>145,220</b>	<b>0</b>	<b>145,242</b>	<b>0</b>	<b>149,490</b>	<b>149,490</b>	<b>4,270</b>
	<b>Other Revenue</b>									
30	Rev From Use of	845	950	950	0	551	0	551	551	-399
80	Other Revenue	4,645	1,100	1,100	0	4,624	0	4,624	4,624	3,524
90	Other Financing Sources	0	0	20,000	0	45,000	0	0	0	-20,000
	<b>Subtotal</b>	<b>5,490</b>	<b>2,050</b>	<b>22,050</b>	<b>0</b>	<b>50,175</b>	<b>0</b>	<b>5,175</b>	<b>5,175</b>	<b>-16,875</b>
	<b>TOTAL REVENUE</b>	<b>162,391</b>	<b>147,420</b>	<b>167,420</b>	<b>0</b>	<b>195,417</b>	<b>0</b>	<b>269,665</b>	<b>269,665</b>	<b>102,245</b>
	<b>Operating Transfers In</b>									
98	Operating Transfers In	0	80,000	80,000	0	70,000	0	75,000	75,000	-5,000
	<b>Subtotal</b>	<b>0</b>	<b>80,000</b>	<b>80,000</b>	<b>0</b>	<b>70,000</b>	<b>0</b>	<b>75,000</b>	<b>75,000</b>	<b>-5,000</b>
	<b>TOTAL FINANCING</b>	<b>162,391</b>	<b>227,420</b>	<b>247,420</b>	<b>0</b>	<b>265,417</b>	<b>0</b>	<b>344,665</b>	<b>344,665</b>	<b>97,245</b>
	<b>FUND BALANCE</b>	<b>13,635</b>	<b>91,265</b>	<b>91,265</b>	<b>0</b>	<b>-103,023</b>	<b>0</b>	<b>194,288</b>	<b>194,288</b>	<b>103,023</b>
	<b>TARGET FUND</b>	<b>0</b>	<b>91,265</b>	<b>0</b>	<b>0</b>	<b>91,265</b>	<b>0</b>	<b>194,288</b>	<b>194,288</b>	<b>194,288</b>
	<b>FUND BALANCE</b>	<b>-13,635</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>194,288</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**COUNTY OF SAN BERNARDINO  
SPECIAL DISTRICTS  
COUNTY SERVICE AREA No. 70  
ZONE W-3 - HACIENDA HEIGHTS**

**REPORT ON AUDIT**

**JUNE 30, 2011**

**County of San Bernardino Special Districts  
County Service Area No. 70  
Zone W-3 - Hacienda Heights  
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Statement of Revenues, Expenses and Changes in Net Assets	B	4
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ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Board of Supervisors  
County of San Bernardino  
County of San Bernardino Special  
District County Service Area  
No. 70 - Zone W-3 - Hacienda Heights

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying basic financial statements of the County of San Bernardino Special District County Service Area No. 70 - Zone W-3 - Hacienda Heights (CSA), a component unit of the County of San Bernardino, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the CSA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the State Controller's Minimum Audit Requirement for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit 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 financial position of the County of San Bernardino Special District County Service Area No. 70 - Zone W-3 - Hacienda Heights, as of June 30, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

*Rogers Anderson Maloney & Scott, LLP*

November 30, 2011

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone W-3 - Hacienda Heights**  
**Statement of Net Assets**  
**June 30, 2011**

**ASSETS**

## Current Assets:

Cash and cash equivalents	\$ 183,343
Accounts receivable, net	31,789
Interest receivable	396
Taxes receivable	772
Special assessment receivable	496
Due from other governments	13,269
Total Current Assets	<u>230,065</u>

## Noncurrent Assets:

## Capital Assets:

Land	34,551
Improvements to land	420,483
Structures and improvements	254,244
Construction in progress	18,193
Accumulated depreciation	(230,721)
Total Noncurrent Assets	<u>496,750</u>

Total Assets	<u>726,815</u>
--------------	----------------

**LIABILITIES**

## Current Liabilities:

Due to other governments	271
Total Current Liabilities	<u>271</u>

Total Liabilities	<u>271</u>
-------------------	------------

**NET ASSETS**

Invested in capital assets	496,750
Unrestricted	229,794
	<u>726,544</u>

Total Net Assets	<u>\$ 726,544</u>
------------------	-------------------

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

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone W-3 - Hacienda Heights  
Statement of Revenues, Expenses and Changes in Net Assets  
For the Year Ended June 30, 2011**

**OPERATING REVENUES**

Water sales	\$ 141,864
Total Operating Revenues	141,864

**OPERATING EXPENSES**

Professional services	4,695
Salaries and benefits	75,472
Services and supplies	18,369
Utilities	20,393
Depreciation	16,636
Total Operating Expenses	135,565

Operating Gain	6,299
----------------	-------

**NONOPERATING REVENUES**

Investment earnings	1,605
Property taxes	19,224
Special assessments	7,204
Other taxes	152
State assistance	249
Penalties	4,077
Other	4,840
Total Nonoperating Revenues	37,351

Change in Net Assets	43,650
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<b>Net Assets - beginning</b>	682,894
-------------------------------	---------

<b>Net Assets - ending</b>	\$ 726,544
----------------------------	------------

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

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone W-3 - Hacienda Heights  
Statement of Cash Flows  
For the Year Ended June 30, 2011**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 124,705
Payments to suppliers	(43,450)
Payments to employees	(75,472)
Net Cash Provided by Operating Activities	5,783

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Property taxes	19,672
Special assessments	7,994
State assistance	249
Penalties	4,077
Other taxes	152
Other nonoperating revenues	4,840
Net Cash Provided by Noncapital Financing Activities	36,984

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	(18,193)
Net Cash Used for Capital and Related Financing Activities	(18,193)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment earnings	1,670
Net Cash Provided by Investing Activities	1,670

Net Increase in Cash and Cash Equivalents	26,244
---	--------

<b>Cash and Cash Equivalents - beginning of the year</b>	157,099
--	---------

<b>Cash and Cash Equivalents - end of the year</b>	\$ 183,343
--	------------

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

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone W-3 - Hacienda Heights  
Statement of Cash Flows  
For the Year Ended June 30, 2011**

**Reconciliation of operating income to net cash used for  
operating activities:**

Operating income	\$ 6,299
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	16,636
Change in assets and liabilities:	
Increase in accounts receivable, net	(3,890)
Increase in due from other governments	(13,269)
Increase in due to other governments	7
	<hr/>
Net Cash Provided by Operating Activities	<u><u>\$ 5,783</u></u>

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

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone W-3 - Hacienda Heights**  
**Notes to Financial Statements**  
**June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting entity**

The County Service Area (CSA) No. 70, Zone W-3 - Hacienda Heights, was established by an act of the Board of Supervisors of the County of San Bernardino (the County) on December 6, 1976 under Section 4700 of the State Health & Safety Code. It is located 10 miles north of Yucca Valley. It provides water services for 172 properties and maintains two wells, four booster stations and a 110,000 gallon reservoir.

The CSA is a component unit of the County of San Bernardino and is governed by the actions of the County Board of Supervisors.

The accompanying financial statements reflect only the accounts of the County Service Area No. 70 Zone W-3 - Hacienda Heights of the County of San Bernardino and are not intended to present the financial position of the County taken as a whole.

Because the CSA meets the reporting entity criteria established by the Governmental Accounting Standards Board (GASB), the CSA's financial statements have also been included in the Comprehensive Annual Financial Report of the County as a "component unit" for the fiscal year ended June 30, 2011.

**Measurement focus, basis of accounting, and financial statement presentation**

The CSA's 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund 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 government has elected not to follow subsequent private-sector guidance.

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone W-3 - Hacienda Heights**  
**Notes to Financial Statements**  
**June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary 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. 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. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Deposits and investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

No allowance for uncollectibles was recorded at June 30, 2011 based on management's expectation that all accounts receivable will be collected through the property tax roll.

**Property taxes**

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on March 1 and become delinquent with penalties on August 31.

**Inventories and prepaid items**

Inventories, if any, are valued at cost using the first-in/first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone W-3 - Hacienda Heights  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Capital assets**

Capital assets, which include property, plant, and equipment are reported in the financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (for improvements to land and structures and equipment) and have an estimated useful life in excess of two years. Structures with an initial cost of \$100,000 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Structures and improvements	5 - 40
Equipment and vehicles	4 - 15

**Long-term obligations**

Long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Stewardship, compliance and accountability**

**Budgetary information**

Although the CSA prepares and adopts an annual budget, budgetary information is not presented because the CSA is not legally required to adopt a budget.

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone W-3 - Hacienda Heights**  
**Notes to Financial Statements**  
**June 30, 2011**

NOTE 2: CASH AND DEPOSITS

Cash and cash equivalents include the cash balance of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the CSA's account based upon the CSA's average daily deposit balance during the allocation period. Cash and cash equivalents are shown at the fair value as of June 30, 2011.

See the County of San Bernardino's Comprehensive Annual Financial Report (CAFR) for details of their investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40.

NOTE 3: RECEIVABLES

At June 30, 2011, the accounts receivable balance was composed of the following:

Accounts receivable	\$ 31,789
Less: allowance for uncollectibles	<u>-</u>
Total accounts receivable, net	<u><u>\$ 31,789</u></u>

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone W-3 - Hacienda Heights**  
**Notes to Financial Statements**  
**June 30, 2011**

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 34,551	\$ -	\$ -	\$ 34,551
Construction in progress	-	18,193	-	18,193
Total capital assets, not being depreciated	<u>34,551</u>	<u>18,193</u>	<u>-</u>	<u>52,744</u>
Capital assets, being depreciated:				
Improvements to land	420,483	-	-	420,483
Structures and improvements	254,244	-	-	254,244
Total capital assets, being depreciated	<u>674,727</u>	<u>-</u>	<u>-</u>	<u>674,727</u>
Less accumulated depreciation for:				
Improvements to land	(156,880)	(10,986)	-	(167,866)
Structures and improvements	(57,205)	(5,650)	-	(62,855)
Total accumulated depreciation	<u>(214,085)</u>	<u>(16,636)</u>	<u>-</u>	<u>(230,721)</u>
Total capital assets, being depreciated, net	<u>460,642</u>	<u>(16,636)</u>	<u>-</u>	<u>444,006</u>
Total capital assets, net	<u>\$ 495,193</u>	<u>\$ 1,557</u>	<u>\$ -</u>	<u>\$ 496,750</u>

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone W-3 - Hacienda Heights**  
**Notes to Financial Statements**  
**June 30, 2011**

NOTE 5: RETIREMENT PLAN

**Plan description**

The San Bernardino County Employees' Retirement Association (SBCERA) is a cost-sharing multiple-employer defined benefit pension plan (the Plan) operating under the California County Employees' Retirement Act of 1937 (1937 Act). It provides retirement, death and disability benefits to members. Although legally established as a single employer plan, the City of Big Bear Lake, California State Association of Counties, South Coast Air Quality Management District (SCAQMD), San Bernardino Associated Governments (SANBAG), Local Agency Formation Commission (LAFCO), San Bernardino County Law Library, Barstow Fire Protection District, Hesperia Recreation and Park District, SBCERA, City of Chino Hills, Crest Forest Fire Protection District, Mojave Desert Air Quality Management District (MDAQMD), California Electronic Recording Transaction Network Authority (CERTNA), Inland Valley Development Agency (IVDA), San Bernardino International Airport Authority (SBIAA), the San Bernardino County Superior Court, Inland Library System (ILS), Rim of the World Recreation and Park District (RIM-REC) and Crestline Sanitation District were later included, along with the County, and are collectively referred to as the "Participating Members." The Plan is governed by the SBCERA Board of Retirement under the 1937 Act. Employees become eligible for membership on their first day of regular employment and become fully vested after 5 years of service credit. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 348 W Hospitality Lane - 3rd Floor, San Bernardino, California 92415-0014.

**Fiduciary responsibility**

SBCERA is controlled by its own board, the Retirement Board, which acts as a fiduciary agent for the accounting and control of member and employee contributions and investment income. SBCERA publishes its own Comprehensive Annual Financial Report and receives a separate independent audit. SBCERA is also a legally separate entity from the County and not a component unit. For these reasons, the County's Comprehensive Annual Financial Report excludes SBCERA pension trust fund as of June 30, 2011.

**Funding policy**

Participating members are required by statute (Sections 31621.6 and 31639.25 of the California Government Code) to contribute a percentage of covered salary based on certain actuarial assumptions and their age at entry to the Plan. Employee contribution rates vary according to age and classification (general or safety). General members are required to contribute 7.42% - 12.96% and safety members 9.54% - 15.32% of their annual covered salaries, of which the County pays approximately 7%. County of San Bernardino employer contribution rates are as follows: County General 12.32%, County Safety 26.82%. All employers combined are required to contribute 15.4% of the current year covered payroll. For 2011, the County's annual pension cost of \$213,311,000 was equal to the County's required and actual contributions. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer rates are determined pursuant to Sections 31453 and 31454 of the 1937 Act.

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone W-3 - Hacienda Heights**  
**Notes to Financial Statements**  
**June 30, 2011**

NOTE 5: RETIREMENT PLAN (continued)

The County's annual pension cost and prepaid asset, computed in accordance with GASB Statement 27, Accounting for Pensions by State and Local Governmental Employers, for the year ended June 30, 2011, were as follows (in thousands):

Annual Required Contribution (County fiscal year basis)	\$	213,311
Interest on Pension Assets		(2,331)
Adjustment to the Annual Required Contribution		24,585
Annual Pension Cost		235,565
Annual Contributions Made		213,311
Increase/(Decrease) in Pension Assets		(22,254)
Pension Assets, Beginning of Year		741,388
Pension Assets, End of Year	\$	719,134

The following table shows the County's required contributions and percentage contributed for the current year and two preceding years:

Year Ended June 30,	Annual Contributions Made (in thousands)		Percentage Contributed
	SBCERA	County	
2009	\$ 246,232	\$ 200,300	100%
2010	243,773	197,097	100%
2011	258,128	213,311	100%

The County, along with the SCAQMD, issued Pension Refunding Bonds (the Bonds) in November 1995 with an aggregate amount of \$420,527,000. These Bonds were issued to allow the County and the SCAQMD to refinance each of their unfunded accrued actuarial liabilities with respect to retirement benefits for their respective employees. The Bonds are the obligations of the employers participating in the Plan and the assets of the Plan do not secure the Bonds. The County's portion of the bond issuance was \$386,266,000. The outstanding liability at June 30, 2011 is \$414,041,000.

On June 24, 2004, the County issued its County of San Bernardino Pension Obligation Bonds, Series 2004 A (Fixed Rate Bonds), its County of San Bernardino Pension Obligation Bonds, Series 2004 B (Auction Rate Bonds), and its County of San Bernardino Pension Obligation Bonds, Series 2004 C (Index Bonds) in respective aggregate principal amounts of \$189,070,000, \$149,825,000, and \$125,000,000. The Bonds were issued to finance the County's share of the unfunded accrued actuarial liability of the SBCERA. In April 2008, the County refunded all of the 2004 Series B. The outstanding liability at June 30, 2011 is \$285,270,000.

**County of San Bernardino Special Districts**  
**County Service Area No. 70 - Zone W-3 - Hacienda Heights**  
**Notes to Financial Statements**  
**June 30, 2011**

NOTE 5: RETIREMENT PLAN (continued)

In April 2008, the County of San Bernardino issued its \$160,900,000 in Pension Obligation Refunding Bonds (POB), Series 2008 (the Series 2008 Bonds). The outstanding liability at June 30, 2011 is \$157,735,000.

NOTE 6: FEDERAL AND STATE GRANTS

From time to time, the CSA may receive funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the CSA expects such amounts, if any, to be immaterial.

NOTE 7: RISK MANAGEMENT

The County has self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, and workers' compensation claims. Public liability claims are self-insured for up to \$2.5 million per occurrence. Excess insurance coverage over the Self-Insured Retention (SIR) up to \$100 million is provided through a combination of insurance policies as recommended by AON Risk Services, Broker of Record, as follows: Primary Liability coverage of \$25 million excess of \$2.5 million SIR with CV Starr/Everest; Excess Liability coverage of \$10 million, excess of \$25 million with Allied World Assurance Company (AWAC); and Excess Liability coverage of \$15 million, excess of \$35 million with Great American Insurance Company of New York. In addition, Ironshore Specialty Ins. Co. provides excess liability coverage of \$10 million, excess of \$50 million; Allied World National Ins. Co. provides \$15 million, excess of \$60 million; and Arch Insurance Co. provides \$25 million in excess of \$75 million. Workers' compensation claims are self-insured up to \$5 million per occurrence, and covered by Arch Ins. Co. for up to \$3 million for employer's liability, and up to statutory limits for workers' compensation per occurrence. Property damage claims are insured on an occurrence basis over a \$25 thousand deductible, and insured with several insurers like Lexington Ins. Co., Affiliated FM, and Lloyd's of London, among others.

The County supplements its self-insurance for medical malpractice claims with a \$10 million policy with Illinois Union Ins. Co., which provides annual coverage on a per claim basis with an SIR of \$2 million for each claim. Additional coverage of \$15 million, excess of \$10 million is provided by Steadfast Ins. Co. All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, with National Union Fire Ins. Co. of Pittsburgh with a \$100 thousand deductible, and excess limits up to \$10 million per occurrence.

**County of San Bernardino Special Districts  
County Service Area No. 70 - Zone W-3 - Hacienda Heights  
Notes to Financial Statements  
June 30, 2011**

**NOTE 7: RISK MANAGEMENT (continued)**

The activities related to such programs are accounted for in Risk Management except for unemployment insurance, and employee dental insurance, which are accounted for in the General Fund. The IBNR (Incurred But Not Reported) and IBNS (Incurred But Not Settled) liabilities stated on Risk Management's balance sheet are based upon the results of actuarial studies, and include amounts for allocated and unallocated loss adjustment expenses. The liabilities for these claims are reported using a discounted rate of 1.17%. It is Risk Management's practice to obtain actuarial studies on an annual basis.

The total claims liability of \$151 million reported at June 30, 2011 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Changes in the claims liability amount in fiscal years 2010 and 2011 were:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability (in thousands)</b>	<b>Current Year Claims and Changes in Estimates (in thousands)</b>	<b>Claims Payments (in thousands)</b>	<b>End of Fiscal Year Liability (in thousands)</b>
2009-10	\$ 149,941	\$ 40,453	\$ (45,000)	\$ 145,394
2010-11	\$ 145,394	\$ 48,900	\$ (43,343)	\$ 150,951

**NOTE 8: CONTINGENCIES**

As of June 30, 2011, in the opinion of the CSA Administration, there are no outstanding matters, which would have a significant effect on the financial position of the CSA.

**NOTE 9: PROPOSITION 111 APPROPRIATION LIMITS**

Proposition 111, which added Article XIII B to the State Constitution, established limits on budget appropriations in order to restrict government spending. We have reviewed the proceeds of taxes received by the District during the 2010-2011 fiscal year, and have found the revenue to be within the guidelines established by Proposition 111.

**NOTE 10: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 30, 2011, which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the CSA.

**County Service Area 70 Zone W-3**

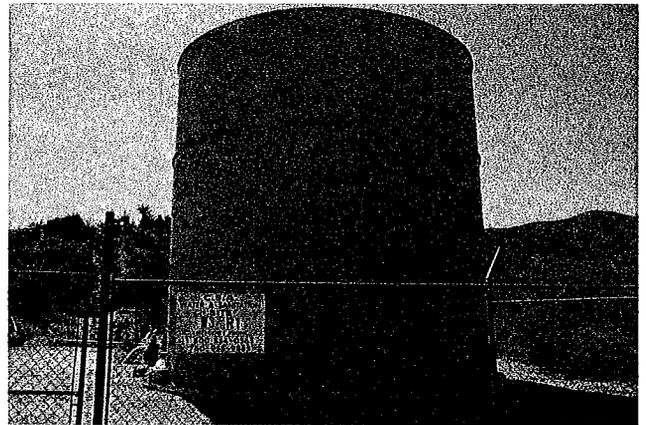
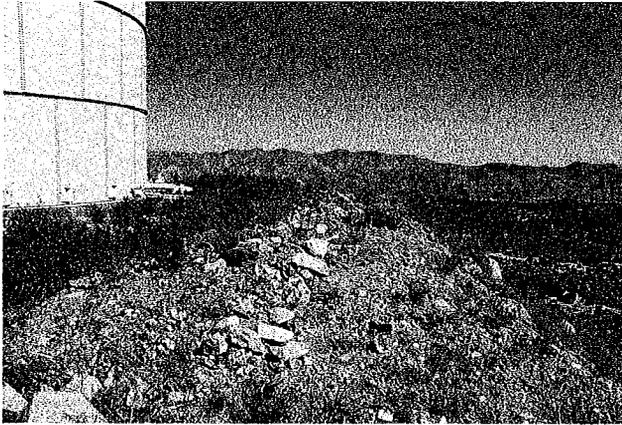
**Water Distribution System Report,  
April 2002**

**Attachment 4c**

# Engineering Report to USDA

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## County of San Bernardino County Service Area 70 Improvement Zone W-3



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# WATER DISTRIBUTION SYSTEM FOR THE COMMUNITY OF MORONGO VALLEY

April 2002

RECEIVED  
FEB 25 2009

LAFCO  
San Bernardino County

Prepared By:

**Engineering Resources of Southern California, Inc.**  
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**COUNTY OF SAN BERNARDINO SPECIAL DISTRICTS DEPARTMENT  
COUNTY SERVICE AREA 70 W-3, MORONGO VALLEY (CSA 70 W-3)  
WATER DISTRIBUTION SYSTEM  
ENGINEERING REPORT TO USDA  
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## **Section 1 – General Discussion**

County Service Area 70 W-3 (CSA 70 W-3) is a board-governed district providing water service to approximately 514 customers. The water system consists of two wells and four water tanks with a combined capacity of 328,800 gallons. The total pumping capacity of the wells is 488 gallons per minute. The four water tanks in the District are; a 10,000 gallon de-sanding tank at well site 2, a 43,800 gallon tank that is currently out of service and a 65,000 gallon tank at reservoir site R1, and a new 210,000 gallon tank at reservoir site R2. There are 171 metered water connections utilizing the Radio Read system. 156 meters are active and 15 are inactive.

CSA 70 W-3 is experiencing problems in several areas. First, the water distribution lines are approaching 30 years of age and are rapidly deteriorating. Reported leaks from these pipes are increasing throughout the entire District. All the distribution main lines are in need of replacement. Next, reservoir site R1 has two reservoirs and one “hydropneumatic tank”. Only one reservoir is currently in service. The “hydropneumatic tank” failed in the past but has been replaced and is functioning as a reserve tank for boosters 3 & 4. It is no longer a hydropneumatic tank. This tank needs to be removed. The two tanks at R1 are in desperate need of inspection and possible rehabilitation. Finally, the new reservoir at reservoir site R2 seems to be functioning well. However, the road to the tank is steep and treacherous and needs to be protected from erosion. Also, the south slope of the tank site appears to be in the process of sliding. The soil separation at the top of the slope is visible. This slope is in need of a geotechnical investigation and recommendation.

CSA 70 W-3 is currently in the process of increasing rates. However, generating revenue for funding improvements to CSA 70 W-3 by increasing rates will not be possible. Currently, the District’s revenue comes from water sales, taxes, and state and federal aid. In the recent past, the federal aid was the most substantial contribution to CSA 70 W-3’s revenue. This contribution was to be allocated for improvements within the District. Most, if not all, of those funds have been expended for their intended purpose (see Appendix 4 for the “Independent Auditor’s Report, March 26, 2001”). Grant funding will be required for the needed capital improvements in CSA 70 W-3.

## **Section 2 – Project Planning Area**

Location – CSA 70 W-3 is located along the north side of 29 Palms Highway (Hwy. 62). It is approximately 4 miles southwest of Yucca Valley. It was formerly known as The Hacienda Heights Water District.

### Environmental Resources Present

- (1.) Biological Resources: More than 235 bird species have been observed in the area, including several rare species. Many additional transient species are present during the spring and fall migration seasons. Water also attracts desert bighorn sheep, raccoons, bobcats, coyotes, and other mammals. For centuries, this area was used by nomadic Indians who found water and game plentiful here.
- (2) Geology and Soils: The following information is summarized from the document entitled “Data on Water Wells and Springs in Morongo Valley and Vicinity, San Bernardino and Riverside Counties, California” United States Department of the Interior, *United States Geologic Survey* Ground Water Branch.

### Location and General Features of the Area

Morongo Valley and vicinity covers about 180 square miles. It lies between the southeast end of the San Bernardino Mountains and the east end of the Little San Bernardino Mountains between 116°30' and 116°45' west longitude and 34°00' and 34°15' north latitude. The north boundary adjoins the south edge of Lucerne, Johnson, Fry, and Means Valleys (Riley, 1956).

Access to the area is provided by the Twentynine Palms Highway and several unpaved roads.

Geographically the area is chiefly mountainous, but it contains two relatively flat areas in the eastern part. Bowden flat is in the northeast corner of the area between the mountains and a series of black lava-capped buttes, and Morongo Valley is a northeast-trending valley in the southeastern part of the area. Most of the wells are in this valley.

## Geologic and Hydrologic Features of the Area

The geologic units in the Morongo Valley area can be grouped in two broad categories: Consolidated rocks and unconsolidated deposits. The consolidated rocks include old metamorphic and crystalline rocks of pre-Tertiary age that form the basement complex. For the most part these rocks are impermeable and, except for minor amounts of water contained in cracks and weathered zones, virtually non-water bearing.

Moderately indurated alluvial deposits of Quaternary age occur in the southwestern part of the Morongo Valley area. These deposits were called the Coachella fanglomerate by Vaughan (1922) and are mostly coarse dark-red conglomerate. The hydrologic character of these deposits is not known because they are not tapped by wells. Their appearance suggests that where saturated they probably would yield small quantities of water to wells.

Another alluvial deposit is exposed along the south edge of the area. This deposit was called the Cabezon fanglomerate by Vaughan (1922) and consists of poorly sorted and poorly indurated boulders, gravel, sand, silt, and clay. It is generally brown but locally where weathered near the surface it is red. These deposits where saturated probably would yield water freely to wells.

The volcanic rocks of Quaternary age exposed in the area consist mainly of basalt flows which cap some of the hills in the northeastern part of the area. The basalt is unsaturated, is probably poorly permeable, and is not penetrated by wells. In the south-central part of the area some volcanic mudflows and agglomerate crop out. The thickness and subsurface extent of these rocks are unknown, but their appearance suggests that they probably are virtually non-water bearing.

The older fan alluvium of late Pleistocene age consists of compact arkosic gravel, sand , and silt. The deposits are weathered and locally the feldspars have been altered to clay. Near the mountains the unit contains large, angular

boulders, but beneath the valley it is finer grained and better sorted. The deposit, where saturated, contains the main aquifers in the area and is tapped by many wells.

The younger fan alluvium of Recent age is mostly boulders, gravel, sand, silt, and clay beneath fans and stream channels. Locally it overlies the older units. It is poorly sorted and moderately permeable but is largely unsaturated. However, the younger fan alluvium supplies a small amount of water to a few wells in the southern part of Morongo Valley.

(3.) Visual Resources / Aesthetics: Most of the houses are relatively well maintained. Some, however, are in poor structural and visual condition. The community of Morongo Valley, itself, is sparsely populated and rural. Blue sky and beautiful desert scenery envelops the entire County Service Area.

Growth Areas and Population Trends – The District serves some 171 metered connections. The estimated population of the District is 514 with an anticipated population of ■■■ at maximum buildout. Growth is anticipated to continue at the current rate of 0 to 0.5 percent (0%-0.5%) per year.

Development consists mostly of residential single-family homes with no commercial development. Most of the residents are retired persons. The residents commute to either Riverside or Palm Springs to conduct their business. The median household income for this area was \$38,125 in 1989.

### **Section 3 – Existing Facilities**

Location Map – See Appendix 3.

History – CSA 70 W-3 provides water service to approximately 514 customers. The water system consists of two wells and four water tanks. The District's four tanks described previously in Section 1 of this study have a combined capacity of 328,800 gallons. There are 171 metered water connections utilizing the Radio Read system. 156 of these meters are active and 15 are inactive. CSA 70 W-3 bills 59 parcels for a standby

charge. These parcels are eligible for service at the time of application for service. District staff has reported that the average daily flow is approximately 100,480 gallons / day.

Some recent water use / loss activity within the District is listed below;

- In 1999, 27 hydrants were flushed. Each hydrant was flushed for 15 minutes at a rate of 650 gpm . The water loss was believed to be 36,000 ft<sup>3</sup> [270,000 gallons].
- In 1999, 25 leaks were recorded for a possible loss of 700,000 ft<sup>3</sup> [5,200,000 gallons] of water. These were main line leaks, not service line leaks.
- In 1998, 27 hydrants were flushed. Each hydrant was flushed for 15 minutes at a rate of 650 gpm . The water loss was believed to be 36,000 ft<sup>3</sup> [270,000 gallons].
- In 1998, 21 leaks were recorded.

Furthermore, the reported water loss within the CSA 70 W-3 for the last few years is summarized below;

Table 3.1

**Production vs. Consumption Summary**

<b>Year</b>	<b>Production [cu. ft.]</b>	<b>Consumption [cu. ft.]</b>	<b>Loss [%]</b>
<b>1997/98</b>	3,694,759	3,320,700	10.12%
<b>1998/99</b>	3,935,210	3,707,000	5.80%
<b>1999/00</b>	4,711,990	3,821,900	18.89%
<b>2000/01*</b>	2,301,710	1,838,400	20.13%
<b>Total</b>			<b>12.09%</b>

\*Incomplete year. Totals are not included in the average.

## Condition of Facilities

Water Quantity & Quality – The water from Morongo Basin is, like all sources, a finite ground water supply. Theoretically, this sub-region could accommodate 102,000 residential units. On the other hand, the absence of infrastructure facilities limits current development.

Generally, the water quality in CSA 70 W-3 is good. However, Uranium levels are bordering the Maximum Contaminant Level (MCL). The State Department of Health Services has continuously expressed concern over the quality of water in Morongo Valley. See Appendix 2 for the County Service Area 70, Zone W-3 Annual Water Report.

At present, there are no water quality issues to address. The District reports no violations within the last year.

Distribution Lines – The existing water distribution pipelines are steel pipe cement-lined and tar wrapped. Their age is approaching 30 years. In 1993, 1,300' of old pipeline along Rawson Road was replaced with C-900 PVC. The limits of this construction was Elm Street and Three Sisters Ranch Road. Replacement was expedited because Highway 62 flooded when the old pipes leaked. This created a hazard. Immediate attention was needed.

Distribution pipe leaks are reported throughout the entire district. District staff keeps a log of pipes that have been reported to leak and the maintenance they had performed. In 1998, 21 leaks were reported. In 1999, 25 leaks were reported. As time progresses, the number of leaks reported increases (See Table 3.1). As of late, the District's staff has had to respond to these emergencies more frequently. Sometimes, as many as three times a week. Because of this, the cost in man-hours and materials has risen. It will rise sharply in the future if the distribution lines are not replaced.

Service Lines – The existing service lines are copper tube service. There are no problems with the service lines at this time.

Storage Tanks – The District has four water tanks with a combined capacity of 328,800 gallons.

Reservoir site R1 has three water tanks; a 65,000 gallon steel reservoir (bolted), a 43,800 gallon steel reservoir (bolted), and a 2,600 gallon “hydropneumatic water tank” that is not used as a hydropneumatic tank.

The 43,800 gallon reservoir is currently out of service. This tank has experienced constant water hammer over the course of its 30-year life. The tank’s walls appear to be failing, as a result. The failure may be due to metal fatigue and/or corrosion.

The 65,000 gallon reservoir is in service but is in need of inspection and repair. District staff reports corrosion on the ladder and insufficient coating inside the tank.

Both of the larger reservoirs at this site are in need of maintenance. The tanks do not have top vents, hatches, or targets. For pictures of the tanks, see Appendix 1, Pictures 3.1-3.3.

The “hydropneumatic tank” at R1 failed in the past. It was replaced and is currently used as a wide spot in the water line. This tank is not necessary and should be removed.

At reservoir site R2, a new 210,000 gallon reservoir was put in service in 2000. The storage tank is operating well, however, the road to the storage tank is steep and treacherous (about a 40% slope). The District installed a gate barring access to the road to the tank. Currently, the road is subject to erosion in heavy flows. When these flows occur, traveling on the road to the tank is quite dangerous.

In addition, the slope around the water tank is starting to pull away. If left alone, the slope may further deteriorate and endanger the stability of the 210,000 gallon tank. A tank failure would be catastrophic.

The District is in the process of installing telemetry to reservoir R2.

Recent District Reorganization and Changes – The Special Districts Department’s goal “to provide a safe and dependable supply of drinking water” was expanded in 2000 to include “in an efficient and economical manner.” Subsequent to the completion and release of the Optimization study in 1999, the Special Districts Department began the study’s implementation. As recommended in the study, office and field staff are being increased to improve the efficiency of the field operations and office administration.

The Special Districts Department is in the third year of a five-year program of rate increases. The necessary increases were identified in the Black and Veatch Rate Study developed for the Special Districts Department and finalized in 1999.

An aggressive commitment to training has resulted from the reorganization of the District Safety Committee.

All changes are being implemented with the purpose of providing the best possible service to District customers.

Financial Status of any Operating Central Facilities – See Appendix 4 for the “Audit Report CSA 70 W-3 for the fiscal year ended June 30, 2000” prepared by Internal Audits Section, Office of the Auditor/Controller-Recorder, March 26, 2001.

According to page 321 of the report, CSA 70 W-3’s operating income after comparing the operating revenues and operating expenses is a loss of \$43,091. It is true that the District received Special Purpose Grant Funding recently as a result of FEMA monies available after the 1992 Landers earthquake. These funds were allocated for improvements within CSA 70 W-3. The District used this money to; install a new well, construct 2 booster stations, construct the reservoir at R2, and add telemetry to the existing equipment. This funding was expended on these projects. The problems at hand will require financial assistance from an outside source.

#### **Section 4 – Project Requirement**

Health and Safety – The only health and safety issue to consider is the Uranium level in the water. At present, the level is bordering on the MCL's. However, the MCL's have not been exceeded. The District reports no violations last year.

System O&M – Upon completion of the project, the ownership and operation will be turned over to the County of San Bernardino, Special Districts Department, CSA 70 W-3. Annual operation and maintenance will come under the jurisdiction of the County of San Bernardino, Special Districts Department.

Future maintenance must be considered for this project. As portions of the system deteriorate and fail, man-hour and material costs will rise as the District's staff responds to field problems.

Growth – The estimated population of the District is 514 with an anticipated population of [REDACTED] at maximum buildout. Growth is anticipated to continue at the current rate of 0 to 0.5 percent (0%-0.5%) per year.

#### **Section 5 – Alternative Consideration**

##### Description of each Alternative

There are two (2) alternative solutions studied in this report.

Alt. 1: Abandon old pipeline in place. Trench for new pipe adjacent to existing pipe. Install new water distribution main pipelines. Inspect the 43,800 gallon tank and then the 65,000 gallon tank and make recommendations. Pave the road up to reservoir site R2. Perform a geotechnical investigation and propose solutions for the "failing" slope adjacent to the 210,000 gallon reservoir.

Alt. 2: Abandon old pipeline in place. Trench for new pipe adjacent to existing pipe. Install new water distribution main pipelines. Repair the 65,000 gallon reservoir. Remove the 43,800 gallon reservoir and replace it with a new 65,000 gallon

reservoir. Pave the road up to the 210,000 gallon reservoir. Repair the slope at that reservoir site per the geotechnical engineer's recommendations.

Design Criteria – All items will be designed per the San Bernardino County Special Districts Department Standards.

Map – See Appendix 3.

Environmental Impact – The majority of the proposed transmission and service line construction will be within street right-of-ways and easements. However, it may be necessary to purchase land for easements over new distribution pipelines. In this case, the environmental impact should be studied.

Land Requirements – The majority of the transmission pipelines and service lines to be constructed are within existing street right-of-ways and easements. However, some land may need to be purchased for easements for new pipes.

Also, removing the 43,800 gallon tank and replacing it with a 65,000 gallon tank will probably require purchase of some land. At present, the site is already "tight".

Construction Problems – The geology of this area is such that rocks are a problem in trenching operations. Digging new trenches will be very difficult.

Also, normal conflict with some of the existing utilities is expected. Therefore, the design engineer will conduct a thorough review of the existing utilities by (1) sending utility investigations early in the pre-design mapping stage, and (2) providing a copy of 90% design plans to each of the affected utility companies.

Cost Estimates – The construction cost estimate, annual operation & maintenance cost, and present worth of all the described alternatives are compared in Table 5.1. A more detailed itemization of specific options within the alternatives are tabulated in Tables 5.2 & 5.3.

Table 5.1  
Capital Cost Comparison for all Alternatives

Alt.	Estimated Capital Cost	O&M	Present Worth	Refer to Table
1	\$1,828,895	\$60,000 / yr	\$2,576,627	5.2
2	\$1,971,895	\$60,000 / yr	\$2,719,627	5.3

Table 5.2  
Estimated Capital Cost for Alternative 1

Item	Description	Unit	Size	Unit Cost	Quantity	Cost
1	Trench for new transmission pipeline.	LF	varies	\$27	31,401	\$847,827
2	Install new 4", 6", 8" transmission pipeline.	LF	varies	\$15	31,401	\$471,015
3	Inspect 43,800 gallon tank.	LS	-	-	-	\$3,000
4	Inspect 65,000 gallon tank.	LS	-	-	-	\$3,000
5	Pave the road to reservoir site R2.	LS	-	-	-	\$75,000
6	Perform geotechnical investigation and make recommendation on R2 slope.	LS	-	-	-	\$7,000
					<b>Subtotal</b>	<b>\$1,406,842</b>
	10% Engineering					\$140,684
	10% Contingencies					\$140,684
	10% Admin. & Inspection					\$140,684
					<b>Total</b>	<b>\$1,828,895</b>

Table 5.3

Estimated Capital Cost for Alternative 2

Item	Description	Unit	Size	Unit Cost	Quantity	Cost
1	Trench for new transmission pipeline.	LF	varies	\$27	31,401	\$847,827
2	Install new 4", 6", 8" transmission pipeline.	LF	varies	\$15	31,401	\$471,015
3	Remove existing 43,800 gallon tank & replace it with a new 65,000 gallon reservoir (24' high).	LS	-	-	-	\$100,000
4	Purchase land adjacent to reservoir site R1 to accommodate 65,000 gallon tank.	LS	-	-	-	\$10,000
5	Repair 65,000 gallon tank	LS	-	-	-	\$3,000
6	Pave the road to reservoir site R2 and install drainage.	LS	-	-	-	\$75,000
7	Plant ground cover on slope of reservoir site R2. Redirect drainage.	LS	-	-	-	\$5,000
8	Install irrigation for ground cover on slope of reservoir site R2.	LS	-	-	-	\$5,000
					<b>Subtotal</b>	<b>\$1,516,842</b>
	10% Engineering					\$151,684
	10% Contingencies					\$151,684
	10% Admin. & Inspection					\$151,684
					<b>Total</b>	<b>\$1,971,895</b>

Non-Construction and Other Projects – No other projects, non-construction or otherwise is planned for this District at this time.

Annual Operation and Maintenance – Upon completion of the project, the ownership and operation will be turned over to the County of San Bernardino, Special Districts Department, CSA 70 W-3. Annual operation and maintenance will come under the jurisdiction of the County of San Bernardino, Special Districts Department.

See Table 5.1 for the annual cost of operation and maintenance.

Present Worth – The present worth in this report is the sum of the capital cost and the cost of operation and maintenance for the life of the present worth study. See Table 5.1

An annual operation and maintenance cost of \$60,000/year was assumed. The present worth of O&M was calculated using an annuity of \$60,000, an assumed interest rate of 5%, and a study period of 20 years.

Advantages / Disadvantages – The advantages and disadvantages of these alternatives are tabulated below.

Table 5.5  
Advantages vs. Disadvantages

Alt.	Advantages	Disadvantages
1	<p>Main line leaks will be minimized.</p> <p>Maintenance cost will be kept to a minimum since District staff will not have to respond to as many leaks.</p> <p>The water distribution lines will only need regular O&amp;M. As long as material, construction, and engineering of the pipe is of good quality, there will be few problems in the future.</p>	<p>Somewhat costly.</p> <p>Problems with tanks at R1 site will remain until recommendations are implemented.</p> <p>The slope at R2 will still continue to degrade until recommendations are implemented.</p>
2	<p>Main line leaks will be minimized.</p> <p>Maintenance cost will be kept to a minimum since District staff will not have to respond to as many leaks.</p> <p>Solution is long term.</p>	<p>This is the most costly option.</p> <p>Land would have to be purchased for easements.</p>

## Section 6 – Recommended Alternative

### Project Design –

We recommend Alternative 1. This alternative recommends the installation of a new water distribution system. At this point in time, this is the most critical need of CSA 70 W-3. Also, this alternative does not ignore other issues but proceeds cautiously. Before assuming a solution, investigation and recommendation is required. In this way, funds will not be wasted on a solution that may or may not work.

- Treatment – No treatment facilities are needed at this time.
- Pumping Station – No pumping station will be required for this alternative.
- Collection System Layout – No collection system is needed at this time.
- Hydraulic Calculations – The proposed distribution pipelines will be designed to standards approved and adopted by the San Bernardino County Special Districts Department.

Cost Estimate – The cost of this project is about \$1.83 million. See Table 5.1

Annual Operating Budget – The County of San Bernardino will be responsible for the operation and maintenance of the completed distribution and storage facilities.

- Income – Operating revenues and non-operating revenues make up the total income of the District. See the CSA 70 W-3 Audit Report in Appendix 4 for these totals.
- Operations and Maintenance Costs – See Table 5.1 for the estimated operations and maintenance costs.
- Capital Improvements – No capital improvements apart from the proposed improvements mentioned in this report are planned for the immediate future.
- Debt Repayments – CSA 70 W-3 has no debt repayments.

- Reserve – According to the CSA 70 W-3 Audit Report in Appendix 4, the District operated at a loss of \$43,091 in that year. No reserves are expected.

## **Section 7 – Conclusions and Recommendations**

The distribution system in CSA 70 W-3 is approaching the end of its service life. This is evident in the fact that leaks are reported with increasing frequency by the District's staff. The existing system will only degrade further in the future. As mentioned earlier, they have had to respond to as many as 3 leaks a week. It is a matter of time before all water lines will need to be replaced. Either replace them piecemeal or as a whole. For these reasons, it is highly recommended that the District replace all existing water distribution pipelines.

It is recommended that the proposed distribution lines be engineered. Dead end water lines should be minimized in the design.

The tanks at site R1 appear to need replacement. However, it would be wiser to consult with a tank company for recommendations. They may be able to repair and retrofit the tank in lieu of replacement.

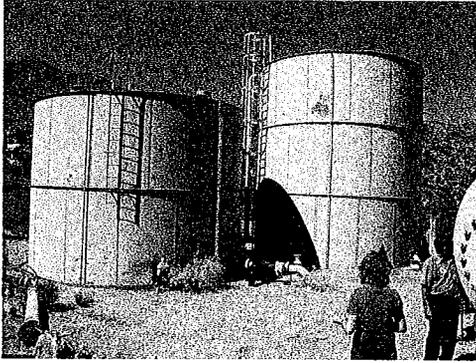
Likewise, with the tank at R2, it appears to need a new road and the south slope needs to be stabilized. However, there may be other geotechnical issues that may prohibit pursuing these improvements. It would be wise to consult with a geotechnical engineer and get a recommendation for stabilizing the slope and paving the road.

The uranium issue within the District will soon need attention too. Right now, the levels are bordering the MCL's and the State Department of Health Services has expressed concern over this in the past. However, the levels have not exceeded the MCL's.

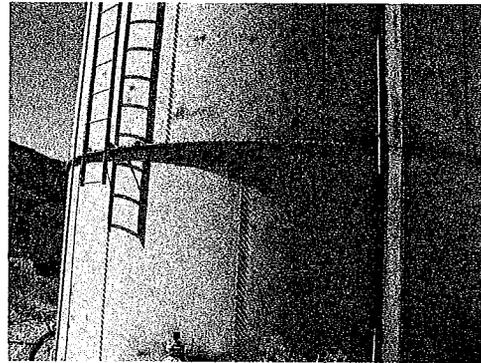
CSA 70 W-3 has many water district issues that need to be resolved. Unfortunately, those issues need funding. Debt service will not meet the need for required funding for the proposed capital projects. Only with the help of outside agencies will Morongo Valley get the funding for the needed improvements within their boundaries.

**APPENDIX 1**

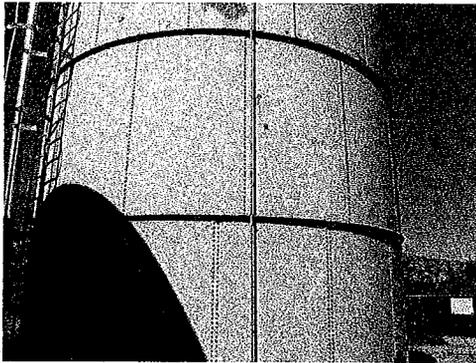
**CSA 70 W-3 EXHIBITS**



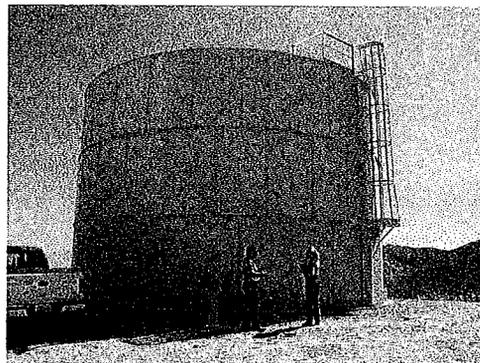
**Picture 3.1:** 43,800 gal (left) & 65,000 gal (right)



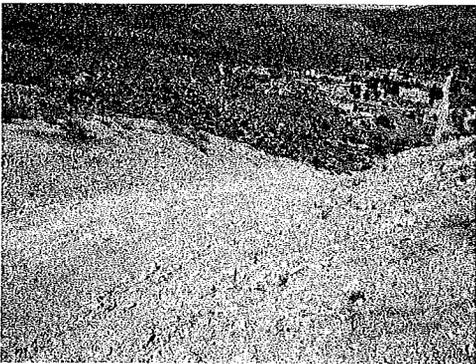
**Picture 3.2:** Close up of 43,800 gal tank.



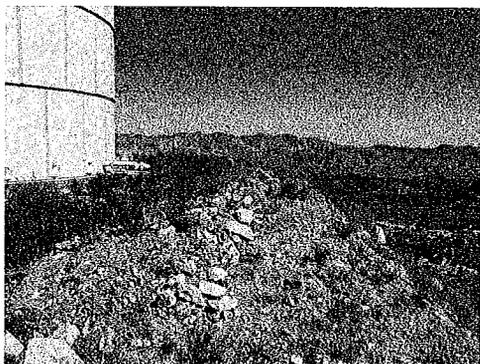
**Picture 3.3:** Close up of 65,000 gal tank



**Picture 3.4:** 210,000 gal reservoir



**Picture 3.5:** Road to 210,000 gal reservoir. Steeper than it looks.



**Picture 3.6:** Soil separation at 210,000 gal tank.

**APPENDIX 2**

**CSA 70 W-3 WATER REPORT**



## COUNTY SERVICE AREA 70 ZONE W-3

# WATER REPORT

### County Service Area 70 Improvement Zone W-3

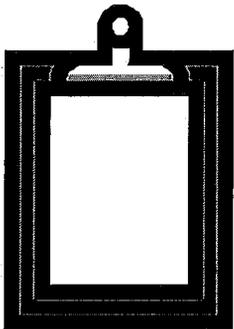
routinely monitors for constituents in the District's drinking water according to Federal and State laws. The tables show the results of the District's monitoring for the period of January 1<sup>st</sup> through December 31<sup>st</sup>, 2000

Questions about this report or concerning the water system?

Contact Bill Stone, Water Operations Manager (Interim) at

(760) 955-9885 or  
(800) 554-0565.

It is important to the District that water customers be informed.

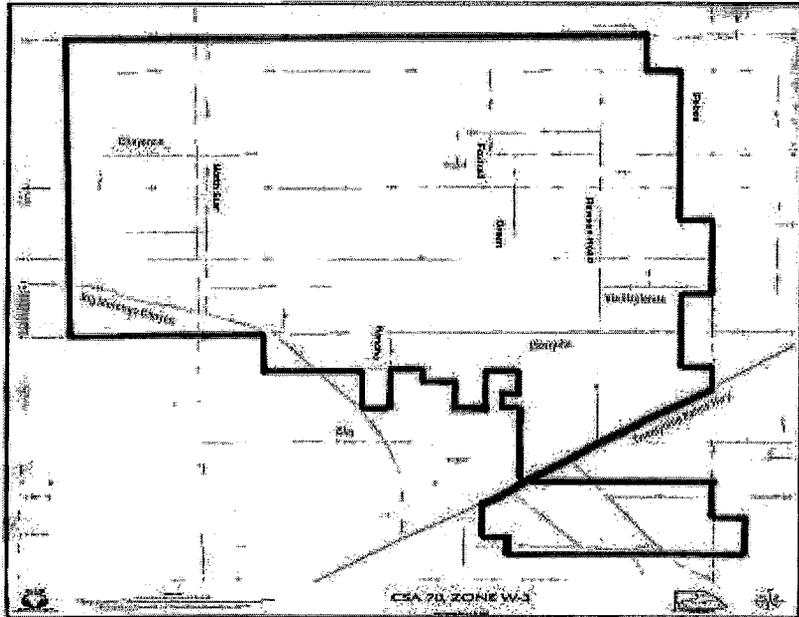


### IMPORTANTE

Este informe contiene información muy importante sobre su agua beber. Tradúzcalo ó hable con alguien que lo entienda bien.

## WHERE DOES THE DISTRICT'S WATER COME FROM?

It is the District's responsibility to provide water system customers with this year's Consumer Confidence Report. It is important to keep customers informed about the water quality and services delivered over the past year. The District's goal continues to be to provide a safe and dependable supply of drinking water. The water source is groundwater from two wells. Well #1 is located at 51000 Canyon Road. Well #2 is located at 9636 Rawson Road.



Last year, the District conducted 41 tests for 102 constituents; of which 21 were detected.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's safe drinking water hotline at (1-800-426-4791) or at their web site: [www.epa.gov/safewater/](http://www.epa.gov/safewater/)

This table provides many terms and abbreviations customers may not be familiar with. To understand these terms, the district has provided the following definitions:

*Non-Detects (ND)* - laboratory analysis indicates that the constituent is not present or not all sources tested.

*MG* - Million gallons

*Parts per million (ppm) or Milligrams per liter (mg/l)* - one part per million corresponds to one minute in two years or a single penny in \$10,000.

*Parts per billion (ppb) or Micrograms per liter* - one part per billion corresponds to one minute in 2,000 years, or a single penny in \$10,000,000.

*Parts per trillion (ppt) or Nanograms per liter (nanograms/l)* - one part per trillion corresponds to one minute in 2,000,000 years, or a single penny in \$10,000,000,000.

*Parts per quadrillion (ppq) or Picograms per liter (picograms/l)* - one part per quadrillion corresponds to one minute in 2,000,000,000 years or one penny in \$10,000,000,000,000.

*Picocuries per liter (pCi/L)* - picocuries per liter is a measure of the radioactivity in water.

*Millirems per year (mrem/yr)* - measure of radiation absorbed by the body.

*Million Fibers per Liter (MFL)* - million fibers per liter is a measure of the presence of asbestos fibers that are longer than 10 micrometers.

*Nephelometric Turbidity Unit (NTU)* - nephelometric turbidity unit is a measure of the clarity of water. Turbidity in excess of 5 NTU is just noticeable to the average person.

*Regulatory Action Level (AL)* - The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

*Treatment Technique (TT)* - A required process intended to reduce the level of a contaminant in drinking water.

*Maximum Contaminant Level (MCL)* - The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

*Maximum Contaminant Level Goal (MCLG)* - The level of a contaminant in drinking water below which there is no

known or expected risk to health. MCLGs are set by the U. S. Environmental Protection Agency.

*Public Health Goal or PHG* - The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

*Primary Drinking Water Standard or PDWS* - MCLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

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The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.
- Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals, that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.
- Radioactive contaminants, which can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, USEPA and the California Department of Health Services (Department) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health.

**CSA 70 W-3 – PRIMARY STANDARDS**  
**Mandatory Health Related Standards Established by the**  
**State of California, Department of Health Services or USEPA**

**TEST RESULTS –**

Data is obtained from most recent sampling and may be from previous years.

Contaminant	Violation Y/N	Average Level Detected	Range	Unit Measurement	MCL	PHG	MCLG	Likely Source of Contamination
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**Radioactive Contaminants**

Uranium *	N	20	17.8-24.17	pCi/L	20	N/A	N/A	Erosion of natural deposits
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**Inorganic Contaminants**

Lead and Copper Results are from the 1998 sampling. 10 sites were sampled  
 90th percentile for Lead and Copper – ND Lead; ND Copper  
 No Lead or Copper was detected at the sources.

Barium	N	.021	ND – .042	ppm	1	N/A	2	Discharge of oil drilling wastes and from metal refineries; erosion of natural deposits
Copper	N	.017	ND – .17	ppm	AL=1.3	0.17	N/A	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives
Fluoride	N	1.25	ND-1.25	ppm	2	1	N/A	Erosion of natural deposits; water additive which promotes strong teeth; discharge from fertilizer and aluminum factories
Lead	N	.001	ND – .01	ppb	AL=15	2	N/A	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosions of natural deposits
Nitrate	N	10.6	ND-10.6	ppm	45	45	N/A	Runoff and leaching from fertilizer use; leaching from septic tanks. Sewage; erosion of natural deposits

\* Some people who drink water containing uranium in excess of the MCL over many years may have an increased Risk of getting cancer and kidney toxicity. The District is continuing to explore options for the treatment of uranium.

**CSA 70 W-3 – SECONDARY STANDARDS**  
**Established by the State of California, Department of Health Services**

**TEST RESULTS –**

**Data is obtained from most recent sampling and may be from previous years.**

Contaminant	Violation Y/N	Average Level Detected	Range	Unit Measurement	MCL	PHG	MCLG	Likely Source of Contamination
-------------	---------------	------------------------	-------	------------------	-----	-----	------	--------------------------------

**Regulated Contaminants with Secondary MCLs**

Color	N	1.5	1-2	units	15			Naturally-occurring organic materials
Corrosivity (Langelier index)	N	.11	ND-.11	units	Non-corrosive			Natural or industrially-influenced balance of hydrogen, carbon and oxygen in the water; affected by temperature and other factors.
Iron	N	65	ND – 130	ppb	300			Leaching from natural deposits; industrial wastes
Odor—Threshold	N	1	1-1	units	3			Naturally-occurring organic materials
Turbidity	N	.28	.24-.32	units	5			Soil runoff
Total dissolved solids	N	540	ND-540	mg/L	1000			Runoff/leaching from natural deposits
Specific conductance	N	781	ND-781	micromhos	1,600			Substances that form ions when in water; seawater influence
Chloride	N	30	ND-30	mg/L	500			Runoff/leaching from natural deposits; seawater influence
Sulfate	N	121	ND-121	mg/L	500			Runoff/leaching from natural deposits; industrial wastes
Zinc	N	.065	ND-.065	mg/L	5			Runoff/leaching from natural deposits; industrial wastes.

**UNREGULATED CONSTITUENTS THAT WERE DETECTED IN THE ZONE W-3 SYSTEM**

CONSTITUENT	AVERAGE	RANGE	CONSTITUENT	AVERAGE	RANGE
Hardness	266 ppm	ND-266	Sodium	59.7 ppm	ND-59.7
Calcium	62.8 ppm	ND-62.8	Potassium	7.11 ppm	ND-7.11
Magnesium	26.7 ppm	ND-26.7	Alkalinity	268 ppm	ND-268
P. H.	7.5 units	ND-7.5	AMMONIA	.38 ppm	ND-.38

## County Service Area 70 W-3 Information

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County Service Area 70 W-3 is a board-governed district providing water services to approximately 514 customers.

The water system consists of two wells and two water tanks with a combined capacity of 265,000 gallons. There are 171 metered water connections utilizing the Radio Read system.

The Special Districts Department's goal "to provide a safe and dependable supply of drinking water" was expanded in 2000 to include "in an efficient and economical manner." Subsequent to the completion and release of the Optimization study in 1999, the Special Districts Department began the study's implementation. As recommended in the study, office and field staff are being increased to improve the efficiency of the field operations and office administration.

The Special Districts Department is in the third year of a five-year program of rate increases. The necessary increases were identified in the Black and Veatch Rate Study developed for the Special Districts Department and finalized in 1999. Current recommended rate increases for fiscal year 2001/2002 are in the process of being presented to the public through community meetings.

An aggressive commitment to training has resulted from the reorganization of the District Safety Committee.

All changes are being implemented with the purpose of providing the best possible service to District customers.

The Special Districts Department would like to remind customers to conserve water during SCE rolling blackouts, as most production and transmission facilities will not have power for water delivery.

### **System improvements in 2000**

- New 200,000 gallon reservoir put on line.

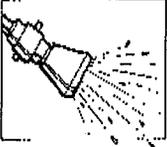
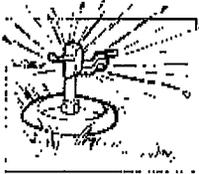
## **SHOULD CUSTOMERS BE CONCERNED?**

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MCL's are set at very stringent levels. To understand the risk of possible health effects described for regulated contaminants, customers should know that a person would have to drink 2 liters of water every day at the MCL level for a lifetime to have a one-in-a-million chance of having the described health effect.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Centers for Disease Control (CDC) guidelines. Contaminants are available from the Safe Drinking Water Hotline.

# Water Saving Hints

	<p><b>Have toilet tanks been checked for leaks?</b></p>	<p>Place a few drops of blue food coloring in the toilet tank. If coloring is seen in the toilet bowl without flushing, a wasteful leak needs to be repaired. A leaking toilet can waste up to 21,000 gallons of water per year.</p>
	<p><b>Have low-flow shower heads been installed?</b></p>	<p>Low-flow shower heads can help you save up to 8 gallons of water for each minute of shower time. Also, you will use less hot water which saves energy.</p>
	<p><b>Are lawns and shrubs watered only when they really need it?</b></p> <p><b>Are you watering at the right time of day?</b></p>	<p>Check lawns and shrubs to see if they need water. A lawn that springs back after being stepped on doesn't need water. Watering may not be necessary in the winter.</p> <p>In summer water only during the cooler parts of the day. The sun can cause most of the water to evaporate before it is absorbed into the soil.</p>

**County Service Area 70 W-3**

**12402 Industrial Blvd.  
Bldg. D, Suite 6  
Victorville, CA 92392**

**(760) 955-9885  
(800) 554-0565**

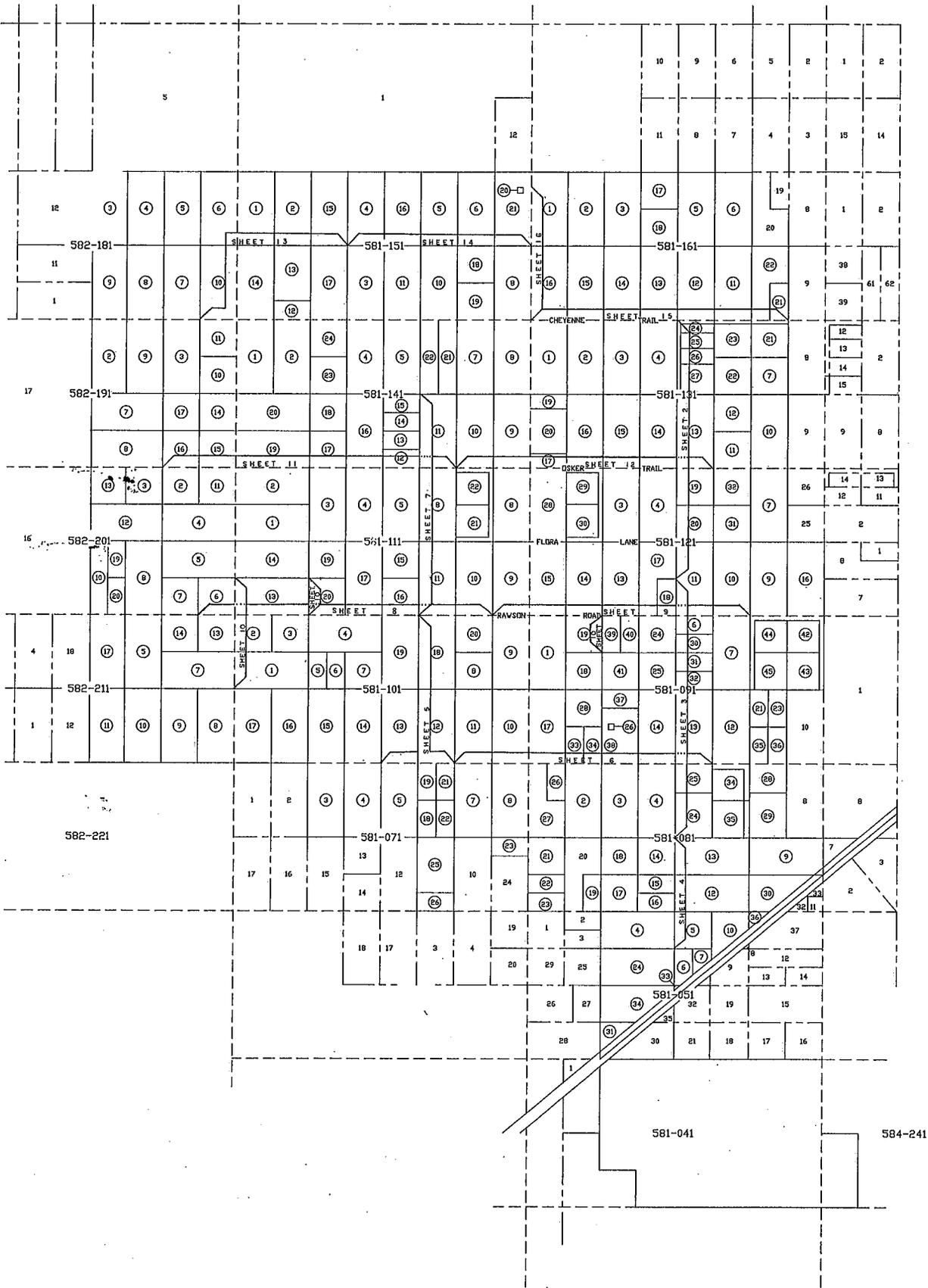
**Office Hours:**

**Monday – Friday  
8:00 a.m. to 4:30 p.m.**

**BULK  
RATE**

**APPENDIX 3**

**CSA 70 W-3 MAPS & DRAWINGS**



JOB NO. 1  
 SHEET NO. 1  
 DATE 05-26-81  
 SCALE 1"=40'  
 FILE NO. 1  
 DRAWN BY  
 CHECKED BY  
 DATE  
 SCALE  
 FILE  
 JOB  
 SHEET NO.

COUNTY SERVICE AREA 7C  
 IMPROVEMENT ZONE "W-3"  
 WATER DISTRIBUTION SYSTEM

COUNTY OF SAN BERNARDINO  
 OFFICE OF SPECIAL DISTRICTS  
 157 WEST FIFTH STREET, 2ND FLOOR  
 SAN BERNARDINO, CA. 92415-0450

SHEET NO.

**APPENDIX 4**

**CSA 70 W-3 AUDIT REPORT**

(for the fiscal year ended June 30, 2000)

# AUDITOR/CONTROLLER-RECORDER COUNTY CLERK



COUNTY OF SAN BERNARDINO

AUDITOR/CONTROLLER • 222 West Hospitality Lane, Fourth Floor  
San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 386-8830  
RECORDER • COUNTY CLERK • 222 West Hospitality Lane, First Floor  
San Bernardino, CA 92415-0022 • (909) 387-8306 • Fax (909) 386-8940

LARRY WALKER  
Auditor/Controller-Recorder  
County Clerk

ELIZABETH A. STARBUCK  
Assistant Auditor/Controller-Recorder  
Assistant County Clerk

## Independent Auditor's Report

March 26, 2001

Emil A. Marzullo, Director  
Office of Special Districts  
157 West Fifth Street, Second Floor  
San Bernardino, CA 92415-0450

**SUBJECT: CONSOLIDATED AUDIT OF VARIOUS COUNTY SERVICE AREAS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2000**

### Introductory Remarks

In compliance with Section 26909 of the California Government Code, we have completed an audit of various County Service Areas for the fiscal year ended June 30, 2000.

### Auditor's Report

We have audited the accompanying balance sheet of the County Service Areas as of June 30, 2000, and the related statements of revenues, expenditures, and changes in fund balance; revenues, expenditures, and changes in fund balance – budget and actual on a budgetary basis; revenues, expenses, and changes in retained earnings; and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the minimum audit requirements and reporting guidelines for California Special Districts required by the Office of the State Controller. 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 in the first paragraph, present fairly, in all material respects, the financial position of the various County Service Areas as of June 30, 2000, and the results of their operations and cash flows for the year then ended in conformity with generally accepted accounting principles as well as accounting systems prescribed by the State Controller's Office and state regulations governing Special Districts.

**COUNTY SERVICE AREA NO. 70 - ZONE W3 - HACIENDA HEIGHTS**

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<b>Exhibit D - Statement of Cash Flows .....</b>	<b>322</b>
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COUNTY OF SAN BERNARDINO  
COUNTY SERVICE AREA NO. 70 - ZONE W3 - HACIENDA HEIGHTS  
BALANCE SHEET  
JUNE 30, 2000

EXHIBIT A

	PROPRIETARY FUND TYPE	
	ENTERPRISE FUND(S)	
	Water Service (ECY/EFT/EHW/EJU/EJQ/ECW)	
<b><u>ASSETS:</u></b>		
Cash and Cash Equivalents (Note 2)	\$	98,646
Interest Receivable		1,324
Taxes Receivable		660
Accounts Receivable		8,497
Land		34,551
Improvements to Land		339,543
Vehicles		25,740
Construction in Progress		237,540
Accumulated Depreciation		(97,923)
Total Assets	\$	648,578
<b><u>LIABILITIES, EQUITY (DEFICIT) AND OTHER CREDIT BALANCES:</u></b>		
<b>Liabilities:</b>		
Accounts Payable	\$	23,724
Due to Other Governments		5,223
Interest Payable		1,087
Notes Payable - Current (Note 7)		4,706
Notes Payable - Non-Current (Note 7)		34,266
Total Liabilities		69,006
<b>Equity (Deficit) And Other Credit Balances:</b>		
Retained Earnings - Unreserved		579,572
Total Equity (Deficit) And Other Credit Balances		579,572
Total Liabilities, Equity (Deficit) And Other Credit Balances	\$	648,578

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

COUNTY OF SAN BERNARDINO EXHIBIT B  
 COUNTY SERVICE AREA NO. 70 - ZONE W3 - HACIENDA HEIGHTS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	PROPRIETARY FUND TYPE	
	ENTERPRISE FUND(S)	
	Water Service (ECY/EFT/EHW/EJU/EJQ/ECW)	
<b><u>OPERATING REVENUES</u></b>		
Service Fees	\$	53,373
Total Operating Revenues		53,373
<b><u>OPERATING EXPENSES</u></b>		
Salaries and Benefits		39,177
Services and Supplies		48,887
Depreciation Expense		8,400
Total Operating Expenses		96,464
Operating Income (Loss)		(43,091)
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Other Non-Operating Expenses		(1,408)
Interest Expense		(2,173)
Property Taxes		12,303
Special Assessments		6,066
Other Taxes		160
Interest Revenue		3,599
State Aid		120
Federal Aid		240,218
Other Non-Operating Revenues		1,048
Total Non-Operating Revenues (Expenses)		259,933
Net Income (Loss)		216,842
Retained Earnings, July 1, 1999		307,375
Prior Period Adjustment (Note 18)		55,355
Retained Earnings, June 30, 2000	\$	579,572

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

COUNTY SERVICE AREA NO. 70 - ZONE W3 - HACIENDA HEIGHTS

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

ENTERPRISE FUND(S) - WATER SERVICE (ECY/EFT/EHW/EJU/EJQ/ECW)

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Income (Loss)	\$ (43,091)
<hr/>	
ADJUSTMENTS TO RECONCILE OPERATING INCOME(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation	8,400
Decrease in Accounts Receivable	2,699
Decrease in Taxes Receivable	77
Increase in Accounts Payable	23,724
Increase in Due to Other Governments	4,536
<hr/>	
Total Adjustments	39,436
<hr/>	
Net Cash Provided (Used) By Operating Activities	(3,655)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating Transfers From (To) Other Funds	0
Other Non-Operating Expenses	(1,408)
Property Taxes	12,303
Special Assessments	6,066
Other Taxes	160
State Aid	120
Other Non-Operating Revenues	1,048
Federal Aid	240,218
<hr/>	
Net Cash Provided (Used) By Non-Capital Financing Activities	258,507

CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES

Principal Paid on Notes	(4,481)
Acquisition of Fixed Assets	(190,319)
Interest Paid on Notes	(2,173)
<hr/>	
Net Cash Provided (Used) By Capital & Related Financing Activities	(196,973)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	3,036
<hr/>	
Net Cash Provided (Used) By Investing Activities	3,036

Net Increase (Decrease) In Cash And Cash Equivalents	60,915
Cash And Cash Equivalents, July 1, 1999	37,731
<hr/>	
Cash And Cash Equivalents, June 30, 2000	\$ 98,646
<hr/> <hr/>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County Service Areas (the CSAs) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

**Basis of Accounting**

The CSA's proprietary funds follow the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recorded when they are incurred. The CSA's governmental funds follow the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available to finance operations of the current year. Revenues which are accrued include property taxes, sales tax, interest, state and federal grants and subventions, and charges for services. Other revenue becomes measurable and available when cash is received and is recognized as revenue at that time. Expenditures are generally recognized when the related fund liability is incurred except for principal and interest on long-term obligations, which is recognized when payment is due.

**Fixed Assets**

Fixed Assets in proprietary funds are capitalized at cost and depreciated using the straight-line method. General fixed assets purchased are recorded as expenditures in the governmental funds at time of purchase. Fixed assets are capitalized at cost in the General Fixed Assets Account Group. No depreciation is computed on general fixed assets.

**Depreciation**

Depreciation of proprietary funds property and equipment is computed on the straight-line method over the following estimated useful lives.

	<u>Years</u>
Structures and Improvements	25-40
Equipment and Vehicles	4-15

**Budgetary Information**

In accordance with provisions of Sections 29000 – 29144 of the Government code of the State of California, commonly known as the County Budget Act, the CSAs prepare and adopt a budget on or before August 30 for each fiscal year. Budgets are prepared on the modified accrual basis of accounting, except that encumbrances are budgeted as expenditures.

COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000

Cont.

The legal level of budgetary control is the object level and the sub-object level for fixed assets within each fund. There were no material instances in 1999-00 where expenditures exceeded appropriations.

Encumbrances, which are commitments related to executory contracts and purchase orders for goods or services, are recorded for budgetary control purposes. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures.

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Transfers at the sub-object level or cost center level may be done at the discretion of the Special District's Administration Department Head. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act.

## 2. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents includes the cash balance of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the CSA's account based upon the CSA's average daily deposit balance during the allocation period. Cash and Cash Equivalents are shown at the fair value as of June 30, 2000.

Cash and Cash Equivalents, for the agency fund of CSA 70, Zone R5, are held by State Street Bank and Trust Co. of California, Los Angeles.

## 3. PROPOSITION 111 APPROPRIATION LIMITS

Proposition 111, which added Article XIII B to the State Constitution, establishes limits on budget appropriations in order to restrict government spending. We have reviewed the proceeds of taxes received by the CSAs during 1999-00 fiscal year, and found the revenue to be within the guidelines established by Proposition 111.

"

COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000

Cont.

4. EMPLOYEE COMPENSATED ABSENCES

Generally accepted accounting principles require employers to accrue a liability for future vacation, sick and other leave benefits that meet certain conditions. For governmental funds, the liability is recorded in the General Long-Term Debt Account Group.

5. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual on Budgetary Basis (Exhibit C) presents a comparison of the legally adopted budget with actual data on a budgetary basis. Where actual amounts on the budgetary basis differ from the amounts on the Statement of Revenues and Expenditures (Exhibit B) the following adjustments are necessary to provide a meaningful comparison of the actual results of operations with the budget:

	CSA 29 (SGG)	CSA 29 (CFW)	CSA 40 (SIS)	CSA 70 Zone P10 (RGT)	CSA 70 Countywide General (SKV)
Fund Balance – Budgetary Basis	\$ 153,924	\$ (75,379)	\$ 191,428	\$ 51,094	\$ 1,513,795
Outstanding Encumbrances	800	75,379	16,562	2,700	106,134
Fund Balance – GAAP Basis	<u>\$ 154,724</u>	<u>\$ -0-</u>	<u>\$ 207,990</u>	<u>\$ 53,794</u>	<u>\$ 1,619,929</u>

	CSA 70 Fire (SKX)	CSA 70 Fire (CED)	CSA 70 Zone D1 (SLA)	CSA 70 Zone TV2 (SLD)
Fund Balance – Budgetary Basis	\$ 2,231,580	\$ 8,757	\$ 570,838	\$ 53,744
Outstanding Encumbrances	168,989	76,317	5,400	3,600
Fund Balance – GAAP Basis	<u>\$ 2,400,569</u>	<u>\$ 85,074</u>	<u>\$ 576,238</u>	<u>\$ 57,344</u>

The CSAs also have budgeted and recorded amounts for operating transfers which are actually reimbursements of expenditures or revenues. For GAAP statement purposes (Exhibit B), we have reclassified these operating transfers as expenditures and/or revenues and residual equity transfers.

6. RETIREMENT PLAN

Plan Description

The San Bernardino County Employees Retirement Association (SBCERA) is a cost-

COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000

Cont.

sharing multiple-employer defined benefit pension plan (the Plan) operating under the California County Employees Retirement Act of 1937 (1937 Act). The plan provides retirement, death, and disability benefits to members. Although legally established as a single employer plan for the County of San Bernardino (which includes the District), the organizations listed below were added later:

- City of Big Bear Lake
- City of Chino Hills
- California State Association of Counties
- San Bernardino County Law Library
- Crest Forest Fire Protection District
- Mojave Desert Air Quality Management District (MDAQMD)
- South Coast Air Quality Management District (AQMD)

The District and others covered under the plan are collectively referred to as the "Participating Members." The plan is governed by the San Bernardino County Board of Retirement under 1937 Act. Employees become eligible for membership on their first day of regular employment and become fully vested after 5 years. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 195 North Arrowhead Avenue, San Bernardino, California 92415-0014.

#### Funding Policy

Participating members are required by statute (Sections 31621, 31521.2 and 31639.25 of the California Government Code) to contribute a percentage of covered salary based on certain actuarial assumptions and their age at entry into the Plan. Employee contribution rates vary according to age and classification (general or safety). Members are required to contribute 7.11% - 10.58% of their annual covered salary of which the District pays approximately 7%. Employers are required to contribute 6.67% - 14.46% of the current year covered payroll. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer rates are determined pursuant to Section 31453 of the 1937 Act.

#### 7. NOTES PAYABLE

##### CSA 70 - ZONE F

Two 4.5% notes payable, originally issued for \$10,000 and \$40,000, financed the construction of the utility plant. These notes were assumed in 1977 from the Hi-Desert County Water District. Principal and interest installments are due annually. Details of the notes are shown below:

COUNTY OF SAN BERNARDINO  
 VARIOUS COUNTY SERVICE AREAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2000

Cont.

<u>Date of Note</u>	<u>Principal Remaining 6/30/00</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Annual Payment</u>
3/13/64	\$ 8,923	4.5%	40 years	\$ 2,174
5/06/64	<u>1,475</u>	4.5%	40 years	<u>549</u>
Totals	<u>\$ 10,398</u>			<u>\$ 2,723</u>

CSA 70 - ZONE W3

During February 1978, the County assumed the operation of the Hacienda Water Company with the formation of CSA 70 - Zone W3. The service area assumed two loans from the Farmers Home Administration when the service area assumed control of the Water Company's assets. Details of the loans are as follows:

<u>Date of Note</u>	<u>Principal Remaining 6/30/00</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Annual Payment</u>
7/14/67	\$ 36,350	5%	40 years	\$ 6,154
5/06/64	<u>2,622</u>	5%	40 years	<u>500</u>
Totals	<u>\$ 38,972</u>			<u>\$ 6,654</u>

8. CAPITAL LEASE OBLIGATIONS

CSA 70 - Zone M Wonder Valley Road entered into a lease agreement during the year ended June 30, 1999, for a John Deere Motor Grader. CSA 70 - Consolidated Fire entered into a lease agreement during the year ended June 30, 1997, for a Canon GP 30 document management system. Also, CSA 70 - Consolidated Fire entered into a lease agreement during the year ended June 30, 2000 for three fire engines and two brush engines. CSAs 42 and 56 entered into lease agreements during the year ended June 30, 1996; CSA 42 to purchase 123 water meters, and CSA 56 to purchase an ambulance. The CSAs will acquire all rights and title to the equipment after the final lease payments. The cost of the motor grader (\$134,741) is included in Vehicles on Exhibit A. The cost of the document management system (\$17,624) and engines (\$1,150,974) for CSA 70 are included in Equipment & Vehicles respectively, on Exhibit A. The cost of the water meters (\$46,026) for CSA 42 is included in Improvements to Land on Exhibit A. The cost of the ambulance (\$96,281) for CSA 56 is included in Vehicles on Exhibit A.

The following is a schedule of future minimum lease payments as of June 30, 2000.

COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000

Cont.

<u>Year Ending June 30,</u>	CSA 70 Consolidated Fire			
	CSA 70 Zone M Motor Grader	CSA 70 Document Management System/ Engines	CSA 42 Water Meters	CSA 56 Ambulance
2001	\$ 31,647	\$ 262,520	\$ 3,597	\$ 12,965
2002	31,647	262,520	-0-	-0-
2003	2,637	258,362	-0-	-0-
2004	<u>-0-</u>	<u>258,361</u>	<u>-0-</u>	<u>-0-</u>
Total Minimum Payments	65,931	1,041,763	3,597	12,965
Less: Amount Representing Interest	<u>(4,433)</u>	<u>(133,661)</u>	<u>(48)</u>	<u>(247)</u>
Present Value of Minimum Lease Payments	<u>\$ 61,498</u>	<u>\$ 908,102</u>	<u>\$ 3,549</u>	<u>\$ 12,718</u>

9. REFUNDING OF 1915 ACT BONDS - CSA 70 ZONE W4 (ASSESSMENT DISTRICT 82-5)

On June 30, 1994, the County's Assessment District 94-2 issued a Limited Obligation Refunding Bond (the Assessment Bond) under the provisions of the Refunding Act of 1984 for 1915 Improvement Act Bonds for the purpose of refunding eleven prior series of assessment district bonds of the County. The prior series assessment loan of Assessment District #82-5 amounting to \$380,944 was refunded. The Assessment Bond is payable from reassessment payments, collected on assessed parcels within Assessment District 94-2, of which Assessment District #82-5 funds is a sub-area.

The County has no obligation to advance funds to pay debt service on the Assessment Bond in the event collections are insufficient. However, the County may, at its option and sole discretion, elect to advance available surplus funds of the County in the amount of any delinquent payments to pay debt service on the Assessment Bond.

10. LOANS PAYABLE

The CSAs have received loan proceeds from the County's Revolving Fund established under Government Code Section 25210.9c. All loans to date have 5 year terms as established by the Board of Supervisors. The following long-term loan balances are reported in the General Long-Term Debt Account Group for Governmental Funds and in the liability section of the Balance Sheet for Enterprise Funds.

COUNTY OF SAN BERNARDINO  
 VARIOUS COUNTY SERVICE AREAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2000

Cont.

<u>Participating CSAs</u>	<u>Loan Balance</u> <u>at 6/30/00</u>
CSA 20	\$ 762
CSA 29	6,647
CSA 70 - Zone R33	12,570
CSA 70 - Countywide	74,477
CSA 70 - Zone F	40,000
CSA 70 - Zone M	45,000
CSA 70 - Zone W	40,000
CSA 70 - Zone SL-1	<u>6,581</u>
Total	<u>\$ 226,037</u>

11. SPECIAL ACTIVITIES FUNDS

Three CSAs operate revolving funds in accordance with Public Resources Code Section 5784.35. The funds are for the purpose of conducting and supervising special recreational activities and are kept in commercial banks. Because the recreational activities are self-funded and not part of the CSA's budget, only the cash balance and related equity are recorded on the CSA's general fund balance sheet. Profits earned from special activities are reflected as part of park and recreation fees in Exhibit B and C of the CSA's general funds. Gross revenues, expenses (including transfers to the general funds), and the cash balance in the funds are shown below:

CSA 20 - Joshua Tree

Cash Balance July 1, 1999	\$ 9,102
Add: Revenues	59,194
Less: Expenses and Transfers	<u>(56,035)</u>
Cash Balance June 30, 2000	<u>\$ 12,261</u>

CSA 29 - Lucerne Valley

Cash Balance July 1, 1999	\$ 5,697
Add: Revenues	7,389
Less: Expenses and Transfers	<u>(8,224)</u>
Cash Balance June 30, 2000	<u>\$ 4,862</u>

COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000

Cont.

CSA 56 - Wrightwood

Cash Balance July 1, 1999	\$ 7,221
Add: Revenues	10,587
Less: Expenses and Transfers	<u>(10,612)</u>
Cash Balance June 30, 2000	<u>\$ 7,196</u>

12. DEFICIT FUND BALANCES

The CSAs below had deficit fund balances at June 30, 2000:

CSA 18 - Cedarpines Park Capital Project (CBC)	\$ 3,435
CSA 20 - Joshua Tree Capital Project (CFU)	30,972
CSA 20 - Joshua Tree Capital Project (CFV)	2,995
CSA 29 - Lucerne Valley Capital Project (CGI)	52
CSA 69 - Lake Arrowhead Capital Project (CFB)	764
CSA 70 - Zone M - Roads Storage (CFN)	2,300
CSA 70 - Zone M - Senior Center (CFO)	8,585
CSA 70 - Zone R8 - General (SMY)	2,186
CSA No SL1 - Street Lighting (SQV)	33,872

The CSA's management plans to eliminate the deficits through the course of normal operations.

13. SPECIAL ASSESSMENT ACCOUNTING (1915 IMPROVEMENT ACT BONDS)

In 1994, CSA 70 - Zone R5, issued bonds under the Improvement Act of 1915 to finance certain road improvements. Zone R5 reports the bonds according to the provisions of the Government Accounting Standards Board Statement No. 6. The bonds are not a direct liability of the CSA and therefore are not reported on the CSA's financial statements. The liability at June 30, 2000, is \$3,245,000.

14. CSA 70 - ZONE P2

In 1993, CSA 70 - Zone P2 entered into a facility lease agreement, No. 93-677, with the Provisional Accelerated Learning Center (PAL). By this agreement, PAL was given the full use and management functions of the Community Center and all grounds and improvements located at Muscoy Community Park for purposes of providing an educational learning center, day care center, job training programs, meeting hall for community functions, and to provide recreation programs and management for the area served by the CSA. PAL agreed to provide all normal maintenance during the lease term and to return the premises to the CSA in good condition at the end of the term (June 30, 2003) with all improvements intact.

COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000

Cont.

CSA 70 – Zone P2 closed its operating fund after it entered into the facility lease agreement. Therefore CSA 70 - Zone P2 does not have any financial statements except for a balance sheet containing the general fixed asset account group.

15. ENTERPRISE FUNDS

Nature of Operations

County Service Areas provide the following services as indicated below:

- CSA 29 – Lucerne Valley – Ambulance: Ambulance transport to the community of Lucerne Valley.
- CSA 42 - Oro Grande: Refuse, sewer, street lighting, and water to the community of Oro Grande.
- CSA 56 – Wrightwood and Zone F-1, Pinon Hills: Ambulance transport to the communities of Wrightwood and Pinon Hills.
- CSA 70 – Countywide: Ambulance transport to various small communities.
- CSA 70 - Zone E1 – North Apple Valley: Ambulance transport to the community of North Apple Valley.
- CSA 70 - Zone F – Morongo Valley: Water service to 88 properties in Morongo Valley.
- CSA 70 - Zone HL – Havasu Lake: Refuse service to the community of Havasu Lake.
- CSA 70 - Zone SP2 – Highcountry: Sewer service to 250 units in the High Country Development tract of homes.
- CSA 70 - Zone W3 – Hacienda Heights: Water service to 180 properties in Hacienda Heights.
- CSA 70 - Zone W4 – Pioneer Town: Water service to 140 properties in Pioneer Town.
- CSA 70 - Zone W7 – Morongo Heights: Water service to the Morongo Heights area.
- CSA 70 - Zone W10 – Morongo Valley: Water service to the Morongo Valley area.
- CSA 82 - Zone SV1 – Searles Valley: Administrative entity for 3 improvement zones providing ambulance, sewer, street lighting, fire and park services.
- CSA 82 - Zone SV3 – Trona: Sewer and street lighting to 473 units in the community of Trona.
- CSA 82 - Zone SV4 – Pioneer: Sewer to 333 units in the community of Pioneer Point.

COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2000

Cont.

CSA 82 - Trona Ambulance: Ambulance transport to the Searles Valley communities of Pioneer Point, Trona, Argus, and West End areas under the administration of the County Fire Department.

Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the use of management's estimates. Actual results could differ from those estimates.

16. INSURANCE

The CSAs participate in a Public Entity Risk Pool Sponsored by the County for public liability, property damage, unemployment insurance, employee dental insurance, and workers' compensation insurance. A list of coverage is shown on Schedule 2.

17. CONTRIBUTED CAPITAL

The Board of Supervisors approved the establishment of separate ambulance enterprise operations for fire districts which were providing ambulance transport services. The amount of \$102,744 was transferred from the General Fund to CSA 56 - Wrightwood Ambulance (EBD) - Enterprise Fund in 1992. The amount of \$38,742 was transferred from the General Fund to CSA 29 - Lucerne Valley Ambulance (EAJ) - Enterprise Fund in 1992. These transfers represented Accounts Receivable for the Enterprise Funds on that date.

Contributed Capital for CSA 82 - Searles Valley (EFY/EIC) totaled \$26,208. The contributed capital, obtained from special assessments, was used to finance a utility plant.

18. PRIOR PERIOD-ADJUSTMENT

CSA 70, Zone W3 - Hacienda Heights

Funds EJU and ECW were omitted from retained earnings of the proprietary fund of CSA 70, Zone W3. A prior period adjustment was made to correct this error:

Retained earnings as previously reported	\$ 307,375
Adjustment	<u>55,355</u>
Retained Earnings, July 1, 1999 as restated	<u>\$ 362,730</u>

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SCHEDULE 1

COUNTY OF SAN BERNARDINO  
 COUNTY SERVICE AREA NO. 70 - ZONE W3 - HACIENDA HEIGHTS  
 SCHEDULE OF CHANGES IN FIXED ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

PROPRIETARY FUND(S)	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
Land	\$ 28,551	\$ 6,000	\$	\$ 34,551
Improvements to Land	122,531	217,012		339,543
Vehicles	25,740			25,740
Construction in Progress	<u>214,877</u>	<u>237,540</u>	<u>214,877</u>	<u>237,540</u>
<b>Total</b>	<u>\$ 391,699</u>	<u>\$ 460,552</u>	<u>\$ 214,877</u>	<u>\$ 637,374</u>

ACCUMULATED DEPRECIATION

Improvements to Land	\$ 63,783	\$ 8,400	\$	\$ 72,183
Vehicles	<u>25,740</u>			<u>25,740</u>
<b>Total</b>	<u>\$ 89,523</u>	<u>\$ 8,400</u>	<u>\$ -0-</u>	<u>\$ 97,923</u>

**COUNTY OF SAN BERNARDINO  
VARIOUS COUNTY SERVICE AREAS  
SCHEDULE OF INSURANCE COVERAGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

TYPE COVERAGE	AMOUNT	INSURER
GENERAL AND AUTOMOBILE LIABILITY	County pays all claims with negligence	COUNTY is completely self-insured up to \$250,000 per claim or occurrence, CSAC EIA Liability Program II pool covers losses from \$250,000. Excess coverage provides coverage to \$30 million.
FIRE, LIGHTNING, AND EXTENDED COVERAGE	Full repair/replacement of all facilities & contents over deductible up to Tower limits	Through CSAC EIA w/\$25,000 deductible. 5% deductible for earthquake
AIRPORT LIABILITY	\$50,000,000	Premises Liability, contractual liability, products liability, completed operations; personal protective injury, hangarkeepers, owners and contractors protective with Associated Aviation.
COMPREHENSIVE DISAPPEARANCE, DESTRUCTION & DISHONESTY	\$10,000,000	CSAC EIA Crime Program - \$25,000 deductible per claim or occurrence
FAITHFUL PERFORMANCE BOND	\$10,000,000 employee dishonesty	CSAC EIA Crime Program - \$25,000 deductible per claim or occurrence
WORKERS' COMPENSATION	Statutory for Workers' Compensation, \$2,000,000 for Employer's Liability	Self-insured first \$1,000,000. Excess with CAMEX JPA for statutory limits.
EMPLOYEE HEALTH Contact Human Resources Dept.	Limited according to selected plan	Contact Human Resources
DENTAL Contact Human Resources Dept.	Limited according to selected plan	Contact Human Resources
LIFE Contact Human Resources Dept.	Varies	Contact Human Resources

# **County Service Area 70 Zone W-3**

## **Consumer Confidence Report**

**Attachment 4d**



# COUNTY SERVICE AREA 70 W-3 2011 CONSUMER CONFIDENCE REPORT

## GENERAL DISTRICT INFORMATION

**CSA 70 W-3** is routinely monitored for constituents in the District's drinking water according to Federal and State laws. The tables show the results of the District's monitoring for the period of January 1<sup>st</sup> through December 31<sup>st</sup>, 2011.

Questions about this report or concerning the water system?

Contact Steve Samaras, Operations Manager, at:  
(760) 955-9885 or  
(800) 554-0565

**Office Hours:**  
Monday through Friday, 8:00 am – 5:00 pm, except Wednesday hours are 8:30 am – 5:00 pm.  
Closed on holidays.

### **¡MUY IMPORTANTE!**

Este informe contiene información muy importante sobre su agua beber. Tradúzcalo ó hable con alguien que lo entienda bien.

County Service Area 70 W-3 (CSA 70 W-3), a water district within the Special Districts Department, Water and Sanitation Division (Division), is a Board-governed district providing water service to approximately 488 customers in the Morongo Valley area.

The water system consists of two wells and three water tanks with a combined capacity of 310,000 gallons. There are 148 metered water connections utilizing the Radio Read system.

**Visit Special Districts website for additional information at <http://www.specialdistricts.org/2/>**

Management and staff of CSA 70 W-3 work as a team to ensure that the highest quality water is provided to our customers. A diligent regimen of testing and analysis for bacteriological, chemical, and radiological contaminants, along with physical qualities of the water is conducted throughout the year to ensure the highest water quality.

It is important to keep customers informed about the quality of water delivered over the past year. This year's annual water quality report, also known as a Consumer Confidence Report (CCR), contains information about the contaminants detected in 2011. The Division's goal is to provide a safe and dependable supply of drinking water.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (USEPA) and the California Department of Public Health (CDPH) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same level of protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's safe drinking water hotline at 1-800-426-4791 or at their website: <http://www.epa.gov/safewater/>

The subsequent tables provide many terms and abbreviations that customers may not be familiar with. To understand these terms, the district has provided the following definitions:

**Non-Detects (ND)** – laboratory analysis indicates that the constituent is not present or not tested.

**MG** – million gallons

**Parts per million (ppm)** – one part per million corresponds to one minute in two years or a single penny in \$10,000.

**Parts per billion (ppb)** – one part per billion corresponds to one minute in 2,000 years.

**Parts per trillion (ppt)** – one part per trillion corresponds to one minute in 2,000,000 years.

**Parts per quadrillion (ppq)** – one part per quadrillion corresponds to one minute in 2,000,000,000 years.

**Picocuries per liter (pCi/L)** – picocuries per liter is a measure of the radioactivity in water.

**Millirems per year (mrem/yr)** – measure of radiation absorbed by the body.

**Million Fibers per Liter (MFL)** – million fibers per liter is a measure of the presence of asbestos fibers that are longer than 10 micrometers.

**Maximum Residual Disinfectant Level (MRDL)** – the level of a disinfectant added for water treatment that may not be exceeded at the customer's tap.

**Maximum Residual Disinfectant Level Goal (MRDLG)** – the level of a disinfectant added for water treatment below which there is no known or expected health risk. MRDLGs are set by the U.S. Environmental Protection Agency.

**Maximum Contaminant Level (MCL)** – the highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

**Maximum Contaminant Level Goal (MCLG)** – the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U. S. Environmental Protection Agency.

**Nephelometric Turbidity Unit (NTU)** – nephelometric turbidity unit is a measure of the clarity of water. Turbidity in excess of 5 NTU is just noticeable to the average person.

**Public Health Goal (PHG)** – the level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

**Primary Drinking Water Standard (PDWS)** – MCLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

**Regulatory Action Level (AL)** – the concentrations of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

Sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

- ❑ Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- ❑ Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.
- ❑ Pesticides and herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- ❑ Organic chemical contaminants, including synthetic and volatile organic chemicals, that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- ❑ Radioactive contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

# County of San Bernardino - CSA 70 W-3 - PRIMARY STANDARDS

## TEST RESULTS -

### Microbiological Contaminants

Contaminant	Violation Y/N	Average Level Detected	Range of Detection	Unit of Measure	MCL	PHG (MCLG)	Likely Source of Contamination
E. Coli	N	0.00	0 - 0	P/A			Human and animal fecal waste
Total Coliform	N	0.00	0 - 0	P/A			Naturally present in the environment

### Radioactive Contaminants

Contaminant	Violation Y/N	Average Level Detected	Range of Detection	Unit of Measure	MCL	PHG (MCLG)	Likely Source of Contamination
** Gross Alpha	N	20.50	11 - 37	pCi/L	15		Erosion of natural deposits
Uranium	N	19.75	17 - 25	pCi/L	20	.43	Erosion of natural deposits

### Inorganic Contaminants

Contaminant	Violation Y/N	Average Level Detected	Range of Detection	Unit of Measure	MCL	PHG (MCLG)	Likely Source of Contamination
Nitrate (NO3)	N	3.9 *		ppm	45	45	Runoff and leaching from fertilizer use; erosion of natural deposits

### Chemical Disinfectant

Contaminant	Violation Y/N	Average Level Detected	Range of Detection	Unit of Measure	MCL	PHG (MCLG)	Likely Source of Contamination
Chlorine Residual	N	0.27	0-1.21	ppm	4.0 as Cl2		Drinking water disinfectant added for treatment

\* Denotes only a single sample from the testing period.

\*\* Certain minerals are radioactive and may emit a form of radiation known as alpha radiation. Some people who drink water containing alpha emitters in excess of the MCL over many years may have an increased risk of getting cancer. The gross alpha after reducing the level by the uranium levels detected has not violated the MCL. Quarterly distribution sampling for Uranium will continue in 2012.



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## SHOULD CUSTOMERS BE CONCERNED?

MCLs are set at very stringent levels. To understand the risk of possible health effects described for regulated contaminants, customers should know that a person would have to drink two liters of water every day at the MCL level for a lifetime to have a one-in-a-million chance of having the described health effect.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbiological contaminants are available from the Safe Drinking Water hotline at 1-800-426-4791.

Nitrate in drinking water at levels above 45 mg/L is a health risk for infants of less than six months of age. Such nitrate levels in drinking water can interfere with the capacity of the infant's blood to carry oxygen, resulting in a serious illness;

symptoms include shortness of breath and blueness of the skin. Nitrate levels above 45 mg/L may also affect the ability of the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask advice from your health care provider.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Special Districts Department, Water and Sanitation Division, is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to two minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline at 1-800-426-4791 or at <http://www.epa.gov/safewater/lead>.

### ***Water Project Completed in 2011***

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*Site Security Upgrades*

### ***Water Project Proposed for 2012/2013***

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*Meter Replacement Project*

**The Water and Sanitation Division of the Special Districts Department would like to remind customers to conserve water during Southern California Edison (SCE) rolling blackouts, and any other power outages in your area, as most production and transmission facilities may not have power for water production and delivery. SCE emergency contact number: 1-800-611-1911.**

# WATER SAVING HINTS



## Have your toilet tanks checked for leaks.

Place a few drops of blue food coloring in the toilet tank. If coloring is seen in the toilet bowl without flushing, a wasteful leak needs to be repaired. A leaking toilet can waste up to 21,000 gallons of water per year.



## Install low-flow shower heads.

Low-flow shower heads can help you save up to eight gallons of water for each minute of shower time. Also, you will use less hot water which saves energy.



## Lawns and shrubs should be watered only when they really need it.

Check lawns and shrubs to see if they need water. A lawn that springs back after being stepped on doesn't need water. Watering may not be necessary in the winter.

## Water at the right time of day.

In summer water only during the cooler parts of the day. The sun can cause most of the water to evaporate before it is absorbed into the soil.

COUNTY SERVICE AREA 70 W-3  
(760) 955-9885 • (800) 554-0565

County of San Bernardino  
SPECIAL DISTRICTS DEPARTMENT  
WATER AND SANITATION DIVISION  
12402 Industrial Boulevard, Suite D6  
Victorville, CA 92395



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