

**MARIANA RANCHOS COUNTY WATER DISTRICT  
BOARD OF DIRECTORS**

MEETING PLACE: DISTRICT OFFICE  
9600 Manzanita Street  
Apple Valley, CA

Thursday, January 16th, 2014  
4:00 p.m.

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*" The mission of the Mariana Ranchos County Water District is to efficiently  
serve our customers with the highest quality water 24/7."*

**REGULAR MEETING  
AGENDA**

1. **CALL MEETING TO ORDER:** Invocation and Pledge of Allegiance.
2. **ROLL CALL:** Directors –Ronald Dodge, Marilyn Cresser, Dennis Russell, Lauren Stewart and Jon Varley. Attorney Michael Silander will be attending by phone.

**APPROVAL OF AGENDA**

4. **CONSENT AGENDA**
  - Approval of the Minutes for the Regular Meeting of December 19th, 2013.
  - Approval of Financial Statements for December 2013. Copies available upon request.
  - Approval of checks for signature. (Directors' Fees)

**PUBLIC COMMENT**

5. All comments are limited to 5 minutes, as recognized by the Chair. No action can be taken on subjects not on the Agenda. Please state the subject you wish to address or an item that you request to have on a future Agenda. Please also state your name and address for the record.

**NEW BUSINESS**

6.
  - A. Director Training, Compensation for such and Agendas.
  - B. Discuss and approve 2 Lucerne Valley Classes sponsored by MWA through CRWA.
  - C. Complete 2013 Form 700s.
  - D. Discuss and approve MRCWD Retention and Destruction plan.

**ONGOING BUSINESS**

7.
  - A. Discuss and approve "Directors Handbook" for final approval.
  - B. Discuss and approve General Manager's annual performance and salary review.
  - C. Discuss and approve final cost reconciliation on Sagebrush Project.
  - D. Discuss and approve Annual review of Resolution 11-07.

**INFORMATION REPORTS**

8.
  - A. **ATTORNEY'S REPORT**
  - B. **GREEN COMMITTEES REPORT**
  - C. **GENERAL MANAGER'S REPORTS**
    1. Monthly report on subjects not covered on the agenda.

## OTHER BUSINESS

9. **CORRESPONDENCE/CONFERENCES/SEMINARS/MEETINGS:** Current correspondence, conferences, seminars and meetings will be noted and discussed for possible authorization and/or action. (All correspondence is available for review at the District office).
- A. **RCAC On-line Training: 1/21/14 *Strategic Planning*, 2/11/14 Board Basics: Board Roles & Responsibilities, 3/18/14 Board Basics: Safe Drinking Water Act, 3/19/14 Nitrates, 4/08/14 Consumer Confidence Reports, 4/09/14 Board Basics: Financial Management, 5/14/14 Board Basics: Capital Improvement Plans, 5/15/14 Sanitary Survey Preparation, 6/03/14 Drought Contingency Planning, 6/04/14 Emergency Response Planning, 6/17/14 Energy Efficiency, 6/18/14 Board Basics: Rate Setting.**
- B. **ABC's of Water, The Science of Water, January 28<sup>th</sup>, 2014 at 5:30pm.** Mojave Water Agency meeting room located on Headquarters Drive in Apple Valley.

## DIRECTOR'S COMMENTS

10. Comments by individual Board Members concerning District business, which may be of interest to the Board and the public. No action is to be taken on comments made by the Board members other than to place a matter on a future Agenda.

## ADJOURNMENT

11. **Adjournment.**

\*\*\* A complete agenda packet containing all accompanying reports for this agenda is available through the District's website at : [www.marianaranchoscwd.org](http://www.marianaranchoscwd.org) \*\*\*

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the below agenda public meeting should be directed to the General Manager's office at (760) 247-9405 at least 24 hours prior to said meeting.

**MARIANA RANCHOS COUNTY WATER DISTRICT**

9600 Manzanita Street  
Apple Valley, CA 92308

**MINUTES**

REGULAR MEETING OF THE BOARD OF DIRECTORS

December 19<sup>th</sup>, 2013

1. The Regular Meeting of the Board of Directors of the Mariana Ranchos County Water District (MRCWD) was called to order by Board Vice President Ronald Dodge at 4:00 p.m. at the District office, 9600 Manzanita St., Apple Valley, CA. A Quorum was declared.

**ROLL CALL**

2. PRESENT: Ronald Dodge, Marilyn Cresser, Jon Varley, Dennis Russell and Lauren Stewart.  
STAFF: James Hansen, GM, Phyllis Walker, Office Assistant, and Nathan Walker, Field Tech.  
AUDIENCE: Becky Varley, Tom Whittington, Marla Hansen, Janice Dodge, Robert Critzman and the presenters from Desert Solar.

**APPROVAL OF AGENDA**

3. First Motion by Director Cresser and seconded by Director Russell, AYE's were unanimous.

**CONSENT AGENDA**

4. First Motion by Director Varley and seconded by Director Stewart, AYE's were unanimous.

**PUBLIC COMMENT**

5. Customer Tom Whittington wished everyone a Merry Christmas.

**NEW BUSINESS**

6.
  - a. A motion was made by Director Stewart to nominate Ronald Dodge as the new Board President, Director Cresser 2<sup>nd</sup> the motion and AYE's were unanimous. A motion was made from Director Stewart to nominate Dennis Russell as the new Board Vice President and seconded by Director Varley, AYE's were unanimous. A motion by Director Stewart was made to keep the current Board Secretary, Phyllis Walker and a 2<sup>nd</sup> motion was made by Director Russell, AYE's were unanimous.
  - b. All new Directors were added to the signature card at US Bank.
  - c. 1<sup>st</sup> motion was made by Director Stewart and 2<sup>nd</sup> by Director Varley to approve Resolution 13-05, signature cards for California LAIF. Voted 5-0, AYE's carried unanimously.
  - d. A presentation from Desert Solar was given by Aeron Arellano. He provided handouts and pictures with financial figures, no action was taken. The G.M. Jim Hansen suggested the director's entertain the idea of forming a Green Committee. A motion was then made from Director Varley and 2<sup>nd</sup> by Director Cresser to form a Green Committee, all AYE's were unanimous. Director Stewart then nominated Director Varely to be on the committee and Director Cresser 2<sup>nd</sup> the motion with the AYE's unanimous. A motion from Director Varley nominated Director Stewart be on the Committee, a 2<sup>nd</sup> motion by Director Cresser was made, all AYE's were unanimous.
  - e. G.M. Jim Hansen spoke about some of the damages, financial obligations and future preventions that the freeze effect had on the district on 12/9/13. A substantial amount of damage had been done to Mr. & Mrs. Varley's home, as he lives directly below the tanks. To help prevent this from happening again in the future, the CIP will be used to raise the tank to the same height as the other one. Before discussing the financial obligations of the damage the G.M. asked Director Varley to recuse himself from the room to let the board

members discuss the most cost effective way to make Mr. & Mrs. Varley's home whole again. The G.M. is still obtaining quotes on taking care of the tree and will have more information at the January meeting. Director Varley was invited back in at the end of this discussion.

### **ONGOING BUSINESS**

7.
  - a. Director's Handbook tabled until January's meeting.
  - b. The G.M. performance and salary review tabled until January's meeting. A motion was made to make the G.M. salary retro-active and effective November 1<sup>st</sup>, 2013 if a pay increase is approved, Director Varley 1<sup>st</sup> motion and Director Cresser 2<sup>nd</sup> the motion, all AYE's were unanimous.

### **INFORMATION REPORTS**

8.
  - a. Nothing to report, attorney was not be present during this meeting.
  - b. Monthly report on subjects not covered on the agenda. The GM's report is available for review.

### **OTHER BUSINESS**

9.
  - a. RCAC online training dates were discussed, *1/21/14 Strategic Planning, 1/22/14 Board Basics: Basic Operations.*

### **PRESIDENT'S COMMENTS**

10. Ronald Dodge wished everyone a Merry Christmas and a Happy new Year.

### **DIRECTOR'S COMMENTS**

11. A brief discussion was made about reorganizing the board meeting's time line to be more efficient so we don't have to keep Michael Silander, District Counsel on the phone for extended periods of time and be charged with billable hours. The following suggestions where made; Director Varley, move anything that needs to be addressed with the attorney at the beginning of each meeting or call him just prior to needing him. Director Stewart, only have him attend certain meetings instead of every meeting. No action was taken and it will be placed on the agenda for January's meeting.
12. The meeting was recessed at 5:38 p.m. for a Christmas "get-together". The meeting was reconvened at 7:02 p.m.

### **ADJOURNMENT**

13. The meeting was adjourned at 7:03 p.m.

Approved: \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Ronald Dodge, Board President

\_\_\_\_\_  
Phyllis Walker, Secretary to the Board

01/13/14

MARIANA RANCHOS CWD  
Checking & Saving Accounts

Dec 31, 13

**ASSETS**

**Current Assets**

**Checking/Savings**

001 · Petty Cash 222.00

053 · US Bank Checking-General F...

132 · Tank Loan Fund Account 9,203.47

134 · Supplemental Water Fund 550.00

136 · Security Fee Acct 15,419.00

053 · US Bank Checking-General ... 175,628.44

Total 053 · US Bank Checking-Gen... 200,800.91

120 · OM & Emergency Reserve Ac...

102 · Citizens Bank 24 Month CD 13,521.74

Total 120 · OM & Emergency Reser... 13,521.74

130 · CIP & Debt Reserves-Restricted

133 · AmSec 3 Mo CD - Capitol Im... 59,488.40

162 · Debt Reserve Account-Inter... 6,012.50

Total 130 · CIP & Debt Reserves-Re... 65,500.90

140 · LAIF - Unrestricted

141 · CIP Fund 156,431.71

142 · O&M Reserves 43,078.07

143 · Emergency Reserves 27,021.03

Total 140 · LAIF - Unrestricted 226,530.81

180 · LAIF - Restricted

181 · Debt Reserve - Principle 35,833.89

180 · LAIF - Restricted - Other 115.63

Total 180 · LAIF - Restricted 35,949.52

Total Checking/Savings 542,525.88

Total Current Assets 542,525.88

**TOTAL ASSETS 542,525.88**

**LIABILITIES & EQUITY 0.00**

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01/13/14

**MARIANA RANCHOS CWD**  
**Statement of Cash Flows**  
**December 2013**

	<u>Dec 13</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	36,583.66
Adjustments to reconcile Net Income to net cash provided by operations:	
401 · Customer Deposit	75.00
416 · Aflac E/E Withholdings Pretax	7.20
417 · Aflac Employee Withholdings	-7.20
423 · Payroll Liabilities	-765.08
Net cash provided by Operating Activities	<u>35,893.58</u>
Net cash increase for period	35,893.58
Cash at beginning of period	<u>506,632.30</u>
Cash at end of period	<u><u>542,525.88</u></u>

## MARIANA RANCHOS CWD

## Income Statement

December 2013

	<u>Dec 13</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
600 · Water Sales	24,525.16
605 · Stand-by Charges	26,993.97
606 · Late Fees	775.00
607 · Turn Off/On Service Fees	45.00
607A · Turn on/off Service Warning	200.00
637 · Customer Returned Check Fee	25.00
655 · Inactive Meters	272.00
656 · Multiple Meters	88.00
657 · Security Fee	1,177.50
699 · Convenience Fees	
699A · Credit Card Fee	120.00
<b>Total 699 · Convenience Fees</b>	<u>120.00</u>
<b>Total Income</b>	<u>54,221.63</u>
<b>Gross Profit</b>	54,221.63
<b>Expense</b>	
800 · Field Labor	2,351.00
802 · Water Quality Monitoring	
802-1 · Lab Tests-Source Wtr Protection	460.00
802 · Water Quality Monitoring - Other	325.00
<b>Total 802 · Water Quality Monitoring</b>	<u>785.00</u>
803A · Payments to Subcontractors	455.00
804 · On Call	120.00
805 · Dig Alert	4.50
808 · Cell Phones	33.57
810 · Field Repairs	
810 A · Preventative Maintenance	36.98
810 B · Maintenance Equipment & Tools	334.22
<b>Total 810 · Field Repairs</b>	<u>371.20</u>
814 · Admin Salaries	818.70
815 · Payroll Taxes	795.19
817 · Directors' Fees	550.00
818 · Insurance-Workers Comp	438.24
821 · Office Supplies	
821 1 · Office Equipment	685.91
821 · Office Supplies - Other	268.00
<b>Total 821 · Office Supplies</b>	<u>953.91</u>
822 · Mileage Reimbursement	0.00
831 · General Manager Salary	5,270.86
841 · Shredding Service	68.25
851 · Legal Fees	249.00
855 · Utilities-Office	
855 1 · Southwest Gas	52.53
<b>Total 855 · Utilities-Office</b>	<u>52.53</u>
856 · Telephone-Office	
856-1 · Internet	276.69
856 · Telephone-Office - Other	34.32
<b>Total 856 · Telephone-Office</b>	<u>311.01</u>
857 · Membership Fees	423.00
861 · Permits & Fees	2,520.00
863 · Truck Expenses	544.68
868 · Fuel	
868 A · Gasoline	64.63
868 B · Diesel	100.01
868 · Fuel - Other	-9.16
<b>Total 868 · Fuel</b>	<u>155.48</u>

1:23 PM

01/13/14

Accrual Basis

## MARIANA RANCHOS CWD

### Income Statement

December 2013

	<u>Dec 13</u>
870 · Personal Equipment	
870 A · Personal Equipment-Safety	40.00
870 · Personal Equipment - Other	<u>326.85</u>
<b>Total 870 · Personal Equipment</b>	<u>366.85</u>
<b>Total Expense</b>	<u>17,637.97</u>
<b>Net Ordinary Income</b>	<u>36,583.66</u>
<b>Net Income</b>	<u><u>36,583.66</u></u>



**MARIANA RANCHOS CWD**  
**Check Register for this Month**  
**December 2013**

Type	Date	Num	Name	Memo	Amount
<b>001 - Petty Cash</b>					
Check	12/10/2013		Petty Cash/Phyllis Walker	VOID:	0.00
Check	12/10/2013		Petty Cash/Phyllis Walker	Causal Labor, clean...	0.00
Total 001 - Petty Cash					0.00
<b>053 - US Bank Checking-General Fund</b>					
Deposit	12/1/2013			Deposit	43.30
Deposit	12/2/2013			Deposit	434.70
Deposit	12/2/2013			Deposit	
Deposit	12/2/2013			Deposit	50.70
Deposit	12/2/2013			Deposit	1,000.68
Deposit	12/3/2013			Deposit	208.00
Deposit	12/3/2013			Deposit	311.60
Deposit	12/3/2013			Deposit	102.00
Liability Ch...	12/5/2013		QuickBooks Payroll Service	Created by Payroll ...	-3,396.18
Deposit	12/4/2013			Deposit	310.00
Deposit	12/4/2013			Deposit	34.70
Deposit	12/4/2013			Deposit	1,016.80
Deposit	12/6/2013			Deposit	5,679.99
Deposit	12/5/2013			Deposit	231.40
Deposit	12/5/2013			Deposit	46.30
Deposit	12/5/2013			Deposit	539.40
Deposit	12/6/2013			Deposit	152.80
Deposit	12/6/2013			Deposit	603.40
Deposit	12/6/2013			Deposit	370.50
Deposit	12/7/2013			Deposit	43.30
Deposit	12/8/2013			Deposit	37.50
Deposit	12/8/2013			Deposit	401.20
Deposit	12/9/2013			Deposit	48.50
Deposit	12/9/2013			Deposit	1,508.90
Deposit	12/9/2013			Deposit	426.10
Deposit	12/10/2013			Deposit	831.50
Deposit	12/10/2013			Deposit	46.30
Deposit	12/10/2013			Deposit	1,053.40
Deposit	12/11/2013			Deposit	150.60
Deposit	12/11/2013			Deposit	1,271.20
Deposit	12/11/2013			Deposit	135.10
Deposit	12/12/2013			Deposit	38.90
Deposit	12/12/2013			Deposit	48.50
Deposit	12/12/2013			Deposit	1,014.20
Deposit	12/13/2013			Deposit	535.40
Deposit	12/13/2013			Deposit	134.97
Deposit	12/13/2013			Deposit	1,287.80
Deposit	12/14/2013			Deposit	201.30
Deposit	12/15/2013			Deposit	112.30
Deposit	12/16/2013			Deposit	1,603.94
Deposit	12/16/2013			Deposit	364.70
Deposit	12/16/2013			Deposit	2,161.10
Deposit	12/17/2013			Deposit	731.90
Deposit	12/17/2013			Deposit	521.50
Deposit	12/17/2013			Deposit	2,814.40
Liability Ch...	12/19/2013		QuickBooks Payroll Service	Created by Payroll ...	-3,462.04
Deposit	12/18/2013			Deposit	248.60
Deposit	12/18/2013			Deposit	55.10
Deposit	12/18/2013			Deposit	603.60
Deposit	12/19/2013			Deposit	40.00
Deposit	12/19/2013			Deposit	288.70
Deposit	12/20/2013			Deposit	352.07
Deposit	12/20/2013			Deposit	208.60
Deposit	12/22/2013			Deposit	44.10
Deposit	12/23/2013			Deposit	50.00
Deposit	12/23/2013			Deposit	223.20
Deposit	12/26/2013			Deposit	91.80
Deposit	12/26/2013			Deposit	150.20
Deposit	12/26/2013			Deposit	103.00
Deposit	12/10/2013			Deposit	10.54
Deposit	12/20/2013			Deposit	21,303.44
Deposit	12/27/2013			Deposit	101.60

**MARIANA RANCHOS CWD**  
**Check Register for this Month**  
**December 2013**

Type	Date	Num	Name	Memo	Amount
Deposit	12/27/2013			Deposit	284.70
Deposit	12/27/2013			Deposit	203.70
Deposit	12/30/2013			Deposit	179.00
Deposit	12/31/2013			Deposit	139.40
Deposit	12/31/2013			Deposit	160.70
Deposit	12/31/2013			Deposit	793.80
Liability Ch...	12/11/2013	E-pay	United States Treasury	95-2232875 QB Tra...	-3,008.30
General Jo...	12/19/2013	PW-201...	Geo-Monitor, Inc.	For CHK 6408 voide...	-1.00
General Jo...	12/20/2013	PW-201...	Geo-Monitor, Inc.	Reverse of GJE PW...	1.00
Check	12/3/2013	6390	Mojave Water Agency	Calendars	-178.00
Check	12/3/2013	6391	Geo-Monitor, Inc.	Invoice # 15054	-615.00
Check	12/3/2013	6392	First Bankcard (Jim)	5477259348744751	-1,045.13
Check	12/3/2013	6393	Shred It	Account # 12140247	-68.25
Check	12/3/2013	6394	T-Mobile	Account # 343784752	-33.57
Check	12/11/2013	6395	Tip Top Arborists	Tree Inspection at 8...	-95.00
Check	12/11/2013	6396	Petty Cash/Phyllis Walker		-450.00
Check	12/11/2013	6397	Lemieux & O'Neill	Client Matter No. 190	-249.00
Check	12/11/2013	6398	Underground Service Alert	Dig Alert	-4.50
Check	12/11/2013	6399	O'Reilly Auto Parts	Customer # 253174	-581.66
Check	12/11/2013	6400	Geo-Monitor, Inc.	Invoice # 15059	-80.00
Check	12/11/2013	6401	Cintas Corporation #150	account # 150-02400	-326.85
Check	12/11/2013	6402	Department of Public Health	System No: 3610030	-2,520.00
Paycheck	12/19/2013	6403	Dennis Russell (Director)		-92.35
Paycheck	12/19/2013	6404	Jon A Varley (Director)		-92.35
Paycheck	12/19/2013	6405	Lauren J Stewart (Director)		-92.35
Paycheck	12/19/2013	6406	Marilyn Cresser (Director)		-92.35
Paycheck	12/19/2013	6407	Ronald E Dodge (Director)		-92.35
Check	12/19/2013	6408	Geo-Monitor, Inc.	VOID: GJE, RGJE c...	0.00
Check	12/19/2013	6409	Geo-Monitor, Inc.	invoice # 15122	-90.00
Check	12/19/2013	6410	Southwest Gas Corp.	account #121-1095...	-52.53
Check	12/19/2013	6411	Charter Communications	Account # 8245-10-...	-286.01
Check	12/19/2013	6412	California Rural Water Asso...		-423.00
Check	12/23/2013	6413	Valero Marketing and Suppl...	Account # 6960-2563	-155.48
Check	12/27/2013	6414	Aflac	GQJ37	-382.56
Check	12/27/2013	6415	ACWA/Joint Powers Insura...	for the period of 10-...	-438.24
Paycheck	12/6/2013	120613	Phyllis M Walker	Direct Deposit	0.00
Paycheck	12/6/2013	120613	James M. Hansen	Direct Deposit	0.00
Paycheck	12/6/2013	120613	Nathan S Walker	Direct Deposit	0.00
Paycheck	12/20/2013	122013	Nathan S Walker	Direct Deposit	0.00
Paycheck	12/20/2013	122013	Phyllis M Walker	Direct Deposit	0.00
Paycheck	12/20/2013	122013	James M. Hansen	Direct Deposit	0.00
Total 053 · US Bank Checking-General Fund					35,893.58
<b>TOTAL</b>					<b>35,893.58</b>

**MARIANA RANCHOS CWD**  
**Income Statement Previous Year Comparison**  
**December 2013**

	Dec 13	Dec 12	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
600 · Water Sales	24,525.16	23,897.07	628.09	2.6%
605 · Stand-by Charges	26,993.97	32,734.74	-5,740.77	-17.5%
606 · Late Fees	775.00	390.00	385.00	98.7%
607 · Turn Off/On Service Fees	45.00	0.00	45.00	100.0%
607A · Turn on/off Service Warning	200.00	60.00	140.00	233.3%
609 · Hydrant Meter Rentals	0.00	18.00	-18.00	-100.0%
615 · Interest Income-District	0.00	0.81	-0.81	-100.0%
637 · Customer Returned Check Fee	25.00	0.00	25.00	100.0%
655 · Inactive Meters	272.00	214.00	58.00	27.1%
656 · Multiple Meters	88.00	48.00	40.00	83.3%
657 · Security Fee	1,177.50	1,099.50	78.00	7.1%
699 · Convenience Fees				
699A · Credit Card Fee	120.00	60.00	60.00	100.0%
699C · EFT Reject Charge	0.00	50.00	-50.00	-100.0%
<b>Total 699 · Convenience Fees</b>	<b>120.00</b>	<b>110.00</b>	<b>10.00</b>	<b>9.1%</b>
<b>Total Income</b>	<b>54,221.63</b>	<b>58,572.12</b>	<b>-4,350.49</b>	<b>-7.4%</b>
<b>Gross Profit</b>	<b>54,221.63</b>	<b>58,572.12</b>	<b>-4,350.49</b>	<b>-7.4%</b>
<b>Expense</b>				
800 · Field Labor	2,351.00	1,446.00	905.00	62.6%
802 · Water Quality Monitoring				
802-1 · Lab Tests-Source Wtr Protection	460.00	0.00	460.00	100.0%
802 · Water Quality Monitoring - Other	325.00	480.00	-155.00	-32.3%
<b>Total 802 · Water Quality Monitoring</b>	<b>785.00</b>	<b>480.00</b>	<b>305.00</b>	<b>63.5%</b>
803A · Payments to Subcontractors	455.00	0.00	455.00	100.0%
804 · On Call	120.00	120.00	0.00	0.0%
805 · Dig Alert	4.50	12.00	-7.50	-62.5%
806 · Pumping Station Power				
806 1 · Well #2	0.00	667.57	-667.57	-100.0%
806 2 · Moonbeam Booster	0.00	269.18	-269.18	-100.0%
806 3 · Alegre Vista Booster	0.00	69.29	-69.29	-100.0%
806 4 · Well #1	0.00	915.12	-915.12	-100.0%
<b>Total 806 · Pumping Station Power</b>	<b>0.00</b>	<b>1,921.16</b>	<b>-1,921.16</b>	<b>-100.0%</b>
808 · Cell Phones	33.57	33.54	0.03	0.1%
810 · Field Repairs				
810 A · Preventative Maintenance	36.98	0.00	36.98	100.0%
810 B · Maintenance Equipment & Tools	334.22	1,136.16	-801.94	-70.6%
810 · Field Repairs - Other	0.00	100.14	-100.14	-100.0%
<b>Total 810 · Field Repairs</b>	<b>371.20</b>	<b>1,236.30</b>	<b>-865.10</b>	<b>-70.0%</b>

**MARIANA RANCHOS CWD**  
**Income Statement Previous Year Comparison**  
**December 2013**

	Dec 13	Dec 12	\$ Change	% Change
814 · Admin Salaries	818.70	1,381.35	-562.65	-40.7%
815 · Payroll Taxes	795.19	674.04	121.15	18.0%
816 · Medical Tests	0.00	226.50	-226.50	-100.0%
817 · Directors' Fees	550.00	600.00	-50.00	-8.3%
818 · Insurance-Workers Comp	438.24	0.00	438.24	100.0%
821 · Office Supplies				
821 1 · Office Equipment	685.91	0.00	685.91	100.0%
821 4 · Office Sundries	0.00	8.70	-8.70	-100.0%
821 · Office Supplies - Other	268.00	0.00	268.00	100.0%
<b>Total 821 · Office Supplies</b>	<b>953.91</b>	<b>8.70</b>	<b>945.21</b>	<b>10,864.5%</b>
822 · Mileage Reimbursement	0.00	0.00	0.00	0.0%
830 · State Tax	0.00	95.37	-95.37	-100.0%
831 · General Manager Salary	5,270.86	5,270.86	0.00	0.0%
832 · Bank fee	0.00	6.32	-6.32	-100.0%
836 · Online Billing Fees				
836A · Credit Card Fee	0.00	183.76	-183.76	-100.0%
836B · EFT Fees	0.00	28.60	-28.60	-100.0%
836C · INV Cloud Monthly Charge	0.00	183.20	-183.20	-100.0%
836D · EFT Reject Charge	0.00	75.00	-75.00	-100.0%
<b>Total 836 · Online Billing Fees</b>	<b>0.00</b>	<b>470.56</b>	<b>-470.56</b>	<b>-100.0%</b>
838 · System Improvements	0.00	100.00	-100.00	-100.0%
841 · Shredding Service	68.25	0.00	68.25	100.0%
851 · Legal Fees	249.00	245.00	4.00	1.6%
855 · Utilities-Office				
855 1 · Southwest Gas	52.53	0.00	52.53	100.0%
855 2 · SCE	0.00	127.57	-127.57	-100.0%
855 · Utilities-Office - Other	0.00	16.74	-16.74	-100.0%
<b>Total 855 · Utilities-Office</b>	<b>52.53</b>	<b>144.31</b>	<b>-91.78</b>	<b>-63.6%</b>
856 · Telephone-Office				
856-1 · Internet	276.69	305.14	-28.45	-9.3%
856 · Telephone-Office - Other	34.32	0.00	34.32	100.0%
<b>Total 856 · Telephone-Office</b>	<b>311.01</b>	<b>305.14</b>	<b>5.87</b>	<b>1.9%</b>
857 · Membership Fees	423.00	411.00	12.00	2.9%
858 · Repairs & Maintenance				
858 3 · Tech Support	0.00	995.00	-995.00	-100.0%
<b>Total 858 · Repairs &amp; Maintenance</b>	<b>0.00</b>	<b>995.00</b>	<b>-995.00</b>	<b>-100.0%</b>
861 · Permits & Fees	2,520.00	0.00	2,520.00	100.0%
863 · Truck Expenses	544.68	0.00	544.68	100.0%

1:23 PM

01/13/14

Accrual Basis

**MARIANA RANCHOS CWD**  
**Income Statement Previous Year Comparison**  
**December 2013**

	<u>Dec 13</u>	<u>Dec 12</u>	<u>\$ Change</u>	<u>% Change</u>
<b>868 · Fuel</b>				
868 A · Gasoline	64.63	40.01	24.62	61.5%
868 B · Diesel	100.01	125.54	-25.53	-20.3%
868 · Fuel - Other	-9.16	0.46	-9.62	-2,091.3%
<b>Total 868 · Fuel</b>	<u>155.48</u>	<u>166.01</u>	<u>-10.53</u>	<u>-6.3%</u>
<b>870 · Personal Equipment</b>				
870 A · Personal Equipment-Safety	40.00	40.00	0.00	0.0%
870 · Personal Equipment - Other	326.85	275.49	51.36	18.6%
<b>Total 870 · Personal Equipment</b>	<u>366.85</u>	<u>315.49</u>	<u>51.36</u>	<u>16.3%</u>
<b>876 · Shipping</b>	0.00	94.35	-94.35	-100.0%
<b>900 · Quickbooks Payroll Charges</b>	0.00	7.35	-7.35	-100.0%
<b>Total Expense</b>	<u>17,637.97</u>	<u>16,766.35</u>	<u>871.62</u>	<u>5.2%</u>
<b>Net Ordinary Income</b>	<u>36,583.66</u>	<u>41,805.77</u>	<u>-5,222.11</u>	<u>-12.5%</u>
<b>Net Income</b>	<u><u>36,583.66</u></u>	<u><u>41,805.77</u></u>	<u><u>-5,222.11</u></u>	<u><u>-12.5%</u></u>



# Utility Management And TMF Tune-Up Lucerne Valley (San Bernardino County) January 22, 2014



*Workshop presented by Integrated Regional Water Management Program and CRWA*

**This no-cost workshop is beneficial for Water Operators and System Managers of Private, Public and Tribal Systems. It will cover the following topics:**

**UTILITY MANAGEMENT – 1<sup>st</sup> Session**

Registration: 8:00 am – 8:30 am  
 Class: 8:30 am – 11:30 am  
 Lunch (on your own): 11:30 am – 12:30 pm

- Increase understanding of the financial, managerial and technical aspects of utility management and how these must function in unison
- Enhance professionalism and effectiveness
- Improve ability to protect public health and the environment
- Demonstrate a thorough understanding of the Safe Drinking Water Act as amended in 1996

**TMF Tune-Up – 2<sup>nd</sup> Session**

Registration: 12:30pm – 1:00pm  
 Class: 1:00pm – 4:00pm

- Assist in determining the technical, managerial, and financial capacities of your public work system.
- Identify available training and assistance intended to increase your system’s TMF capacity.
- The overall goal is to help your water system ensure that it will continue to provide safe water that meets all drinking water standards over an extended period of time.

**Contact Hours:** 6 CDPH Water Contact Hours

<input type="checkbox"/> <b>Jan. 22, 2014: 8:30 AM – 11:30 PM</b> <input type="checkbox"/> <b>Jan. 22, 2014: 1:00 PM – 4:00 PM</b> (Please select one or both)	Lucerne Valley (San Bernardino County) Lucerne Valley Community Center 33187 Old Woman Springs Road Lucerne Valley, CA 92356
--	---

Attendee(s) Name(s): \_\_\_\_\_

System or Company Name: \_\_\_\_\_

System or Company Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ FAX: \_\_\_\_\_ Email: \_\_\_\_\_

**This is a free class.** We will not send a registration confirmation but will contact you if the class is full and put you on a waiting list. If you register and cannot attend, please call (800) 833-0322 to cancel. Please let us know if any registrant requires a disability accommodation. For more information on CRWA classes, please visit our website: [www.calruralwater.org](http://www.calruralwater.org). Questions? (800) 833-0322

**TO REGISTER: Please fax this form to (916) 553-4904  
 or email to [rviramontes@calruralwater.org](mailto:rviramontes@calruralwater.org)  
 or mail to California Rural Water Association, 4131 Northgate Blvd., Sacramento, CA 95834.**

*Opt-out: If you wish to be taken off our distribution list, please call 800.833.0322 or email [ccolson@calruralwater.org](mailto:ccolson@calruralwater.org). Thank you*



# Regulatory Update And Basic Hydrogeology Lucerne Valley (San Bernardino County) February 26, 2014



*Workshop presented by Integrated Regional Water Management Program and CRWA*

**This no-cost workshop is beneficial for Water Operators and System Managers of Private, Public and Tribal Systems. It will cover the following topics:**

**REGULATORY UPDATE – 1<sup>st</sup> Session**

Registration: 8:00 am – 8:30 am  
 Class: 8:30 am – 11:30 am  
 Lunch (on your own): 11:30 am – 12:30 pm

- Covers existing regulations and how they apply to your water system.
- Reviews operator certification, system classification, basic SDWA requirements, disinfection, Total Coliform Rule Requirements, and Source Water Protection.

**BASIC HYDROGEOLOGY – 2<sup>nd</sup> Session**

Registration: 12:30pm – 1:00pm  
 Class: 1:00pm – 4:00pm

- Covers the components of hydrologic processes
- Covers the understanding of the quantity and availability of water, including well construction and design.

**Contact Hours:** 6 CDPH Water Contact Hours

<input type="checkbox"/> <b>Feb. 26, 2014: 8:30 AM – 11:30 AM</b> <input type="checkbox"/> <b>Feb. 26, 2014: 1:00 PM – 4:00 PM</b> (Please select one or both)	Lucerne Valley (San Bernardino County) Lucerne Valley Community Center 33187 Old Woman Springs Road Lucerne Valley, CA 92356
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Attendee(s) Name(s): \_\_\_\_\_

System or Company Name: \_\_\_\_\_

System or Company Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ FAX: \_\_\_\_\_ Email: \_\_\_\_\_

**This is a free class.** We will not send a registration confirmation but will contact you if the class is full and put you on a waiting list. If you register and cannot attend, please call (800) 833-0322 to cancel. Please let us know if any registrant requires a disability accommodation. For more information on CRWA classes, please visit our website: [www.calruralwater.org](http://www.calruralwater.org). Questions? (800) 833-0322

**TO REGISTER: Please fax this form to (916) 553-4904  
 or email to [rviramontes@calruralwater.org](mailto:rviramontes@calruralwater.org)  
 or mail to California Rural Water Association, 4131 Northgate Blvd., Sacramento, CA 95834.**

*Opt-out: If you wish to be taken off our distribution list, please call 800.833.0322 or email [ccolson@calruralwater.org](mailto:ccolson@calruralwater.org). Thank you*

Mariana Ranchos County Water District  
Retention Schedule

ADMINISTRATION

Office Of Record	Record Series	Retention Period	Citation	Descriptor	Vital/Non-Vital	Security Class
Admin	Agendas/Agenda Packets	Permanent	GC §60201	Original agendas and packets for regular and special meetings for Council, Boards, and Commissions.	Vital	Public
Admin	Audio/Video Recordings	Until adoption of minutes; minimum 30 days	GC §54953.5(b)	Digital audio/video recordings of Board Meetings	Non-Vital	Public
Admin	Bids, RFQ's, RFP Successful Unsuccessful	Bid opening plus 2 years.	GC §60201(d)(11)	Requests for qualifications; requests for proposals regarding goods and services.	Non-Vital	Public
Admin	Board of Director & Staff Travel & Conference Arrangements	7 Years	GC §60201(d)(12)	Expense Reimbursements, Hotel/Flight, Conference/Training	Non-Vital	Public
Admin	Calendars	When no longer required.	GC §60201	Wall/Desk Calendars, Daytimers, Etc.	Non-Vital	Public
Admin	Capital Projects	Permanent	GC §60201	Work Plans, Budget-Finance Schedule, Project scope, Outreach Project Logs, Photos, etc	Vital	Public
Admin	Certificates of Destruction	Permanent	GC §60201B	"Shred-it"	Non-Vital	Public
Admin	Claims, Damage			Paid/Denied	Non-Vital	Public
Admin	Conflict of Interest Code	Permanent	GC §60201	(Resolution)	Non-Vital	Public
Admin	Contracts: Infrastructure Non-Infrastructure Not Entered Into	Permanent Completion + 10 2 years	GC §60201		Non-Vital	Public
Admin	Customer records/Billing	2 years	GC §60201	Billings, correspondence, complaints	Vital	May be Public and Confidential
Admin	Connections	Permanent	GC §60201	Maps, Water line, Connection Records	Vital	Public
Admin	Forms	S + 1	GC §60201	(Masters)	Non-Vital	Public
Admin	Historical Records	Permanent	GC §60201		Vital/Non-Vital	May be Public and Confidential
Admin	Insurance Certifications	Completion + 10	CCP 336, 337, etc.	Property, Liability, Crime, etc.	Vital	Public
Admin	Inventories	When NLR	GC §60201	Physical inventories.	Non-Vital	Public
Attorney	Legal Opinions	Permanent	GC §60201		Vital	Confidential
Admin	Maintenance & Operation	Permanent	GC §60201	System-wide work orders, information, reports, Meter reads, etc. (SEMS)	Vital	Public
Admin	Manuals & Warranties	When no longer required.	GC §60201	Including software and electronic devices.	Non-Vital	Public
Admin	Maps		GC §60201	Mains, Valves, Hydrants, Wells, Lines,	Vital	Public
Admin	Newspaper Clippings	Permanent	GC §60201		Non-Vital	Public
Admin	Public Notices/Proof of Posting	Permanent	GC §60201		Non-Vital	Public



Mariana Ranchos County Water District  
Retention Schedule

ADMINISTRATION (CONT)

Office Of Record	Record Series	Retention Period	Citation	Descriptor	Vital/Non-Vital	Security Class
Admin	Rate Schedules	Permanent	GC §60201		Vital	Public
Admin	Reports				Non-Vital	Public
	Consumption	P	GC §60201			
	Sanitary Surveys	P	GC §60201			
	Source Water	P	GC §60201			
	State Certification	P	GC §60201			
	Well Level	P	GC §60201			
Admin	Resolutions	Permanent	GC §60201		Vital	Public
Admin	Small Claims Court Cases	Permanent	GC §60201	Liens, etc.	Vital	May be Public and Confidential
Admin	Tests	P	GC §60201	Includes Bacteriological, Chemical, Organic, Quality, etc. Includes all related data incl. violations, corrections, reports, etc.		
Admin	Valve Main Records	Permanent	GC §60201		Vital	Public

ELECTIONS

Office Of Record	Record Series	Retention Period	Citation	Descriptor	Vital/Non-Vital	Security Class
Admin	Applications	6 months	EC §17503(2)		Non-Vital	Public
Admin	Ballots	6 Months	EC 17302(b)		Non-Vital	Public
Admin	Ballots - Prop 218 (Assessment Districts)		CA Constitution Article XIII			
Admin	Campaign Disclosure				Non-Vital	Public
	Elected	Permanent	GC §81009			
	Not Elected	7 years	GC §81009			
	Unsuccessful	7 years	GC §81009			
Admin	Candidate Elections	Term + 4	GC §60201		Non-Vital	Public
Admin	Certificates of Election	T + 4	GC §81009(a)(d)		Non-Vital	Public
Admin	History	Permanent	GC §60201	History of elections, sample ballots, certificates of destruction, other resolutions re: elections.	Vital/Non-Vital	Public
Admin	Lobbyist Registration	7 Years	GC §60200		Non-Vital	Public
Admin	Maps, Voter Information	2 Years	EC §17100	Precinct Maps, etc.	Non-Vital	Public
Admin	Nomination Papers				Non-Vital	Public
	Successful	Duration + 4	EC §17100			
	Unsuccessful	Election + 4	EC §17100			
Admin	Notifications/Publications	Election + 4	GC §60201		Non-Vital	Public
Admin	Oaths of Office	Duration + 4	GC §60201		Non-Vital	Public
Admin	Petitions	8 months	GC §17200,17400	From date of filing or election.	Non-Vital	Public
Admin	Roster (of Voters)	5 years	GC §17300	From date of election; Initiative, Referendum, recall, etc.	Non-Vital	Public
Admin	Tally Sheets	6 months	GC §17304		Non-Vital	Public
Admin	Voter Affidavits	Closed + 5	GC §17000		Non-Vital	Public
Admin	Voter Registration	Current +5	GC §17000	Fire, Special, or School Districts	Non-Vital	Public

Mariana Ranchos County Water District  
Retention Schedule

FINANCE

Office Of Record	Record Series	Retention Period	Citation	Descriptor	Vital/Non-Vital	Security Class
Admin	1099's, W-9's issued	10 Years	R&T §19530		Non-Vital	Public
Admin	Account Statements	Permanent	GC §60201		Non-Vital	Public
Admin	Audits	Permanent	GC §34090		Non-Vital	Public
Admin	Balance Sheets	2 years	GC §60201		Non-Vital	Public
Admin	Bank Deposits	7 years	26 CFR 1.6001-1		Non-Vital	Public
Admin	Bank Statements	7 years	26 CFR 1.6001-1	Including Reconciliation documents.	Non-Vital	Public
Admin	Billing Records	Termination + 7	29 CFR 1627.3(B)(2) 26USC 1027		Non-Vital	Public
Admin	Bonds/COP's	Cancellation Redemption or maturity + 10 years			Vital	Public
Admin	Budget	Permanent			Non-Vital	Public
Admin	Budget Adjustments & J/E	10 years			Non-Vital	Public
Admin	Cash Receipts	7 Years	GC §60201	Including Receipt books.	Non-Vital	Public
Admin	Checks -Cancelled/Voided	10 Years	GC §60201	Except Payroll Checks.	Non-Vital	Public
Admin	General Ledger	10 Years	GC §60201	Year End. Stored in Quickbooks	Non-Vital	Public
Admin	Grants	10 Years	21 CFR 1403.36 OMB Circular A-133 GC §60201		Non-Vital	Public
Admin	Invoices	10 Years	GC §60201	Incl. Purchase Orders/Receiver/Copy of Check Incl. Petty Cash.	Vital	Public
Admin	Journal Entries	10 Years	GC §60201	Stored in Quickbooks.		
Admin	Quickbooks	Indefinite	GC §60201	Financial System database	Vital	May be Public & Confidential
Admin	Reconciliations	10 Years	GC §60201		Non-Vital	Public
Admin	State Controller's Report	10 Years	GC §60201			
Admin	Taxes-State and IRS	P			Non-Vital	May be Public & Confidential
Admin	Year-end Audit	10 Years	GC §60201 GC §60201	Auditor's Package	Non-Vital	Public

HUMAN RESOURCES

Office Of Record	Record Series	Retention Period	Citation	Descriptor	Vital/Non-Vital	Security Class
GM	Employee Files(Confidential)	S+3 years		Vital until Separation, Includes resumes, I-9's, Temp Employess, Discipline/Grievances, DMV Pull Notices, Medical Evals, etc	Vital/Non-Vital	Confidential
Admin	Employee Files (available to employee)			Vital until Separation, Includes training documentation, Emergency contact information, Job Description, etc.	Vital/Non-Vital	May be be Public and Confidential

RESOLUTION NO. 11-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIANA RANCHOS COUNTY WATER DISTRICT ADDING DIVISION XII, "INVESTMENTS" TO THE MARIANA RANCHOS COUNTY WATER DISTRICT ADMINISTRATION CODE

IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE MARIANA RANCHOS COUNTY WATER DISTRICT, as follows:

1. Scope and Purpose.

To add new DIVISION XII, INVESTMENTS, Sections 12.01 thru 12.10, to the Administration Code and rescind Resolution #343 entitled "...Adopting an Investment Policy" dated April 23, 1996.

2. Amendment.

Administration Code DIVISION XII, entitled INVESTMENTS, is added and reenacted to read as follows:

DIVISION XII INVESTMENTS

Section 12.01 INVESTMENT POLICY

*The District shall invest surplus money in a manner providing maximum security while meeting the cash flow demands and conforming to statutes governing the investment of public funds. This investment policy governs investments except funds generated by debt issues controlled by the issuance documents, and money deposited pursuant to deferred compensation program which is directed by individual employees.*

Section 12.02 BASIC POLICY AND STATEMENT OF OBJECTIVES

*(a) Investments shall be made with judgment and care under circumstances then prevailing that a person of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital and probable income.*

*(b) Investment officials shall use the prudent person standard in the context of managing an overall portfolio. Investment officers who act in accordance with written procedures and the investment policy and exercising due diligence may be relieved of the personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.*

*(c) Everyone involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or impair their ability to make impartial investment decisions. Each employee involved in the investment process will receive a copy of this investment policy and certify that they have read and will follow the policy.*

*(d) The primary investment objectives are:*

*Safety of principal is the foremost objective of the investment program. The District shall seek to ensure the preservation of capital in the overall portfolio.*

*The District's investment portfolio will remain sufficiently liquid to enable the District to meet reasonably anticipated requirements.*

*The District's investment portfolio shall be designed for a rate of return throughout budgetary and economic cycles, commensurate with investment risk and the cash flow characteristics.*

Section 12.03 PRUDENT PERSON

*Investment shall be made as if it is one which would be purchased by a prudent person using the same discretion and intelligence a person would use in managing personal affairs and not for speculation.*

Section 12.04 CRITERIA FOR INVESTMENT

*Financial institutions which are eligible for investments and deposits shall be evaluated as follows:*

*(a) Federally insured and have total assets of at least \$10 billion and a net worth ratio of at least three percent.*

*(b) Collateral shall be deposited in accordance with the Government Code, consisting of one of the following:*

*(1) Mortgages/trust deeds must be at all times at least fifty percent in excess of the amount deposited.*

*(2) Eligible securities other than mortgages/trust deeds must be valued at least one hundred and ten percent of the amount deposited.*

*(c) The Board of Directors may waive collateral security to the extent the institution is insured pursuant to Federal law.*

*(d) When the above factors are equal, appropriate consideration will be given to a financial institution that bids on or makes a substantial investment in District bonds; or contributes service or significant assistance to the District.*

Section 12.05 TERM OF INVESTMENT

*The District will match investments with anticipated cash flow requirements. The maximum allowed maturity shall be five years.*

Section 12.06 DELEGATION OF AUTHORITY

*(a) The Board of Directors is responsible for the investments.*

*(b) Daily management responsibility for the investment program is delegated to the General Manager, who shall establish written procedures for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as*

*provided under the terms of this policy and the procedures established by the General Manager. The General Manager shall establish a system of controls to regulate the activities of subordinate officials.*

Section 12.07 AUTHORIZED INVESTMENTS

*(a) The following investments are authorized.*

*(1) United States Treasury Bills, Bonds and Notes, or those mutual funds for which the full faith and credit of the United States is pledged for payment of principal and interest.*

*(2) Obligations issued by the United States Government Agencies such as the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA) and the Student Loan Marketing Association (SLMA) and mutual funds that consist of these obligations.*

*(3) Bankers' Acceptances, which are bills of exchange or time drafts drawn on and accepted by commercial banks. These shall have a term not to exceed 180 days. No more than 10% of the market value of the portfolio may be invested in banker's acceptances.*

*(4) Time deposits, non-negotiable and collateralized in accordance with the Government Code, in those U.S. banks and saving and loan associations that meet the requirements as evaluated by a nationally recognized statistical rating organization (NSRO) as designated by the Securities and Exchange Commission, for the qualitative and quantitative analysis of financial institutions. The issuer firm should have been in existence for at least five years. The District may waive the first \$100,000 of collateral security for such deposits if the institution is insured pursuant to federal law. To secure such deposits, an institution shall maintain in the collateral pool securities having a market value of at least 10% in excess of the total amount deposited. Real estate mortgages may not be accepted as collateral. The maximum term for deposits shall be one year. In general, the issuer must have a minimum tier one risk-based capital ratio of 6% as determined by the FDIC and their operation must have been profitable during their last reporting period. No more than 25% of the market value of the portfolio may be vested in time deposits.*

*(5) Repurchase agreements with banks and dealers with which the District has entered into a master repurchase contract that specifies terms and conditions of repurchase agreements. The transactions shall be limited to primary dealers and the top twenty-five U.S. banking institutions according to asset size. The maturity of repurchase agreements shall not exceed thirty days. The market value of the securities used as collateral for repurchase agreements shall be monitored daily by the investment staff and will not be allowed to fall below 100% of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code, which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be certificates of deposit, eligible banker's acceptances, or securities that are either direct obligations of, or that are fully guaranteed as to principal and interest, by the United States or any agency of the United States. A perfected security interest shall always be maintained in the securities subject to a repurchase agreement. No more than 10% of the market value of the portfolio may be invested in repurchase agreements.*

*(6) Commercial paper ranked P1 by Moody's Investor Services and A1 by Standard and Poor's, and issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long-term debentures as provided by Moody's or Standard and Poor's. Purchases of commercial paper may not exceed 180 days to maturity. The market value of the commercial paper shall not exceed 10% of the market value of the portfolio.*

(7) *Local Agency Investment Fund (LAIF) established by the State Board of Directors for the benefit of local agencies, up to the maximum amount permitted by law.*

(8) *Negotiable Certificates of Deposit issued by federally or state chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.*

(9) *Bank rates guaranteed by FDIC with board approval.*

(b) *Ineligible investments include, but are not limited to, common stocks and corporate bonds, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages and mutual funds. The use of derivatives, options, futures or buying on margin is prohibited. Securities that could result in zero interest accrual if held to maturity are ineligible.*

(c) *Security transactions shall be conducted on delivery-versus-payment basis. Securities purchased or acquired by the District shall be held in safekeeping by a third party pursuant to a custodial agreement as required by Government Code §53601.*

Section 12.08            REPORTING REQUIREMENTS

(a) *The District shall maintain a complete and timely record of investment transactions.*

(b) *The General Manager shall prepare and submit a monthly investment report of funds directly controlled and managed by the District including a detailed listing of transactions opened and closed during a report period or, if none, a statement to that effect. The report shall be submitted monthly to each director. The report shall include the rating for each banker's acceptance and commercial paper.*

(c) *Each calendar quarter the General Manager shall submit a report showing a description of the portfolio, the type of investments, the issuers, maturity dates, par values and current market values of each component of the portfolio. The report will include the source of the portfolio valuation. This report shall be submitted to each director.*

(d) *Each report shall be submitted within thirty days following the end of the period covered by the report and must also include certification by the General Manager that investment actions executed since the last report are in compliance with the investment policy or state areas of noncompliance; and the District will meet its expenditure obligations for the next six months or state why sufficient money shall, or may, not be available as required by law.*

Section 12.09            AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

(a) *The General Manager will maintain a list of financial institutions authorized to provide investment services. A list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in California. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.*

(b) *Financial institutions, brokers and dealers who desire to become qualified bidders for investment transactions must supply the District with the following:*

- *Audited financial statements*
- *Proof of National Association of Security Dealers (NASD) certification*
- *Proof of California registration*

*(c) Each financial institution must certify to the District in writing that it has received and read a copy of the District's Investment Policy and that it will comply with that policy in its investment recommendations to the District.*

*(d) A current audited financial statement is required to be on file for each financial institution, brokers and dealers through which the District invests.*

Section 12.10 REVIEW AND REVISION

*During January of each year, the board shall review this investment policy, including the delegation of authority to invest funds or to sell and/or exchange securities.*

3. Other,

This Resolution is hereby effective on June 14, 2011.

PASSED, APPROVED AND ADOPTED on June 14, 2011.

Ayes:            Noes:            Abstain:            Absent:

\_\_\_\_\_  
Ronald Dodge, President of the Board

Attest:

\_\_\_\_\_  
James Hansen, Secretary to the Board