# KERN COUNTY WATER AGENCY
# BAKERSFIELD, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**KERN COUNTY WATER AGENCY**
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March 24, 2010

Board of Directors
Kern County Water Agency
3200 Rio Mirada Drive
Bakersfield, CA 93308

RE: Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2009

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Kern County Water Agency (Agency) for the fiscal year ended June 30, 2009. The purpose of the CAFR is to provide the Board of Directors, the Member Units and other interested parties with reliable financial information about the Agency. The Agency's Administrative Operations Department has prepared the CAFR in accordance with generally accepted accounting principles. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Agency management. Staff believes the data, as presented, is accurate in all material respects and that it is presented in a manner designed to fairly set forth the financial position and results of the operation of the Agency. The report is presented in two parts:

1. **Introductory Section** – includes the Transmittal letter with the Agency's Organizational Chart and a listing of the Agency's principal officials, as well as other relevant information to assist the reader in understanding the Agency's management structure, operations and financial condition.

2. **Financial Section** – includes the Independent Auditor's Report, Management's Discussion and Analysis of the Financial Statements, the Agency's Financial Statements for the fiscal years ended June 30, 2009 and 2008 and explanatory footnotes. Other supplemental information by fund and additional information is also presented in this section.

## REPORTING ENTITY

The Agency is accounted for as an enterprise fund. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses, in which the purpose is to conserve and add to basic resources, while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continual basis and that are financed substantially by revenues derived from user charges. As an enterprise fund, the Agency uses the accrual basis of accounting; revenues are recognized when they become measurable and available, and expenditures are recognized as they are incurred.

The Agency applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for proprietary operations, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

The Agency's policy requires that an independent certified public accounting firm, selected by the Agency's Board of Directors, audit its financial statements on an annual basis. The independent auditor's report for the fiscal years ended June 30, 2009 and 2008 is presented in the financial section of this report.

## DISTRICT FORMATION AND ORGANIZATION

The Agency was created in 1961 by a special act of the State Legislature and approved by county voters. A primary purpose was to secure an adequate water supply for Kern County by serving as the local contracting entity for the State Water Project (SWP), a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants. The Agency was also granted the powers that enable it to participate in a wide scope of water management activities, including water and facilities acquisition and storage, water quality, flood control, drainage, land reclamation and groundwater management and oversight. Over the years, the Agency has experienced extreme variations in supply on both local and statewide fronts due to drought conditions, increasing environmental regulations in the Sacramento-San Joaquin Delta (Delta), and ever-expanding demands on the state's water system. Making the best possible use of the existing water supply and protecting these water supplies from external threats have become increasingly important. The Agency will continue to respond to these challenges by developing unique solutions and striving for excellence in technical, administrative, policy-making and financial arenas. The Agency is committed to the health and well-being of Kern County citizens and businesses by persisting in efforts to preserve and enhance Kern County's water supply.

The Agency is the second largest participant in the SWP. The SWP extends for more than 600 miles (two-thirds of the length of California) and was planned, built, and is operated by the California Department of Water Resources (DWR). The Agency has contracted to receive a maximum annual amount of 998,730 acre-feet (af) of Table A water. Of that amount, 119,000 af are designated for municipal and industrial use, and 879,730 af are designated for agricultural use.

The first deliveries of water from the SWP to Kern County began in 1968 via the California Aqueduct (Aqueduct). This concrete-lined canal passes through the west side of Kern County before crossing the Tehachapi Mountains into southern California. SWP water is then transported to Bakersfield and other areas on the east side of the San Joaquin Valley through the Cross Valley Canal (CVC), a 22-mile canal with seven low-lift pump stations, built and operated by the Agency.

Imported water supplies from the Central Valley Project via the CVC and Friant-Kern Canal are also an essential part of Kern County's water supply system. These federal supplies normally provide a total of more than 400,000 af per year to Delano-Earlimart Irrigation District, Southern San Joaquin Municipal Utility District, Shafter-Wasco Irrigation District, Arvin-Edison Water Storage District and Kern-Tulare Water District.

The Kern River supplies water for agriculture, industry and hydroelectric power generation, with flows averaging about 700,000 af annually. The Kern River originates in two forks near Mt. Whitney in the southern Sierra Nevada mountain range. Isabella Reservoir impounds Kern River water behind a 185-foot-high earthen dam, which has a capacity of 570,000 af. The Kern River is the largest local source of surface water in Kern County.

Kern County is the third most productive agricultural county in the state and relies on an adequate water supply to maintain its economy.[1] A vast underground water basin supplies about 31 percent of the water used for domestic and agricultural purposes, in addition to the surface water sources: the Kern River (21 percent), SWP (21 percent), Friant-Kern Canal (12 percent) and local streams (15 percent) for a combined annual supply from all sources of about 3,400,000 af. Annual precipitation in the San Joaquin Valley portion of the county averages about 6.5 inches and makes up less than one percent of the county's total supply.

Total annual municipal and industrial water use in Kern County is approximately 205,000 af, most of which occurs in the Bakersfield area. With such limited annual precipitation, careful water management practices have been developed by both the urban and agricultural sectors. Kern County farmers are among the most skilled water managers in the world through the use of highly efficient irrigation methods. It is estimated that 78 percent of the water applied to local crops is used to meet actual crop requirements.

Significant advancements in irrigation have been made through the use of drip and low volume application methods, as well as row and border systems. Laser land leveling, widely practiced in Kern County, helps achieve uniform water distribution. With national and worldwide demands for food and fiber increasing, the water and agricultural industries of Kern County will continue to develop efficient technologies to meet future irrigation requirements.

Urban areas of Kern County are also committed to the wise use of water. The Improvement District No. 4 (ID4) purveyors (California Water Service Company; East Niles Community Services District; North of the River Municipal Water District, which wholesales water to Oildale Mutual Water Company; and the City of Bakersfield) help support the Agency's water conservation school education program and its many public water conservation outreach efforts. In 1992, the Agency signed the Memorandum of Understanding Regarding Urban Water Conservation in California and became a member of the California Urban Water Conservation Council. Cost-effective water conservation "best management practices" are emphasized in the service areas of the Agency and the urban purveyors. The Agency is also a member of the Agricultural Water Management Council, which pursues implementation of agricultural best management practices. Additionally, the Agency is a participant in the Tulare Lake Basin Portion of Kern County Integrated Regional Water Management Plan (Kern IRWMP), which seeks to preserve the economic and environmental health of Kern County communities through comprehensive management of our water resources. The Kern IRWMP is a collaboration of water suppliers, community and government representatives, environmental groups and a variety of other stakeholders. The Agency is also preparing an update to its Urban Water Management Plan (UWMP). An UWMP details the water supply reliability of the urban water supplier during normal, dry and multiple dry years. UWMP updates are due to the Department of Water Resources by December 31 in years that end in 5 or 0.

[1] California Department of Agriculture. 2009. *California Agricultural Resource Directory 2008-2009: Agricultural Statistical Review*. pp. 17-19.

## MEMBER UNITS

The Agency has long-term contracts for SWP water with 13 local water districts, called "Member Units."

Since 1968, the Member Units have received over 32 million af of SWP water. Under the terms of the Monterey Amendment, which was implemented in 1995, the Member Units and Dudley Ridge Water District agreed to permanently retire 45,000 af of SWP Entitlement in exchange for transferring the Kern Water Bank (KWB) property from DWR to local control. In addition, the Agency agreed to allow up to 130,000 af of Table A water to be permanently sold to urban contractors on a willing buyer-willing seller basis. By the end of 2004, contract amendments had been executed to permanently transfer 114,000 af to other SWP Contractors, leaving 16,000 af remaining for transfer.

Below is a table listing the Member Units and the entitlement transfers (in acre-feet) completed as of June 30, 2009. Also shown are permanent transfers that have occurred between Member Units.

| Member Unit | SWP Maximum Annual Entitlement as of 1996 | Retired for the KWB in 1996-97 | Transferred in 1998 | Transferred in 2000 | Transferred in 2001 | Transferred in 2004 | SWP Maximum Annual Entitlement 2004 - 2035 [1] |
|---|---|---|---|---|---|---|---|
| 1. Berrenda Mesa WD (AG) | 155,100 | | -25,000 (Mojave WA) | -7,000 (Alameda, Zone 7) | -8,000 (KCWA) | -6,500 (West Kern WD) | 108,600 |
| 2. Lost Hills WD (AG) | 140,400 | -6,290 (On behalf of Westside Mutual) | | -15,000 (Alameda, Zone 7) | | | 119,110 |
| 3. Belridge WSD (AG) | 163,000 | -15,335 (On behalf of Westside Mutual) | -157 (Tejon Castac WD) | -4,000 (Palmdale WA) | -10,000 (Alameda, Zone 7) -9,781 (Napa & Solano) | -2,219 (Alameda, Zone 7) | 121,508 |
| 4. Semitropic WSD (AG) | 158,000 | -3,000 | | | | | 155,000 |
| 5. Cawelo WD (AG) | 38,200 | | | | | | 38,200 |
| 6. Rosedale-Rio Bravo WSD (AG) | 29,900 | | | | | | 29,900 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 7. Buena Vista WSD (AG) | 21,300 | | | | | | 21,300 |
| 8. Kern Delta WD (AG) | 25,500 | | | | | | 25,500 |
| 9. Henry Miller WD (AG) | 35,500 | | | | | | 35,500 |
| 10. West Kern WD (M&I) | 25,000 | | | | | | 25,000 |
| West Kern WD (AG) | | | | | | 6,500 | 6,500 |
| 11. Wheeler Ridge-Maricopa WSD | 248,903 | -10,815 | | -41,000 (Castaic WA) | | | 197,088 |
| 12. Tehachapi Cummings CWD (AG) | 4,300 | | | | | | 4,300 |
| Tehachapi Cummings CWD (M&I) | 15,000 | | | | | | 15,000 |
| 13. Tejon Castac WD (AG) | 4,021 | -900 | 157 | | | | 3,278 |
| Tejon Castac WD (M&I) | 2,000 | | | | | | 2,000 |
| KCWA Improvement District No. 4 (M&I) | 77,000 | | | | | | 77,000 |
| KCWA Improvement District No. 4 (AG) | 10,276 | -4,330 | | | | | 5,946 |
| KCWA (AG) | | | | | 8,000 | | 8,000 |
| Subtotal (AG) | 1,034,400 | -40,670 | -25,000 | -67,000 | -19,781 | -2,219 | 879,730 |
| Subtotal (M&I) | 119,000 | | | | | | 119,000 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Total | 1,153,400 | -40,670 [2] | -25,000 | -67,000 | -19,781 | -2,219 | 998,730 |

[1] Of the 130,000 af transferable under the Monterey Amendment, 16,000 af remain for transfer.

[2] Dudley Ridge Water District, and SWP agricultural contractors located outside Kern County, retired an additional 4,330 af, bringing the total amount retired for the KWB to 45,000 af.

## ECONOMIC CONDITIONS AND OUTLOOK

Kern County has sometimes been referred to as "The Golden Empire," because of its rich history of gold, oil and agricultural production. Located at the southern end of the San Joaquin Valley, Kern County ranks in the top five most productive counties in the United States and is one of the nation's leading petroleum-producing counties.

The agricultural industry is one of the largest industries in Kern County – approximately 90 percent of the water related to the Agency is designated for agricultural use. Kern County farmers rank among the most effective and efficient in the world.

Kern County produces over 250 different crops: over 30 types of fruits and nuts, over 40 types of vegetables and over 20 field crops, not to mention lumber, nursery stock, livestock, poultry and dairy products. The total value of these agricultural products exceeded $4 billion in both 2007 and 2008. A breakdown of the top 20 crops for 2008 is provided on the following page.

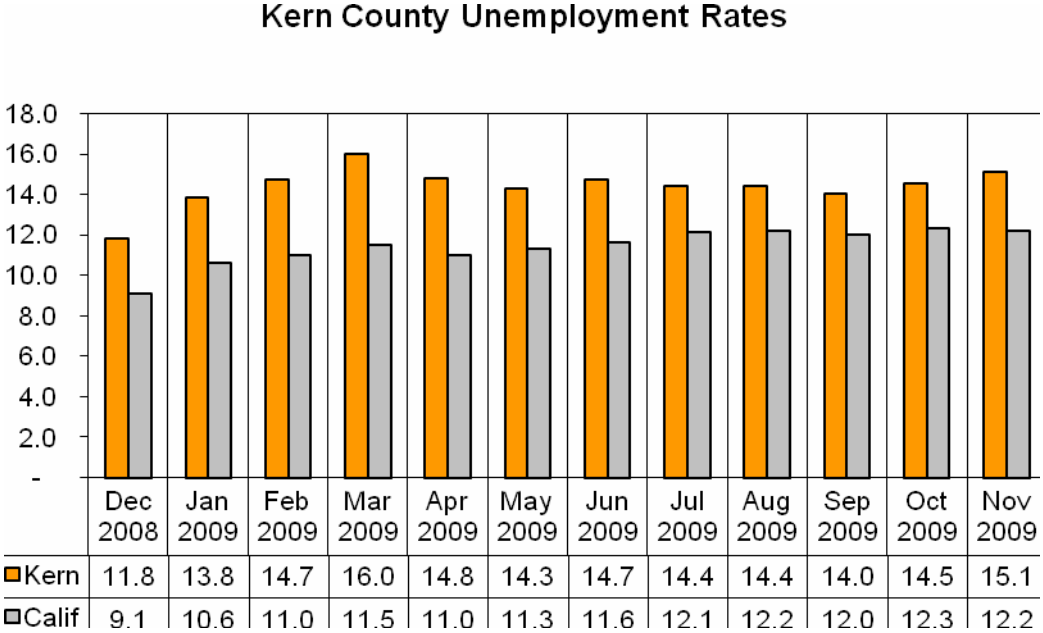
Kern County alone outranks the agricultural production of 20 states. Furthermore, the benefits of a strong agricultural community far outweigh just the gross receipts of the producers. A single dollar generated by agricultural production results in three to four dollars in Kern County's gross domestic product. One out of every ten jobs throughout the state is directly linked to agriculture. In Kern County, agriculture provides over 17 percent of all employment and is the second largest employer.

Kern County's rich agricultural heritage can be traced back to a century ago. When the first settlers came to the area, they found swampland that provided breeding grounds for encephalitis and malaria-carrying mosquitoes. By harnessing the uncontrolled flow of water from the Kern River, this dangerous area was converted into some of the most productive agricultural land in the world. Other marginal grassland was also transformed into productive farming land that has fed the world for nearly a century.

## *Kern County 2008 Crop Report*

| COMMODITY | VALUE | 2008 RANKING |
|---|---|---|
| | | |
| 1. Milk, Market & Manufacturing | $ 601,606,000 | 1 |
| 2. Grapes, All | 561,480,000 | 2 |
| 3. Citrus, All | 487,040,000 | 3 |
| 4. Almonds, Including By-Products | 386,605,000 | 4 |
| 5. Carrots, Fresh & Processing | 378,003,000 | 5 |
| 6. Hay, Alfalfa | 283,074,000 | 7 |
| 7. Cattle & Calves | 220,546,000 | 8 |
| 8. Pistachios | 191,969,000 | 6 |
| 9. Potatoes, All | 92,856,000 | 11 |
| 10. Silage & Forage | 91,579,000 | 10 |
| 11. Cotton, Including Processed Cottonseed | 87,234,000 | 9 |
| 12. Pomegranates, Fresh & Processing | 61,391,000 | 19 |
| 13. Tomatoes, Fresh & Processing | 56,723,000 | 14 |
| 14. Wheat | 50,041,000 | 13 |
| 15. Apiary Products | 49,931,000 | 16 |
| 16. Eggs | 48,117,000 | 17 |
| 17. Nursery Fruit and Nut Trees & Vines | 43,368,000 | 12 |
| 18. Cherries | 36,189,000 | 21 |
| 19. Bell Peppers, Fresh & Processing | 36,050,000 | 15 |
| 20. Roses | 27,441,000 | 18 |

According to California Department of Finance population estimates, Kern County's population is expected to grow over the next 50 years from 665,519 in 2000 to 2,106,024 in 2050. The estimated increase of 1,440,550 or 216 percent puts Kern County 5th on the list of fastest growing counties based on numerical change and 4th on the list of fastest growing counties based on percent change for the years 2000–2050. Kern County is estimated to grow an average of 26 percent every 10 years. Kern County is expected to be one of the 10 largest counties in California by 2050. Kern was number 14 on the list of largest counties in California in 2000 but is expected to be number eight in 2050. In contrast to the population growth, the civilian labor force decreased to 283,300 as of November 2009, a 1.8 percent decrease from the previous year. The civilian labor force decreased by 4,900 from December 2008 to November 2009. Agriculturally-oriented counties like Kern tend to have greater seasonal variations on employment and higher unemployment rates.




| | Dec 2008 | Jan 2009 | Feb 2009 | Mar 2009 | Apr 2009 | May 2009 | Jun 2009 | Jul 2009 | Aug 2009 | Sep 2009 | Oct 2009 | Nov 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Kern | 11.8 | 13.8 | 14.7 | 16.0 | 14.8 | 14.3 | 14.7 | 14.4 | 14.4 | 14.0 | 14.5 | 15.1 |
| Calif | 9.1 | 10.6 | 11.0 | 11.5 | 11.0 | 11.3 | 11.6 | 12.1 | 12.2 | 12.0 | 12.3 | 12.2 |

Source: California Employment Development Department
Data not seasonally adjusted

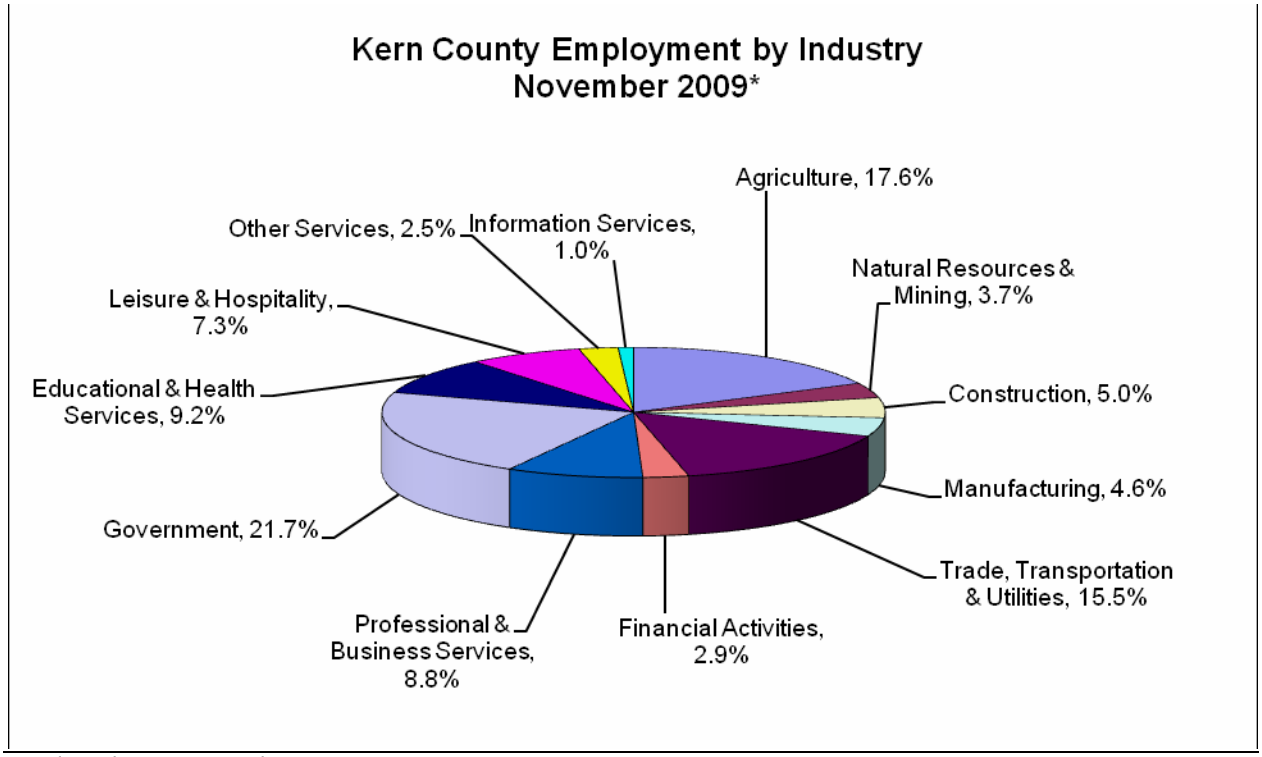
Unemployment rates by county, not seasonally adjusted, California November 2009


**U.S. Bureau of Labor Statistics**
Local Area Unemployment Statistics Information and Analysis
Suite 4675
2 Massachusetts Avenue, NE
Washington, DC 20212-0001

URL: http://www.bls.gov/LAU
Phone: (202) 691-6392
Fax: (202) 691-6459
LAUS data questions: lausinfo@bls.gov
Technical (web) questions: webmaster@bls.gov
Other comments: feedback@bls.gov

**Map Title:** Unemployment rates by county, not seasonally adjusted
**Map Type:** California county Map
**Month/Year: Novemb**er/2009
**County/Rate:** Kern/15.1%

As of November 2009, government, agriculture, trade, transportation and utilities comprised a large part of Kern County's employment sectors. Together, these industries account for 54.8 percent of the total employment in the County. Government made up the largest share with 21.7 percent. Trade, transportation and utilities, and agriculture account for 15.5 and 17.6 percent, respectively. There were 24,800 jobs in professional and business services, while educational and health services provided 26,200 jobs.




*Total Employment November 2009: 283,300

## ACCOMPLISHMENTS DURING FISCAL YEAR 2008-09

The Agency experienced another highly productive fiscal year. In addition to various operational achievements, much progress was made in the area of capital projects. Highlights are presented below:

### Cross Valley Canal Expansion Project

The CVC serves as the Agency's primary conduit for water deliveries from and to the Aqueduct. The $93 million CVC Expansion Project is the largest component of the Proposition 13 Phase II Grant Program and also includes construction of the CVC/Friant-Kern Canal Intertie (Intertie). The outcome will be expanded CVC conveyance capacity from 922 cubic feet per second (cfs) to 1,422 cfs, an increase of about 54 percent, and 500 cfs of capacity in the Intertie. This represents a significant milestone in the development of Kern County's water conveyance infrastructure.

In early 2007, construction commenced on these projects, and work continued through 2009. The bulk of the construction is expected to be completed near the end of 2009, with the remainder scheduled for completion in 2010. .

Other Proposition 13 – Phase II Projects

Improvements to the Pioneer Project groundwater banking facility and the Proposed Cross River Pipeline Project (from the Carrier Canal to the Calloway Canal), a joint project between ID4 and Kern Delta Water District, are also included in the Phase II program. The Cross River Pipeline was placed on hold pending permit approval, and work continues on the Pioneer Project improvements.

Improvement District No. 4 Projects

Multiple ID4 capital projects progressed through the year, and highlights of the year's activity are provided below.

Treated Water Capacity Expansion Project

In response to increasing demands for treated water, Agency staff developed the Treated Water Capacity Expansion Project (TWCEP), which includes expanding treated water deliveries from the current level of 25,000 af per year to 53,000 af per year during a 30-year ramp-up period. New and enhanced water treatment, pumping and transmission facilities will be required to produce and deliver the water contracted by the project participants (California Water Service Company, the City of Bakersfield, East Niles Community Services District and North of the River Municipal Water District). The TWCEP includes the expansion of the existing Henry C. Garnett Water Purification Plant, the North Feeder Facility, the East Feeder Facility and the construction of the Northwest Feeder Facility. On September 21, 2005 the Agency executed the Treated Water Contracts with the project participants. In Fiscal Year 2008-09 the Agency continued to construct the various components of the TWCEP.

Henry C. Garnett Water Purification Plant Expansion Project

To accomplish increased water deliveries, the peaking capacity of the Henry C. Garnett Water Purification Plant will be expanded from 45 million gallons per day (mgd) to 72 mgd. Bids for the construction of the Henry C. Garnett Water Purification Plant Expansion Project (Expansion Project) were publicly opened on February 12, 2008. On May 20, 2008, staff issued the Notice to Proceed to SSC Construction, Inc. (SSC) for the Expansion Project. In July 2008, SSC mobilized to the site and began construction. The Expansion Project is scheduled to be completed during the month of October 2010 with an overall estimated project cost of about $78 million.

North Feeder Expansion Project

ID4 will expand pumping capacity and modify transmission facilities for the existing North Feeder Facility, which serves the North of the River Municipal Water District. The project was bid under two separate contracts: 1) the construction of the Parallel North Pipeline; and 2) the construction of a 21 mgd pump station. On May 23, 2008 bids for the construction of the Parallel North Pipeline were opened. Construction on the Parallel North Pipeline was completed in July 2009. Construction of the North and East Pump Station Project is scheduled to be completed during Fiscal Year 2009-10. Both contracts have an overall estimated project cost of $5.3 million.

East Feeder Expansion Project

ID4 will expand pumping capacity and modify water transmission facilities for the existing East Feeder Facility, which serves California Water Service Company and East Niles Community Services District. The four-part project includes: (1) the expansion of the East Feeder Facility; (2) the Oswell Bypass Project, which consists of: (a) the Oswell Facility Bypass Pipeline; and (b)

the 6.8 Million Gallon Reservoir modifications; (3) the modifications to the 23 Corner Tank Facility; and (4) the relocation of the State Route 178 pipeline crossing. All projects are scheduled to be completed by December 2010 with an overall estimated project cost of $9.2 million. A status of the project's components is as follows: (1) Expansion of the East Feeder Facility: bids were opened in December 2007, and the Notice of Award was issued to Nicholas Construction (Nicholas) in January 2008. Nicholas completed construction in September 2008; (2) Oswell Facility Bypass Pipeline Project: bids were publicly opened in October 2008, and construction was completed in July 2009; (3) 6.8 Million Gallon Reservoir Project: the contract Notice to Proceed was issued in March 2007, and construction was completed in December 2007; (4) 23 Corner Tank Facility Project: contract bidding documents are nearing the final stages of development; and (5) State Route 178 Relocation Project: the contract was awarded in March 2007, and the construction contract completed October 2007.

Northwest Feeder Pipeline Project

ID4 has been developing 32 mgd of treated water capacity to the west side of ID4 through the construction of a Northwest Pump Station (NWPS) and a Northwest Pipeline (NWPL), collectively called the Northwest Feeder Project (NWFP), with an overall project cost of about $15 million. Construction commenced in Fiscal Year 2005-06, and by the end of Fiscal Year 2006-07, the notice of completion had been filed for both contracts. The project participants have constructed the NWPL interties to their respective distribution systems. The first deliveries of treated water through the NWPL was in March 2009.

Henry C. Garnett Water Purification Plant Solar Development Project

ID4 constructed a 1 Megawatt Alternating Current of California Energy Commission-rated ground-mount solar photovoltaic (PV) power system to offset increasing unit rate power costs for the treatment and pumping processes used at the Henry C. Garnett Water Purification Plant. The project provides approximately $450,000 of average annual energy savings over the life of the project with an estimated annual electrical escalation rate of 5 percent. The project was constructed with an overall estimated net project cost of $8.8 million. The project was awarded a 2007 California Solar Initiative Grant through Pacific Gas and Electric Company for $4.5 million. During Fiscal Year 2008-09, the project began generating electricity for the Henry C. Garnett Water Purification Plant.

Henry C. Garnett Water Purification Plant Electrical Service Entrance Project

The expansion of the water purification and pumping facilities at the Henry C. Garnett Water Purification Plant will increase the electrical load at the site. ID4 currently utilizes one electrical Pacific Gas and Electric Company substation to supply power to the Henry C. Garnett Water Purification Plant's existing electrical load. The existing 5.25 megavolt-ampere (MVA) substation will be replaced by an ID4-owned 12.4 MVA substation. This will allow ID4 to move from primary electrical services to transmission level services, which will save the Agency approximately $260,000 during the first year of operation. The Notice to Proceed was issued to the Ryan Company, Inc. on August 10, 2007 for construction of the project. Construction progressed through Fiscal Years 2007-08 and 2008-09. The Henry C. Garnett Electrical Service Entrance Project is scheduled to be completed in early 2010, with an overall cost of $13 million.

ID4 Monitoring Well Project

ID4 is currently in the process of developing monitoring well sites for ID4's groundwater monitoring program. Historically, Agency staff has used a number of wells to monitor groundwater levels within its boundaries. These wells have been a combination of water production wells, standby wells and monitoring wells. Over the past several years, a number of wells used for monitoring purposes have been destroyed by landowners, so the lands occupied by the wells could be used for other purposes. This activity has reduced the number of wells ID4 staff can use to monitor groundwater levels. For this reason, staff has begun the process of contacting landowners of existing wells in order to preserve the wells for monitoring purposes before the wells are destroyed. The Agency will construct three monitoring wells located northeast of the Rosedale-Rio Bravo Water Storage District and ID4 Joint Use Groundwater Recovery Project. The wells will be constructed to depths of 300, 600 and 800 feet. This project is scheduled for public bid in early 2010 with an overall estimated cost of $280,000.

Other Accomplishments

In addition to capital improvement project efforts, the Agency was engaged in a number of local policy areas, including working with the U.S. Army Corps of Engineers to resolve the issues with Isabella Reservoir.

At the state level, staff was actively involved in a number of processes that affect the ability of the SWP to meet its project goals, including efforts to optimize energy/power activities.

On the administrative level, the Agency continued to enhance its business infrastructure through enhanced automation and information technology.

## THE AGENCY'S FUTURE

The Agency will continue to focus on providing the most reliable, cost-effective and highest quality water supply for Kern County and will continue the development and implementation of major capital improvement projects that will help achieve that goal. Non-routine goals and priorities for the immediate future include the following:

- Continue to participate in the Bay Delta Conservation Plan and the Delta Habitat Conservation and Conveyance Program.
- Continue implementation of the electronic/digital records management system.
- Continue to participate in the resolution of Isabella Reservoir issues.
- Continue to participate in the efforts to define a solution for conveyance around the Delta.
- Continue to work with other SWP contractors and DWR to increase the efficiency and reliability of the SWP, including focusing attention on energy/power maximization efforts.
- Continue efforts to address policy issues related to the enhancement and development of Kern County groundwater banking programs.
- Continue efforts to complete capital projects underway.

Furthermore, the Agency will continue to refine procedures for evaluating the financial needs of the Agency and will ensure that adequate funds are available to continue the Agency's mission.

## ACCOUNTING SYSTEM

The Administrative Operations Department is responsible for providing financial services for the Agency, including: financial accounting and reporting, accounts payable, custody and investment of funds, borrowing of funds and protection of credit ratings in the investment market, long-range financial planning, billing and collection of water charges, taxes, and other revenues, and special financial analyses. The Agency's books and records are maintained on an enterprise fund accrual basis of accounting. Revenues are recognized when they become measurable and available, and expenditures are recognized as they are incurred.

## INTERNAL CONTROLS

The Agency's management is responsible for establishing and maintaining a system of internal controls designed to safeguard the Agency's assets from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. When establishing or reviewing controls, management must recognize that the cost to implement a control should not exceed the benefits likely to be derived, and that in order to assess cost vs. benefit, estimates and judgment on the part of management will be required. All internal control evaluations occur within the above framework. Management believes the current system of internal controls adequately safeguards the Agency's assets and provides reasonable assurance that accounting transactions are properly recorded.

## BUDGETARY CONTROLS

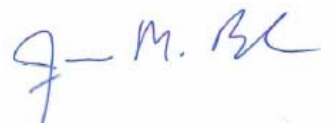
The Agency is required to prepare an annual budget. State law requires that the Kern County Board of Supervisors approve or reject the Agency's budget in total. The Kern County Board of Supervisors is not authorized to have line item control over the Agency's budget. Some operations and projects included within the Agency's budget are contingent upon receiving funding from sources both outside the Agency and between Agency operated funds. Budgetary approval by the Kern County Board of Supervisors for revenues and expenditures does not constitute a funding obligation on the part of the County of Kern or any other entity, either from an outside agency or between Agency funds.

The Agency's budget contains revenues and expenditures which range in nature from regular annual operations to one-time capital projects. The completion of some operations and one-time capital projects is contingent on the receipt of certain revenues. If certain revenues are not forthcoming during the fiscal year, the operation or capital project may not be completed. In either case, budgetary authority is required before funds may be expended during the next fiscal year.

## ACKNOWLEDGEMENTS

We wish to thank the Directors for their continued leadership in excellence in financial management.

Respectfully submitted,

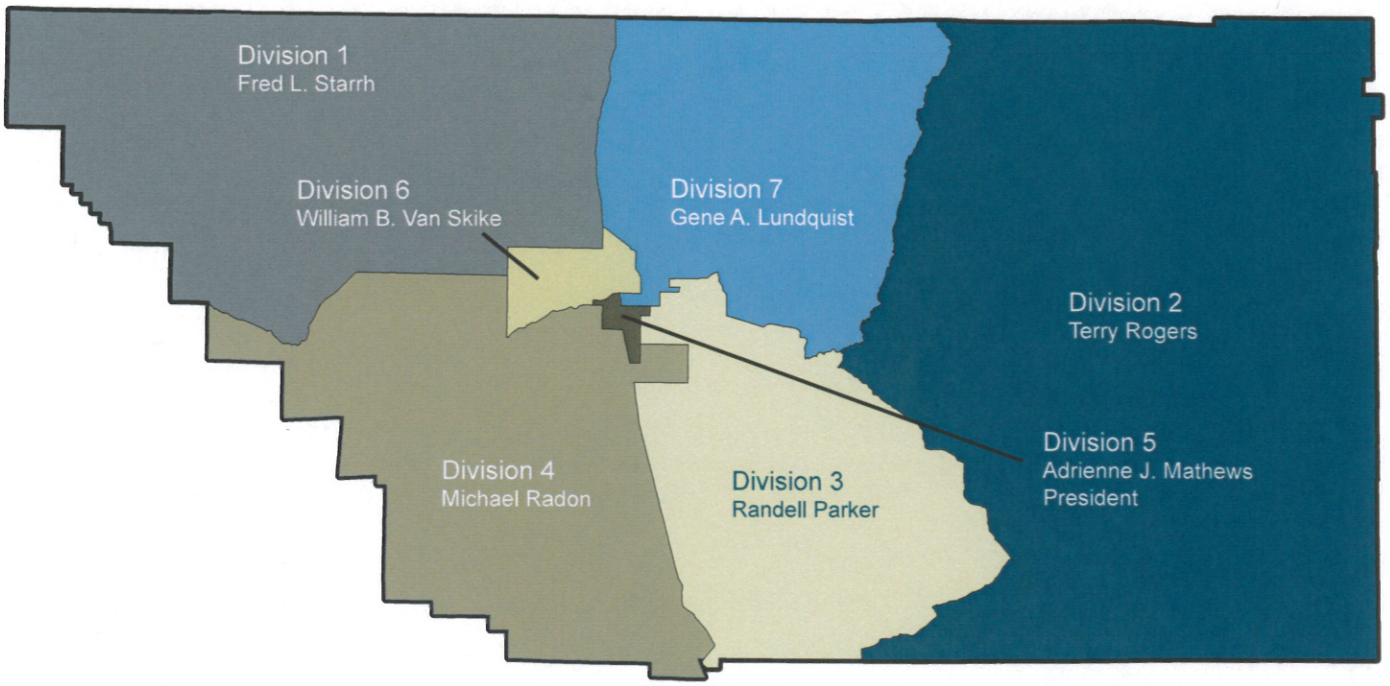


James M. Beck
General Manager

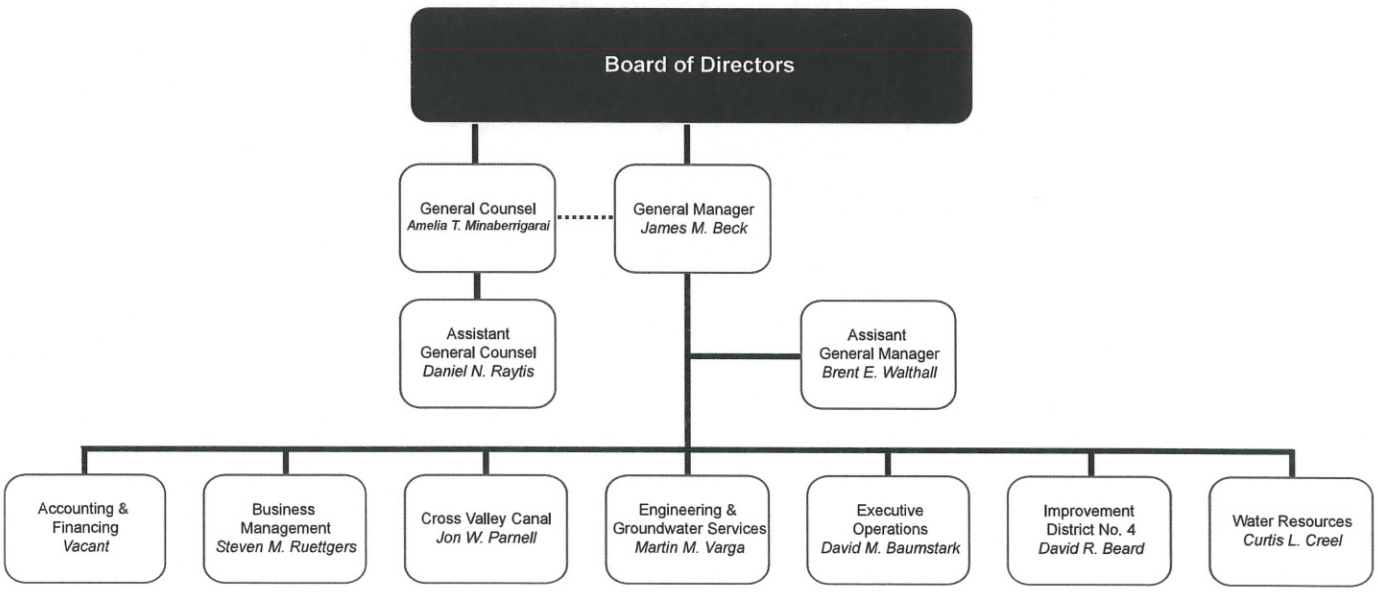
Nick Pavletich
Controller

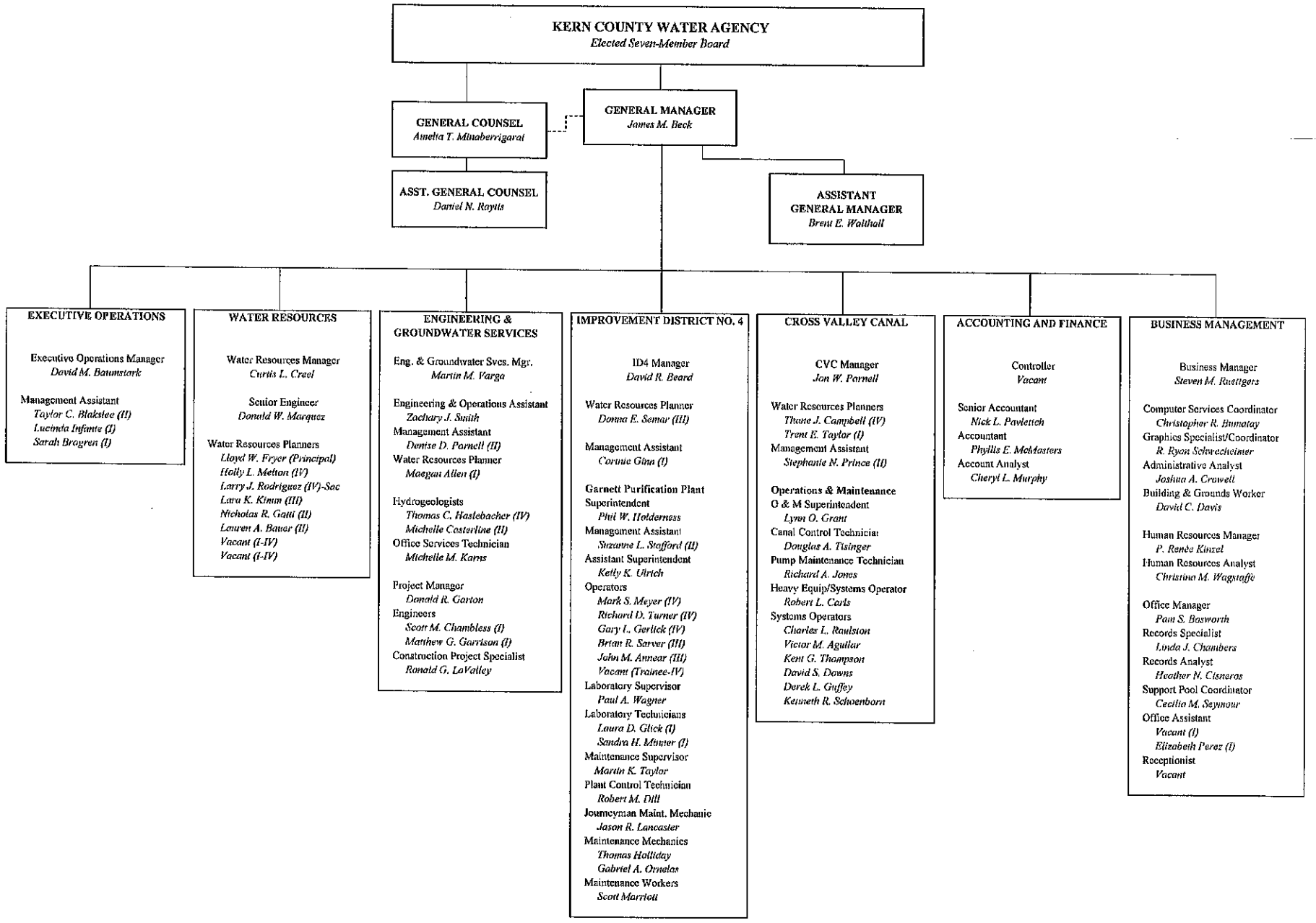
March 24, 2010

# Kern County Water Agency
# Board of Directors




# Management




KERN COUNTY WATER AGENCY
Elected Seven-Member Board
GENERAL COUNSEL
Amelia T. Minaberrigarai
GENERAL MANAGER
James M. Beck
ASST. GENERAL COUNSEL
Daniel N. Raytis
ASSISTANT GENERAL MANAGER
Brent E. Walthall
EXECUTIVE OPERATIONS
Executive Operations Manager
David M. Baumstark
Management Assistant
Taylor C. Blakslee (II)
Lucinda Infante (I)
Sarah Brogren (I)
WATER RESOURCES
Water Resources Manager
Curtis L. Creel
Senior Engineer
Donald W. Marquez
Water Resources Planners
Lloyd W. Fryer (Principal)
Holly L. Melton (IV)
Larry J. Rodriguez (IV)-Sac
Lara K. Kimm (III)
Nicholas R. Gatti (II)
Lauren A. Bauer (II)
Vacant (I-IV)
Vacant (I-IV)
ENGINEERING & GROUNDWATER SERVICES
Eng. & Groundwater Svcs. Mgr.
Martin M. Varga
Engineering & Operations Assistant
Zachary J. Smith
Management Assistant
Denise D. Parnell (II)
Water Resources Planner
Maegan Allen (I)
Hydrogeologists
Thomas C. Hastebacher (IV)
Michelle Costerline (II)
Office Services Technician
Michelle M. Karns
Project Manager
Donald R. Garton
Engineers
Scott M. Chambless (I)
Matthew G. Garrison (I)
Construction Project Specialist
Ronald G. LaValley
IMPROVEMENT DISTRICT NO. 4
ID4 Manager
David R. Beard
Water Resources Planner
Donna E. Semar (III)
Management Assistant
Connie Ginn (I)
Garnett Purification Plant
Superintendent
Phil W. Holderness
Management Assistant
Suzanne L. Stafford (II)
Assistant Superintendent
Kelly K. Ulrich
Operators
Mark S. Meyer (IV)
Richard D. Turner (IV)
Gary L. Gerlick (IV)
Brian R. Sarver (III)
John M. Annear (III)
Vacant (Trainee-IV)
Laboratory Supervisor
Paul A. Wagner
Laboratory Technicians
Laura D. Glick (I)
Sandra H. Minner (I)
Maintenance Supervisor
Martin K. Taylor
Plant Control Technician
Robert M. Dill
Journeyman Maint. Mechanic
Jason R. Lancaster
Maintenance Mechanics
Thomas Holliday
Gabriel A. Ornelas
Maintenance Workers
Scott Marriott
CROSS VALLEY CANAL
CVC Manager
Jon W. Parnell
Water Resources Planners
Thane J. Campbell (IV)
Trent E. Taylor (I)
Management Assistant
Stephanie N. Prince (II)
Operations & Maintenance
O & M Superintendent
Lynn O. Grant
Canal Control Technician
Douglas A. Tisinger
Pump Maintenance Technician
Richard A. Jones
Heavy Equip/Systems Operator
Robert L. Carls
Systems Operators
Charles L. Raulston
Victor M. Aguilar
Kent G. Thompson
David S. Downs
Derek L. Guffey
Kenneth R. Schoenborn
ACCOUNTING AND FINANCE
Controller
Vacant
Senior Accountant
Nick L. Pavletich
Accountant
Phyllis E. McMasters
Account Analyst
Cheryl L. Murphy
BUSINESS MANAGEMENT
Business Manager
Steven M. Ruettgers
Computer Services Coordinator
Christopher R. Bumatay
Graphics Specialist/Coordinator
R. Ryan Schwechtmer
Administrative Analyst
Joshua A. Crowell
Building & Grounds Worker
David C. Davis
Human Resources Manager
P. Renée Kinzel
Human Resources Analyst
Christina M. Wagstaffe
Office Manager
Pam S. Bosworth
Records Specialist
Linda J. Chambers
Records Analyst
Heather N. Cisneros
Support Pool Coordinator
Cecilia M. Seymour
Office Assistant
Vacant (I)
Elizabeth Perez (I)
Receptionist
Vacant

June 1, 2009

# FINANCIAL SECTION

Daniells
Phillips
Vaughan
& Bock
Accountancy
Corporation

Certified Public Accountants
Business & Personal Consultants

Member of the McGladrey Network

Member of AICPA Division for Firms
Private Companies Practice Section

NANCY C. BELTON

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
**Kern County Water Agency**
Bakersfield, California

We have audited the accompanying balance sheets of **Kern County Water Agency** as of June 30, 2009 and 2008, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States. Those standards require that we plan and perform the audits 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 audits provide 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 **Kern County Water Agency** as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2010 on our consideration of the **Kern County Water Agency's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

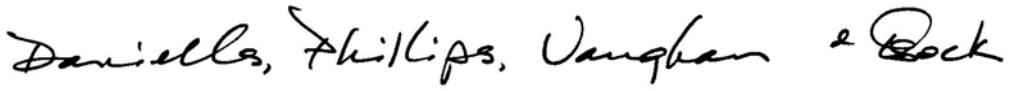
The management's discussion and analysis as listed in the accompanying table of contents is not a required part of the Agency's basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



300 New Stine Road Bakersfield, CA 93309 Tel. 661.834.7411 Fax 661.834.4839 www.dpvb.com

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the **Kern County Water Agency's** basic financial statements. The combining financial statements and schedule of functional expenses, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we express no opinion on it.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Kern County Water Agency. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Bakersfield, California
March 24, 2010

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Governmental Accounting Standards Board (GASB) has recently issued an accounting standard referred to as GASB Statement Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB Statement Number 34 establishes financial reporting standards for state and local governments, including states, cities, villages and special purpose governments such as school districts and public utilities. This section of the Kern County Water Agency Comprehensive Annual Financial Report presents management's discussion and analysis of the Agency's financial performance during the Fiscal Years ended June 30, 2009 and 2008. Please read it in conjunction with the Transmittal Letter at the front of this report and the Agency's financial statements, which follows this section.

## FINANCIAL HIGHLIGHTS

In the Fiscal Years ended June 30, 2009 and 2008, the Agency's total assets were $435.9 and $417.6 million, respectively. Current and Other Assets totaled $161.1 million at June 30, 2009 and $222.2 million at June 30, 2008. Capital Assets increased to a total of $274.8 million due to the Improvement District No 4 and Cross Valley Canal expansion projects. Current Liabilities totaled $63.0 and $57.3 million as of June 30, 2009 and 2008, respectively. Noncurrent liabilities equaled $146.3 and $148.7 million at June 30, 2009 and 2008, respectively.

### Kern County Water Agency's Net Assets
(in millions)

| | June 30, 2009 | June 30, 2008 |
|---|---|---|
| Current and Other Assets | $ 161.1 | $ 222.2 |
| Capital Assets (Net of Depreciation) | 274.8 | 195.4 |
| **Total Assets** | **$ 435.9** | **$ 417.6** |
| Current Liabilities | $ 63.0 | $ 57.3 |
| Noncurrent Liabilities | 146.3 | 148.7 |
| **Total Liabilities** | **209.3** | **206.0** |
| Invested in Capital Assets, Net of Related Debt | 200.5 | 124.5 |
| Restricted | 0.4 | 8.3 |
| Unrestricted | 25.7 | 78.8 |
| **Total Net Assets** | **226.6** | **211.6** |
| **Total Liabilities and Net Assets** | **$ 435.9** | **$ 417.6** |

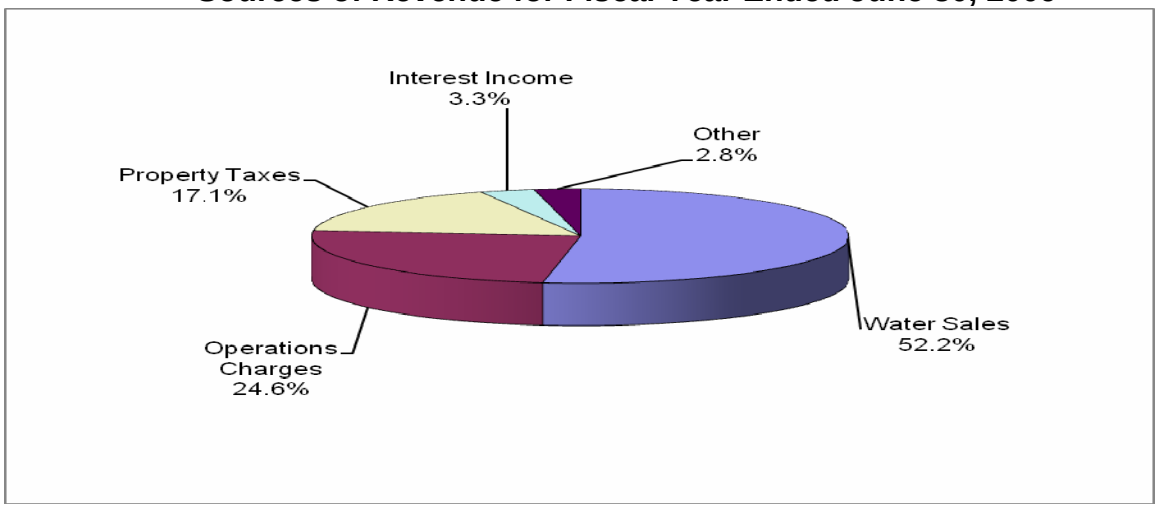
Total revenues as reported on the Statement of Revenues, Expenses and Changes in Net Assets for Fiscal Years ended June 30, 2009 and 2008, were $144.4 and $200.7 million which includes total operating revenues of $111.0 and $130.0 million and non-operating revenues of $33.4 and $70.7 million, respectively, which includes taxes and interest income.

Total operating and non-operating expenses for Fiscal Years ended June 30, 2009 and 2008 were $129.4 and $124.8 million, respectively (includes non-operating expenses, interest and other expenditures). Operating costs were $125.7 and $123.3 million including depreciation expenses of $2.7 and $2.3 million, and non-operating expenses were $3.8 and $1.5 million, for the Fiscal Years ended June 30, 2009 and 2008, respectively.

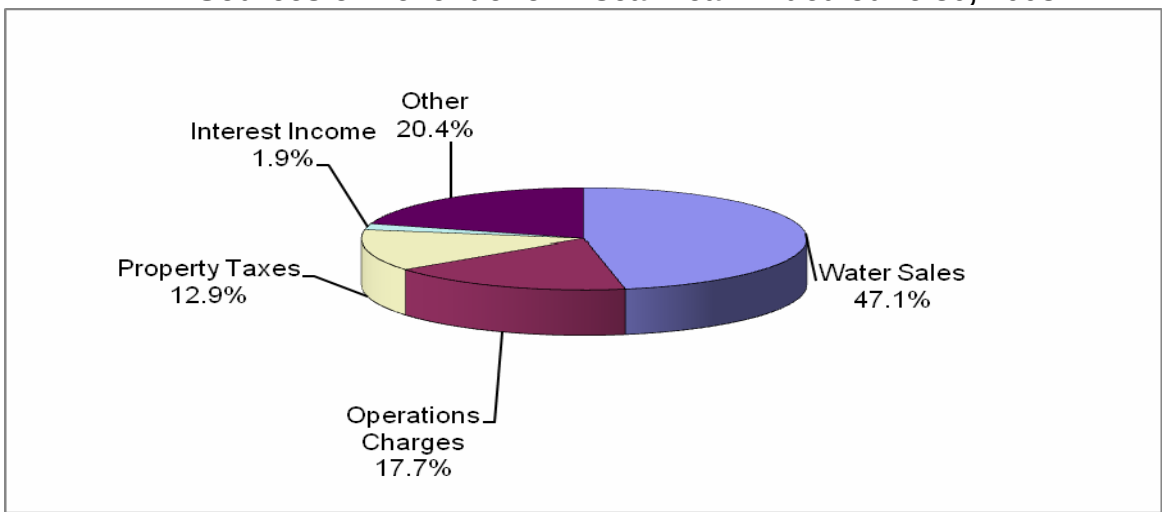
## Kern County Water Agency's Increase in Net Assets
(in millions)

| | June 30, 2009 | June 30, 2008 |
|---|---|---|
| Operating Revenues | $ 111.0 | $ 130.0 |
| Operating Expenses | 125.7 | 123.3 |
| **Operating Income (Loss)** | **$ (14.7)** | **$ 6.7** |
| Non-operating Revenues | $ 33.4 | $ 70.7 |
| Non-operating Expenses | 3.8 | 1.5 |
| **Non-operating Income (Loss)** | **$ 29.6** | **$ 69.2** |
| **Increase in Net Assets** | **$ 14.9** | **$ 75.9** |

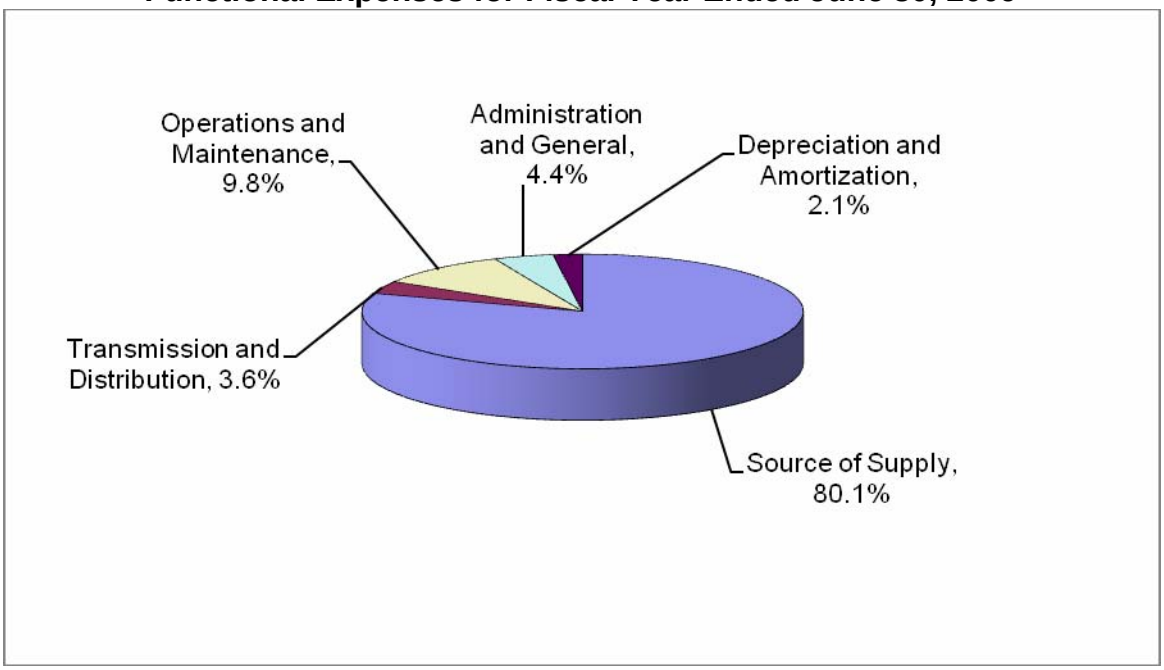
### Sources of Revenue for Fiscal Year Ended June 30, 2009



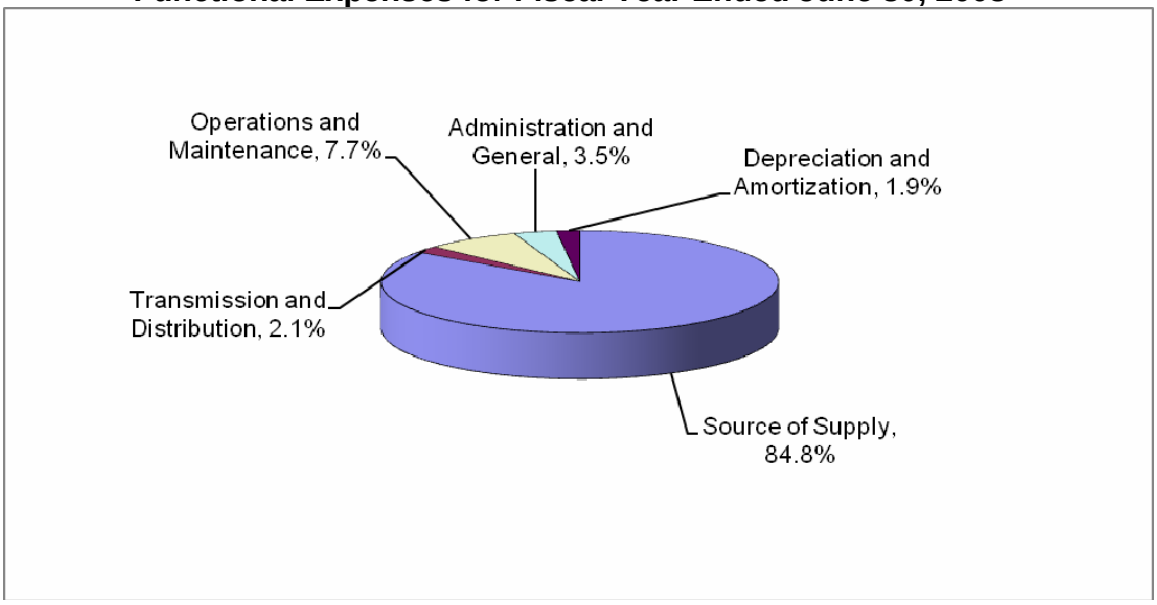

### Sources of Revenue for Fiscal Year Ended June 30, 2008



**Functional Expenses for Fiscal Year Ended June 30, 2009**




**Functional Expenses for Fiscal Year Ended June 30, 2008**



## CAPITAL ASSETS AND CAPITAL IMPROVEMENT PROGRAM

The Agency's Fiscal Year 2008-2009 capital assets were $315.7 million net of $40.9 million accumulated depreciation for a net book value of $274.8 million. Included in the total reported on the Statements of Net Assets is $193.0 million in construction in progress reflecting capital projects in various stages of completion.

The Agency's Fiscal Year 2007-2008 capital assets were $233.8 million net of $38.4 million accumulated depreciation for a net book value of $195.4 million. Included in the total reported on the Statements of Net Assets is $122.1 million in construction in progress reflecting capital projects in various stages of completion.

The Agency has developed principles of agreement for implementation of an $83 million infrastructure improvement program funded in part through revenues made available under Proposition 13. The program includes several projects that would create additional infrastructure and improve existing infrastructure to allow for more effective water supply management within Kern County. Projects contained in the program include: expansion of the Cross Valley Canal, an intertie between the Cross Valley Canal and the Friant-Kern Canal and pump-back facilities on the Friant-Kern Canal.

## LONG-TERM DEBT

For the fiscal years ended June 30, 2009 and 2008, the Agency had approximately $149.2 and $151.5 million, respectively, in bonds, notes and certificates of participations outstanding, a decrease of $2.3 million from last year. More detailed information about the Agency's long-term debt is presented in Notes 6 and 7 to the Basic Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Agency relies on property taxes for the largest portion of its budget. Due to the State of California's budget short-fall, the State has implemented an additional 2 year program of Educational Revenue Augmentation Fund (ERAF) in fiscal years 2004-05 and 2005-06. The ERAF was established as part of the reallocation of property taxes mandated in Fiscal years 1992-93 and 1993-94 by the State during the State's last budget crisis. Property taxes were reallocated from counties, cities, and special districts to school districts via the ERAF, based on formulas contained in Revenue and Taxation Code Sections 97.2 and 97.3, thereby reducing State General Fund allocations to school districts. These reallocations were made a permanent part of the tax allocation process. The tax shifts legislated for 1992-93 and 1993-94 are now referred to as ERAF I and ERAF II. Legislation for 2004-05 created new tax shifts referred to as ERAF III. ERAF I and II affected the Agency by reallocating approximately 10% of the Agency's property tax revenues. ERAF III has reallocated approximately 99% of the Agency's property tax revenues in the fiscal years 2004-05 and 2005-06. Current legislation under ERAF III allows the State to reallocate Agency's property tax revenues, but if a reallocation is made it must be repaid before any further allocation can be made. Due to the State's current budget crisis there is a possibility that the State will reallocate property tax revenues in the future.

The Agency's budget for the 2008-09 does not include any consideration for ERAF III since the fiscal year 2005-06 was the second and final year of the ERAF III legislation. The 2009-10 budget was prepared with the 10% ERAF take considered.

## CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board of Directors, the Agency's Member Units, taxpayers, creditors and investors with a general overview of the Kern County Water Agency's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the Kern County Water Agency's Accounting and Finance Department at 3200 Rio Mirada Drive, Bakersfield, California 93308.

# BASIC FINANCIAL STATEMENTS

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## KERN COUNTY WATER AGENCY

### BALANCE SHEETS
### June 30, 2009 and June 30, 2008

| | 2009 | 2008 |
|---|---|---|
| **ASSETS** | | |
| Current Assets | | |
| Cash and investments (Note 2) | **$ 56,451,828** | $ 104,576,525 |
| Receivables: | | |
| Accounts receivable | **10,302,671** | 14,104,792 |
| Taxes receivable | **363,336** | 598,369 |
| Interest receivable | **721,453** | 1,260,847 |
| Prepaid Expenses | **1,043,728** | 276,504 |
| Inventories (Note 3) | **6,632,443** | 6,977,806 |
| **Total current assets** | **75,515,459** | 127,794,843 |
| Restricted cash and investments (Note 2) | **82,250,174** | 91,126,134 |
| Property and equipment (Note 4) | **274,765,782** | 195,379,840 |
| Investment in Kern Water Bank (Note 5) | **3,343,691** | 3,343,691 |
| **Total assets** | **$ 435,875,106** | $ 417,644,508 |
| **LIABILITIES AND NET ASSETS** | | |
| Current Liabilities | | |
| Current portion of long-term debt (Note 6) | **$ 2,923,921** | $ 2,778,897 |
| Accounts payable | **16,705,852** | 8,047,526 |
| Accrued expenses | **11,371,470** | 12,418,703 |
| Deferred revenue | **32,020,683** | 34,069,349 |
| **Total current liabilities** | **63,021,926** | 57,314,475 |
| Long-term Debt (Note 6) | **146,293,814** | 148,719,835 |
| Net Assets | | |
| Invested in capital assets, net of related debt | **200,471,137** | 124,515,487 |
| Restricted for State Water Contract | **348,176** | 8,324,017 |
| Unrestricted | **25,740,053** | 78,770,694 |
| **Total net assets** | **226,559,366** | 211,610,198 |
| **Total liabilities and net assets** | **$ 435,875,106** | $ 417,644,508 |

See Notes to Financial Statements.

## KERN COUNTY WATER AGENCY

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
### Years Ended June 30, 2009 and June 30, 2008

| | 2009 | 2008 |
|---|---|---|
| Operating Revenue | | |
| Charges for untreated water | **$ 66,007,310** | $ 86,631,809 |
| Charges for treated water | **6,324,048** | 4,798,099 |
| Ground water charges | **3,126,142** | 3,058,536 |
| Charges for operations and maintenance | **12,095,001** | 13,138,463 |
| Charges for power | **9,127,053** | 6,533,684 |
| Exchange and conveyance fees | **769,349** | 560,373 |
| Other user charges | **1,530,605** | 631,016 |
| Refunds and credits | **7,379,866** | 4,880,398 |
| Reimbursements | **4,596,143** | 9,745,331 |
| | **110,955,517** | 129,977,709 |
| Operating Expenses | | |
| Source of supply | **100,722,501** | 104,543,567 |
| Transmission and distribution | **4,506,420** | 2,580,431 |
| Operations and maintenance | **12,246,183** | 9,513,348 |
| Administration and general | **5,501,264** | 4,322,793 |
| Depreciation | **2,684,585** | 2,338,586 |
| | **125,660,953** | 123,298,725 |
| **Operating income (loss)** | **(14,705,436)** | 6,678,984 |
| Non-operating Revenues (Expenses) | | |
| Property taxes: | | |
| General purpose distribution | **5,978,693** | 5,918,499 |
| Voter approved | **18,767,592** | 19,956,649 |
| Grant income | **2,760,297** | 15,189,724 |
| Cost sharing income | **366,750** | 24,241,855 |
| Interest income | **4,697,164** | 3,921,629 |
| Gain on sale of assets | **2,140** | 6,984 |
| County collection charges | **(136,101)** | (117,797) |
| Interest expense | **(3,634,120)** | (1,341,867) |
| Other | **852,191** | 1,421,332 |
| | **29,654,606** | 69,197,008 |
| Change in net assets | **14,949,170** | 75,875,992 |
| Net assets, beginning | **211,610,196** | 135,734,204 |
| Net assets, ending | **$ 226,559,366** | $ 211,610,196 |

See Notes to Financial Statements.

## KERN COUNTY WATER AGENCY

### STATEMENTS OF CASH FLOWS
### Years Ended June 30, 2009 and June 30, 2008

| | 2009 | 2008 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| Receipts from users | **$ 112,708,971** | $ 121,541,119 |
| Source of supply purchases | **(100,377,138)** | (104,290,516) |
| Payments for administration services | **(6,268,488)** | (3,416,334) |
| Payments for suppliers for goods and services | **(9,141,509)** | (15,069,928) |
| **Net cash (used in) operating activities** | **(3,078,164)** | (1,235,659) |
| **Cash Flows From Investing Activities** | | |
| Purchases of property and equipment | **(81,961,260)** | (81,687,825) |
| Proceeds from sale of property and equipment | **4,078** | 6,984 |
| Interest received | **5,236,557** | 3,442,780 |
| **Net cash (used in) investing activities** | **(76,720,625)** | (78,238,061) |
| **Cash Flows From Financing Activities** | | |
| Outstanding checks in excess of bank balance | **-** | (8,144,372) |
| Principal (payments) on long term-debt | **(2,845,786)** | (974,950) |
| Proceeds from long-term debt, net of costs of issuance | **497,899** | 120,599,422 |
| Receipt of cost sharing income | **366,750** | 24,241,855 |
| Receipt of grant income | **2,760,297** | 13,670,752 |
| Proceeds for property taxes | **24,981,317** | 25,472,896 |
| Interest payments, net of capitalized interest of $4,127,399 2009; $1,175,621 2008 | **(3,637,309)** | (260,165) |
| Other non-operating income | **674,964** | 1,733,817 |
| (Increase) decrease in restricted cash and investments | **8,875,960** | (59,555,163) |
| **Net cash provided by financing activities** | **31,674,092** | 116,784,092 |
| **Net increase (decrease) in cash and investments** | **(48,124,697)** | 37,310,372 |
| Cash and investments | | |
| Beginning | **104,576,525** | 67,266,153 |
| Ending | **$ 56,451,828** | $ 104,576,525 |

See Notes to Financial Statements.

| | 2009 | 2008 |
|---|---|---|
| **Reconciliation of operating income (loss) to net cash (used in) operating activities** | | |
| Operating income (loss) | **$ (14,705,436)** | $ 6,678,984 |
| Adjustments to reconcile operating income (loss) to net cash (used in) operating activities: | | |
| Depreciation | **2,684,585** | 2,338,586 |
| Changes in working capital components: | | |
| Decrease (increase) in: | | |
| Accounts receivable | **3,802,121** | (5,104,479) |
| Prepaid expenses | **(767,224)** | 906,458 |
| Inventories | **345,363** | 253,051 |
| Increase (decrease) in: | | |
| Accounts payable | **8,658,326** | (3,977,211) |
| Accrued expenses | **(1,047,233)** | 1,001,064 |
| Deferred revenue | **(2,048,666)** | (3,332,112) |
| **Net cash (used in) operating activities** | **$ (3,078,164)** | $ (1,235,659) |

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Nature of Agency*

Kern County Water Agency (the Agency) was established July 6, 1961 under the provisions of the Kern County Water Agency Act. The Agency is a completely separate and autonomous body from the County of Kern, except for the fact that the County Board of Supervisors must approve the Agency's annual budget. The budget must be approved or disapproved as a total package. The County has no responsibility or authority to change line items within the budget or express authority for budget overages. Accounting policies of the Agency conform to generally accepted accounting principles applicable to state and local governments.

The Agency operates under a Board of Directors/Manager form of government and provides the following services as authorized by its charter: Acquiring water supplies for its Member Units, authorizing the acquisition of property and works to carry out the purpose of the Agency, authorizing the incurrence of indebtedness, providing for the issuance of bonds, providing for the levy and collection of taxes for the payment of such indebtedness, and providing for its organization, operation and management. The Agency's Directors are elected to four year terms by the population of Kern County in its general election held in even numbered years.

A summary of the Agency's significant accounting policies follows:

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates with respect to the Agency's financial statements include amounts receivable from the State of California with respect to various contracts.

*Reporting Entity*

The criteria used in determining what accounting entities, agencies, commissions and authorities are part of the Agency's operations include how the budget is adopted, whether debt is secured by general obligation of the Agency, the Agency's duty to cover any deficits that may occur, and supervision over the accounting functions. There are no other agencies, organizations or activities meeting any of the above criteria that are excluded from the Agency reporting entity.

*Basis of Presentation*

The Agency accounts for its operations as an enterprise fund, and the accompanying basic financial statements reflect the flow of economic resources measurement focus and the full accrual basis of accounting in conformity with the Uniform System of Accounts for Special Districts as prescribed by the Controller of the State of California. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Agency’s principal ongoing operations. The principal operating revenues of the Agency are charges for wholesale water sales to purveyors within the Agency. Operating expenses of the Agency include cost of sales, administrative expenses, depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Under GASB 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", enterprise funds, such as the Agency, have the option of consistently following or not following pronouncements issued by the Financial Accounting Standards Board (FASB) subsequent to November 30, 1989. The Agency has elected not to follow FASB standards issued after that date, unless such standards are specifically adopted by the Governmental Accounting Standards Board (GASB).

*Cash and Short-Term Investments*

The Agency has adopted GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In accordance with GASB No. 31, investments consisting of short-term cash equivalents, are reported at their fair value and all changes in fair value are reflected in income of the period in which they occur. In addition, all interest income generated from investment pools are allocated to all funds based on the cash balance within each fund. See Note 2 for further information on cash and short-term investments.

*Restricted Cash*

These assets consist of cash and investments restricted by various funds for specific purposes. See Note 2 for a detail listing of the restricted cash amounts.

*Inventories*

Inventories are stated at cost, not to exceed market value, using the first-in/first-out method. Banked water inventory is calculated using actual cost per acre-foot, not to exceed market value. Other inventory items held for consumption consist of the cost of chemicals on hand for water treatment.

*Property and Equipment*

Property and equipment is stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|---|---|
| Structures | 40 years |
| Improvements | 15 to 40 years |
| Equipment | 7 years |
| Wells | 20 years |

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

*Deferred revenue*

Deferred revenue is primarily the result of advance billings during the last month of the fiscal year for water or services to be provided subsequent to year-end.

*Long-Term Obligations*

Long-term debt is recognized as a liability when incurred. Bonds payable represent general obligations of Improvement District No. 4 (Urban Bakersfield). The Board of Directors of the Agency is obligated to levy ad valorem taxes for payment of bond principal and interest on all taxable property, exclusive of mineral rights, within the boundaries of Improvement District No. 4, subject to taxation by the Agency without limitation of rate or amount.

Although the bonds are general obligations, it is the intention of the Agency to pay the bond service from a combination of revenue sources, which include ad valorem taxes, water sales and a pump tax generated within Improvement District No. 4.

*Net Assets/Fund Equity*

The basic financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets* - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Assets* - This category represents net assets of the Agency, not restricted for any project or other purpose.

*Compensated Absences*

Compensated absences represent the vested portion of accumulated vacation and disability pay and are presented as a component of fringe benefits in the financial statements.

The Agency accrues a liability for compensated absences which meet the following criteria:

- The Agency's obligation relating to employees' rights to receive compensation for future absences is attributed to employees' services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

In accordance with the above criteria, expenditures for vacation and vested sick leave benefits are recognized when earned and expensed as salaries in the year earned.

*Property Taxes*

The County of Kern bills and collects the taxes on behalf of the Agency. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable to the County in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. Tax revenues are recognized by the Agency when they are both measurable and available.

*Budgets and Budgetary Accounting*

Annually, the Agency produces a budget for the forthcoming year which details ongoing and future Agency activities. The procedures established to develop a final budget are as follows:

By May's regular board meeting each year, the Business Manager prepares a preliminary budget based upon the Agency's goals and objectives for the coming fiscal year. The operating budget includes proposed expenditures and the means of financing them for the year, along with estimates for the current year and actual financial data for the two preceding years. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/cost center level.

The budget is then reviewed by the Agency's Board Administrative Committee before the May board meeting. A public hearing is opened at the May board meeting to receive public comments, in accordance with the requirements of Section 7.6 of the Agency Act. The public hearing is closed and the budget is adopted (with any changes) on or before the June board meeting. The adopted budget is then sent to the County by August 1.

In August, as part of the public hearings on the Kern County budget, the Kern County Board of Supervisors holds a public hearing on the Agency's budget. The Board of Supervisors officially adopts the Agency budget thereafter.

While formal budgetary integration is employed as a management control device during the year, there is no appropriated budget controls which would require the Agency to get formal County or Board approval for budgetary line item changes.

*Reclassifications*

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 presentation, with no effect on the change in net assets.

## NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

| | 2009 | 2008 |
|---|---|---|
| Cash and investments: | | |
| Cash in bank and on hand | $ 171,741 | $ 3,314,918 |
| Cash in Local Agency Investment Fund | 10,541,244 | 10,873,082 |
| Investments in County Treasury | 45,738,843 | 90,388,525 |
| | 56,451,828 | 104,576,525 |
| Restricted cash and investments: | | |
| Cash in bank and on hand | 4,000,559 | 4,160,928 |
| Cash with fiscal agent-Notes payable | 463,272 | 435,501 |
| Cash with fiscal agent-2008 Bonds | 74,880,064 | 80,591,355 |
| Ag rate management trust | 27,218 | 2,542,833 |
| Investments | 2,879,061 | 3,395,517 |
| | 82,250,174 | 91,126,134 |
| Total cash and investments | $ 138,702,002 | $ 195,702,659 |

Deposits are carried at cost plus accrued interest. The bank balances that are not covered by depository insurance are detailed as follows:

| | 2009 | 2008 |
|---|---|---|
| Uninsured, collateral held by Agency's agent in Agency's name | $ 13,520,657 | $ 14,280,208 |

For all cash on hand and on deposit at June 30, 2009 and 2008 amortized cost approximates fair market value.

**Investments Authorized by the California Government Code and the Agency's Investment Policy**

The table below identifies the *investment types* that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or Agency's investment policy, where more restrictive) that address *interest rate risk, credit risk,* and *custodial or credit risk.*

| Authorized Investment Type | Maximum Maturity | Maximum Percentage Of Portfolio | Maximum Investment In One Issuer |
|---|---|---|---|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptances | 180 days | None | None |
| Commerical Paper | 270 days | None | None |
| Negotiable Certificates of Deposit | 5 years | None | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | None | None |
| Medium Term Notes | 5 years | None | None |
| Mutual Funds | N/A | None | None |
| Money Market Mutual Funds | N/A | None | None |
| Mortgage Pass- Through Securites | 8 years | None | None |
| County Pooled Investment Funds | N/A | None | None |
| Local Agency Investment (LAIF) | N/A | None | None |

**Disclosures Relating to Interest Rate**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. All Agency investments are considered short-term investments with maturities of 12 months or less.

**Disclosures Relating to Credit Risk**

Generally credit risk is the risk that an issuer of an investment will fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency is required to disclose the rating for all investments. Cash invested in the Local Agency Investment Fund (LAIF) and the Kern County Treasury are considered "exempt from disclosure" under GASB No. 40. The investments held in cash with fiscal agent are federal treasury obligations and rated AAA at June 30, 2009 and 2008.

**Custodial Credit Risk**

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

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the Agency's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

*Investments in State Investment Pool*

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to be the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

## NOTE 3 – INVENTORIES

Inventories consist of the following:

| | 2009 | 2008 |
|---|---|---|
| Improvement District No. 4: | | |
| Chemicals | $ 48,387 | $ 61,997 |
| Banked water | 3,052,313 | 3,384,066 |
| Total Improvement District No. 4 | 3,100,700 | 3,446,063 |
| | | |
| Ground Water Banking: | | |
| Banked water | 3,531,743 | 3,531,743 |
| Total Inventory | $ 6,632,443 | $ 6,977,806 |

Ground Water Banking banked water inventory consists of 134,134 acre-feet at $3,531,743. There were no changes in Ground Water Banking banked water inventory for the years ended June 30, 2009 or 2008.

Changes in banked water inventory for Improvement District No. 4 were as follows:

| | Acre-Feet | Valuation |
|---|---|---|
| Balance at June 30, 2007 and 2008 | 402,911 | $ 3,384,066 |
| Deletions | (144,330) | (331,753) |
| Balance at June 30, 2009 | 258,581 | $ 3,052,313 |

**NOTE 4 - PROPERTY AND EQUIPMENT**

Capital assets activity for the years ended June 30, 2009 and 2008 was as follows:

| | Balance 7/1/2008 | Additions | Deletions | Transfers | Balance 6/30/2009 |
|---|---|---|---|---|---|
| Land | $ 15,035,540 | $ - | $ - | $ - | $ 15,035,540 |
| Water Rights | 21,302,531 | - | - | - | 21,302,531 |
| Construction in Progress | 122,124,941 | 81,283,949 | - | (10,362,188) | 193,046,702 |
| Subtotal | 158,463,012 | 81,283,949 | - | (10,362,188) | 229,384,773 |
| Structure & Improvements | 58,972,816 | 62,400 | - | 7,585,676 | 66,620,892 |
| Equipment | 6,320,902 | 188,577 | (84,494) | - | 6,424,985 |
| Wells | 10,009,063 | 426,333 | - | 2,776,512 | 13,211,908 |
| Subtotal | 75,302,781 | 677,310 | (84,494) | 10,362,188 | 86,257,785 |
| Accumulated depreciation: | | | | | |
| Structure & Improvements | 33,577,383 | 1,616,919 | - | - | 35,194,302 |
| Equipment | 3,632,983 | 336,301 | (82,554) | - | 3,886,730 |
| Wells | 1,175,587 | 620,157 | - | - | 1,795,744 |
| Subtotal | 38,385,953 | 2,573,377 | (82,554) | - | 40,876,776 |
| Net Depreciable Capital Assets | 36,916,828 | (1,896,067) | (1,940) | 10,362,188 | 45,381,009 |
| Total Capital Assets | $ 195,379,840 | $ 79,387,882 | $ (1,940) | $ - | $ 274,765,782 |

| | Balance 7/1/2007 | Additions | Deletions | Transfers | Balance 6/30/2008 |
|---|---|---|---|---|---|
| Land | $ 15,035,540 | $ - | $ - | $ - | $ 15,035,540 |
| Water Rights | 19,797,647 | - | - | 1,504,884 | 21,302,531 |
| Construction in Progress | 44,886,110 | 81,193,000 | - | (3,954,169) | 122,124,941 |
| Subtotal | 79,719,297 | 81,193,000 | - | (2,449,285) | 158,463,012 |
| Structure & Improvements | 56,523,531 | - | - | 2,449,285 | 58,972,816 |
| Equipment | 6,126,787 | 337,826 | (143,711) | - | 6,320,902 |
| Wells | 9,852,063 | 157,000 | - | - | 10,009,063 |
| Subtotal | 72,502,381 | 494,826 | (143,711) | 2,449,285 | 75,302,781 |
| Accumulated depreciation: | | | | | |
| Structure & Improvements | 32,102,827 | 1,474,556 | - | - | 33,577,383 |
| Equipment | 3,372,501 | 404,193 | (143,711) | - | 3,632,983 |
| Wells | 753,167 | 422,420 | - | - | 1,175,587 |
| Subtotal | 36,228,495 | 2,301,169 | (143,711) | - | 38,385,953 |
| Net Depreciable Capital Assets | 36,273,886 | (1,806,343) | - | 2,449,285 | 36,916,828 |
| Total Capital Assets | $ 115,993,183 | $ 79,386,657 | $ - | $ - | $195,379,840 |

**NOTE 5 - INVESTMENT IN KERN WATER BANK**

In December 1995, negotiations between the California Department of Water Resources (DWR) and its State Water Project ("SWP") contractors resulted in the development of a set of management principles referred to as the "Monterey Agreement" (the final set of principles was completed in Monterey, California). The Monterey Agreement clarifies and proposes amending the water supply contracts with respect to the allocation of shortages of available water supplies from the SWP.

Other provisions of the Monterey Agreement include the transfer of the Kern Water Bank property to agricultural contractors in exchange for a permanent reduction of entitlement of 45,000 acre-feet per year, the use of contractor funds (collected by DWR) for rate management, the facilitation for agricultural contractors to transfer 130,000 acre-feet of annual entitlement to urban contractors on a willing-buyer/willing-seller basis, and greater flexibility for contractors to store or sell SWP water or to transport non-SWP water in DWR facilities as capacity is available.

The Kern Water Bank project is administered by a Joint Powers Authority. The contractors who are relinquishing 45,000 acre-feet of annual entitlement (referred to as the Kern Water Bank Authority) in exchange for the Kern Water Bank property and their respective shares in the project are as follows:

| | | | |
|---|---|---|---|
| Westside Mutual Water Co. | 21,625 | acre feet | 48.06% |
| Wheeler Ridge-Maricopa WSD | 10,815 | acre feet | 24.03% |
| KCWA for Improvement District No. 4 | 4,330 | acre feet | 9.62% |
| Dudley-Ridge Water District | 4,330 | acre feet | 9.62% |
| Semitropic ID | 3,000 | acre feet | 6.67% |
| Tejon-Castaic Water District | 900 | acre feet | 2.00% |
| | 45,000 | acre feet | 100.00% |

The Agency's Improvement District No. 4 investment in the Kern Water Bank of $3,343,691 at June 30, 2009 and 2008, represents its share of amounts paid to or on behalf of the Kern Water Bank Authority for the construction of the Kern Water Bank project.

## NOTE 6 - LONG-TERM DEBT

The following is a summary of the long-term debt activity for the years ended June 30, 2009 and 2008:

| | Balance 7/1/2008 | Additions | Deletions | Balance 6/30/2009 | Amount Due in One Year |
|---|---|---|---|---|---|
| Certificates of Participation: | | | | | |
| 2006 Certificates of Participation | $ 26,530,000 | $ - | $ 650,000 | $ 25,880,000 | $ 670,000 |
| Discount on COPs - 2006 | (18,039) | - | (648) | (17,391) | (648) |
| Costs of issuance - 2006 | (625,998) | - | (22,491) | (603,507) | (22,491) |
| 2008 Certificates of Participation | 120,920,000 | - | 1,830,000 | 119,090,000 | 1,930,000 |
| Premium on COPs - 2008 | 1,350,840 | - | 45,280 | 1,305,560 | 45,280 |
| Costs of issuance - 2008 | (2,656,068) | - | (89,030) | (2,567,038) | (89,030) |
| | 145,500,735 | - | 2,413,111 | 143,087,624 | 2,533,111 |
| Notes Payable: | | | | | |
| California Dept. of Water Resources - KCWA/BMWD | 1,473,642 | - | 135,430 | 1,338,212 | 139,632 |
| California Dept. of Water Resources - Pioneer Project | 3,532,415 | - | 230,356 | 3,302,059 | 236,422 |
| California Dept. of Water Resources SRF-ID4 Operations | 991,941 | 497,899 | - | 1,489,840 | 14,756 |
| | $ 151,498,733 | $ 497,899 | $ 2,778,897 | $ 149,217,735 | $ 2,923,921 |

| | Balance 7/1/2007 | Additions | Deletions | Balance 6/30/2008 | Amount Due in One Year |
|---|---|---|---|---|---|
| Certificates of Participation | | | | | |
| 2006 Certificates of Participation | $ 27,150,000 | $ - | $ 620,000 | $ 26,530,000 | $ 650,000 |
| Discount on COPs - 2006 | (18,687) | - | 648 | (18,039) | (648) |
| Costs of issuance - 2006 | (648,489) | - | 22,491 | (625,998) | (22,491) |
| 2008 Certificates of Participation | - | 120,920,000 | - | 120,920,000 | 1,830,000 |
| Premium on COPs - 2008 | - | 1,358,386 | (7,546) | 1,350,840 | 45,280 |
| Costs of issuance - 2008 | - | (2,670,906) | 14,838 | (2,656,068) | (89,031) |
| | 26,482,824 | 119,607,480 | 650,431 | 145,500,735 | 2,413,110 |
| Notes Payable: | | | | | |
| California Dept. of Water Resources - KCWA/BMWD | 1,604,719 | - | 131,077 | 1,473,642 | 135,430 |
| California Dept. of Water Resources - Pioneer Project | 3,756,288 | - | 223,873 | 3,532,415 | 230,357 |
| California Dept. of Water Resources SRF-ID4 Operations | - | 991,941 | - | 991,941 | - |
| | $ 31,843,831 | $ 120,599,421 | $ 1,005,381 | $ 151,498,733 | $ 2,778,897 |

Total interest expense incurred during the years ended June 30, 2009 and 2008 was $7,761,519 and $2,517,488, respectively, of which $4,127,399 and $1,175,621, respectively, was capitalized as part of construction in progress.

**NOTE 7 - CERTIFICATES OF PARTICIPATION AND NOTES PAYABLE**

In April 2006**,** the Agency issued $17,150,000 2006 A Water Revenue Certificates of Participation and $10,550,000 2006 B Water Revenue Certificates of Participation, to provide funding for the expansion of the Agency's Henry C. Garnett Water Purification Plant.

The 2006 A series certificates have an interest rate of 5.85% and the 2006 B series certificates have an interest rate range of 4.00% to 4.60%. Under the terms of the agreement, the Agency is responsible for interest payments on May 1 and November 1 of each year. The Agency is responsible for principal payments once per year. The annual principal and interest requirements for retirement of the certificates of participation are as follows:

| Year Ending June 30, | Interest | Principal | Total Debt Service |
|---|---|---|---|
| 2006 A Series: | | | |
| 2010 | $ 670,686 | $ 515,000 | $ 1,185,686 |
| 2011 | 648,798 | 535,000 | 1,183,798 |
| 2012 | 627,398 | 560,000 | 1,187,398 |
| 2013 | 604,999 | 580,000 | 1,184,999 |
| 2014 | 581,799 | 605,000 | 1,186,799 |
| 2015-2019 | 2,525,795 | 3,405,000 | 5,930,795 |
| 2020-2024 | 1,831,032 | 2,790,000 | 4,621,032 |
| 2025-2029 | 1,329,162 | 2,390,000 | 3,719,162 |
| 2030-2034 | 741,215 | 2,980,000 | 3,721,215 |
| 2035-2036 | 96,600 | 1,390,000 | 1,486,600 |
| | 9,657,484 | 15,750,000 | 25,407,484 |
| 2006 B Series: | | | |
| 2010 | 592,605 | 155,000 | 747,605 |
| 2011 | 583,538 | 170,000 | 753,538 |
| 2012 | 573,593 | 175,000 | 748,593 |
| 2013 | 563,355 | 195,000 | 758,355 |
| 2014 | 551,948 | 205,000 | 756,948 |
| 2015-2019 | 2,566,104 | 1,210,000 | 3,776,104 |
| 2020-2024 | 2,168,303 | 1,610,000 | 3,778,303 |
| 2025-2029 | 1,638,000 | 2,150,000 | 3,788,000 |
| 2030-2034 | 929,273 | 2,870,000 | 3,799,273 |
| 2035-2036 | 123,138 | 1,390,000 | 1,513,138 |
| | 10,289,857 | 10,130,000 | 20,419,857 |
| Total 2006 COP's | $ 19,947,341 | $ 25,880,000 | $ 45,827,341 |

In May 2008**,** the Agency issued $84,365,000 2008 A Water Revenue Certificates of Participation and $36,555,000 2008 B Water Revenue Certificates of Participation, to provide funding for the expansion of the Agency's Cross Valley Canal.

The 2008 A series certificates have an interest rate range of 3% to 5% and the 2008 B series certificates have an interest rate range of 4.838% to 6.649%. Under the terms of the agreement, the Agency is responsible for interest payments on May 1 and November 1 of each year. The Agency is responsible for principal payments once per year. The annual principal and interest requirements for retirement of the certificates of participation are as follows:

| Year Ending June 30, | Interest | Principal | Total Debt Service |
|---|---|---|---|
| 2008 A Series: | | | |
| 2010 | $ 3,993,400 | $ 1,445,000 | $ 5,438,400 |
| 2011 | 3,935,600 | 1,495,000 | 5,430,600 |
| 2012 | 3,875,800 | 1,560,000 | 5,435,800 |
| 2013 | 3,813,400 | 1,620,000 | 5,433,400 |
| 2014 | 3,748,600 | 1,680,000 | 5,428,600 |
| 2015-2019 | 17,604,400 | 9,555,000 | 27,159,400 |
| 2020-2024 | 15,280,750 | 11,865,000 | 27,145,750 |
| 2025-2029 | 12,000,500 | 15,170,000 | 27,170,500 |
| 2030-2034 | 7,810,250 | 19,340,000 | 27,150,250 |
| 2035-2038 | 2,465,750 | 19,260,000 | 21,725,750 |
| | 74,528,450 | 82,990,000 | 157,518,450 |
| 2008 B Series: | | | |
| 2010 | 2,335,988 | 485,000 | 2,820,988 |
| 2011 | 2,312,523 | 510,000 | 2,822,523 |
| 2012 | 2,287,849 | 535,000 | 2,822,849 |
| 2013 | 2,261,966 | 560,000 | 2,821,966 |
| 2014 | 2,234,873 | 585,000 | 2,819,873 |
| 2015-2019 | 10,619,384 | 3,485,000 | 14,104,384 |
| 2020-2024 | 9,363,454 | 4,745,000 | 14,108,454 |
| 2025-2029 | 7,562,240 | 6,540,000 | 14,102,240 |
| 2030-2034 | 5,078,839 | 9,025,000 | 14,103,839 |
| 2035-2038 | 1,652,277 | 9,630,000 | 11,282,277 |
| | 45,709,393 | 36,100,000 | 81,809,393 |
| Total 2008 COP's | $ 120,237,843 | $ 119,090,000 | $ 239,327,843 |

*Advance Refunding*

In April 2006, the Agency defeased its 2000 Certificates of Participation by placing $5,345,000 of the proceeds of the 2006 Certificates of Participation in an irrevocable trust to provide for all future debt service payments on the old certificates of participation. Accordingly, the trust's assets and liability for the 2000 certificates of participation are not included in the Agency's financial statements. At June 30, 2009 and 2008, $4,487,814 and $4,828,965, respectively, remains in the trust for future debt service payments.

*California Department of Water Resources - KCWA/BMWD*

On November 13, 1992, the Agency entered into a contract with the California Department of Water Resources (DWR) to borrow $2,687,000 under the Water Conservation and Water Quality Bond Law of 1986. The loan proceeds were used for developing recharge facilities on land owned by Berrenda Mesa Water District. The loan has an interest rate of 3.148% and is payable in semi-annual installments over a period of 20 years. As of June 30, 2009 and 2008, the Agency had borrowings of $1,338,212 and $1,473,642, respectively, against the loan. Under the terms of the agreement, the Agency is responsible for interest and principal payments on April 1 and October 1 of each year. According to the contract, the payments remaining at June 30, 2009 are due as follows:

| Year Ending June 30, | Interest | Principal | Total Debt Service |
|---|---|---|---|
| 2010 | $ 41,040 | $ 139,632 | $ 180,672 |
| 2011 | 36,610 | 144,062 | 180,672 |
| 2012 | 32,103 | 148,570 | 180,673 |
| 2013 | 27,268 | 153,405 | 180,673 |
| 2014 | 22,458 | 158,214 | 180,672 |
| 2015-2018 | 38,027 | 594,329 | 632,356 |
| Total | $ 197,506 | $ 1,338,212 | $ 1,535,718 |

*California Department of Water Resources - Pioneer Project*

On November 18, 1999, the Agency entered into a contract with the California DWR to borrow up to $5 million under the Department's Prop 204 groundwater recharge construction loan program. The loan proceeds were used to construct new groundwater recovery wells and rehabilitate existing wells all located on the Agency's Pioneer property. The loan has an interest rate of 2.7% and is payable in semi-annual installments over a period of 20 years from the Pioneer Project budget. As of June 30, 2009 and 2008, the Agency had borrowings against the loan totaling $3,302,059 and $3,532,415, respectively. The Agency is responsible for interest and principal payments on April 1 and October 1 of each year.

According to the contract, the payments remaining at June 30, 2009 are due as follows:

California Department of Water Resources - Pioneer Project

| Year Ending June 30, | Interest | Principal | Total Debt Service |
|---|---|---|---|
| 2010 | $ 87,576 | $ 236,422 | $ 323,998 |
| 2011 | 81,150 | 242,848 | 323,998 |
| 2012 | 74,699 | 249,300 | 323,999 |
| 2013 | 67,630 | 256,368 | 323,998 |
| 2014 | 60,803 | 263,195 | 323,998 |
| 2015-2019 | 192,747 | 1,427,245 | 1,619,992 |
| 2020-2021 | 21,316 | 626,681 | 647,997 |
| Total | $ 585,921 | $ 3,302,059 | $ 3,887,980 |

*California Department of Water Resources SRF Loan – ID4 Operations*

During fiscal year 2008, the Agency entered into a contract with the California DWR to borrow up to $2,825,780 under the Department's Safe Drinking Water State Revolving Fund loan program. The loan proceeds will be used to construct infrastructure which will enable the Agency to continue to meet safe drinking water standards of the State of California. The loan has an interest rate of 2.39% and is payable in semi-annual installments over a period of 20 years beginning six months from completion of the project, which is expected to be December 31, 2009. Interest payments began January 1, 2009. As of June 30, 2009 and 2008, the Agency had borrowings against the loan totaling $1,489,840 and $991,941, respectively. The Agency is responsible for interest and principal payments on April 1 and October 1 of each year. According to the contract, the payments remaining at June 30, 2009 are due as follows:

California Department of Water Resources - ID4 Operations

| Year Ending June 30, | Interest | Principal | Total Debt Service |
|---|---|---|---|
| 2010 | $ 32,784 | $ 14,756 | $ 47,540 |
| 2011 | 34,897 | 60,183 | 95,080 |
| 2012 | 33,450 | 61,630 | 95,080 |
| 2013 | 31,968 | 63,112 | 95,080 |
| 2014 | 30,451 | 64,629 | 95,080 |
| 2015-2019 | 128,186 | 347,214 | 475,400 |
| 2020-2024 | 84,390 | 391,010 | 475,400 |
| 2025-2029 | 35,071 | 440,327 | 475,398 |
| 2030 | 561 | 46,979 | 47,540 |
| Total | $ 411,758 | $ 1,489,840 | $ 1,901,598 |

## NOTE 8 - RETIREMENT PLANS

*Kern County Employees Retirement Plan*

*Plan Description and Provisions*

All full-time Agency employees are eligible to participate as general members in the Kern County Employees' Retirement Association (KCERA), which is administered by KCERA's Board of Retirement. The Kern County Board of Supervisors established the KCERA under the provisions of the County Employees' Retirement Law of 1937 on January 1, 1945. All permanent employees of the County of Kern and thirteen related agencies are covered by KCERA, which operates as a cost-sharing multi-employer defined benefit plan. It is the responsibility of KCERA to function as an investment and administrative agent for the County with respect to the pension plan.

KCERA became independent from the County's supervision and control as a result of the 1992 passage of Proposition 162, which legally established the independent control of the Board of Retirement. Separate audited financial statements can be obtained from KCERA at 1115 Truxtun Avenue, Bakersfield, California 93301.

Management of the KCERA plan is vested with the Board of Retirement, which consists of nine members and one alternate. The Board of Retirement establishes policy for the operation of the plan, considers applications for disability retirement, recommends contributions on the basis of actuarial valuations and controls investment of assets. Prior to January 1, 1997, the Kern County Treasurer-Tax Collector was responsible for financial reporting and accounting for all investments as required by Government Code Section 31596; thereafter, responsibility for financial reporting and accounting is vested with the Board of Retirement as required by Government Code Section 31596 et seq., as amended. On January 11, 1987, the Board of Retirement authorized the retirement fund to incur an administrative expense and hire an Administrator to serve at the Board's pleasure. The Administrator is responsible for the processing and computing of applications for retirement benefits, refunds, beneficiary allowances, death benefits, reciprocity, and any other duties the Board may assign. The Administrator also acts as Secretary for all Board and Committee meetings and performs other activities as directed by the Board of Retirement. The KCERA provides for retirement, disability, death, beneficiary and cost-of-living benefits.

A member may retire after reaching the age of 50 with 10 years of service; or general members may retire with 30 years of service and safety members may retire with 20 years of service, regardless of age. Members who retire at or after age 50 with 10 or more years of service are entitled to pension benefits for the remainder of their lives. The amount of such monthly benefit is determined as a percentage of their final monthly compensation and is based on age at retirement and the number of years of service. The final monthly compensation is the monthly average of the final 12 months compensation, or, if the member so elects, any other continuous 12 month period in the member's work history. Retiring members may choose from four optional beneficiary retirement allowances. Pension provisions include deferred allowances whereby a member may terminate his or her employment with the County after five or more years of County service. If the member does not withdraw his or her accumulated contributions, the member is entitled to all pension benefits after being vested five years, and upon reaching the age of 50 with 10 or more years of participation in the retirement system. An active member's surviving spouse is entitled to receive death benefits which consist of accumulated contributions plus interest, and one month's salary for each full year of service up to a maximum of six months salary. A member with five years of service, regardless of age, who becomes permanently incapacitated for the performance of duty as a result of injury or disease arising out of and in the course of employment, is eligible for a service connected disability regardless of length of service or age.

All of the Kern County Water Agency's 76 full-time general employees participate in the KCERA. The payroll for employees covered by the KCERA for the years ended June 30, 2009 and 2008 was $6,140,051 and $5,733,005, respectively. The Agency's total payroll for the years ended June 30, 2009 and 2008 was $6,659,349 and $6,178,157, respectively.

| Group | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 52 |
| Vested terminated employees | 7 |
| Active employees: | |
| Fully vested | 50 |
| Non-vested | 26 |

*Basis of Accounting*

KCERA follows the accounting principles and reporting guidelines as set forth in Statement 25 of the Governmental Accounting Standards Board, and AICPA industry audit guide "Audit of Employee Benefit Plans" issued May 1996. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of KCERA. Member and employer contributions are recognized in the period in which the contributions are due, and benefits and refunds are recognized when payable in accordance with the terms of the plan.

*Method Used to Value Investments*

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

*Funding Policy*

The County, Special Districts, and all covered employees make contributions to the plan at rates calculated by an actuary to cover both normal cost and the prior service costs such that any unfunded liability will be funded over an initial 30 year period. In accordance with the County Employees' Retirement Law of 1937, covered employees with less than five years of service are required to pay a percentage of their salaries, depending upon their age at date of entry into the system. The County must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as mandated by state statutes. The County's contribution rates for the year ended June 30, 2009 are based on the Projected Unit Credit Method with the unfunded liability amortized over 25 years.

A schedule of the annual required employer contributions and the percentage contributed for the fiscal years 2006 through 2008 is presented as follows:

| Fiscal Year | Annual Required Contribution | Percentage Contributed |
|---|---|---|
| 6/30/2008 | $137,263,673 | 100% |
| 12/31/2007 | $128,134,672 | 100% |
| 12/31/2006 | $100,734,230 | 100% |

Covered employees are required by KCERA to contribute a percentage of their salaries depending upon their age at date of entry into the system. The Agency is required by KCERA to contribute at actuarially determined rates on an annual basis. A rate of 28.06% and 31.96% of covered employees' payroll was paid by the Agency for the years ended June 30, 2009 and 2008, respectively.

The Agency contribution information is as follows:

| Years Ended June 30, | Total Number of Employees Covered | Current Employee Contributions | Employer Contributions | Annual Covered Payroll | Employee Contributions as a Percentage of Covered Payroll | Employer Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 2009 | 75 | $96,590 | $1,723,050 | $6,140,051 | 1.6% | 28.06% |
| 2008 | 69 | $67,887 | $1,832,269 | $5,733,005 | 1.2% | 31.96% |
| 2007 | 71 | $43,733 | $1,697,489 | $5,013,098 | 0.9% | 33.87% |

*Funding Status*

The amount of the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the funding status of KCERA on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among public employee retirement systems. KCERA does not make separate measurements of assets and pension benefit obligations for individual employers.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 2008. Net assets available to pay pension benefits were valued as of the same date. Economic assumptions were unchanged since the last valuation and included: an 8% investment rate of return, projected salary increases of 4.0% per year, and a 3.5% annual increase in Consumer Price Index. The annual increase in system benefits is capped at 2.5%.

Ten-year historical data showing KCERA's progress in accumulating sufficient assets to pay benefits when due is available from the Association. A three year schedule of the funding progress of the County retirement system is presented as follows (in thousands):

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Overfunded (Underfunded) AAL (a-b) | Funded Ratio (a/b) | Annual Covered Payroll | Unfunded AAL as % of Covered Payroll |
|---|---|---|---|---|---|---|
| 6/30/2008 | $2,654,305 | $3,671,460 | ($1,017,155) | 72.3% | $482,879 | (210.6%) |
| 12/31/2007 | $2,589,817 | $3,355,755 | ($765,938) | 77.2% | $453,412 | (168.9%) |
| 12/31/2006 | $2,352,028 | $3,109,038 | ($757,010) | 75.7% | $417,351 | (181.4%) |

*Deferred Compensation*

The Kern County Water Agency (Agency) provides investment opportunities to all Agency employees through an IRC 457 Deferred Compensation Plan (Plan) to defer a portion of their income, on a pre-tax basis. The Plan provides for two (2) investment providers: Great-West Retirement Services and Lincoln Financial Group. Employee contributions to the Plan are limited to the maximum allowed by law, and investment recordkeeping fees and mutual fund fees are levied directly against each participating employee's account balance.

## NOTE 9 - COMMITMENTS AND CONTINGENCIES

*Litigation*

The County of Kern is involved in litigation regarding protested tax assessments. The contested assessments at June 30, 2009 and 2008 totaled approximately $1,627,000 and $758,000, respectively. In the opinion of legal counsel for the County of Kern, a large majority of the appeals will be withdrawn by the applicant or settled by a stipulation of value, and the County Tax Assessor will prevail in the majority of appeals. Accordingly, liabilities have not been recorded for these amounts.

*Construction Commitments*

The Agency has entered into several construction contracts for its facilities. At June 30, 2009, the total outstanding commitments were $33,824,371.

## NOTE 10 - JOINT VENTURES

The Agency is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) whose members have pooled funds to be self-insured for Liability and Property Insurance. The JPIA was created on July 5, 1979, and has continued without interruption since that time. The Agency has an auto and general liability self-insured retention level of $25,000.

The relationship between the Agency and the JPIA is such that the JPIA is not a component unit of the Agency for financial reporting purposes.

Condensed financial information for JPIA for the year ended September 30, 2008 (the most recent data available) is as follows:

| | |
|---|---|
| Total Assets | $ 117,864,564 |
| Total Liabilities | 79,504,265 |
| Designated Fund Balance | $ 38,360,299 |
| Total Revenues | $ 28,445,936 |
| Total Expenses | 21,611,505 |
| Net Increase in Fund Equity | $ 6,834,431 |

The JPIA had no outstanding debt at September 30, 2008. The Agency's share of year-end assets, liabilities and fund equity has not been computed.

The Agency is a participant in the Kern Water Bank Authority (KWBA) which was established in 1995 after the Kern Water Bank was transferred from the California Department of Water Resources to local ownership. The Agency's percentage of ownership in the KWBA is 9.62% within Improvement District No. 4.

The relationship between the Agency and KWBA is such that the KWBA is not a component unit of the Agency for financial reporting purposes.

Condensed financial information for KWBA for the year ended December 31, 2008 (the most recent data available) is as follows:

| | |
|---|---|
| Total Assets | $ 71,037,601 |
| Total Liabilities | (35,139,506) |
| Total Contributed Capital | (31,520,602) |
| | $ 4,377,493 |
| | |
| Total Revenues | $ 15,309,031 |
| Total Expenses | 14,111,673 |
| Increase in Net Assets | $ 1,197,358 |

The KWBA had an outstanding loan in the amount of $25,256,286 at December 31, 2008. The Agency's share of year-end assets, liabilities and retained earnings has not been computed.

## NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

*Plan Description:* The Kern County Water Agency Post Employment Benefits Plan (the Plan) is a single-employer, defined benefit healthcare plan administered by Kern County Water Agency. The Plan provides medical insurance benefits to eligible employees and their spouses. The Agency's Board of Directors has the authority to establish and amend benefit provisions.

*Funding Policy:* The contribution requirements of plan members and the Agency are established by the Agency's Board of Directors. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Agency's Board of Directors. For the year ended June 30, 2009, the Agency contributed $305,701 for current premiums.

*Annual OPEB Cost and Net OPEB Obligation:* The Agency's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC),* an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation to the Plan:

| | | |
|---|---|---|
| Annual required contribution | $ | 2,310,896 |
| Interest on net OPEB obligation | | - |
| Adjustment to annual required contribution | | - |
| Annual OPEB cost (expense) | | 2,310,896 |
| Contributions made | | (305,701) |
| Increase in net OPEB obligation | | 2,005,195 |
| Net OPEB obligation (asset), beginning of year | | - |
| Net OPEB obligation, end of year | $ | 2,005,195 |

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

| Fiscal Year | | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|---|---|---|---|
| 6/30/2009 | $ | 2,310,896 | 13.2% | $2,005,195 |

*Funded Status and Funding Progress.* As of June 30, 2009, the most recent actuarial valuation date, the plan was 0% percent funded. The actuarial accrued liability for benefits was $20.3 million, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $20.3 million. The covered payroll (annual payroll of active employees covered by the plan) was $6,140,051, and the ratio of the UAAL to the covered payroll was 330.6% percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 4.5 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was 20 years.

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 6/30/2009 | $0 | $20,293,118 | $20,293,118 | 0.0% | $6,140,051 | 330.5% |

# BASIC FINANCIAL STATEMENTS

# SUPPLEMENTARY INFORMATION

## KERN COUNTY WATER AGENCY

### SCHEDULE OF FUNCTIONAL EXPENSES
### Year Ended June 30, 2009

| | Source of Supply | Transmission and Distribution | Operations and Maintenance | Administration and General | Total |
|---|---|---|---|---|---|
| Water purchases | $ 80,107,754 | $ - | $ - | $ - | $ 80,107,754 |
| Salaries, wages and benefits | 2,409,147 | 1,674,207 | 3,137,260 | 4,310,270 | 11,530,884 |
| Power | 1,891,820 | 885,077 | 6,465,577 | - | 9,242,474 |
| Refunds and credits | 7,208,561 | - | - | 40,217 | 7,248,778 |
| Professional fees | 5,107,558 | 7,255 | 214,342 | 55,008 | 5,384,163 |
| Recharge and recovery fees | 1,984,982 | - | - | - | 1,984,982 |
| Exchange and conveyance fees | 138,930 | 1,422,041 | - | - | 1,560,971 |
| Association and membership fees | 1,186,951 | 9,130 | 29,141 | 84,004 | 1,309,226 |
| Other | 238,033 | 248,436 | 243,534 | 274,220 | 1,004,223 |
| Operations | 87,870 | 82,629 | 788,382 | 32,586 | 991,467 |
| Capital outlay | - | 586 | 765,284 | 809 | 766,679 |
| Maintenance | 71,129 | 115,107 | 403,052 | 98,261 | 687,549 |
| Meeting and travel | 183,036 | 7,010 | 52,777 | 156,457 | 399,280 |
| Other administrative | 52,352 | 12,258 | 74,493 | 212,980 | 352,083 |
| Insurance | 26,644 | 21,047 | 51,049 | 56,623 | 155,363 |
| Telephone and utilities | 27,734 | 16,166 | 14,058 | 91,594 | 149,552 |
| Director fees | - | 5,471 | 7,234 | 88,235 | 100,940 |
| | $ 100,722,501 | $ 4,506,420 | $ 12,246,183 | $ 5,501,264 | $ 122,976,368 |

## KERN COUNTY WATER AGENCY

### SCHEDULE OF FUNCTIONAL EXPENSES
### Year Ended June 30, 2008

| | Source of Supply | Transmission and Distribution | Operations and Maintenance | Administration and General | Total |
|---|---|---|---|---|---|
| Water purchases | $ 84,951,013 | $ - | $ - | $ - | $ 84,951,013 |
| Salaries, wages and benefits | 2,123,125 | 1,250,465 | 2,840,467 | 3,120,200 | 9,334,257 |
| Power | 1,694,984 | 545,905 | 5,476,524 | - | 7,717,413 |
| Refunds and credits | 4,880,398 | - | - | 62,324 | 4,942,722 |
| Professional fees | 4,193,292 | - | - | 202,559 | 4,395,851 |
| Other | 3,473,591 | - | 101,494 | 232,265 | 3,807,350 |
| Other administrative | 1,028,163 | 15,164 | 111,223 | - | 1,154,550 |
| Association and membership fees | 858,974 | 1,834 | 33,227 | 94,792 | 988,827 |
| Operations | 71,433 | 233,940 | 657,783 | 25,063 | 988,219 |
| Maintenance | 46,379 | 86,436 | 143,119 | 113,046 | 388,980 |
| Exchange and conveyance fees | 351,120 | 384,055 | - | - | 735,175 |
| Recharge and recovery fees | 610,342 | - | - | - | 610,342 |
| Meeting and travel | 180,080 | 3,467 | 50,269 | 164,141 | 397,957 |
| Insurance | 52,498 | 42,757 | 91,827 | 84,375 | 271,457 |
| Telephone and utilities | 28,175 | 11,757 | - | 130,986 | 170,918 |
| Director fees | - | 4,651 | 7,415 | 93,042 | 105,108 |
| | $ 104,543,567 | $ 2,580,431 | $ 9,513,348 | $ 4,322,793 | $ 120,960,139 |

# KERN COUNTY WATER AGENCY

## COMBINING BALANCE SHEET - SUMMARY OF ALL ACTIVITIES
## June 30, 2009

| | State Contract Activities | Treatment Transportation Flood Control Activities | Groundwater Banking Activities | General and Administrative Activities |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets | | | | |
| Cash and investments | $ 55,511,255 | $ (10,669,163) | $ (6,943) | $ 11,199,208 |
| Receivables: | | | | |
| Accounts receivable | 2,452,122 | 3,640,333 | 2,753,746 | 4,667,681 |
| Taxes receivable | 158,713 | 119,839 | - | 84,784 |
| Interest receivable | 279,376 | 211,774 | (6,909) | 237,212 |
| Due from other funds | - | - | 200,705 | - |
| Prepaid expenses | 760,303 | 3,038,864 | 295,827 | 149,791 |
| Inventories | - | 3,100,700 | 3,531,743 | - |
| **Total current assets** | 59,161,769 | (557,653) | 6,768,169 | 16,338,676 |
| Restricted cash and investments | 27,218 | 77,574,770 | 312,281 | 4,753,376 |
| Property and equipment | 48,069 | 158,432,518 | 39,410,665 | 77,364,339 |
| Investment in Kern Water Bank | - | 3,343,691 | - | - |
| **Total assets** | $ 59,237,056 | $ 238,793,326 | $ 46,491,115 | $ 98,456,391 |
| **LIABILITIES AND NET ASSETS** | | | | |
| Current portion of long-term debt | $ - | $ 2,547,867 | $ 376,054 | $ - |
| Accounts payable | 3,729,444 | 9,131,049 | 877,841 | 2,967,518 |
| Accrued expenses | 4,177,180 | 5,146,511 | 562,650 | 4,696,340 |
| Due to other funds | - | - | 44,109 | 156,596 |
| Deferred revenue | 27,486,696 | 6,701,797 | 822,195 | 211,052 |
| **Total current liabilities** | 35,393,320 | 23,527,224 | 2,682,849 | 8,031,506 |
| Long-term Debt | - | 142,029,598 | 4,264,216 | - |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 48,069 | 88,778,143 | 34,770,395 | 77,364,339 |
| Restricted for State Water Contract | 348,176 | - | - | - |
| Unrestricted | 23,447,491 | (15,541,639) | 4,773,655 | 13,060,546 |
| **Total net assets** | 23,843,736 | 73,236,504 | 39,544,050 | 90,424,885 |
| **Total liabilities and net assets** | $ 59,237,056 | $ 238,793,326 | $ 46,491,115 | $ 98,456,391 |

| Subtotal | Interfund Eliminations | 2009 Total | 2008 Total |
|---|---|---|---|
| $ 56,034,357 | $ 417,471 | 56,451,828 | $104,576,525 |
| 13,513,882 | (3,211,211) | 10,302,671 | 14,104,792 |
| 363,336 | - | 363,336 | 598,369 |
| 721,453 | - | 721,453 | 1,260,847 |
| 200,705 | (200,705) | - | - |
| 4,244,785 | (3,201,057) | 1,043,728 | 276,504 |
| 6,632,443 | - | 6,632,443 | 6,977,806 |
| 81,710,961 | (6,195,502) | 75,515,459 | 127,794,843 |
| 82,667,645 | (417,471) | 82,250,174 | 91,126,134 |
| 275,255,591 | (489,809) | 274,765,782 | 195,379,840 |
| 3,343,691 | - | 3,343,691 | 3,343,691 |
| $442,977,888 | $ (7,102,782) | $435,875,106 | $417,644,508 |
| $ 2,923,921 | $ - | $ 2,923,921 | $ 2,778,897 |
| 16,705,852 | - | 16,705,852 | 8,047,526 |
| 14,582,681 | (3,211,211) | 11,371,470 | 12,418,703 |
| 200,705 | (200,705) | - | - |
| 35,221,740 | (3,201,057) | 32,020,683 | 34,069,349 |
| 69,634,899 | (6,612,973) | 63,021,926 | 57,314,475 |
| 146,293,814 | - | 146,293,814 | 148,719,835 |
| 200,960,946 | (489,809) | 200,471,137 | 124,515,487 |
| 348,176 | - | 348,176 | 8,324,017 |
| 25,740,053 | - | 25,740,053 | 78,770,694 |
| 227,049,175 | (489,809) | 226,559,366 | 211,610,198 |
| $442,977,888 | $ (7,102,782) | $435,875,106 | $417,644,508 |

# KERN COUNTY WATER AGENCY

## COMBINING BALANCE SHEET - STATE CONTRACT ACTIVITIES
## June 30, 2009

| | State Contract Payment | Settlement Allocation | Supplemental Water | Westlands Payback |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets | | | | |
| Cash and investments | $ 28,101,819 | $ 3,995,771 | $ 13,427,590 | $ 1,406,613 |
| Receivables: | | | | |
| Accounts receivable | 2,452,122 | - | - | - |
| Taxes receivable | - | - | - | - |
| Interest receivable | 181,171 | 21,411 | - | 12,250 |
| Due from other funds | - | - | - | - |
| Prepaid expenses | 760,303 | - | - | - |
| Inventories | - | - | - | - |
| **Total current assets** | 31,495,415 | 4,017,182 | 13,427,590 | 1,418,863 |
| Restricted cash and investments | 27,218 | - | - | - |
| Property and equipment | 48,069 | - | - | - |
| Investment in Kern Water Bank | - | - | - | - |
| **Total assets** | $ 31,570,702 | $ 4,017,182 | $ 13,427,590 | $ 1,418,863 |
| **LIABILITIES AND NET ASSETS** | | | | |
| Current Liabilities | | | | |
| Current portion of long-term debt | $ - | $ - | $ - | $ - |
| Accounts payable | 3,729,444 | - | - | - |
| Accrued expenses | 1,377,180 | - | 2,800,000 | - |
| Due to other funds | - | - | - | - |
| Deferred revenue | 26,067,833 | - | - | 1,418,863 |
| **Total current liabilities** | 31,174,457 | - | 2,800,000 | 1,418,863 |
| Long-term Debt | - | - | - | - |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 48,069 | - | - | - |
| Restricted for State Water Contract | 348,176 | - | - | - |
| Unrestricted | - | 4,017,182 | 10,627,590 | - |
| **Total net assets** | 396,245 | 4,017,182 | 10,627,590 | - |
| **Total liabilities and net assets** | $ 31,570,702 | $ 4,017,182 | $ 13,427,590 | $ 1,418,863 |

| Zone of Benefit No. 17 | Zone of Benefit No. 18 | Zone of Benefit No. 19 | 2009 Total | 2008 Total |
|---|---|---|---|---|
| $ 3,964,588 | $ 626,353 | $ 3,988,521 | $ 55,511,255 | $ 57,936,381 |
| - | - | - | 2,452,122 | 5,197,587 |
| 77,732 | 4,723 | 76,258 | 158,713 | 273,303 |
| 29,380 | 4,812 | 30,352 | 279,376 | 465,149 |
| - | - | - | - | - |
| - | - | - | 760,303 | (630) |
| - | - | - | - | - |
| 4,071,700 | 635,888 | 4,095,131 | 59,161,769 | 63,871,790 |
| - | - | - | 27,218 | 2,542,833 |
| - | - | - | 48,069 | 11,246 |
| - | - | - | - | - |
| $ 4,071,700 | $ 635,888 | $ 4,095,131 | $ 59,237,056 | $ 66,425,869 |
| $ - | $ - | $ - | $ - | $ - |
| - | - | - | 3,729,444 | 1,578,237 |
| - | - | - | 4,177,180 | 5,821,862 |
| - | - | - | - | - |
| - | - | - | 27,486,696 | 29,083,836 |
| - | - | - | 35,393,320 | 36,483,935 |
| - | - | - | - | - |
| - | - | - | 48,069 | 11,246 |
| - | - | - | 348,176 | 8,324,017 |
| 4,071,700 | 635,888 | 4,095,131 | 23,447,491 | 21,606,671 |
| 4,071,700 | 635,888 | 4,095,131 | 23,843,736 | 29,941,934 |
| $ 4,071,700 | $ 635,888 | $ 4,095,131 | $ 59,237,056 | $ 66,425,869 |

# KERN COUNTY WATER AGENCY

## COMBINING BALANCE SHEET - TREATMENT TRANSPORTATION FLOOD CONTROL ACTIVITIES
## June 30, 2009

| | Cross Valley Canal Operations | Improvement District No. 1 | Improvement District No. 3 | Improvement District No. 4 Operations |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets | | | | |
| Cash and investments | $ 2,736,446 | $ 471,560 | $ (2,727) | $ 9,484,203 |
| Receivables: | | | | |
| Accounts receivable | 1,007,153 | 112 | 208 | 2,139,100 |
| Taxes receivable | - | 931 | 189 | - |
| Interest receivable | 25,418 | 4,404 | 1,795 | 88,281 |
| Due from other funds | - | - | - | - |
| Prepaid expenses | - | - | - | 296,126 |
| Inventories | - | - | - | 3,100,700 |
| **Total current assets** | 3,769,017 | 477,007 | (535) | 15,108,410 |
| Restricted cash and investments | - | - | 205,441 | - |
| Property and equipment | 17,153,825 | 136,708 | 48,227 | 24,251,448 |
| Investment in Kern Water Bank | - | - | - | 3,343,691 |
| **Total assets** | $ 20,922,842 | $ 613,715 | $ 253,133 | $ 42,703,549 |
| **LIABILITIES AND NET ASSETS** | | | | |
| Current Liabilities | | | | |
| Current portion of long-term debt | $ - | $ - | $ - | $ 14,756 |
| Accounts payable | 474,319 | 4,040 | - | 854,178 |
| Accrued expenses | 646,658 | - | - | 1,043,401 |
| Due to other funds | - | - | - | - |
| Deferred revenue | 3,425,347 | - | - | 1,135,294 |
| **Total current liabilities** | 4,546,324 | 4,040 | - | 3,047,629 |
| Long-term Debt | - | - | - | 1,475,084 |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 17,153,825 | 136,708 | 48,227 | 22,761,608 |
| Restricted for State Water Contract | - | - | - | - |
| Unrestricted | (777,307) | 472,967 | 204,906 | 15,419,228 |
| **Total net assets** | 16,376,518 | 609,675 | 253,133 | 38,180,836 |
| **Total liabilities and net assets** | $ 20,922,842 | $ 613,715 | $ 253,133 | $ 42,703,549 |

| Improvement District No. 4 Bonds | Zone of Benefit No. 7 | 2009 Total | 2008 Total |
|---|---|---|---|
| $ (29,973,720) | $ 6,615,075 | $ (10,669,163) | $ 32,583,548 |
| 57,700 | 436,060 | 3,640,333 | 5,006,975 |
| - | 118,719 | 119,839 | 201,597 |
| 18,614 | 73,262 | 211,774 | 662,438 |
| - | - | - | - |
| - | 2,742,738 | 3,038,864 | 1,641,469 |
| - | - | 3,100,700 | 3,446,063 |
| (29,897,406) | 9,985,854 | (557,653) | 43,542,090 |
| 74,923,090 | 2,446,239 | 77,574,770 | 83,004,841 |
| 116,842,310 | - | 158,432,518 | 89,882,518 |
| - | - | 3,343,691 | 3,343,691 |
| $161,867,994 | $ 12,432,093 | $238,793,326 | $219,773,140 |
| $ 2,533,111 | $ - | $ 2,547,867 | $ 2,413,111 |
| 7,798,512 | - | 9,131,049 | 4,221,115 |
| 1,354,632 | 2,101,820 | 5,146,511 | 3,043,232 |
| - | - | - | - |
| 2,141,156 | - | 6,701,797 | 5,812,452 |
| 13,827,411 | 2,101,820 | 23,527,224 | 15,489,910 |
| 140,554,514 | - | 142,029,598 | 144,079,565 |
| 48,677,775 | - | 88,778,143 | 24,024,222 |
| - | - | - | - |
| (41,191,706) | 10,330,273 | (15,541,639) | 36,179,443 |
| 7,486,069 | 10,330,273 | 73,236,504 | 60,203,665 |
| $161,867,994 | $ 12,432,093 | $238,793,326 | $219,773,140 |

# KERN COUNTY WATER AGENCY

## COMBINING BALANCE SHEET - GROUNDWATER BANKING ACTIVITIES
## June 30, 2009

| | Ground Water Bank | Kern Water Bank | Lower Kern River | Pioneer Project |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets | | | | |
| Cash and investments | $ 253,311 | $ 30,708 | $ (63,129) | $ (43,040) |
| Receivables: | | | | |
| Accounts receivable | 68,499 | 107,317 | 186,219 | 1,663,107 |
| Taxes receivable | - | - | - | - |
| Interest receivable | - | - | (1,378) | 1,349 |
| Due from other funds | 44,109 | - | - | - |
| Prepaid expenses | 6,791 | - | - | - |
| Inventories | 3,531,743 | - | - | - |
| **Total current assets** | 3,904,453 | 138,025 | 121,712 | 1,621,416 |
| Restricted cash and investments | 312,281 | - | - | - |
| Property and equipment | 10,416,772 | - | 14,164,980 | 7,052,693 |
| Investment in Kern Water Bank | - | - | - | - |
| **Total assets** | $ 14,633,506 | $ 138,025 | $ 14,286,692 | $ 8,674,109 |
| **LIABILITIES AND NET ASSETS** | | | | |
| Current Liabilities | | | | |
| Current portion of long-term debt | $ - | $ - | $ - | $ - |
| Accounts payable | 6,409 | 5,488 | 63,711 | 503,312 |
| Accrued expenses | 185,012 | 9,037 | - | 16,459 |
| Due to other funds | - | - | - | - |
| Deferred revenue | - | 25,000 | - | 110,393 |
| **Total current liabilities** | 191,421 | 39,525 | 63,711 | 630,164 |
| Long-term Debt | - | - | - | - |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 10,416,772 | - | 14,164,980 | 7,052,693 |
| Restricted for State Water Contract | - | - | - | - |
| Unrestricted | 4,025,313 | 98,500 | 58,001 | 991,252 |
| **Total net assets** | 14,442,085 | 98,500 | 14,222,981 | 8,043,945 |
| **Total liabilities and net assets** | $ 14,633,506 | $ 138,025 | $ 14,286,692 | $ 8,674,109 |

| Proposition 204 Loan | Entitlement Retention | Joint KCWA/BM Water Banking | Agency Participation in CVC | 2009 Total | 2008 Total |
|---|---|---|---|---|---|
| $ 422,436 | $ (2,060,294) | $ 822,625 | $ 630,440 | $ (6,943) | $ (734,023) |
| 81,840 | 34,419 | 507,532 | 104,813 | 2,753,746 | 3,428,003 |
| - | - | - | - | - | - |
| 745 | (17,940) | 5,016 | 5,299 | (6,909) | (7,356) |
| - | - | 156,596 | - | 200,705 | 200,705 |
| - | 289,036 | - | - | 295,827 | 253,049 |
| - | - | - | - | 3,531,743 | 3,531,743 |
| 505,021 | (1,754,779) | 1,491,769 | 740,552 | 6,768,169 | 6,672,121 |
| - | - | - | - | 312,281 | 312,281 |
| 4,387,004 | - | 3,389,216 | - | 39,410,665 | 39,189,364 |
| - | - | - | - | - | - |
| $ 4,892,025 | $ (1,754,779) | $ 4,880,985 | $ 740,552 | $ 46,491,115 | $ 46,173,766 |
| $ 236,422 | $ - | $ 139,632 | $ - | $ 376,054 | $ 365,786 |
| - | - | 298,921 | - | 877,841 | 1,233,107 |
| 960 | 225,244 | 74,754 | 51,184 | 562,650 | 704,387 |
| - | - | 44,109 | - | 44,109 | 44,109 |
| 180,500 | - | 33,250 | 473,052 | 822,195 | 934,028 |
| 417,882 | 225,244 | 590,666 | 524,236 | 2,682,849 | 3,281,417 |
| 3,065,637 | - | 1,198,579 | - | 4,264,216 | 4,640,270 |
| 1,084,945 | - | 2,051,005 | - | 34,770,395 | 34,183,307 |
| - | - | - | - | - | - |
| 323,561 | (1,980,023) | 1,040,735 | 216,316 | 4,773,655 | 4,068,772 |
| 1,408,506 | (1,980,023) | 3,091,740 | 216,316 | 39,544,050 | 38,252,079 |
| $ 4,892,025 | $ (1,754,779) | $ 4,880,985 | $ 740,552 | $ 46,491,115 | $ 46,173,766 |

# KERN COUNTY WATER AGENCY

## COMBINING BALANCE SHEET - GENERAL AND ADMINISTRATIVE ACTIVITIES
## June 30, 2009

| | General | Proposition 13 Phase II | Water Management | Western Hills |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current Assets | | | | |
| Cash and investments | $ 12,077,165 | $ (3,376,973) | $ 799,966 | $ 1,693,067 |
| Receivables: | | | | |
| Accounts receivable | 121,972 | 4,353,119 | - | 192,590 |
| Taxes receivable | 84,784 | - | - | - |
| Interest receivable | 225,048 | (25,919) | 23,338 | 14,745 |
| Due from other funds | - | - | - | - |
| Prepaid expenses | 149,791 | - | - | - |
| Inventories | - | - | - | - |
| **Total current assets** | 12,658,760 | 950,227 | 823,304 | 1,900,402 |
| Restricted cash and investments | - | - | 1,880,000 | - |
| Property and equipment | 2,916,265 | 74,448,074 | - | - |
| Investment in Kern Water Bank | - | - | - | - |
| **Total assets** | $ 15,575,025 | $ 75,398,301 | $ 2,703,304 | $ 1,900,402 |
| **LIABILITIES AND NET ASSETS** | | | | |
| Current Liabilities | | | | |
| Current portion of long-term debt | $ - | $ - | $ - | $ - |
| Accounts payable | 674,326 | 2,295,714 | - | - |
| Accrued expenses | 1,832,360 | - | - | - |
| Due to other funds | 156,596 | - | - | - |
| Deferred revenue | - | - | - | 211,052 |
| **Total current liabilities** | 2,663,282 | 2,295,714 | - | 211,052 |
| Long-term Debt | - | - | - | - |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 2,916,265 | 74,448,074 | - | - |
| Restricted for State Water Contract | - | - | - | - |
| Unrestricted | 9,995,478 | (1,345,487) | 2,703,304 | 1,689,350 |
| **Total net assets** | 12,911,743 | 73,102,587 | 2,703,304 | 1,689,350 |
| **Total liabilities and net assets** | $ 15,575,025 | $ 75,398,301 | $ 2,703,304 | $ 1,900,402 |

| Deferred Compensation | Section 125 | 2009 Total | 2008 Total |
|---|---|---|---|
| $ - | $ 5,983 | $ 11,199,208 | $ 14,790,619 |
| - | - | 4,667,681 | 2,292,078 |
| - | - | 84,784 | 123,468 |
| - | - | 237,212 | 140,617 |
| - | - | - | - |
| - | - | 149,791 | 143,583 |
| - | - | - | - |
| - | 5,983 | 16,338,676 | 17,490,365 |
| 2,873,376 | - | 4,753,376 | 5,266,179 |
| - | - | 77,364,339 | 66,786,520 |
| - | - | - | - |
| $ 2,873,376 | $ 5,983 | $ 98,456,391 | $ 89,543,064 |

| | | | |
|---|---|---|---|
| $ - | $ - | $ - | $ - |
| - | (2,522) | 2,967,518 | 1,015,067 |
| 2,873,376 | (9,396) | 4,696,340 | 4,669,073 |
| - | - | 156,596 | 156,596 |
| - | - | 211,052 | - |
| 2,873,376 | (11,918) | 8,031,506 | 5,840,736 |
| - | - | - | - |
| - | - | 77,364,339 | 66,786,520 |
| - | - | - | - |
| - | 17,901 | 13,060,546 | 16,915,808 |
| - | 17,901 | 90,424,885 | 83,702,328 |
| $ 2,873,376 | $ 5,983 | $ 98,456,391 | $ 89,543,064 |

**KERN COUNTY WATER AGENCY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - SUMMARY OF ALL ACTIVITIES**
**Year Ended June 30, 2009**

| | State Contract Activities | Treatment Transportation Flood Control Activities | Groundwater Banking Activities | General and Administrative Activities |
|---|---|---|---|---|
| Operating Revenue | | | | |
| Charges for untreated water | $ 69,416,180 | $ - | $ - | $ 346,717 |
| Charges for treated water | - | 6,332,395 | - | - |
| Ground water charges | - | 3,126,142 | - | - |
| Charges for operations and maintenance | - | 11,627,837 | 1,365,119 | 53,222 |
| Charges for power | - | 2,045,923 | 7,081,130 | - |
| Exchange and conveyance fees | - | 224,751 | 898,859 | - |
| Other user charges | - | 618,249 | 921,053 | - |
| Refunds and credits | 7,208,561 | 171,305 | - | - |
| Reimbursements | 933,972 | 2,635,738 | 1,350,704 | 264,399 |
| | 77,558,713 | 26,782,340 | 11,616,865 | 664,338 |
| Operating Expenses | | | | |
| Salaries, wages and benefits | 1,935,847 | 4,686,643 | 712,884 | 4,195,510 |
| Water purchases | 80,032,101 | 3,340,625 | 490,615 | - |
| Exchange and conveyance fees | - | 1,221,409 | 684,238 | - |
| Recharge and recovery fees | - | 2,050,729 | 137,269 | - |
| Power | - | 2,719,011 | 7,099,297 | - |
| Refunds and credits | 7,248,778 | - | - | - |
| Operations | 57,518 | 830,977 | 217,541 | 31,847 |
| Maintenance | 24,543 | 936,684 | 130,227 | 98,261 |
| Other administrative | 44,610 | 89,192 | 17,578 | 200,703 |
| Insurance | 17,185 | 75,078 | 20,037 | 43,063 |
| Telephone and utilities | 24,786 | 35,358 | 3,511 | 94,244 |
| Meeting and travel | 182,924 | 59,444 | 1,792 | 155,120 |
| Association and membership fees | 1,182,321 | 34,008 | 6,498 | 86,399 |
| Director fees | - | 12,705 | - | 88,235 |
| Professional fees | 4,886,616 | 275,244 | 236,625 | (4,135) |
| Capital outlay | - | 874,211 | 902 | - |
| Depreciation | 10,390 | 1,914,457 | 556,067 | 203,671 |
| Agency overhead allocation | 582,570 | 1,322,059 | 346,296 | (2,250,925) |
| Other | 37,505 | 282,836 | 216,211 | 479,747 |
| | 96,267,694 | 20,760,670 | 10,877,588 | 3,421,740 |
| **Operating income (loss)** | (18,708,981) | 6,021,670 | 739,277 | (2,757,402) |
| Non-operating Revenues (Expenses) | | | | |
| Property taxes: | | | | |
| General purpose distribution | - | - | - | 5,978,693 |
| Voter approved | 11,614,624 | 7,152,968 | - | - |
| Grant income | - | - | - | 2,760,297 |
| Cost sharing income | - | - | - | 366,750 |
| Interest income | 1,412,108 | 2,775,382 | (3,405) | 513,079 |
| Gain (loss) on sale of assets | - | 3,523 | - | (1,383) |
| County collection charges | (29,666) | (18,424) | - | (88,011) |
| Interest expense | - | (3,495,236) | (138,884) | - |
| Other | - | 95,039 | 681,291 | 75,861 |
| Transfers to other funds | (386,684) | (1,294,226) | (16,532) | (25,393) |
| Transfers from other funds | - | 1,294,226 | 30,496 | 398,113 |
| | 12,610,382 | 6,513,252 | 552,966 | 9,978,006 |
| **Change in net assets** | (6,098,599) | 12,534,922 | 1,292,243 | 7,220,604 |
| Net assets, beginning | 29,941,934 | 60,203,665 | 38,252,080 | 83,702,328 |
| Net assets, ending | $ 23,843,335 | $ 72,738,587 | $ 39,544,323 | $ 90,922,932 |

| Subtotal | Interfund Eliminations | 2009 Total | 2008 Total |
|---|---|---|---|
| $ 69,762,897 | $ (3,755,587) | $ 66,007,310 | $ 86,631,809 |
| 6,332,395 | (8,347) | 6,324,048 | 4,798,099 |
| 3,126,142 | - | 3,126,142 | 3,058,536 |
| | | | |
| 13,046,178 | (951,177) | 12,095,001 | 13,138,463 |
| 9,127,053 | - | 9,127,053 | 6,533,684 |
| 1,123,610 | (354,261) | 769,349 | 560,373 |
| 1,539,302 | (8,697) | 1,530,605 | 631,016 |
| 7,379,866 | - | 7,379,866 | 4,880,398 |
| 5,184,813 | (588,670) | 4,596,143 | 9,745,331 |
| 116,622,256 | (5,666,739) | 110,955,517 | 129,977,709 |
| | | | |
| 11,530,884 | - | 11,530,884 | 9,334,257 |
| 83,863,341 | (3,755,587) | 80,107,754 | 84,951,013 |
| 1,905,647 | (344,676) | 1,560,971 | 735,175 |
| 2,187,998 | (203,016) | 1,984,982 | 610,342 |
| 9,818,308 | (575,834) | 9,242,474 | 7,717,413 |
| 7,248,778 | - | 7,248,778 | 4,942,722 |
| 1,137,883 | (146,416) | 991,467 | 988,219 |
| 1,189,715 | (502,166) | 687,549 | 388,980 |
| 352,083 | - | 352,083 | 1,154,550 |
| 155,363 | - | 155,363 | 271,457 |
| 157,899 | (8,347) | 149,552 | 170,918 |
| 399,280 | - | 399,280 | 397,957 |
| 1,309,226 | - | 1,309,226 | 988,827 |
| 100,940 | - | 100,940 | 105,108 |
| 5,394,350 | (10,187) | 5,384,163 | 4,395,851 |
| 875,113 | (108,434) | 766,679 | - |
| 2,684,585 | | 2,684,585 | 2,338,586 |
| - | - | - | - |
| 1,016,299 | (12,076) | 1,004,223 | 3,807,350 |
| 131,327,692 | (5,666,739) | 125,660,953 | 123,298,725 |
| | | | |
| (14,705,436) | - | (14,705,436) | 6,678,984 |
| | | | |
| 5,978,693 | - | 5,978,693 | 5,918,499 |
| 18,767,592 | - | 18,767,592 | 19,956,649 |
| 2,760,297 | - | 2,760,297 | 15,189,724 |
| 366,750 | | 366,750 | 24,241,855 |
| 4,697,164 | - | 4,697,164 | 3,921,629 |
| 2,140 | - | 2,140 | 6,984 |
| (136,101) | - | (136,101) | (117,797) |
| (3,634,120) | - | (3,634,120) | (1,341,867) |
| 852,191 | | 852,191 | 1,421,332 |
| (1,722,835) | 1,331,418 | (391,417) | - |
| 1,722,835 | (1,331,418) | 391,417 | - |
| 29,654,606 | - | 29,654,606 | 69,197,008 |
| | | | |
| 14,949,170 | - | 14,949,170 | 75,875,994 |
| | | | |
| 212,100,007 | (489,811) | 211,610,196 | 135,734,204 |
| $227,049,177 | $ (489,811) | $226,559,366 | $211,610,196 |

**KERN COUNTY WATER AGENCY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - STATE CONTRACT ACTIVITIES**
**Year Ended June 30, 2009**

| | State Contract Payment | Settlement Allocation | Supplemental Water | Westlands Payback |
|---|---|---|---|---|
| Operating Revenue | | | | |
| Charges for untreated water | $ 68,828,180 | $ - | $ 588,000 | $ - |
| Charges for treated water | - | - | - | - |
| Ground water charges | - | - | - | - |
| Charges for operations and maintenance | - | - | - | - |
| Charges for power | - | - | - | - |
| Exchange and conveyance fees | - | - | - | - |
| Other user charges | - | - | - | - |
| Refunds and credits | 7,208,561 | - | - | - |
| Reimbursements | 933,972 | - | - | - |
| | 76,970,713 | - | 588,000 | - |
| Operating Expenses | | | | |
| Salaries, wages and benefits | 1,935,847 | - | - | - |
| Water purchases | 69,345,101 | - | - | - |
| Exchange and conveyance fees | - | - | - | - |
| Recharge and recovery fees | - | - | - | - |
| Power | - | - | - | - |
| Refunds and credits | 7,208,561 | - | - | 40,217 |
| Operations | 57,518 | - | - | - |
| Maintenance | 24,543 | - | - | - |
| Other administrative | 44,610 | - | - | - |
| Insurance | 17,185 | - | - | - |
| Telephone and utilities | 24,786 | - | - | - |
| Meeting and travel | 182,924 | - | - | - |
| Association and membership fees | 1,182,321 | - | - | - |
| Director fees | - | - | - | - |
| Professional fees | 4,886,616 | - | - | - |
| Capital outlays | - | - | - | - |
| Depreciation | 10,390 | - | - | - |
| Agency overhead allocation | 582,570 | - | - | - |
| Other | 37,505 | - | - | - |
| | 85,540,477 | - | - | 40,217 |
| **Operating income (loss)** | (8,569,764) | - | 588,000 | (40,217) |
| Non-operating Revenues (Expenses) | | | | |
| Property taxes: | | | | |
| General purpose distribution | - | - | - | - |
| Voter approved | - | - | - | - |
| Grant income | - | - | - | - |
| Cost sharing income | - | - | - | - |
| Interest income | 630,344 | 112,615 | 386,684 | 40,217 |
| Gain (loss) on sale of assets | - | - | - | - |
| County collection charges | - | - | - | - |
| Interest expense | - | - | - | - |
| Other | - | - | - | - |
| Transfers to other funds | - | - | (386,684) | - |
| Transfers from other funds | - | - | - | - |
| | 630,344 | 112,615 | - | 40,217 |
| **Change in net assets** | (7,939,420) | 112,615 | 588,000 | - |
| Net assets, beginning | 8,335,264 | 3,904,567 | 10,039,590 | - |
| Net assets, ending | $ 395,844 | $ 4,017,182 | $ 10,627,590 | $ - |

| Zone of Benefit No. 17 | Zone of Benefit No. 18 | Zone of Benefit No. 19 | 2009 Total | 2008 Total |
|---|---|---|---|---|
| $ - | $ - | $ - | $ 69,416,180 | $ 90,954,751 |
| - | - | - | - | - |
| - | - | - | - | - |
| | | | | |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | 7,208,561 | 4,880,398 |
| - | - | - | 933,972 | 1,214,355 |
| - | - | - | 77,558,713 | 97,049,504 |
| | | | | |
| - | - | - | 1,935,847 | 1,576,476 |
| 5,343,000 | 609,000 | 4,735,000 | 80,032,101 | 91,234,406 |
| - | - | - | - | - |
| - | - | - | - | 24,980 |
| - | - | - | - | - |
| - | - | - | 7,248,778 | 4,942,722 |
| - | - | - | 57,518 | 45,141 |
| - | - | - | 24,543 | 13,957 |
| - | - | - | 44,610 | 1,019,968 |
| - | - | - | 17,185 | 39,475 |
| - | - | - | 24,786 | 24,821 |
| - | - | - | 182,924 | 178,652 |
| - | - | - | 1,182,321 | 858,045 |
| - | - | - | - | - |
| - | - | - | 4,886,616 | 4,246,956 |
| - | - | - | - | (13,007) |
| - | - | - | 10,390 | 1,762 |
| - | - | - | 582,570 | 623,542 |
| - | - | - | 37,505 | 2,820,776 |
| 5,343,000 | 609,000 | 4,735,000 | 96,267,694 | 107,638,672 |
| | | | | |
| (5,343,000) | (609,000) | (4,735,000) | (18,708,981) | (10,589,168) |
| | | | | |
| - | - | - | - | - |
| 5,801,187 | 657,918 | 5,155,519 | 11,614,624 | 12,994,689 |
| - | - | - | - | - |
| - | - | - | - | - |
| 111,539 | 17,395 | 113,314 | 1,412,108 | 2,384,586 |
| - | - | - | - | - |
| (14,835) | (1,703) | (13,128) | (29,666) | (26,538) |
| - | - | - | - | - |
| - | - | - | - | 1,244,600 |
| - | - | - | (386,684) | (18,004,687) |
| - | - | - | - | 17,713,847 |
| 5,897,891 | 673,610 | 5,255,705 | 12,610,382 | 16,306,497 |
| | | | | |
| 554,891 | 64,610 | 520,705 | (6,098,599) | 5,717,329 |
| | | | | |
| 3,516,809 | 571,278 | 3,574,426 | 29,941,934 | 24,224,605 |
| $ 4,071,700 | $ 635,888 | $ 4,095,131 | $ 23,843,335 | $ 29,941,934 |

**KERN COUNTY WATER AGENCY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - TREATMENT TRANSPORTATION FLOOD CONTROL ACTIVITIES**

**Year Ended June 30, 2009**

| | Cross Valley Canal Operations | Improvement District No. 1 | Improvement District No. 3 | Improvement District No. 4 Operations |
|---|---|---|---|---|
| Operating Revenue | | | | |
| Charges for untreated water | $ - | $ - | $ - | $ - |
| Charges for treated water | - | - | - | 6,332,395 |
| Ground water charges | - | - | - | 3,126,142 |
| Charges for operations and maintenance | 2,407,751 | - | - | 437,053 |
| Charges for power | 200,167 | - | - | 1,845,756 |
| Exchange and conveyance fees | 162,976 | - | - | 61,775 |
| Other user charges | - | - | - | 618,249 |
| Refunds and credits | - | - | - | 147,421 |
| Reimbursements | 643,470 | - | - | 1,261,053 |
| | 3,414,364 | - | - | 13,829,844 |
| Operating Expenses | | | | |
| Salaries, wages and benefits | 1,674,207 | 52,706 | 18,627 | 2,826,343 |
| Water purchases | - | - | - | - |
| Exchange and conveyance fees | - | - | - | 1,221,409 |
| Recharge and recovery fees | - | - | - | 2,050,729 |
| Power | 226,015 | - | - | 2,492,996 |
| Refunds and credits | - | - | - | - |
| Operations | 82,629 | - | 40 | 747,569 |
| Maintenance | 115,107 | 288 | - | 821,289 |
| Other administrative | 12,258 | 1,955 | 476 | 62,151 |
| Insurance | 21,047 | 193 | 639 | 39,639 |
| Telephone and utilities | 16,166 | - | - | 13,495 |
| Meeting and travel | 7,010 | - | - | 51,097 |
| Association and membership fees | 9,130 | - | - | 24,878 |
| Director fees | 5,471 | - | - | 7,234 |
| Professional fees | 7,255 | 97,329 | 647 | 110,870 |
| Capital outlays | 586 | - | - | 872,816 |
| Depreciation | 732,213 | 4,250 | - | 1,065,825 |
| Agency overhead allocation | 330,766 | - | - | 493,248 |
| Other | 248,436 | 231 | 219 | 242,347 |
| | 3,488,296 | 156,952 | 20,648 | 13,143,935 |
| **Operating income (loss)** | (73,932) | (156,952) | (20,648) | 685,909 |
| Non-operating Revenues (Expenses) | | | | |
| Property taxes: | | | | |
| General purpose distribution | - | - | - | - |
| Voter approved | - | 81,729 | 14,713 | - |
| Grant income | - | - | - | - |
| Cost sharing income | - | - | - | - |
| Interest income | 83,549 | 15,282 | 5,950 | 335,972 |
| Gain (loss) on sale of assets | 1,159 | - | - | 2,364 |
| County collection charges | - | (1,170) | (122) | - |
| Interest expense | - | - | - | (26,196) |
| Other | 1,250 | - | - | 48,509 |
| Transfers to other funds | - | - | - | (1,294,226) |
| Transfers from other funds | - | - | - | - |
| | 85,958 | 95,841 | 20,541 | (933,577) |
| **Change in net assets** | 12,026 | (61,111) | (107) | (247,668) |
| Net assets, beginning | 16,364,494 | 670,914 | 253,240 | 38,428,504 |
| Net assets, ending | $ 16,376,520 | $ 609,803 | $ 253,133 | $ 38,180,836 |

| Improvement District No. 4 Bonds | Zone of Benefit No. 7 | 2009 Total | 2008 Total |
|---|---|---|---|
| $ - | $ - | $ - | $ - |
| - | - | 6,332,395 | 4,832,987 |
| - | - | 3,126,142 | 3,058,536 |
| | | | - |
| 8,783,033 | - | 11,627,837 | 3,869,198 |
| - | - | 2,045,923 | 2,184,676 |
| - | - | 224,751 | 167,868 |
| - | - | 618,249 | 33,265 |
| 23,884 | - | 171,305 | - |
| 731,215 | - | 2,635,738 | 6,308,696 |
| 9,538,132 | - | 26,782,340 | 20,455,226 |
| | | | |
| 114,760 | - | 4,686,643 | 3,917,454 |
| - | 3,340,625 | 3,340,625 | 4,365,486 |
| - | - | 1,221,409 | 89,491 |
| - | - | 2,050,729 | 493,951 |
| - | - | 2,719,011 | 3,212,864 |
| - | - | - | - |
| 739 | - | 830,977 | 729,148 |
| - | - | 936,684 | 908,846 |
| 12,352 | - | 89,192 | (124,261) |
| 13,560 | - | 75,078 | 130,133 |
| 5,697 | - | 35,358 | 48,301 |
| 1,337 | - | 59,444 | 53,403 |
| - | - | 34,008 | 34,694 |
| - | - | 12,705 | 12,067 |
| 59,143 | - | 275,244 | 150,532 |
| 809 | - | 874,211 | 1,067,864 |
| 112,169 | - | 1,914,457 | 1,690,105 |
| 498,045 | - | 1,322,059 | 1,282,586 |
| (208,397) | - | 282,836 | 450,189 |
| 610,214 | 3,340,625 | 20,760,670 | 18,512,853 |
| | | | |
| 8,927,918 | (3,340,625) | 6,021,670 | 1,942,373 |
| | | | |
| | | | |
| - | - | - | - |
| (118) | 7,056,644 | 7,152,968 | 6,961,960 |
| - | - | - | - |
| - | - | - | - |
| 2,137,749 | 196,880 | 2,775,382 | 1,395,313 |
| - | - | 3,523 | 6,754 |
| - | (17,132) | (18,424) | (14,679) |
| (3,469,040) | - | (3,495,236) | (1,192,145) |
| 45,280 | - | 95,039 | 817,492 |
| - | - | (1,294,226) | (817,814) |
| 1,294,226 | - | 1,294,226 | 573,814 |
| 8,097 | 7,236,392 | 6,513,252 | 7,730,695 |
| | | | |
| 8,936,015 | 3,895,767 | 12,534,922 | 9,673,068 |
| | | | |
| (1,947,993) | 6,434,506 | 60,203,665 | 50,530,597 |
| $ 6,988,022 | $ 10,330,273 | $ 72,738,587 | $ 60,203,665 |

**KERN COUNTY WATER AGENCY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - GROUNDWATER BANKING ACTIVITIES**

**Year Ended June 30, 2009**

| | Ground Water Bank | Kern Water Bank | Lower Kern River | Pioneer Project |
|---|---|---|---|---|
| Operating Revenue | | | | |
| Charges for untreated water | $ - | $ - | $ - | $ - |
| Charges for treated water | - | - | - | - |
| Ground water charges | - | - | - | - |
| Charges for operations and maintenance | - | - | 116,537 | 810,209 |
| Charges for power | - | - | 1,136,313 | 4,312,035 |
| Exchange and conveyance fees | - | - | 90,819 | 461,148 |
| Other user charges | 147,918 | - | 60,561 | 284,397 |
| Refunds and credits | - | - | - | - |
| Reimbursements | - | 471,460 | - | 878,248 |
| | 147,918 | 471,460 | 1,404,230 | 6,746,037 |
| Operating Expenses | | | | |
| Salaries, wages and benefits | 147,433 | 209,290 | 32,957 | 239,584 |
| Water purchases | - | - | 58,587 | - |
| Exchange and conveyance fees | - | 77,827 | 42,234 | 305,657 |
| Recharge and recovery fees | - | - | 137,269 | - |
| Power | - | - | 1,016,449 | 3,972,581 |
| Refunds and credits | - | - | - | - |
| Operations | 5,613 | 12,579 | 2,021 | 40,773 |
| Maintenance | 150 | 6,092 | 2,415 | 83,641 |
| Other administrative | 4,536 | 1,579 | 880 | 9,911 |
| Insurance | 1,741 | 1,910 | 1,580 | 10,578 |
| Telephone and utilities | 154 | 1,237 | 1,277 | 563 |
| Meeting and travel | 64 | 39 | - | 1,680 |
| Association and membership fees | 347 | 49 | - | 4,263 |
| Director fees | - | - | - | - |
| Professional fees | 5,992 | 288 | 223,245 | 5,496 |
| Capital outlays | - | - | - | 902 |
| Depreciation | 1,156 | - | - | 296,111 |
| Agency overhead allocation | 72,313 | 59,787 | 32,184 | 123,247 |
| Other | 14,844 | 1,050 | 196,002 | 737 |
| | 254,343 | 371,727 | 1,747,100 | 5,095,724 |
| **Operating income (loss)** | (106,425) | 99,733 | (342,870) | 1,650,313 |
| Non-operating Revenues (Expenses) | | | | |
| Property taxes: | | | | |
| General purpose distribution | - | - | - | - |
| Voter approved | - | - | - | - |
| Grant income | - | - | - | - |
| Cost sharing income | - | - | - | - |
| Interest income | 19,750 | 2,128 | (10,362) | (10,408) |
| Gain (loss) on sale of assets | - | - | - | - |
| County collection charges | - | - | - | - |
| Interest expense | - | - | - | - |
| Other | - | - | 655,346 | 23,272 |
| Transfers to other funds | (9,083) | (2,128) | - | - |
| Transfers from other funds | (10,668) | - | - | - |
| | (1) | - | 644,984 | 12,864 |
| **Change in net assets** | (106,426) | 99,733 | 302,114 | 1,663,177 |
| Net assets, beginning | 14,548,511 | (1,233) | 13,920,867 | 6,380,768 |
| Net assets, ending | $ 14,442,085 | $ 98,500 | $ 14,222,981 | $ 8,043,945 |

| Proposition 204 Loan | Entitlement Retention | Joint KCWA/BM Water Banking | Agency Participation in CVC | 2009 Total | 2008 Total |
|---|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - | $ 4,867,183 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 351,400 | - | (24,039) | 111,012 | 1,365,119 | 10,859,028 |
| - | - | 1,630,898 | 1,884 | 7,081,130 | 4,720,599 |
| - | - | 126,380 | 220,512 | 898,859 | 660,435 |
| - | - | 428,177 | - | 921,053 | 680,704 |
| - | - | - | - | - | - |
| - | - | - | 996 | 1,350,704 | 2,340,082 |
| 351,400 | - | 2,161,416 | 334,404 | 11,616,865 | 24,128,031 |
| - | - | 83,620 | - | 712,884 | 768,563 |
| - | 432,028 | - | - | 490,615 | 697,461 |
| - | - | 98,096 | 160,424 | 684,238 | 895,032 |
| - | - | - | - | 137,269 | 196,741 |
| - | - | 1,442,831 | 667,436 | 7,099,297 | 4,910,437 |
| - | - | - | - | - | - |
| - | - | 10,139 | 146,416 | 217,541 | 188,978 |
| - | - | 37,929 | - | 130,227 | 173,824 |
| - | - | 672 | - | 17,578 | 13,968 |
| - | - | 4,228 | - | 20,037 | 25,050 |
| - | - | 280 | - | 3,511 | 4,009 |
| - | - | 9 | - | 1,792 | 3,020 |
| - | - | 1,839 | - | 6,498 | 1,296 |
| - | - | - | - | - | - |
| - | - | 1,604 | - | 236,625 | 94,071 |
| - | - | - | - | 902 | 10,061,286 |
| 145,314 | - | 113,486 | - | 556,067 | 372,802 |
| - | - | 58,765 | - | 346,296 | 418,808 |
| 2,870 | - | 708 | - | 216,211 | 661,178 |
| 148,184 | 432,028 | 1,854,206 | 974,276 | 10,877,588 | 19,486,524 |
| 203,216 | (432,028) | 307,210 | (639,872) | 739,277 | 4,641,507 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 8,404 | (54,472) | 12,414 | 29,141 | (3,405) | (409,168) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (93,642) | - | (45,242) | - | (138,884) | (149,722) |
| - | - | 2,673 | - | 681,291 | 932,265 |
| - | - | - | (5,321) | (16,532) | (7,647,536) |
| - | - | - | 41,164 | 30,496 | 13,426,317 |
| (85,238) | (54,472) | (30,155) | 64,984 | 552,966 | 6,152,156 |
| 117,978 | (486,500) | 277,055 | (574,888) | 1,292,243 | 10,790,663 |
| 1,290,528 | (1,493,523) | 2,814,685 | 791,477 | 38,252,080 | 27,458,417 |
| $ 1,408,506 | $ (1,980,023) | $ 3,091,740 | $ 216,589 | $ 39,544,323 | $ 38,252,080 |

**KERN COUNTY WATER AGENCY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - GENERAL AND ADMINISTRATIVE ACTIVITIES**
**Year Ended June 30, 2009**

| | General | Proposition 13 Phase II | Water Management | Western Hills |
|---|---|---|---|---|
| Operating Revenue | | | | |
| Charges for untreated water | $ - | $ - | $ - | $ 346,717 |
| Charges for treated water | - | - | - | - |
| Ground water charges | - | - | - | - |
| Charges for operations and maintenance | 53,222 | - | - | - |
| Charges for power | - | - | - | - |
| Exchange and conveyance fees | - | - | - | - |
| Other user charges | - | - | - | - |
| Refunds and credits | - | - | - | - |
| Reimbursements | 264,399 | - | - | - |
| | 317,621 | - | - | 346,717 |
| Operating Expenses | | | | |
| Salaries and wages | 4,197,473 | 1 | - | - |
| Water purchases | - | - | - | - |
| Exchange and conveyance fees | - | - | - | - |
| Recharge and recovery fees | - | - | - | - |
| Power | - | - | - | - |
| Refunds and credits | - | - | - | - |
| Operations | 31,846 | 1 | - | - |
| Maintenance | 98,261 | - | - | - |
| Other administrative | 206,766 | (6,138) | - | 75 |
| Insurance | 41,373 | 1,690 | - | - |
| Telephone and utilities | 93,153 | 1,091 | - | - |
| Meeting and travel | 151,942 | 3,178 | - | - |
| Association and membership fees | 84,004 | - | - | 2,395 |
| Director fees | 88,235 | - | - | - |
| Professional fees | (4,135) | - | - | - |
| Capital outlays | - | - | - | - |
| Depreciation | 203,671 | - | - | - |
| Agency overhead allocation | (2,250,925) | - | - | - |
| Other | 479,570 | 177 | - | - |
| | 3,421,234 | - | - | 2,470 |
| **Operating income (loss)** | (3,103,613) | - | - | 344,247 |
| Non-operating Revenues (Expenses) | | | | |
| Property taxes: | | | | |
| General purpose distribution | 5,978,693 | - | - | - |
| Voter approved | - | - | - | - |
| Grant income | - | 2,760,297 | - | - |
| Cost sharing income | - | 366,750 | - | - |
| Interest income | 344,357 | 20,515 | 76,623 | 71,584 |
| Gain (loss) on sale of assets | (1,383) | - | - | - |
| County collection charges | (88,011) | - | - | - |
| Interest expense | - | - | - | - |
| Other | 75,861 | - | - | - |
| Transfers to other funds | (25,393) | - | - | - |
| Transfers from other funds | 398,113 | - | - | - |
| | 6,682,237 | 3,147,562 | 76,623 | 71,584 |
| **Change in net assets** | 3,578,624 | 3,147,562 | 76,623 | 415,831 |
| Net assets, beginning | 9,831,166 | 69,955,025 | 2,626,681 | 1,273,519 |
| Net assets, ending | $ 13,409,790 | $ 73,102,587 | $ 2,703,304 | $ 1,689,350 |

| Deferred Compensation | Section 125 | 2009 Total | 2008 Total |
|---|---|---|---|
| $ - | $ - | $ 346,717 | $ 821,255 |
| - | - | - | - |
| - | - | - | - |
| | | | - |
| - | - | 53,222 | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | 264,399 | 107,240 |
| - | - | 664,338 | 928,495 |
| - | (1,964) | 4,195,510 | 3,071,764 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | 31,847 | 24,952 |
| - | - | 98,261 | 113,047 |
| - | - | 200,703 | 244,875 |
| - | - | 43,063 | 76,799 |
| - | - | 94,244 | 128,675 |
| - | - | 155,120 | 162,882 |
| - | - | 86,399 | 94,792 |
| - | - | 88,235 | 93,041 |
| - | - | (4,135) | 194,220 |
| - | - | - | 36,135 |
| - | - | 203,671 | 273,917 |
| - | - | (2,250,925) | (2,324,936) |
| - | - | 479,747 | 237,605 |
| - | (1,964) | 3,421,740 | 2,427,768 |
| - | 1,964 | (2,757,402) | (1,499,273) |
| - | - | 5,978,693 | 5,918,499 |
| - | - | - | - |
| - | - | 2,760,297 | 15,189,724 |
| - | - | 366,750 | 34,789,435 |
| - | - | 513,079 | 550,898 |
| - | - | (1,383) | 230 |
| - | - | (88,011) | (76,580) |
| - | - | - | - |
| - | - | 75,861 | 62,943 |
| - | - | (25,393) | (5,951,869) |
| - | - | 398,113 | 707,928 |
| - | - | 9,978,006 | 51,191,208 |
| - | 1,964 | 7,220,604 | 49,691,935 |
| - | 15,937 | 83,702,328 | 34,010,393 |
| $ - | $ 17,901 | $ 90,922,932 | $ 83,702,328 |

Kern County Water Agency
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|---|---|---|
| U.S. Environmental Protection Agency: | | | |
| Passed through California Department of Water Resources: | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | SRF00CX127 | $ 1,489,840 |

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, “Audits of States, Local governments, and Non-Profit Organizations.”

**Note 2. State Revolving Fund Loan**

The federal expenditures included in the Schedule of Expenditures of Federal Awards are in the form of a low-interest loan under the California Safe Drinking Water State Revolving Fund Law of 1997 and are required to be repaid over a period of 20 years commencing at the completion of the capital project which it is funding.

Daniells
Phillips
Vaughan
& Bock
Accountancy
Corporation

Certified Public Accountants
Business & Personal Consultants

Member of the McGladrey Network

Member of AICPA Division for Firms
Private Companies Practice Section

NANCY C. BELTON

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
**Kern County Water Agency**
Bakersfield, California

We have audited the basic financial statements of **Kern County Water Agency** as of and for the year ended June 30, 2009, and have issued our report thereon dated March 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Kern County Water Agency's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Kern County Water Agency's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Kern County Water Agency's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



300 New Stine Road Bakersfield, CA 93309 Tel. 661.834.7411 Fax 661.834.4839 www.dpvb.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Kern County Water Agency's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties.

Daniells, Phillips, Vaughan & Bock

Bakersfield, California
March 24, 2010

Daniells
Phillips
Vaughan
& Bock
Accountancy
Corporation

Certified Public Accountants
Business & Personal Consultants

Member of the McGladrey Network

Member of AICPA Division for Firms
Private Companies Practice Section

NANCY C. BELTON

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
**Kern County Water Agency**
Bakersfield, California

Compliance

We have audited the compliance of **Kern County Water Agency** with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. **Kern County Water Agency's** major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of **Kern County Water Agency's** management. Our responsibility is to express an opinion on **Kern County Water Agency's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Kern County Water Agency's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **Kern County Water Agency's** compliance with those requirements.

In our opinion, **Kern County Water Agency** complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.



300 New Stine Road Bakersfield, CA 93309 Tel. 661.834.7411 Fax 661.834.4839 www.dpvb.com

Internal Control Over Compliance

The management of **Kern County Water Agency** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Kern County Water Agency's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Kern County Water Agency's** internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Directors, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Daniells, Phillips, Vaughan & Bock

Bakersfield, California
March 24, 2010

Kern County Water Agency
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

**Section I – Summary of Auditor's Results**

*Financial Statements*

| | | | |
|---|---|---|---|
| Type of auditor's report issued: | | | Unqualified |
| Internal control over financial reporting: | | | |
| Material weaknesses identified? | ____ Yes | X No | |
| Significant deficiencies identified that are not considered to be material weaknesses? | ____ Yes | X None reported | |
| Noncompliance material to financial statements noted? | ____ Yes | X No | |

*Federal Awards*

| | | | |
|---|---|---|---|
| Internal control over major programs: | | | |
| Material weaknesses identified? | ____ Yes | X No | |
| Significant deficiencies identified that are not considered to be material weaknesses? | ____ Yes | X None reported | |
| Type of auditor's report issued on compliance for major programs: | | | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) | ____ Yes | X No | |

Identification of major programs:

| CFDA Number | Name of Federal Program or Cluster |
|---|---|
| 66.468 | Capitalization Grants for Drinking Water State Revolving Funds |

| | | | |
|---|---|---|---|
| Dollar threshold used to distinguish between Type A And Type B programs: | | | $300,000 |
| Auditee qualified as low-risk auditee? | ____ Yes | X No | |

**Section II – Financial Statement Findings**

None

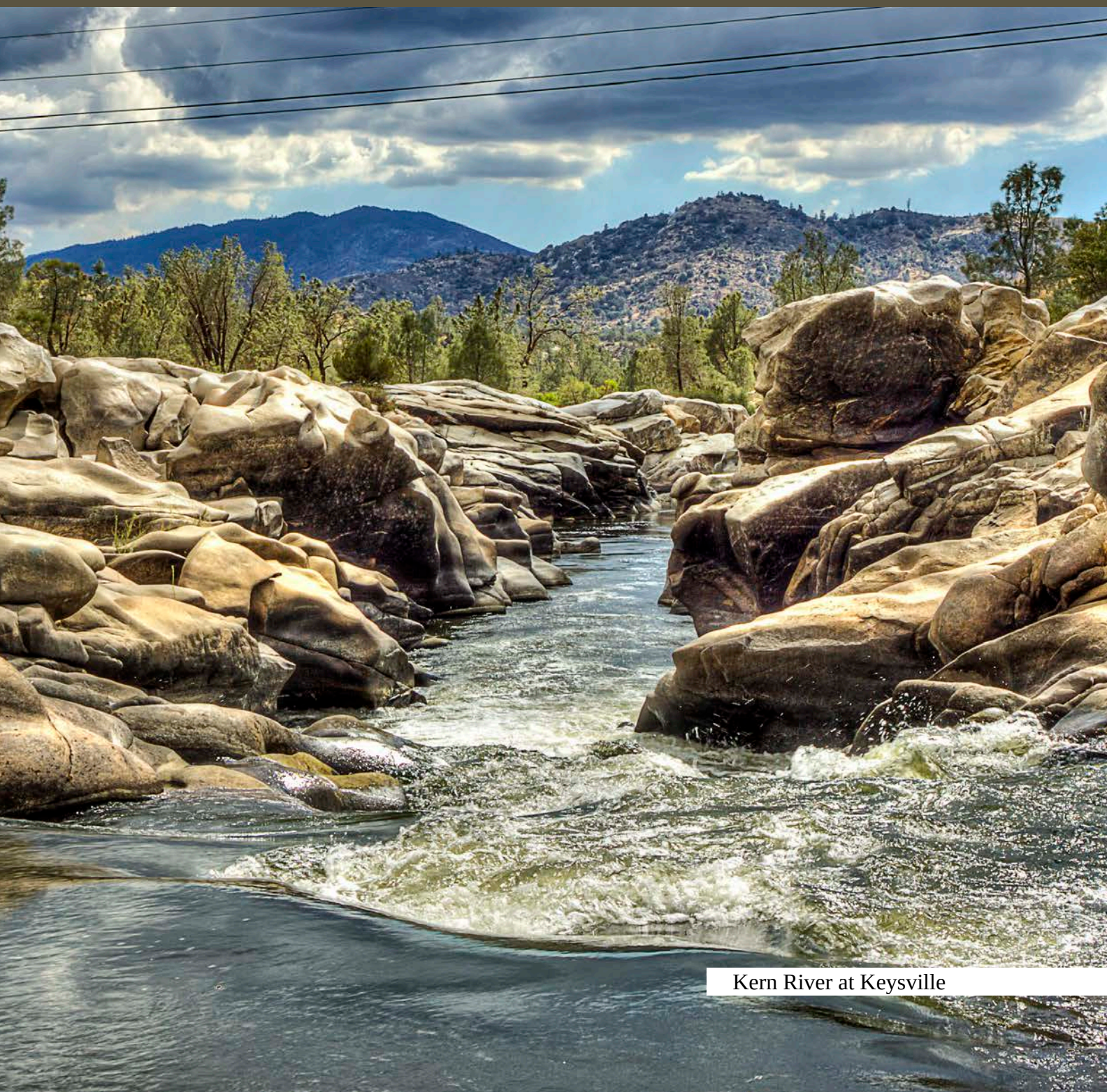
**Section III – Federal Award Findings and Questioned Costs**

None

Kern County Water Agency
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2009

| Finding/Recommendation | Current Status | Client Response If Not Implemented |
|---|---|---|
| N/A – no prior audit findings | | |

# Improvement District No. 4
## Report on Water Conditions 2013



Kern River at Keysville

January 31, 2014



Board of Directors
Kern County Water Agency
P. O. Box 58
Bakersfield, CA 93302-0058

Dear Members of the Board:

The *Improvement District No. 4 2013 Report on Water Conditions*, prepared as required by section 14.25 of the Kern County Water Agency (Agency) Act, is herewith filed with the Agency's Secretary of the Board. This is the 41st in a series required for the setting of groundwater charges for funding operating costs of Improvement District No. 4 (ID4) project facilities.

This report describes surface and groundwater conditions for ID4 and includes estimates of water supplies and requirements for the fiscal year July 1, 2014 through June 30, 2015.

Also included is an operating cost projection through 2014. This projection and the recommendations indicate the desirability of establishing a groundwater charge for the 2014-15 fiscal year. The information for setting this charge is contained in this report and is recommended for consideration at the public hearing to be held on Monday, March 17, 2014 at 3:00 p.m. in the Stuart T. Pyle Water Resources Center Board Room, located at 3200 Rio Mirada Drive, Bakersfield, California.

Respectfully submitted,

James M. Beck
General Manager

I hereby acknowledge receipt of the *Improvement District No. 4 2013 Report on Water Conditions* and will make it available for examination by the public.

Secretary of the Board

Enclosure

(661) 634-1400

Mailing Address
P.O. Box 58
Bakersfield, CA 93302-0058

Street Address
3200 Rio Mirada Dr.
Bakersfield, CA 93308

# Improvement District No. 4
## of the Kern County Water Agency

## 2013 Board of Directors

| | |
|---|---|
| Division 1 | Ted R. Page |
| Division 2 | Bruce Hafenfeld |
| Division 3 | Martin Milobar |
| Division 4 | Michael Radon |
| Division 5 | Adrienne J. Mathews |
| Division 6 | Royce Fast |
| Division 7 | Gene A. Lundquist |
| | |
| General Manager | James M. Beck |
| General Counsel | Amelia T. Minaberrigarai |

## Urban Bakersfield Advisory Committee – 2013

The Urban Bakersfield Advisory committee (UBAC) is charged with making recommendations to the Kern County Water Agency (Agency) Board of Directors (Board) on the Improvement District No. 4 (ID4) budget, water supply and water quality plans, and use of ID4 facilities. The Agency Board appoints nine members and nine alternate members to UBAC each year.

California Water Service Company
Rudy Valles

City of Bakersfield Water Resources Department
Maurice Randall

City of Bakersfield Water Resources Department
Jason Meadors

East Niles Community Services District
Tim Ruiz, Vice Chairman

North of the River Municipal Water District
David Aranda

Kern County Water Agency Subcontractor
Oildale Mutual Water Company
Doug Nunneley, Chairman

Kern County Water Agency Appointed
Brighthouse Networks
Lou Patterson

Kern County Water Agency Appointed
Vaughn Water Company
Van Grayer

# Table of Contents

# Definitions

**Acre-Foot (af)**
The quantity of water required to cover one acre of land to a depth of one foot (325,851 gallons). This amount of water is normally used by a family of four during a one-year period for residential use.

**Agency**
Kern County Water Agency.

**Agricultural Water**
Water first used on land in the production of crops or livestock for market.

**Aquifer**
Porous water-bearing stratum or zone below the Earth's surface.

**Central Valley Project**
In Kern County, this refers to the Friant-Kern Canal and its service area.

**Customers**
Based on the new treated water contracts.

**DWR**
California Department of Water Resources.

**Enterprise Fund**
General operating fund used to fund ID4 operations.

**Groundwater Replenishment**
Any act of God or man which replenishes or adds water to the subsurface aquifer system.

**ID4**
Improvement District No. 4.

**MGD**
Million gallons per day.

**M&I**
Municipal and Industrial – Generally refers to water used for domestic purposes.

**Potable Water**
Water fit to drink pursuant to State and federal statutory requirements and aesthetic acceptability.

**Project Water**
Any combination of State Water Project water and additional water generated from the State Water Project, or from exchanges with Kern River interests or other sources.

**Purveyors**
Company or organization which provides a domestic water supply to a group of water users on a retail basis.

**Small Groundwater Producing Facility**
Facilities which have a discharge opening not greater than two (2) inches in diameter and which do not provide water for an area in excess of 10,000 square feet.

**SWP**
The State Water Project – In Kern County, its major feature is the Edmund G. Brown California Aqueduct.

**Table A**
The amount of water from the State Water Project allocated to ID4, according to the Agency's contract with the California Department of Water Resources.

**TWCEP**
Treated Water Capacity Expansion Project.

**Very Small Groundwater Producing Facility**
Facilities where, in the opinion of ID4 staff, the cost of collection would exceed the flat rate charge.

**Water Year**
The water year as referenced within this report refers to the first day of January through the end of December.

# Summary & Recommendations

North Fork of Lake Isabella

Based on the information compiled and presented herein, it has been determined that the amount of agricultural water withdrawn from the groundwater supplies of Improvement District No. 4 (ID4) for the year 2013 is estimated to be 90 acre-feet (af). See the Groundwater Production Table on page 44.

The estimated amount of all other non-agricultural water withdrawn from the groundwater supplies of ID4 for the 2013 calendar year is 76,601 af (page 44).

37,661 af (including Henry C. Garnett Water Purification Plant process) of treated surface water was delivered to water purveyors in ID4 during water year 2013 (page 40).

The Kern County Water Agency (Agency), on behalf of ID4, was obligated by contract to pay for 82,946 af of State Water Project (SWP) water in calendar year 2013 (page 42).

If the 2014 California Department of Water Resources (DWR) SWP allocation remains at 5 percent, Agency staff estimates that 45,705 af of water will be imported into ID4. Approximately 14,500 af of this water will be recharged as conveyance losses in delivering raw surface water to the Henry C. Garnett Water Purification Plant. At the time of printing, DWR SWP Table A water allocation remains at 5 percent.

Total fund accumulation in the Enterprise Fund was $9.9 million as of July 1, 2013 and is projected to be $9.3 million as of July 1, 2014. The total fund accumulation includes recommended reserve levels as summarized below.

Agency staff developed a reserve policy to identify appropriate levels of accumulation within the ID4 Enterprise Fund. The 2013-14 treated water rate is set at $142 per af. The components of these reserve funds should include: $1.5 million to cover the Henry C. Garnett Water Purification Plant equipment and replacement; $0.5 million for Cross Valley Canal (CVC) power reserves; $2.0 million in additional funds available for catastrophic needs of ID4; and $0.8 million for acquisition of additional surface water supplies. Additionally, ID4 has approximately 269,065 af (page 39) stored in the Kern Water Bank, the Pioneer Project, the City of Bakersfield's (City) 2800 Acre Recharge Facility, and the Rosedale-Rio Bravo Water Storage District (Rosedale) and ID4 Joint Use Groundwater Recovery Project area.

It is recommended that charges for groundwater production in ID4, for the fiscal year commencing July 1, 2014 and ending June 30, 2015, be levied as follows:

1. Agricultural groundwater production:
   *$18 per acre-foot*

2. All other groundwater production:
   *$36 per acre-foot*

3. Small groundwater producing facilities:
   *$36 (flat rate)*

4. Very small groundwater producing facilities[1]:
   *$0 (no charge)*

[1]For administrative convenience, a flat rate annual charge of $36 was levied for small water-producing facilities, and no charge was levied for very small water producing facilities where the cost of collection would exceed the flat rate charge.

# Purpose

Train B Pipe Gallery

This is the 41st in a series of annual reports on water conditions within ID4. This report is intended to provide information upon which the levying of groundwater charges for Fiscal Year 2014-15 is based. The first report, issued on October 1, 1973, detailed events leading to the formation of ID4 and formulation of a project plan for importing water from the California Aqueduct. Appended to the first ID4 report on water conditions are the full texts of the formation resolution and a resolution declaring an intention to establish groundwater charges within ID4. Appended to the 1993 report are two resolutions which amended the formation of ID4 (prior Resolution No. 17-71) by raising the maximum permissible groundwater charge to $40 per af, thereby raising the cost of treated water to a maximum level of $38 in excess of the maximum groundwater charge levied in a given year. These actions were superseded when the Agency Board of Directors (Board) adopted the ID4 Financial Management Plan in March 1999. The Board adopted the Revised ID4 Financial Management Plan (Revised Financial Plan) in January 2011, which replaced previous versions of the ID4 Financial Management Plan. The Revised Financial Plan updated the financial requirements and reserve policy of ID4 as a result of the Treated Water Capacity Expansion Project (TWCEP).

In December 1972, the Agency published a Notice of Intent to establish a groundwater charge in accordance with section 14.22 of the Agency Act 9098 (Act). Following the Act, as amended February 17, 1982, requires that [such notice]:

1. All water-producing facilities (wells) located within ID4 shall be registered with the Agency by the owner or operator.

2. The Agency Engineer shall prepare an annual report by February 1 of each year.

3. A public hearing shall be held on the third Monday in March regarding the Engineer's report and to receive public testimony thereon.

4. Within 30 days after the close of the hearing, the Board shall determine whether a groundwater charge will be levied, and if so, shall set the charge.

5. Each owner or operator of a well shall file with the Agency, on or before January 31 and July 31 of each year, a statement of total water production for the preceding six months, and shall pay the groundwater charges as determined on the water production statement.

The Act requires a projection of estimates of water conditions and requirements for fiscal years commencing July 1. SWP operations are based on a calendar year. Local hydrologic conditions have a substantial impact on the ability of ID4 to receive and spread its SWP Table A water. Therefore, this report presents hydrologic and operational histories for back-to-back calendar years for use in projecting fiscal year supplies and requirements as required by the Act. Plate 1 (page 65) identifies irrigated agricultural, urban, industrial and undeveloped lands within ID4 based on a 2013 land use survey. Also shown on page 46 is the acreage devoted to each land use classification within ID4 since 1972.

# History of ID4

After the Rain on Deck of Train B

# General

ID4 was formed by a resolution adopted by the Agency Board on December 21, 1971 to provide a supplemental water supply for portions of the urban Bakersfield area through the importation of water from the SWP. In order to have a means for transporting this supplemental water to ID4 from the California Aqueduct, the ID4 Project included ID4's participation in the CVC. Upon reaching ID4, the imported supply was to be delivered directly to recharge areas for direct replenishment of the underlying groundwater aquifer or to the Henry C. Garnett Water Purification Plant for treatment and delivery to in-district water purveyors.

# Creation of Improvement District No. 4

The Agency was formed by Chapter 1003 of the Statutes of 1961. The primary purpose for creating the Agency was the establishment of a single entity in Kern County to negotiate and administer a water supply contract with the State of California for its SWP. In November 1963, to provide a firm water supply to supplement the estimated safe yield of the underground basin, the Agency contracted with DWR for a water supply for member units within Kern County, which included 77,000 af annually for ID4.

Subsequent amendments to the Act added provisions for the formation of improvement districts as needed to expedite solutions to specific problems relating to flood control, drainage or water supply. Activities leading to the creation of ID4 were initiated by the Agency Board by adoption of Resolution No. 25-70 on December 10, 1970, which outlined the need for such an improvement district. ID4 was formed by a resolution adopted by the Agency Board on December 21, 1971 for the purpose of financing the construction of a water purification plant, related water conveyance facilities, and a portion of the cost of the CVC. Resolution Nos. 16-71 and 17-71 were adopted by the Agency Board on December 21, 1971 to finalize formation activity and establish the boundaries of ID4 as they exist today.

On September 12, 1972, an election was held within ID4 authorizing $17.5 million of general obligation bonds to construct ID4's share of the CVC and water purification facilities, making the contracted water supply available to the areas of need within ID4. Five water districts in the easterly portion of the San Joaquin Valley in Kern County shared in the construction of the CVC to convey their water to their respective districts.

# Historic Conditions

Prior to construction of the CVC, the primary water supply for all uses within ID4 was groundwater. The groundwater basin underlying ID4 receives its recharge from the Kern River, which traverses ID4 from east to west, a distance of about 12 miles, through a wide, flat, permeable bed. Historically, flood flows that overflowed on lands on both sides of the river contributed further to groundwater recharge. Seepage and percolation through a number of unlined canals provided another source of recharge.

In the 1860s, when the first settlers arrived in Bakersfield, water levels were close to the surface. These levels declined from 40 to 90 feet by the 1940s and pumping lifts of 100 feet or more were common. Due to the declining water table, the quality of the groundwater in portions of ID4 degraded as poorer quality water moved into the area from adjacent lands.

Section 14.25 of the Act requires that, "... the Agency Engineer shall annually prepare a report which shall include, among other matters which the Agency may desire, information on the availability of surface and groundwater in the improvement district, the quantity of water needed for surface delivery and for replenishment of the groundwater supplies within the improvement district for the ensuing water year, the amount of water which the Agency is obligated to purchase for use in the improvement district during the ensuing water year and an estimate of the amount of groundwater to be extracted within the improvement district during the ensuing water year."

This report addresses establishing a groundwater charge for the fiscal year commencing July 1, 2014. However, the SWP operates on a calendar year basis. Water orders and payments for water are on the calendar year. Collection of tax funds by the County of Kern and Agency bookkeeping are on a fiscal year basis. For this reason, many of the comparisons cited in this report refer to calendar year 2014, which overlaps the 2014-15 fiscal year.

# Water Supply & Requirements


Kern River Staff Gauge Near
Upper Richbar Campground

Lake Isabella at Auxillary Dam

# Availability of Surface Water and Groundwater

The annual surface water supply for ID4 includes a SWP Table A allocation of 77,000 af of municipal and industrial (M&I) water and 5,946 af of firm agricultural water supplies for a total of 82,946 af. The annual Table A allocation received from the SWP is subject to reduction during drought conditions and regulatory requirements for environmental protection. Unless additional facilities are constructed to increase the SWP yield, Table A allocation reductions will occur more frequently in future years.

The Board recognized the need for advanced planning to meet the water demand of a growing community and adopted Resolution No. 13-83 on June 23, 1983, stating that the Agency will do everything in its power to provide the urban Bakersfield area additional potable surface water supplies. The Agency completed studies to determine the timing and extent of needs for such additional potable water supplies and the best way to meet these needs. Resolution No. 21-93, adopted on May 27, 1993, established policy for meeting future water supply requirements of ID4 and the joint City/County 2010 General Plan Area.

On May 26, 1988, the Board adopted Resolution No. 12-88 allocating to ID4 10,276 af of firm agricultural water and 1,554 af of surplus agricultural water. This resolution provides 35 cubic feet per second (cfs) of additional flow capacity in the California Aqueduct through Reach 16 to the forebay of the A.D. Edmonston Pumping Plant. This water had been previously contracted to Wheeler Ridge-Maricopa Water Storage District.

In 1996, the Kern Water Bank property was transferred to the entities participating in the Kern Water Bank Authority. As payment for its share of the Kern Water Bank, ID4 returned 4,330 af of its SWP firm agricultural Table A allocation to DWR. This reduction is reflected in current ID4 SWP Table A amounts.

Other supplies utilized to maximize replenishment operations in normal to wet years include interruptible water from the SWP (Article 21 water), water that is surplus to the Central Valley Project, water available from the Friant-Kern Canal and Kern River water. The amounts of 2013 SWP Table A water received are shown on page 39, together with adjustments for exchanges and purchases. Actual historic deliveries are shown on page 42. ID4 actively negotiates exchanges with Kern River interests for a supply of Kern River water.

Kern River supplies are delivered to agricultural water users in areas served by the City and Kern Delta Water District (Kern Delta) within ID4. Most of these agricultural service areas have dual supply systems allowing for the use of groundwater in dry years and river water in wet years. In 2013, 2,189 af of Kern River water were supplied for agricultural use within ID4 by the City and Kern Delta.

Treated municipal effluent irrigates agricultural land in the southeast area of ID4. City and county sewage treatment plants in the southeast area processed approximately 20,000 af in 2013, which were used in areas south of Brundage Lane and east of Cottonwood Road.

# Water Needed for Surface Delivery and Groundwater Replenishment

In 2014, ID4 needs about 35,000 af for direct deliveries to the purveyors, with an additional 14,500 af for internal purification plant processing and canal losses to allow for a maximum, non-interruptible supply to the Henry C. Garnett Water Purification Plant. Water needed for surface delivery will be SWP water contracted for by the Agency on behalf of ID4 as described earlier in this report, and/or Kern River water obtained by purchase or exchange and/or water recovered from ID4's banking projects to augment surface supplies.

SWP Table A water supplies not required for the Henry C. Garnett Water Purification Plant are normally utilized for groundwater replenishment. As of January 2014, the Kern River watershed is projected to be about 25 percent of normal. SWP supplies are projected to be at least 5 percent of SWP Table A water amounts, which results in an allocation to ID4 of 4,147 af. This supply is insufficient for full deliveries from the Henry C. Garnett Water Purification Plant. Additional supplies will be recovered from various banking projects to fulfill demand. In the past, natural replenishment of the basin's groundwater supply derived primarily from Kern River flows. When a dry year follows a period of heavy replenishment, rapid declines in groundwater levels adjacent to the river are noted as mounds dissipate.

# Water Obligated for Purchase by the Agency

The Agency was obligated to pay for 82,946 af on behalf of ID4 in 2013.

# Groundwater Conditions

Data collected by Agency staff indicates an average decrease in groundwater levels of 2.5 feet in 2013. In previous years, the change in groundwater levels has been calculated from contour maps generated from data collected in the fall (September through October). Comparing fall data can produce an erroneous interpretation in the calculation due to the large amount of groundwater extraction occurring in and adjacent to ID4 during the time it was collected. A more accurate calculation may be made by comparing data from mid-winter through early spring (January through March), due to the decrease in groundwater demand (pumping). Calculating the change in groundwater levels using data collected in the spring was instituted in 2011 (see Figure 1).

The average depth is weighted to account for the non-uniform density of monitored wells within three distinct areas of the groundwater service area of ID4. These three areas consist of the area approximately north of Rosedale Highway, the area approximately south of Stockdale Highway and the Kern River area. These three areas are considered separately due to varying groundwater recharge practices, different groundwater extraction demands and geological considerations with respect to the relative ease of subsurface migration of groundwater. Pages 65-72 depict the water surface elevation and depth-to-groundwater, respectively.

# Estimated Groundwater Extractions

Groundwater extraction is closely related to land use within ID4. Agency staff has conducted annual land use surveys since 1972. Data of historical land use within ID4 is shown on page 46. The ID4 crop report is shown on page 47 and shows agricultural land use by crops type produced within ID4 in 2013. The estimated amount of groundwater extracted in 2013 was 76,601 af (page 44).

# Groundwater Replenishment

ID4 provides a treated surface water supply to replace a portion of groundwater pumping. The replaced pumping, or in-lieu recharge, combined with imported SWP or exchanged Kern River water recharges the underground aquifer. Recharge made possible by water exchanges with Kern River interests commenced in 1971. Recharge using SWP water commenced in 1975 with the completion of the CVC. Absent environmental or drought-induced SWP Table A water supply reductions, the average annual amount available for replenishment is about 23,000 af. Actual amounts spread may vary from about 8,000 af of unavoidable seepage losses to over 90,000 af, depending on local and SWP water conditions and regulation afforded by exchanges.

Since 1971, ID4 has recharged 1,775,572 af. The SWP Table A water available for recharge or total in the same period was 896,644 af. The difference of 878,928 af was obtained from exchanges with Kern River or Friant-Kern Canal interests and banked water imports.

In-District recharge for 2013 was 23,626 af (page 41). The final SWP Table A water allocation was 35 percent and the Kern River runoff was 22 percent.

Sunset at the South Fork of Lake Isabella

# Operations

# Banking

## Kern Water Bank

ID4 has a 9.62 percent interest in the Kern Water Bank recharge and recovery facilities as a result of the 1996 agreement among project participants, the Agency and DWR. The number of recovery wells currently available is 86, yielding a total annual recovery capacity of approximately 230,000 af. The maximum annual recharge capacity of the project is about 450,000 af. ID4 recovered 9,297 af in the Kern Water Bank facilities in 2013.

## Pioneer Project

ID4 has a 10 percent interest in the Agency-owned Pioneer Project recharge and recovery facilities as a result of the 1998 Pioneer Participation Agreement. The total number of completed wells on the project is 35, which yield a total annual recovery of approximately 100,000 af. The maximum annual recharge capacity of the project is about 146,000 af. ID4 recovered 16,046 af in the Pioneer Project facilities in 2013.

## ID4 Recovery Program

ID4 currently owns four wells on the City's 2800 Acre Recharge Facility, located west of Allen Road and south of Stockdale Highway. These wells were drilled and cased in 1999 and remained idle during 2000 and 2001. In 2003, the project was completed with the installation of pumps, motors and pipelines. ID4's overall recovery capacity for this project is 20 cfs or 12,000 af annually. ID4 recovered 2,025 af from the 2800 Acre Recharge Facility in 2013.

## Allen Road Complex Well Field

ID4 owns and operates seven wells located along the north side of the Kern River between Allen Road and Calloway Drive. These wells may be used as part of a joint program with the City to recover previously recharged water for delivery into the Kern River channel for recreational purposes during dry years. ID4 can also use the wells to enhance potential exchanges or for water quality benefits for the Henry C. Garnett Water Purification Plant. ID4 did not utilize these wells for any water management programs in 2013.

## Improvement District No. 4 - Rosedale-Rio Bravo Joint Use Recovery Program

The Rosedale and ID4 Joint Use Groundwater Recovery Program (JURP) facility includes seven recovery wells with a total capacity of 35 cfs. ID4 operates this well field to recover banked water for two of Rosedale's partners, Kern-Tulare Water District (Kern-Tulare) and Arvin-Edison Water Storage District, with a maximum annual recovery capacity of 21,000 af. The JURP Agreement also provides ID4 with the ability to exchange surface water for an equal amount of banked water in the JURP area. In 2013, ID4 recovered 3,303 af to meet district demands and 16,087 af on behalf of Rosedale's banking partners.

# Exchanges

Exchanges of SWP water for Kern River and Friant-Kern Canal water will typically improve the quality of raw water delivered to the Henry C. Garnett Water Purification Plant and water spread for replenishment of the groundwater aquifer. Also, there are savings to ID4 in reduced CVC pumping costs when the exchange entity can accept return of ID4 water in the California Aqueduct, or at locations west of the Henry C. Garnett Water Purification Plant. These power savings occur when ID4 does not have to pump the water easterly, from the SWP, through the seven lift stations on the CVC to bring it into ID4. The current power costs averaged for the year are $3.13 per af at pumping plants one through seven, resulting in a total average cost of approximately $21.91 per af when water is delivered the full distance from the California Aqueduct to the terminus of the CVC Extension. An activity table depicting exchange activity for 2013 is shown on page 39.

In 2013, ID4 exchanged water with several entities to benefit all parties by saving costs, conserving supplies and keeping water quality consistent. Kern Delta provided supplies from the Kern River as well as previously banked SWP supplies in the Pioneer Project in exchange for SWP water from ID4. In 2013, ID4 and Kern Delta exchanged 26,366 af . Kern-Tulare and ID4 entered into an agreement in 1988 to exchange water supplies. A total of 3,296 af were exchanged under this agreement in 2013. North Kern Water Storage District has been another long-time exchange partner with ID4. In 1995, an agreement between the two entities was struck to standardize exchanges using two different exchange types, Category A and Category B. In 2013, both categories were used to bring SWP water by exchange to ID4. There were 4,755 af brought to ID4 under the terms of Category A and 6,055 af under the terms of Category B. ID4 also has exchanged water with the City under the 1988 long-term exchange using Truxtun Lakes as the point of delivery. In 2013, ID4 brought a total of 411af to the facility.

The Agreement for a Dry Year Water Supply from ID4 (Dry Year Agreement) was also finalized in 2013. The Dry Year Agreement provides the terms for treated water customers to access previously banked water from the groundwater banking projects that ID4 participates in. The Dry Year Agreement will help reduce water shortages for treated water customers. As part of the Dry Year Agreement 12, 883 af were recovered in 2013.

# Summary of Water Supply Operations

The total amount of direct, in-lieu and Kern River recharge incidental to ID4 operations since 1971 is shown in Figure 1 on page 58. This includes banking programs outside of ID4 boundaries, which also benefit ID4.

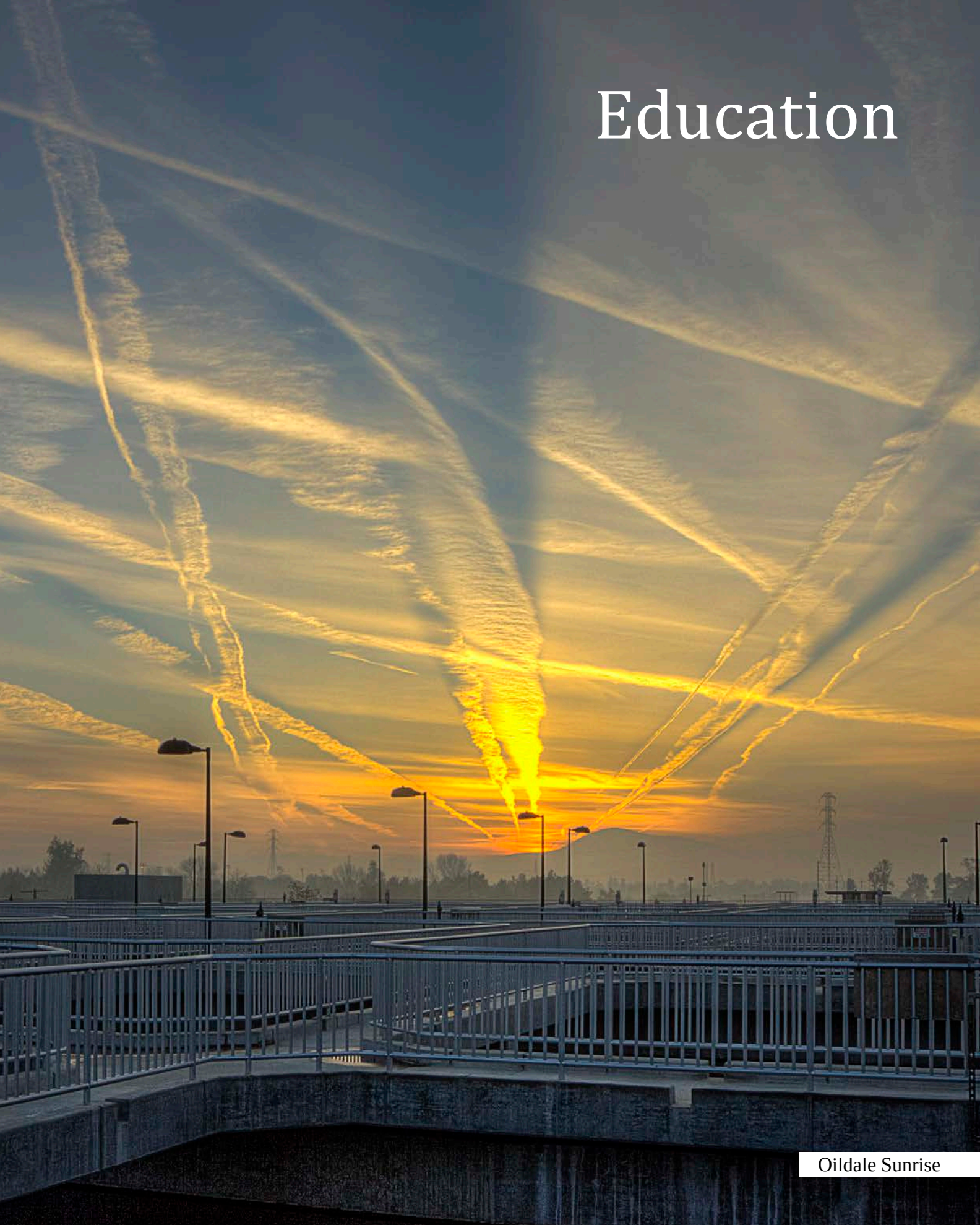
| | |
|---|---|
| Total ID4 In-District Recharge (Direct Recharge) | *1,775,572 af* |
| Total Treated Water Supply (In-Lieu Recharge) | *1,025,179 af* |
| Subtotal of ID4 Project Recharge Activities | *2,800,751 af* |

Recharge of water incidental to the ID4 Project effort also occurs during Kern River flood years and through conveyance of Kern River water to others.

| | |
|---|---|
| Subtotal of ID4 Project Recharge Activities | *2,800,751 af* |
| Incidental Canal & River Recharge | *3,201,647 af* |
| Total Recharge Within ID4 | *6,002,398 af* |
| Total Reported Groundwater Production Within ID4 | *(3,163,967) af* |
| Net Balance for ID4 Project Duration | *2,838,431 af* |

Train B Walkway Between
Sedimentation Basins

# Education



Oildale Sunrise

ID4 has historically participated in funding a comprehensive Water Education Program to educate local students about Kern County's water supplies, the importance of water and water use efficiency. The goal of the Water Education Program is to provide the public with the opportunity to make informed decisions when it comes to water use and conservation. The ID4 program incorporates teacher workshops, curriculum materials, assemblies, classroom presentations and student contests. All curricula and instruction offered through the Water Education Program support the California Curriculum Frameworks and Common Core Standards for kindergarten - 6th grades.

# Water Education Program Components

## Project WET

Project WET (Water Education for Teachers) promotes the awareness, appreciation, knowledge and stewardship of water resources. Project WET workshops maximize the time engaged in hands-on activities, help educators become familiar with teacher-designed features of the guide and provide opportunities to bounce implementation ideas around with fellow educators. Every Project WET activity was created by teachers, for teachers, and each incorporates nationally recognized education principles and practices. Project WET activities provide step-by-step instructions making the activities very popular with California educators of all levels of teaching experience. Project WET activities are correlated to Common Core Standards, Next Generation Science Standards and California Environmental Education Initiative (EEI) learning objectives.

ID4 is proud to be a facilitator for Project WET and annually hosts a Project WET Workshop and Practicum. In 2013, nine teachers from ID4's service area attended the Project WET teacher workshop. The workshop featured classroom-proven, hands-on learning activities that make water topics come alive for teachers and students. The Project WET activities that were presented during the workshop were specifically tailored to easily integrate knowledge of local water resources and to highlight local water issues. Each teacher received a new Project WET 2.0 Guide (Guide) that was provided through a U.S. Bureau of Reclamation Central Valley grant. The Guide features 65 kindergarten - 12th grade Project WET activities to enhance student application of curricular skills in math, language arts, science and history/social science to the study of water. An additional feature of the new guide includes a website portal address that enables teachers to broaden their educational resources.

Teachers had the opportunity to register for continuing education units from California State University, San Marcos after their participation in the workshop and left with custom-made activity kits to use in their classrooms.

## Water Awareness Poster Contest

Water Awareness Month is celebrated statewide in May, and ID4 celebrates the importance of water in the community by having students express how they can play a part in water conservation. As part of this commitment to water conservation, ID4 holds an annual poster contest for students in grades 1 - 6. In the 2013 poster contest, over 120 entries were received from three different schools within ID4. From those entries, three winning posters were selected. The winners received an award of recognition and their posters were displayed on the Agency's website. First, second and third place winners were presented with awards during year-end assemblies.

## Fifth Grade Water Cycle Presentation

*The Incredible Journey*—This Project WET activity is conducted in the classroom. As part of the lesson, students role-play as a water molecule, which helps them to conceptualize the water cycle as more than a two-dimensional path. At the conclusion of the lesson, the students will have made a water cycle bracelet that describes their "Incredible Journey" as a water molecule. The objectives covered in the lesson include: the movement of water within the water cycle; the different states of water as it moves through the water cycle; the location of most of the water on Earth; and the concepts of evaporation and condensation. As a language arts extension activity, teachers have the option of having the students write a story about the water molecule's journey. In the 2012-2013 school-year, over 350 students within ID4's service area participated in this presentation.

## Water Education Videos and Lesson Plans

As part of the Water Education program, all schools that held an assembly received three water education videos and coordinating lesson plans. These videos are meant to enrich the students' understanding and knowledge of local and state water supplies.

*California's Water-California's Water System*—This video, produced by and starring Huell Howser, explores the unique California water system. Mr. Howser focuses on how water is moved and stored along the California Aqueduct. This video and lesson plan were designed for use in grades 4 - 6.

*California's Water-Groundwater Banking*—This video, produced by and starring Huell Howser, looks at how groundwater basins play a critical role in meeting California's water needs. Mr. Howser visits the Kern Water Bank Authority where groundwater basins are used to improve local water supply reliability. This video and lesson plan were designed for use in grades 4 - 6.

*All About Water and You!*—This video, produced by the California Water Awareness Campaign, is a comprehensive water education video that introduces the students to the water storage and delivery system in California. The video also explores how people use water and how to use water wisely. The video and lesson plans were designed for use in grades 1 - 3.

## Third - Fifth Grade WebQuests

Published on the Agency's website are two Water Education WebQuests. The two WebQuests have been developed for students in grades 3 - 5. Using the internet, the students are able to explore the world of water. The following objectives are covered in the WebQuests:

The different water sources in Kern County.
How water is purified.
How students can play a role in water conservation.
The science of water.

# 2012-13 Water Education Assemblies

ID4 is pleased to offer the following Common Core Standards-based grade-level assemblies and materials to schools located within ID4's service area. All assemblies address Kern County's state and local water supplies, the Henry C. Garnett Water Purification Plant, local groundwater banking programs and water conservation. The lively assemblies include colorful pictures and videos as well as interactive activities for the students to follow. At the conclusion of the assembly, all teachers receive a water education curriculum packet and grade-level educational materials for all students. An effort has been made to integrate many subject areas (science, social studies, English-language arts and art) and to help students develop specific skills (critical thinking, organizing data and predicting).

## Kindergarten Assembly Program

*"Ruby the Radish"- Urban Water Use and Water Conservation Story*—This Common Core Standards-based Water Education unit was designed to teach kindergarten students within ID4's service area the importance of water and its conservation. This unit includes the story "*Ruby the Radish*," which has been written and illustrated exclusively for ID4. In the story, the main character Ruby the Radish starts as a seed, and raises awareness of how to use water wisely as she grows. Through the interaction with the other characters in the story, Ruby the Radish is able to relay to the young reader ways to help save and conserve water inside and outside the average urban household. Also in the unit are three lesson plans, which have been created to coordinate with the story, and materials to conduct the activities outlined in the lesson plans. The lesson plans included are: Responding to Literature, Water Cycle in a Cup and Growing Radishes. In an effort to reach more people, a special part of the unit calls for each student to take the storybook home to read to members in the household and complete a water conservation home survey.

A 20-minute kindergarten assembly presentation has been created around the character Ruby the Radish. The assembly addresses where water in ID4 comes from, how the water is cleaned and purified, and how to save and conserve water. The Water Education unit is also introduced and given to the teachers at the end of the assembly. In the 2012-2013 school-year, 340 students within ID4's service area participated in this program.

## 1st Grade Assembly Program

*"Suzie-Q's Water Awareness Campaign" - Urban Water Use and Water Conservation*—This Common Core Standards-based Water Education unit has been designed to teach 1st grade students within ID4's service area the importance of water and its conservation. This Water Education unit includes the story "*Suzie-Q's Water Awareness Campaign*," which has been written and illustrated exclusively for ID4. The story features a main character Suzie-Q, also known to her friends as "The Queen of Water Conservation," a heroic squirrel that leaps from tall trees to make urban Bakersfield residents aware of water conservation. Also in the unit are two lesson plans, which have been created to coordinate with the story, and materials to conduct the activities outlined in the lesson plans. The lesson plans included are: Responding to Literature, Water Molecules in Motion and The Amazing Water Molecule. In an effort to reach more people, a special part of the unit calls for each student to take home a plush squirrel along with the storybook to read to members in the household and complete a water conservation home survey.

A 30-minute 1st grade assembly presentation was created around the character Suzie-Q. The assembly addresses where water in ID4 comes from, how the water is cleaned and purified, and how to save and conserve water. The unit is also introduced and given to the teachers at the end of the assembly. In the 2012-2013 school-year, 225 students within ID4's service area participated in this program.

## 2nd Grade Assembly Program

*"Casey's Incredible Journey" - Water Purification and Water Conservation* — This Common Core Standards-based Water Education unit has been designed to teach 2nd grade students within ID4 how their water is purified and how they can save that water. This Water Education unit includes the story "*Casey's Incredible Journey,"* which has been written and illustrated using photographs exclusively for ID4. The story features a main character Casey the Water Drop, who takes an incredible journey from the top of Mt. Whitney through the Henry C. Garnett Water Purification Plant before going to homes and businesses in metropolitan Bakersfield. Also in the unit are three lesson plans, which have been created to coordinate with the story, and materials to conduct the activities outlined in the lesson plans. The lesson plans included are: Responding to Literature, Exploring the Scientific Process and Our Water Footprint. In an effort to reach more people, a special part of the unit calls for each student to take home a plush water drop along with the storybook to read to members in the household and complete a water conservation home survey.

A 40-minute 2nd grade assembly presentation was created around the character Casey. The assembly addresses where water in ID4 comes from, how the water is purified, how to save and conserve water, and features a fun water conservation game show that details the steps through the purification process. The unit is also introduced and given to the teachers at the end of the assembly. In the 2012-2013 school-year, over 350 students within ID4's service area participated in this program.

## 3rd-4th Grade Assembly Program

*Water in California*—Water in California is the theme that is explored in this exciting curriculum which highlights Bakersfield's rich water history and how that water is purified at the Henry C. Garnett Water Purification Plant. This program includes a 45-minute engaging and interactive assembly that has been designed to teach students about Kern County's water supplies and how that water is used. The importance of water conservation is also taught as part of the assembly. An interactive part of the assembly invites students to help build a pizza display, allowing them to see how much water is required to make one of the foods that we all enjoy. At the conclusion of the presentation, all students receive a water education workbook, a pencil and a Water Deputy sticker badge. Teachers receive a teacher guide to accompany the student workbook. In the 2012-13 school-year, over 500 students within ID4's service area participated in this program.

## 5th-6th Grade Assembly Program

*Water Awareness*—Water Awareness is the theme that will be explored in this exciting curriculum which highlights the water cycle, the importance of groundwater and how water is purified at the Henry C. Garnett Water Purification Plant. This 50-minute engaging and interactive assembly has been designed to teach students about Kern County's water supplies and how that water is purified and used. The importance of water conservation is also taught as part of the assembly. An assembly activity features an exploration of the scientific process through the demonstration of two chemistry experiments on the chemical components of water. At the conclusion of the presentation, all students receive a water education workbook, a pencil and a Water Deputy sticker badge. Teachers receive a teacher guide to accompany the student workbook. In the 2012-13 school-year, over 500 students located within ID4's service area participated in this program.







ater Awareness Poster Contest

e annual 1st-6th grades poster contest is part of ID4's commitment to educating Kern County students about local water sources and ater conservation. Winning entries are featured on the Kern County Water Agency's (Agency) website. Additional information will be coming to your school outlining contest rules, theme and additional information.

Includes:
- Classroom Set of Water Education Workbooks
- Teacher Guide
- Custom Teacher Bag
- Standards Matrix
- Bookmarks
- Water Deputy Badges
- Home Water Surveys
- Pencils

This water education unit has been designed to teach 1st grade students in Bakersfield the importance of water and its conservation. This program includes a 30-minute assembly that has been created around the character Suzie-Q.

**2nd Grade Assembly Program**

*"Casey's Purification Journey" – Water Purification and Water Conservation*

Join Casey on his amazing water journey from the top of Mt. Whitney through the Henry C. Garnett Water Purification Plant before going to the homes and businesses in metropolitan Bakersfield. This unit contains a unique student take-home activity kit where students are able to take home a Casey plush toy and introduce him to others while exploring water conservation in the home.

This water education unit has been designed to teach 2nd grade students in Bakersfield how their water is cleaned and purified at the Henry C. Garnett Water Purification Plant, and the importance of water and its conservation. This program includes a 30-minute assembly that has been created around the character Casey the water drop.

- Student Take-Home Activity Kit: Storybook, Plush Squirrel, Class Journal, Parent Letter and Bag
- Standards Matrix
- Bookmarks
- Water Deputy Badges
- Home Water Surveys
- Pencils

**2nd Grade:**
- Storybook, "Casey's Purification Journey"
- Classroom Poster
- Custom Teacher Bag
- Three Lesson Plans: Responding to Literature; Water Footprints; and Exploring the Scientific Process
- Student Take-Home Activity Kit: Storybook, Plush Squirrel, Class Journal, Parent Letter and Bag
- Standards Matrix
- Bookmarks
- Water Deputy Badges
- Home Water Surveys
- Pencils

*"Thank you for a great presentation. The reinforcement and introduction of concepts was spot on! We loved it!"*
*– Teacher at Old River*

*"Cannot say enough good things! The presentation and materials for the teachers and students were amazing! Best assembly I have been to in a long time."*
*– Teacher at Sing Lum*

*"I can now incorporate hands-on activities that are geared toward things that interest children in today's society."*

*"Great workshop that aligns to Common Core Standards and the Environmental Education Initiative."*

## Teacher Training-Project WET Workshop and Practicum

ID4 is proud to be a facilitator of Project WET (Water Education for Teachers). Project WET is an environmental education program that promotes the awareness, appreciation, knowledge and stewardship of water resources. The teacher training provided by ID4 staff features classroom-proven, hands-on learning activities that make water topics come alive for students. The Project WET workshop models activities that are practical for teachers, while also engaging students' critical thinking skills. During the practicum portion of the workshop, ID4 will supply teachers with material kits to use in their own classrooms. Teachers enjoy using Project WET lessons because they are designed to complement the existing curricula, rather than replace it.

ID4's 2014 Project WET Workshop and Practicum will take place on Wednesday, June 11, 2014. All participants will receive the Project WET Curriculum and Activity Guide and will have the option to earn continuing education units.

Additional information will be coming to your school in 2014. If you would like to pre-register for the 2014 Project WET Workshop and Practicum, please contact ID4's Water Education Department at (661) 634-1424. The number of participants is limited, so you may want to reserve your spot now.

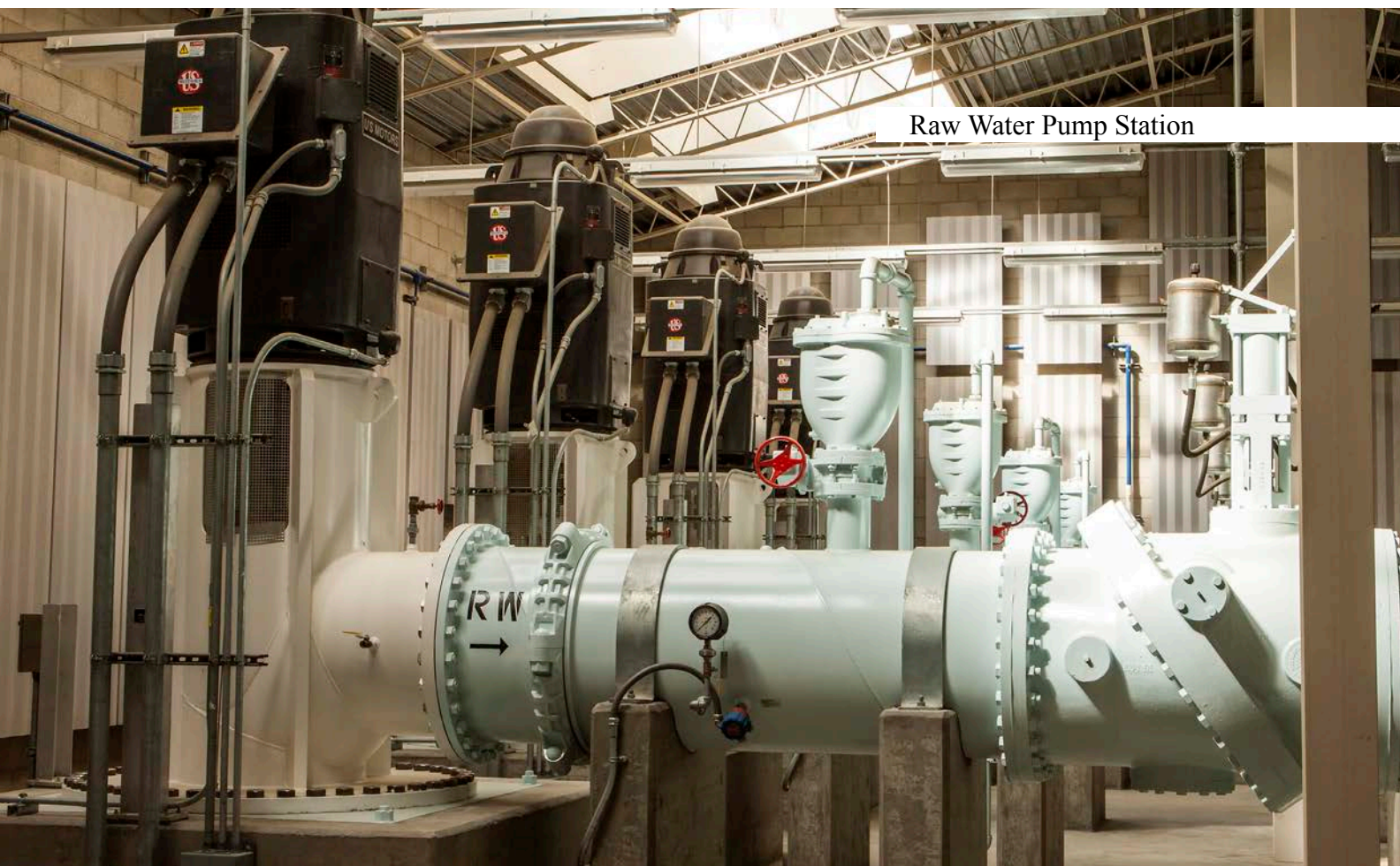
# Planning & Engineering


Conduit Trench for New Precipitated Solids

*Henry C. Garnett Water Purification Plant Sodium Hypochlorite Tank Modifications Project (Phase II):* On November 20, 2012, the Notice of Award was issued to W.M. Lyles Company for the Sodium Hypochlorite Tank Modifications. The contract provided for the repair of two of six 12,000-gallon fiberglass-reinforced plastic tanks for the Bulk Sodium Hypochlorite Facility. These tanks started to leak due to crack formation in the tank bottoms caused by inadequate support underneath the fiberglass-reinforced plastic tank bottoms. The tanks were lifted and grout was injected to fill the annular space between the tank bottom and the concrete pedestal. The tank supports were replaced. The tanks were then reset, inlet nozzles and the lining of the tank bottom were repaired, and the connections were plumbed. This contract was completed on February 4, 2013.

*Henry C. Garnett Water Purification Plant Precipitated Solids Drying Bed:* On April 26, 2013, the Notice of Award was issued to Clark Brothers, Inc. for the expansion of the existing precipitated solids drying beds at the Henry C. Garnett Water Purification Plant. This contract provided three additional precipitated solids drying beds, 8-inch diameter polyvinyl chloride (pvc) effluent distribution pipeline and asphalt road surfacing. The contract was completed on September 12, 2013.

*Henry C. Garnett Water Purification Plant Clearwell No. 2 Coating Repairs Project:* On October 24, 2013, the Notice of Award was issued to Farr Construction California dba Farr Synthetic Coatings for the repair of the interior coating of Clearwell No. 2. This contract provides for the repair of the interior coating by removing areas of the failed coating system on the interior structural elements of the fixed metal roof system and then applying a new coating system to the removed areas. This contract is scheduled to be completed in April 2014.



Raw Water Pump Station

# Henry C. Garnett Water Purification Plant

Train A Sedimentation Basins

# Operations

In 2012, the California Department of Public Health (CDPH) amended the Water Supply Permit for the Henry C. Garnett Water Purification Plant. The authorized purification capacity is 103 million gallons per day (mgd). As part of the Supply Permit Amendment, Agency staff updated the Henry C. Garnett Water Purification Plant Operations Plan. The Operations Plan provides specific information on the plant operating procedures, equipment specifications and design details.

In 2013, the Henry C. Garnett Water Purification Plant delivered 36,294 af of water for domestic consumption. This represents a 12 percent decrease when compared to the amount delivered in 2012 ( 41,209 af). Additional water was used for filter backwash, plant process use, sludge discharge and evaporation.

The peak production flow occurred on August 26,2013 and amounted to 57.1 mgd. This represents 55 percent of the expanded maximum design flow of 103 mgd. The Henry C. Garnett Water Purification Plant did not operate at flows greater than design capacity in 2013.

The Henry C. Garnett Water Purification Plant's chemical costs were 36 percent less in 2013 than 2012 ($642,527 in 2013 and $1,004,472 in 2012). This represents an incremental cost decrease of approximately $7 per af of water delivered for domestic purposes. This change is a result of changes in source water quality. Chemical costs reported on the Henry C. Garnett Water Purification Plant Operations Costs tables on page 48 reflect actual chemical usage rather than the total paid invoices recorded in prior reports.

In 2013, chemicals consisting of sodium hypochlorite, aluminum sulfate, sodium hydroxide, cationic polymer, powdered activated carbon, zinc orthophosphate and sulfuric acid were used for water treatment processes. A detailed accounting of chemical consumption and a complete breakdown of the 2013 and historical operating costs is shown on page 48. A history of water use by source is on page 40.

Agency staff continued to use copper sulfate instead of potassium permanganate for algae control in the temperature equalization pond. In 2013, the utilization of copper sulfate as an oxidant continued to show a significant cost savings compared to potassium permanganate, with no impact to water quality.

Agency staff also conducted semiannual well measurement within ID4. This included static water level monitoring of hundreds of wells in the metropolitan Bakersfield area.

Agency staff continued to operate the ID4 Solar Photovoltaic Project (Solar Project) in 2013. The Solar Project produced a total of 1,939 megawatt-hours of energy (MWh), earning rebates of approximately $935,629 through participation in the California Solar Initiative (CSI) and saving $149,595 through energy offset production in 2013. The Solar Project began producing energy in March 2009. Annual summaries of the energy produced, CSI rebates earned and energy cost offsets are shown in the following table.

**ID4 Solar Project Operations**

| Year | MWh Produced | CSI Rebate | Energy Cost Offset |
|---|---|---|---|
| 2009 | 1,286 | $ 622,955 | $ 149,343 |
| 2010 | 1,602 | $ 773,818 | $ 171,503 |
| 2011 | 1,661 | $ 802,313 | $ 175,021 |
| 2012 | 1,853 | $ 907,434 | $ 185,569 |
| 2013 | 1,939 | $ 935,629 | $ 149,595 |
| **Totals** | **8,341** | **$ 3,106,520** | **$ 681,436** |

# Maintenance

Agency staff performed corrective and preventive maintenance to existing ID4 facilities, and drafted and implemented new preventive maintenance procedures for various facilities and equipment. Staff installed a new concrete walkway to the access tunnel and canal footbridge for the water purification facilities, and installed storm water drainage and collection gutters behind the Treatment Train B. Staff conducted annual cleaning, inspections and repairs to all eight treatment plant sedimentation basins and the twelve filter basins. Staff conducted inspections and repairs of the Treatment Train B's settled water and filter to waste channels, and the combined filter box structure. Staff conducted a final cleaning, inspection and disinfection of the Clearwell No. 1 and returned it to service.

Staff performed weekly pipeline surveillance and preventive maintenance activities on the North, East and Northwest Feeder pipelines, and prepared for maintenance on various appurtenances and system valves. Annual landscaping and weekly maintenance was conducted at the Oswell Storage Tank and Pump Station and the 23 Corner Tank facilities. Staff completed a tri-annual inspection of the Oswell 6.8 million gallon water storage tank and repaired the tank ventilation screens. Staff dewatered and conducted an inspection of the East Pump Station pump wet-well vault, and completed annual maintenance on the Northwest Feeder's 5,000 volt variable frequency pump motor drives.

Staff conducted weekly and monthly monitoring of the Electrical Service Entrance facility. Staff continued the process of drafting and implementing new preventative maintenance tasks for the complex array of electrical equipment, controls and switchgear. Staff conducted weekly inspections and monthly load testing of the two 2.0-megawatt, 1.75-megawatt and 60-kilowatt standby generators and the 40-kilowatt uninterruptable power supply system. Staff evaluated all ID4 electrical equipment facilities to prepare for an updated electrical arc/flash coordination study. Staff also developed plans for and began installing uninterruptible electrical standby power circuits for critical laboratory equipment.

Staff provided daily oversight and periodical maintenance of the one-megawatt solar photovoltaic electrical generation facility. Staff conducted annual cleaning and monthly preventive maintenance of the solar panels and electrical inverter facilities. Staff prepared all ID4 and JURP recovery well facilities for recovery operations.

Agency staff assisted with the following projects: the development of plans and specifications and project contractor bid walks for the Clearwell No. 2 Coating Repairs Project; the Precipitated Solids Beds Project; continuation of the Sodium Hypochlorite Tank Modifications Project; began drafting plans and specifications for data and network upgrades for the water purification plant facilities; development of new safety policies and procedures; cleaning and preparing Alum storage tanks No. 1 and No. 3 for inspection and repairs; installation and testing of the new telephone communications system, and provided facility oversight of the construction activities of the Westside Parkway Project that affected the JURP.

# Laboratory

Title 22 and constituents of concern analyses were performed on the Henry C. Garnett Water Purification Plant treated and source water and several groundwater wells. Treated and source water samples were also analyzed quarterly for 1,2-dibromomethane (EDB), 1,2-dibromo-3-chloropropane (DBCP), volatile organic chemical (VOC), organochlorine and organonitrogen non-volatile synthetic organic chemical, general mineral, physical, metal and inorganic nonmetallic constituents, and monthly for general mineral, physical and inorganic nonmetallic constituents. The influent water supply was analyzed weekly for arsenic, conductivity and nitrate, and monthly for EDB, DBCP, VOCs, and gross alpha as requested by the CDPH when the influent water supply changed from the Kern River to primarily groundwater in July 2013.

The distribution system was monitored weekly for coliform bacteria and physical constituents, monthly for total organic carbon (TOC) and total trihalomethanes (TTHM), and quarterly for regulated haloacetic acid, TOC and TTHM constituents. Treated water was monitored every other week and six distribution system sample locations were monitored twice a year for pH, calcium, orthophosphate and zinc as requested by CDPH due to corrosion control treatment in the distribution system. Multiple batches of treated water and distribution system samples were collected and analyzed for TTHMs to assess the effect of treatment chemical concentrations and water age on TTHM formation.

Kern River sanitary survey samples were collected quarterly and analyzed for general mineral, physical, coliform bacteria, TOC, dissolved oxygen and VOC constituents. Lake Isabella was monitored for VOCs following all holiday weekends and Lake Ming was monitored periodically for VOCs following any drag boat races.

Taste and odor samples were analyzed weekly in the warmer months and monthly in the cooler months in an effort to detect and avoid odor incidents. Multiple batches of copper samples were analyzed as a result of aquatic growth control measures occurring in the temperature equalization pond.

Henry C. Garnett Water Purification Plant
Laboratory Glass

# Financial Aspects of the Project

Sorghum at Stockdale Highway & Heath Road

ID4 is an original participant in the construction of the CVC to convey water to the Henry C. Garnett Water Purification Plant and to the Kern River for groundwater replenishment. CVC construction was completed in 1976, and on February 29, 1980, Fox & Company completed a final construction cost audit. The audit was reviewed and accepted by the Agency Board. The total construction cost of the CVC was $22,777,873, of which ID4's share was $6,833,362.

Also, Fox & Company audited the ID4 construction fund to include the original Henry C. Garnett Water Purification Plant and treated water pipelines. This audit was completed on June 30, 1982. Updated construction costs since the two Fox & Company audits are summarized as follows:

| | |
|---|---|
| CVC (ID4 share) | *$7,132,899* |
| Purification Plant and Conveyance Facilities | *$25,755,025* |
| Total | *$32,887,924* |

# Annual Costs and Revenue

Cash flow for the fiscal year ending June 30, 2013, for all ID4 funds together with a forecast of cash flow conditions for the next fiscal year, is shown on pages 49-51. These projections are subject to change based on capital projects deemed necessary to the continued operation of ID4. The Agency Board adopted Resolution No. 04-11 which incorporated the Revised Financial Plan and established groundwater charges as well as a long-term surcharge on treated water rates. The new rates are projected to generate adequate revenues for the continued operation of the ID4 Project, while meeting ID4 debt service coverage requirements.

ID4 continues to look for ways to provide a supplemental water supply to metropolitan Bakersfield in a cost-effective manner. Under action taken by the Agency Board in 1996, Zone of Benefit credits are authorized to be used for the purchase of additional water from the State or federal projects. This measure was taken to mitigate the inability of the SWP to deliver 100 percent of Table A amounts annually. ID4 also works to reduce water pumping costs by exchanging SWP water for Friant-Kern and Kern River water. An optimum exchange can eliminate power costs for CVC pumping and potentially lessen the quantity of chemicals applied in the purification process. Chemical costs are affected substantially by the source and condition of the raw water. The availability of most exchanges cannot be predicted; therefore, power and chemical costs are budgeted conservatively by assuming use of the CVC for all but those exchanges currently in effect.

# Improvement District No. 4 Funds

ID4 has four income sources managed within three fund accounts:

1. The ID4 Bond Fund was established to account for the receipts and disbursements of money needed to comply with the interest and redemption requirements of the bonds issued to construct the TWCEP. This fund will continue until the settlement of the debt incurred to construct the TWCEP. The interest and principal payments are being paid through a Capital Facilities Charge (CFC) as provided by the Agreements.

2. Zone of Benefit No. 7 was established in accordance with the SWP contract with the Agency dated November 15, 1963 to account for property taxes collected and interest earned on money held. Zone of Benefit No. 7 is used for the purchase of State or federal water supplies. The 2012-13 tax rate (per $100.00) is 0.027085.

3. The Enterprise Fund is an operations fund established to account for money necessary for operation of the Henry C. Garnett Water Purification Plant, the treated water distribution system, groundwater replenishment and ID4's share of CVC costs. Expenditures are primarily for current day-to-day operating expenses and operating equipment. Revenues are recorded by source; principally water sales, groundwater pumping charges and interest earned on reserves. Revenues are derived from groundwater and treated water charges. The 2012-13 charges for each water type were $18 per af for produced agricultural groundwater and $36 per af for all other types of produced groundwater, and sales of treated water were at the rate of $144 per af.

ID4 has no other regular revenue sources other than those described above. Money from the Enterprise Fund can be transferred into either or both of the other two funds to reduce the ad valorem tax burden, but excess revenues collected in the ID4 Bond Fund and Zone of Benefit No. 7 funds must remain in those funds. The Enterprise Fund accumulation as of July 1, 2013 was $9.9 million, including reserves of about $1.5 million for equipment replacement, $0.5 million for CVC power reserves, $2.0 million for catastrophic needs of ID4 and $0.8 million for acquisition of additional surface water supplies.

The present level of groundwater charges and sales of treated water are projected to yield approximately $9.8 million. It is anticipated that the operating expenses of ID4 will equal the estimated revenues in 2013-14. ID4 will also expend reserves in 2013-14 to construct various capital replacement projects.

## Well Registration and Collection of Groundwater Charges

Wells within ID4 are registered pursuant to Section 14.24 of the Agency Act (see page 45).

On July 1, 2013, agricultural groundwater charges were $18 per af, and charges for all other groundwater extractions were $36 per af. For administrative convenience, a flat rate annual charge of $36 was levied for small water producing facilities and no charge was levied for very small water-producing facilities where the cost of collection would exceed the flat rate charge.

## ID4 Financial Management Plan

On January 26, 2011, the Board adopted the Revised Financial Plan which updated the previous versions of the ID4 Financial Management Plan. The Revised Financial Plan provides detail on the principles and practices to be followed in administering the financial resources of ID4. The Revised Financial Plan identifies the need for a long-term surcharge on treated water rates to address increasing costs associated with operation of the Henry C. Garnett Water Purification Plant and to meet ID4's debt repayment obligation. With the adoption of the Revised Financial Plan, the Board authorized the setting of rates and charges to ensure sufficient revenues to continue the ID4 project.

## Refinancing of General Obligation Bonds

In November 2006, the Agency successfully retired the remaining balance of its $17.5 million general obligation bond used to construct the Henry C. Garnett Purification Plant, the treated water distribution system and ID4's share of the CVC.

# Sale of Certificates of Participation for Capital Projects

In 2006, ID4 issued $27 million in water revenue Certificates of Participation (COP) to fund $22.5 million of the TWCEP costs and refund the 1999 COPs. In 2008, ID4 issued an additional $121 million in water revenue COPs to fund capital improvement projects associated with the TWCEP. The COPs will be retired in 30 years. In 2006, ID4 also entered into a low-interest loan agreement with the DWR Safe Drinking Water State Revolving Fund (SDWSRF) Program for $2.82 million to fund the Oswell Bypass Project. The SDWSRF loan payments became due in 2010 and will retire in 2030. The SDWSRF loan is a parity obligation to the 2006 COPs.

Money to be used for the repayment of debt is provided for in the Agreements. The Agreements, and subsequent project agreements, include a contract provision for the biannual payment of a Capital Facilities Charge (CFC) to charge purveyors for all capital facility costs, including principal, interest and other costs associated with repayment of any debt incurred in the development and construction of the TWCEP. The Agreement will be effective through 2035, or until the COPs and any additional financing for the TWCEP are paid in full. Under the Agreements, each purveyor is responsible for its proportionate share of capital costs. The CFC is considered a "general obligation" expense of the purveyor, regardless of the amount of water delivered or whether the capacity is actually required for delivery of the purveyor's water.

**Outstanding Bond Issues**
**(As of March 1, 2013)**

| Series | Dated | Interest Rate | Original Par | Final Maturity | Outstanding (as of 3/1/13) |
|---|---|---|---|---|---|
| Water Revenue COP, Series 2006A | 4/19/2006 | 4% - 4.6% | $17,150,000 | 5/1/2036 | $14,140,000 |
| Water Revenue COP, Series 2006B (Taxable) | 4/19/2006 | 5.87% | $10,550,000 | 5/1/2036 | $9,630,000 |
| Water Revenue COP, Series 2008A | 5/6/2008 | 3% - 5% | $84,365,000 | 5/1/2038 | $78,490,000 |
| Water Revenue COP, Series 2008B (Tble) | 5/6/2008 | 4.838%-6.649% | $36,555,000 | 5/1/2038 | $34,570,000 |

# Tables and Figures

## 2013 ID4 Water Supplies Exchanges, and Deliveries (acre-feet)

All units in acre-feet unless otherwise noted.

| ID4 SUPPLIES | SWP[1] | SWP by Exchange[2] | Kern River | SWP by Exchange[3] | Bank Recovery | Total |
|---|---|---|---|---|---|---|
| SWP (M&I) | 26,950 | | | | | 26,950 |
| SWP (Ag) | 2,081 | | | | | 2,081 |
| 2012 Carryover | 2,301 | | | | | 2,301 |
| 2013 Agency Table A | 238 | | | | | 238 |
| Multi-Year | 3,600 | | | | | 3,600 |
| Turn Back Pool A | 100 | | | | | 100 |
| Yuba Accord | 4,075 | | | | | 4,075 |
| Recovered Supplies: | | | | | | |
| *2800 Acres* | 83 | | | | 1,942 | 2,025 |
| *Joint Use Recovery Project* | | | | | 3,303 | 3,303 |
| *Kern Water Bank* | 5,230 | | | | 4,067 | 9,297 |
| *Pioneer Project* | 5,144 | | | | 10,902 | 16,046 |
| **Subtotal** | 49,802 | - | - | - | 20,214 | 70,016 |
| **ID4 EXCHANGES / OBLIGATIONS** | | | | | | |
| California Aqueduct | | | | | (5,000) | (5,000) |
| City of Bakersfield | (506) | 506 | 3,100 | | | 3,100 |
| Kern Delta WD Exchange | (26,366) | 16,366 | | | 10,000 | - |
| Kern Tulare WD Exchange 2013 | (3,630) | 3,296 | | | | (334) |
| North Kern WSD Category A | | 4,758 | | | (4,067) | 691 |
| North Kern WSD Category B | (6,055) | 6,055 | | | | - |
| Pastoria | | | | | (322) | (322) |
| Truxtun Lakes | (234) | (177) | | | | (411) |
| **Total Exchanges/Obligations** | (36,557) | 30,981 | 3,100 | - | 611 | (1,865) |
| **Available Supplies** | **13,244** | **30,981** | **3,100** | **-** | **20,825** | **68,151** |

*acre-feet*

| ID4 DELIVERIES | SWP[1] | SWP by Exchange[2] | Kern River | SWP by Exchange[3] | Bank Recovery | Total |
|---|---|---|---|---|---|---|
| Henry C. Garnett Water Purification Plant | 2,554 | 19,049 | 3,007 | | 13,051 | 37,661 |
| In-District Transportation Recharge | 1,568 | 7,023 | | | 7,268 | 15,859 |
| In-District Recharge | 2,623 | 4,910 | | | 234 | 7,767 |
| Out of District Losses | 2,600 | | | | 272 | 2,872 |
| Carryover 2013 | 3,899 | | 93 | | | 3,992 |
| **Total Deliveries** | **13,244** | **30,981** | **3,100** | **-** | **20,825** | **68,151** |

## ID4 Groundwater Recharge and Recovery Asset Summary

| Groundwater Banking Facility | ID4 Interest | Annual Recharge Capacity | Annual Recovery Capacity[6] | ID4 Recharge Capacity | ID4 Recovery Capacity | Summary of Banked Water |
|---|---|---|---|---|---|---|
| **Kern Water Bank** | 9.62% | 450,000 | 230,000 | 43,290 | 22,126 | 159,621 |
| **Pioneer Project** | 10% | 146,000 | 100,000 | 14,600 | 10,000 | 49,868 |
| **ID4 Banking Wells**[4] | 100% | | 12,000 | | 12,000 | 58,406 |
| **ID4/Rosedale Joint Use Recovery Project**[5] | 22.2% | | 21,000 | | 5,940 | 1,170 |
| **Allen Road Well Field** | 100% | | 36,000 | | 36,000 | |
| **Total** | | 596,000 | 399,000 | 57,890 | 86,066 | 269,065 |

[1] *SWP allocation for 2011 was 80%.*

[2] *SWP water by exchange with Kern River interests.*

[3] *SWP water by exchange with Friant-Kern interests.*

[4] *ID4 recovery wells and banked water in City of Bakersfield's 2800 Acres Recharge Facility.*

[5] *First priority for 10 cfs of recovery capacity.*

[6] *Recovery capacity varies with respect to depth to groundwater.*

# ID4 History of Purification Plant Water Use by Sources (acre-feet)

| Year | State Water Project | State Water Project by Exchange[1] | Kern River | State Water Project by Exchange[2] | Recovered | Total |
|---|---|---|---|---|---|---|
| 1975 | | | | | | - |
| 1976 | | | | | | - |
| 1977 | 15,950 | | | | | 15,950 |
| 1978 | 8,329 | 15,607 | | | | 23,936 |
| 1979 | 5,347 | 21,078 | | | | 26,425 |
| 1980 | 4,288 | 18,551 | | | | 22,839 |
| 1981 | 20,457 | 3,407 | | | | 23,864 |
| 1982 | 3,584 | 21,488 | | | | 25,072 |
| 1983 | 1,287 | 23,317 | | | | 24,604 |
| 1984 | 21,068 | 5,200 | | | | 26,268 |
| 1985 | 942 | 23,331 | | | | 24,273 |
| 1986 | 1,487 | 22,967 | | | | 24,454 |
| 1987 | 1,974 | 23,534 | | | | 25,508 |
| 1988 | 7,971 | 21,360 | | | | 29,331 |
| 1989 | 11,844 | 15,593 | | | | 27,437 |
| 1990 | 24,728 | 2,694 | | | | 27,422 |
| 1991 | 2,467 | 9,146 | | | 7,719 | 19,332 |
| 1992 | 6,830 | 8,442 | | | 12,241 | 27,513 |
| 1993 | 4,653 | 23,414 | | 2,883 | | 30,950 |
| 1994 | 4,030 | 20,680 | | 715 | 4,186 | 29,611 |
| 1995 | 2,528 | 28,883 | | | 222 | 31,633 |
| 1996 | 24 | 28,527 | | 1,387 | | 29,938 |
| 1997 | | 25,416 | | 7,980 | | 33,396 |
| 1998 | | 26,510 | | 1,906 | | 28,416 |
| 1999 | | 28,340 | | | | 28,340 |
| 2000 | 132 | 29,023 | | | | 29,155 |
| 2001 | 3,503 | 7,579 | | | 15,810 | 26,892 |
| 2002 | 5,228 | 21,327 | | | 1,194 | 27,749 |
| 2003 | 9,826 | 14,011 | | | 2,111 | 25,948 |
| 2004 | 4,282 | 14,419 | | | 6,693 | 25,394 |
| 2005 | 1,967 | 24,320 | | | 787 | 27,074 |
| 2006 | 7,160 | 18,412 | | | | 25,572 |
| 2007 | 4,826 | 14,874 | | | 7,301 | 27,001 |
| 2008 | 1,462 | 25,000 | | | | 26,462 |
| 2009 | - | 28,335 | | | | 28,335 |
| 2010 | 718 | 29,231 | | | | 29,949 |
| 2011 | 2,473 | 20,751 | 13,021 | | | 36,245 |
| 2012 | 22,272 | 8,892 | 14,066 | | | 45,230 |
| 2013 | 2,554 | 19,049 | 3,007 | | 13,051 | 37,661 |
| **TOTAL** | **216,191** | **692,708** | **30,094** | **14,871** | **71,315** | **1,025,179** |

[1] *SWP water by exchange with Kern River interests.*

[2] *SWP water by exchange with Friant-Kern interests.*

# History of Groundwater Replenishment by ID4

All units in acre-feet unless otherwise noted.

| Year | % Allocation | Kern-River Runoff (% of mean)[4] | SWP | Recovery[1] | SWP by Exchange[2] | Kern River | Friant-Kern[3] | In District Recharge | Banked Water | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 1971 | | | | | 6,400 | | - | 6,400 | - | 6,400 |
| 1972 | | | | | 11,000 | | - | 11,000 | - | 11,000 |
| 1973 | | | | | 67,500 | | - | 67,500 | - | 67,500 |
| 1974 | | | | | 10,900 | | - | 10,900 | - | 10,900 |
| 1975 | | 81 | 5,700 | | - | | - | 5,700 | - | 5,700 |
| 1976 | | 23 | 27,800 | | - | | - | 27,800 | - | 27,800 |
| 1977 | | 20 | 6,400 | | 2,000 | | - | 8,400 | - | 8,400 |
| 1978 | 100% | 230 | 1,470 | | 37,840 | | 2,990 | 42,300 | - | 42,300 |
| 1979 | 100% | 88 | 60,680 | | 36,200 | | 1,120 | 98,000 | - | 98,000 |
| 1980 | 100% | 208 | 23,210 | | 23,230 | | 3,460 | 49,900 | - | 49,900 |
| 1981 | 100% | 53 | 55,270 | | 2,350 | | 480 | 58,100 | - | 58,100 |
| 1982 | 100% | 168 | 5,480 | | 35,810 | | 2,110 | 43,400 | - | 43,400 |
| 1983 | 100% | 325 | 1,250 | | 10,860 | | 3,290 | 15,400 | - | 15,400 |
| 1984 | 100% | 89 | 15,690 | | 5,120 | | 1,690 | 22,500 | - | 22,500 |
| 1985 | 100% | 89 | 7,980 | | 32,280 | | 940 | 41,200 | - | 41,200 |
| 1986 | 100% | 187 | 22,530 | | 68,000 | | 2,220 | 83,423 | 9,327 | 92,750 |
| 1987 | 100% | 44 | 14,000 | | 18,200 | | 540 | 32,740 | - | 32,740 |
| 1988 | 100% | 34 | 5,210 | | 29,850 | | - | 35,060 | - | 35,060 |
| 1989 | 100% | 50 | 6,990 | | 14,040 | | - | 21,030 | - | 21,030 |
| 1990 | 50% | 24 | 10,713 | | 3,116 | | - | 13,829 | - | 13,829 |
| 1991 | 0% | 59 | 1,651 | | 6,279 | | - | 7,930 | - | 7,930 |
| 1992 | 45% | 39 | 2,574 | 1,750 | 4,437 | | - | 8,761 | - | 8,761 |
| 1993 | 100% | 126 | 51,045 | - | 30,319 | | 32,727 | 92,195 | 21,896 | 114,091 |
| 1994 | 50% | 41 | 24,671 | - | 15,250 | | 193 | 30,005 | 10,109 | 40,114 |
| 1995 | 100% | 199 | 50,200 [5] | - | 76,878 | | 23,000 [5] | 104,148 | 45,935 | 150,083 |
| 1996 | 100% | 128 | 58,934 | - | 65,281 | | 13,283 | 85,232 | 52,266 | 137,498 |
| 1997 | 100% | 122 | 744 | - | 66,015 | | 5,432 | 67,670 | 4,521 | 72,191 |
| 1998 | 100% | 239 | 17,642 | - | 45,680 | | 4,793 | 40,427 | 27,688 | 68,115 |
| 1999 | 100% | 53 | 70,898 | - | 13,872 | | 842 | 85,543 | 69 | 85,612 |
| 2000 | 90% | 65 | 26,304 | - | 22,843 | | 4,699 | 46,054 | 7,792 | 53,846 |
| 2001 | 39% | 54 | 4,440 | 4,496 | 18,601 | | - | 24,973 | 2,564 | 27,537 |
| 2002 | 70% | 43 | 7,537 | - | 43,904 | | - | 41,258 | 10,183 | 51,441 |
| 2003 | 90% | 70 | 24,303 | - | 24,229 | | - | 20,152 | 28,380 | 48,532 |
| 2004 | 65% | 48 | 20,018 | 2,640 | 14,466 | | - | 35,152 | 1,972 | 37,124 |
| 2005 | 90% | 169 | 89,743 | 689 | 36,502 | | 16,557 | 104,053 | 39,438 | 143,491 |
| 2006 | 100% | 156 | 89,601 | - | 38,962 | | 12,831 | 107,938 | 33,456 | 141,394 |
| 2007 | 60% | 26 | 25,901 | 336 | 20,411 | | 1,567 | 45,592 | 2,623 | 48,215 |
| 2008 | 35% | 72 | 2,179 | 124 | 34,530 | | | 10,371 | | 10,371 |
| 2009 | 40% | 63 | | | 38,166 | | | 9,831 | | 9,831 |
| 2010 | 50% | 125 | 8,469 | | 56,426 | | | 34,946 | 715 | 35,661 |
| 2011 | 80% | 201 | 11,703 | | 38,585 | 23,453 | 172 | 37,668 | 56,324 | 93,992 |
| 2012 | 65% | 38 | 30,969 | | 12,828 | 18,898 | | 17,465 | | 17,465 |
| 2013 | 35% | 22 | 6,745 | 20,553 | 30,982 | 3,007 [6] | | 23,626 | | 23,626 |
| **TOTAL** | | | **896,644** | **30,588** | **1,170,142** | **45,358** | **134,936** | **1,775,572** | **355,258** | **2,130,830** |

[1] Recovered from wells on Kern Fan Element property (unavoidable losses in conveyance to water treatment plant).

[2] SWP water by exchange with Kern River interests.

[3] Acquired from Friant-Kern interests.

[4] Percentage of the 1894 to date, long-term average of the April-July snow melt runoff at First Point.

[5] Estimated.

# ID4 History of State Water Project (SWP) Entitlement and Actual Water Deliveries

| Year | SWP Allocation | SWP SUPPLIES | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Table A Entitlement | | Table A | Long Term | | | Total |
| | | M&I | Ag | Allocated | Purchase | Surplus * | Other ** | Supply |
| 1970 | 100% | 18,700 | | 18,700 | | | | 18,700 |
| 1971 | 100% | 22,100 | | 22,100 | | | | 22,100 |
| 1972 | 100% | 24,500 | | 24,500 | | | | 24,500 |
| 1973 | 100% | 28,000 | | 28,000 | | | | 28,000 |
| 1974 | 100% | 31,400 | | 31,400 | | | | 31,400 |
| 1975 | 100% | 35,000 | | 35,000 | | | | 35,000 |
| 1976 | 100% | 37,300 | | 37,300 | | | | 37,300 |
| 1977 | 90% | 40,800 | | 36,720 | | | | 36,720 |
| 1978 | 100% | 43,100 | | 43,100 | | | 10,892 | 53,992 |
| 1979 | 100% | 45,400 | | 45,400 | | | 48,524 | 93,924 |
| 1980 | 100% | 47,700 | | 47,700 | 1,050 | | 3,104 | 51,854 |
| 1981 | 100% | 50,200 | | 50,200 | 1,250 | | 30,545 | 81,995 |
| 1982 | 100% | 53,600 | | 53,600 | 1,550 | | 2,000 | 57,150 |
| 1983 | 100% | 56,000 | | 56,000 | 1,850 | | | 57,850 |
| 1984 | 100% | 59,400 | | 59,400 | 2,530 | | 7,913 | 69,843 |
| 1985 | 100% | 62,900 | | 62,900 | 2,795 | | | 65,695 |
| 1986 | 100% | 65,300 | | 65,300 | 3,875 | | 2,908 | 72,083 |
| 1987 | 100% | 68,800 | | 68,800 | 3,950 | | | 72,750 |
| 1988 | 100% | 71,200 | 9,335 | 80,535 | 4,750 | | 620 [5] | 85,905 |
| 1989 | 100% | 73,500 | 9,860 | 83,360 | 5,477 | | 6,530 [4] | 95,367 |
| 1990 | 100% | 77,000 | 10,276 | 82,138 | 6,100 | 1,554 | | 89,792 |
| 1991 | 30% | 77,000 | 10,276 | 23,100 | 5,600 | 1,554 | 635 [5] | 30,889 |
| 1992 | 45% | 77,000 | 10,276 | 39,274 | 5,400 | 1,554 | 2,500 [5] | 48,728 |
| 1993 | 100% | 77,000 | 10,276 | 87,276 | 5,310 | 1,554 | 39,189 | 133,329 |
| 1994 | 53% | 77,000 | 10,276 | 46,169 | 5,220 | 1,554 | | 52,943 |
| 1995 | 100% | 77,000 | 10,276 | 87,276 | 5,050 | | (2,195) [6] | 90,131 |
| 1996 | 100% | 77,000 | 10,276 | 87,276 | 11,100 | | 2,011 [5] | 100,387 |
| 1997 | 100% | 77,000 | 5,946 | 82,946 | 11,000 | | | 93,946 |
| 1998 | 100% | 77,000 | 5,946 | 82,946 | 10,800 | | | 93,746 |
| 1999 | 100% | 77,000 | 5,946 | 82,946 | 10,600 | | | 93,546 |
| 2000 | 90% | 77,000 | 5,946 | 74,651 | 14,352 | | 47,122 | 136,125 |
| 2001 | 39% | 77,000 | 5,946 | 32,349 | 6,219 | | 14,395 | 52,963 |
| 2002 | 70% | 77,000 | 5,946 | 58,062 | 6,455 | | 3,593 | 68,110 |
| 2003 | 90% | 77,000 | 5,946 | 74,651 | 10,503 | | 15,938 | 101,092 |
| 2004 | 65% | 77,000 | 5,946 | 53,915 | 5,435 | | 7,904 | 67,254 |
| 2005 | 90% | 77,000 | 5,946 | 74,651 | 11,474 | | 72,709 | 158,834 |
| 2006 | 100% | 77,000 | 5,946 | 82,946 | 13,219 | | 42,564 | 138,729 |
| 2007 | 60% | 77,000 | 5,946 | 49,768 | 4,080 | | 8,280 | 62,128 |
| 2008 | 35% | 77,000 | 5,946 | 29,031 | | | 136 | 29,167 |
| 2009 | 40% | 77,000 | 5,946 | 33,178 | | | 1,236 | 34,414 |
| 2010 | 50% | 77,000 | 5,946 | 41,473 | | | 12,974 | 54,447 |
| 2011 | 80% | 77,000 | 5,946 | 66,357 | | | 25,057 | 91,414 |
| 2012 | 65% | 77,000 | 5,946 | 53,915 | | | 1,727 | 55,642 |
| 2013 | 35% | 77,000 | 5,946 | 29,031 | | | 10,314 | 39,345 |
| **TOTALS** | | **2,782,900** | **192,209** | **2,405,341** | **176,994** | **7,770** | **419,125** | **3,009,230** |

* Replaced by interruptible water after execution of the Monterey Agreement in December 1994

** Surplus, Unscheduled Surplus, Dry Year Cutback/Payback, Carryover, Interruptible, exchanges and GRP water

*** ID4 banking in City's 2,800 acres, Pioneer North & South, and Kern Water Bank

[1] CVC/ID4 project not completed.

[2] Due to State Water Project shortfalls.

[3] Wet years on the Kern River.

[4] Includes 5,000 af released to water pool for use by agricultural districts.

[5] Carryover.

[6] Carryover 6,131 af and 5,000 af Kern-Tulare/Lost Hills/ID4 exchange.

| Year | SWP Allocation | ID4 Deliveries: Deliveries within ID4 | ID4 Deliveries: Banked Water *** | ID4 Deliveries: Water Transfers | ID4 Deliveries: Total Deliveries | ID4 Deliveries: Carryover | SWP Supply Deficiency | Inability to Accept SWP Supply |
|---|---|---|---|---|---|---|---|---|
| 1970 | 100% | | | | - | | | 18,700 [1] |
| 1971 | 100% | 22,100 | | | 22,100 | | | |
| 1972 | 100% | 24,500 | | | 24,500 | | | |
| 1973 | 100% | 27,907 | | | 27,907 | | | 93 [3] |
| 1974 | 100% | 30,816 | | | 30,816 | | | 584 [3] |
| 1975 | 100% | 35,000 | | | 35,000 | | | |
| 1976 | 100% | 37,300 | | | 37,300 | | | |
| 1977 | 90% | 23,695 | | 5,000 | 28,695 | 8,025 [4] | 4,080 [2] | |
| 1978 | 100% | 42,020 | | | 42,020 | | | 11,972 [3] |
| 1979 | 100% | 93,924 | | | 93,924 | | | |
| 1980 | 100% | 38,678 | | | 38,678 | | | 13,176 [3] |
| 1981 | 100% | 71,995 | | | 71,995 | | | 10,000 [3] |
| 1982 | 100% | 20,120 | | | 20,120 | | | 37,030 [3] |
| 1983 | 100% | 3,427 | | | 3,427 | | | 54,423 [3] |
| 1984 | 100% | 69,843 | | | 69,843 | | | |
| 1985 | 100% | 65,695 | | 1,100 | 66,795 | 2,908 | | |
| 1986 | 100% | 32,040 | 9,327 | 1,100 | 42,467 | | | 29,616 [3] |
| 1987 | 100% | 71,030 | | 1,100 | 72,130 | 620 [5] | | |
| 1988 | 100% | 73,674 | | 6,100 [4] | 79,774 | 6,131 | | |
| 1989 | 100% | 77,367 | | 18,000 | 95,367 | | | |
| 1990 | 100% | 79,413 | | | 79,413 | 8,828 [7] | 5,138 [2] | |
| 1991 | 30% | 24,851 | | | 24,851 | 2,500 [5] | 64,176 [2] | |
| 1992 | 45% | 44,992 | | | 44,992 | (1,083) [8] | 48,002 [2] | |
| 1993 | 100% | 109,879 | 21,896 | | 131,775 | | | |
| 1994 | 53% | 69,917 | 10,109 | | 80,026 | (2,195) [8] | 41,107 [2] | |
| 1995 | 100% | 108,781 | 45,935 | | 154,716 | 2,011 [5] | | |
| 1996 | 100% | 120,324 | 52,266 | | 172,590 | | | |
| 1997 | 100% | 103,767 | 4,521 | | 108,288 | | | |
| 1998 | 100% | 79,474 | 27,688 | | 107,162 | | | 7,700 [3] |
| 1999 | 100% | 191,201 | 69 | | 191,270 | | | |
| 2000 | 90% | 121,774 | 7,792 | | 129,566 | 10,471 [9] | 8,295 [2] | |
| 2001 | 39% | 46,744 | 2,564 | | 49,308 | | 50,597 [2] | |
| 2002 | 70% | 71,195 | 10,183 | | 81,378 | | 24,884 [2] | |
| 2003 | 90% | 86,619 | 28,380 | | 114,999 | 5,062 [5] | 8,295 [2] | |
| 2004 | 65% | 79,571 | 1,972 | | 81,543 | | 29,031 [2] | |
| 2005 | 90% | 51,811 | 39,438 | | 91,249 | 390 [5] | 8,295 [2] | |
| 2006 | 100% | 63,921 | 33,456 | | 97,377 | 1,425 [5] | | |
| 2007 | 60% | 63,552 | 2,623 | | 66,175 | (477) [8] | 33,178 [2] | |
| 2008 | 35% | 29,167 | - | | 29,167 | 1,190 [5] | 53,915 [2] | |
| 2009 | 40% | 21,716 | - | | 21,716 | 12,698 [5] | 49,768 [2] | |
| 2010 | 50% | 43,753 | 715 | | 44,468 | 8,182 [5] | 41,473 [2] | |
| 2011 | 80% | 58,378 | 31,630 | | 90,008 | 211 [5] | 16,589 [2] | |
| 2012 | 65% | 55,183 | | | 55,183 | 1,927 [5] | 29,031 [2] | |
| 2013 | 35% | 47,202 | | | 47,202 | 3,899 [5] | 53,915 [2] | |
| | | **2,634,316** | **330,564** | **32,400** | **2,997,280** | **72,723** | **569,768** | **183,294** |

[7] Includes 635 af of carryover and 8,193 af released to water pool for use by agricultural district.

[8] Overdeliveries.

[9] Includes 10,000 af exchanged with Arvin-Edison; 47 af carryover.

# Groundwater Production

All units in acre-feet unless otherwise noted.

| Year | Agricultural | All Other | Total Production | Charges Collected |
|---|---|---|---|---|
| 1976 | 20,000 | 78,200 | 98,200 | $1,321,000 |
| 1977 | 11,700 | 61,900 | 73,600 | $1,102,000 |
| 1978 | 14,500 | 55,500 | 70,000 | $1,119,000 |
| 1979 | 14,100 | 61,600 | 75,700 | $1,369,000 |
| 1980 | 11,900 | 63,000 | 74,900 | $1,190,000 |
| 1981 | 12,797 | 68,697 | 81,494 | $1,458,000 |
| 1982 | 7,655 | 63,140 | 70,795 | $1,575,700 |
| 1983 | 4,869 | 62,591 | 67,460 | $1,302,530 |
| 1984 | 9,755 | 73,052 | 82,807 | $1,564,580 |
| 1985 | 7,568 | 74,080 | 81,648 | $1,522,013 |
| 1986 | 2,726 | 74,386 | 77,112 | $1,516,070 |
| 1987 | 4,595 | 72,330 | 76,925 | $1,426,287 |
| 1988 | 4,555 | 67,500 | 72,055 | $1,384,849 |
| 1989 | 4,730 | 69,100 | 73,830 | $1,541,380 |
| 1990 | 5,000 | 71,000 | 76,000 | $1,546,222 |
| 1991 | 12,000 | 72,000 | 84,000 | $1,524,830 |
| 1992 | 4,454 | 81,230 | 85,684 | $1,621,910 |
| 1993 | 3,281 | 79,455 | 82,736 | $2,365,720 |
| 1994 | 5,743 | 87,009 | 92,752 | $1,582,433 |
| 1995 | 4,834 | 80,673 | 85,507 | $2,500,738 |
| 1996 | 3,889 | 89,226 | 93,115 | $2,736,595 |
| 1997 | 2,089 | 88,721 | 90,810 | $2,696,467 |
| 1998 | 988 | 76,492 | 77,480 | $2,315,939 |
| 1999 | 2,676 | 92,197 | 94,873 | $2,871,004 |
| 2000 | 1,569 | 92,182 | 93,751 | $2,797,852 |
| 2001 | 1,098 | 95,677 | 96,775 | $2,828,000 |
| 2002 | 360 | 99,821 | 100,181 | $2,961,831 |
| 2003 | 173 | 96,522 | 96,695 | $2,310,515 |
| 2004 | 157 | 93,290 | 93,447 | $2,799,629 |
| 2005 | 108 | 82,614 | 82,722 | $2,623,381 |
| 2006 | 380 | 76,120 | 76,500 | $2,800,000 |
| 2007 | 508 | 89,794 | 90,302 | $2,983,707 |
| 2008 | 466 | 94,034 | 94,500 | $3,065,002 |
| 2009 | 636 | 90,747 | 91,383 | $3,162,445 |
| 2010 | 398 | 78,027 | 78,425 | $3,103,644 |
| 2011 | 117 | 75,751 | 75,868 | $2,640,849 |
| 2012 | 63 | 77,271 | 77,334 | $2,720,115 |
| 2013* | 90 | 76,511 | 76,601 | $2,679,707 |
| **Total** | **182,527** | **2,981,440** | **3,163,967** | **$80,630,944** |

** Estimated production values. Reported use not returned at time of publication.*

## Registered Active Wells Within ID4 2004-2013

| Year | Commercial | Domestic | Irrigation | Purveyor | Total Active Wells |
|---|---|---|---|---|---|
| **2004** | 130 | 97 | 11 | 60 | 298 |
| **2005** | 127 | 96 | 11 | 60 | 294 |
| **2006** | 125 | 97 | 11 | 60 | 293 |
| **2007** | 125 | 97 | 11 | 60 | 293 |
| **2008** | 123 | 97 | 11 | 70 | 301 |
| **2009** | 119 | 91 | 9 | 73 | 292 |
| **2010** | 113 | 90 | 12 | 235 | 450 |
| **2011** | 114 | 89 | 10 | 224 | 437 |
| **2012** | 108 | 87 | 12 | 222 | 429 |
| **2013** | 106 | 83 | 11 | 221 | 421 |

## History of ID4 Groundwater Charges ($/Acre-foot)

| Year | Agricultural Use | All Other Uses | Sm Groundwater Facilities |
|---|---|---|---|
| 1975-1978 | $7.50 | $15.00 | $0.00 |
| 1978-1994 | $10.00 | $20.00 | $0.00 |
| 1994-2008 | $15.00 | $30.00 | $30.00 |
| 2008-2009 | $17.00 | $35.00 | $34.00 |
| 2009-2012 | $17.50 | $35.00 | $35.00 |
| 2012-2015 | $18.00 | $36.00 | $36.00 |

## ID4 Land Use 1972 - 2013 (acres)

| Year | M & I | Agricultural | Undeveloped | Total |
|---|---|---|---|---|
| 1972 | 24,200 | 19,500 | 21,700 | 65,400 |
| 1974 | 30,700 | 18,400 | 16,300 | 65,400 |
| 1976 | 30,600 | 18,500 | 16,300 | 65,400 |
| 1978 | 33,500 | 18,000 | 13,900 | 65,400 |
| 1980 | 36,700 | 16,500 | 12,200 | 65,400 |
| 1982 | 38,600 | 14,700 | 12,100 | 65,400 |
| 1984 | 40,000 | 12,000 | 13,400 | 65,400 |
| 1986 | 42,000 | 10,800 | 12,600 | 65,400 |
| 1988 | 42,270 | 10,821 | 12,309 | 65,400 |
| 1990 | 49,364 | 8,558 | 7,478 | 65,400 |
| 1991 | 49,424 | 12,493 | 3,483 | 65,400 |
| 1992 | 49,759 | 11,641 | 4,000 | 65,400 |
| 1993 | 50,456 | 11,102 | 3,842 | 65,400 |
| 1994 | 51,418 | 10,214 | 3,768 | 65,400 |
| 1995 | 51,472 | 11,533 | 2,395 | 65,400 |
| 1996 | 52,775 | 9,431 | 3,194 | 65,400 |
| 1997 | 53,146 | 8,816 | 3,438 | 65,400 |
| 1998 | 51,503 | 7,951 | 5,946 | 65,400 |
| 1999 | 52,558 | 7,228 | 5,614 | 65,400 |
| 2000 | 53,457 | 6,592 | 5,351 | 65,400 |
| 2001 | 54,145 | 6,204 | 5,051 | 65,400 |
| 2002 | 52,907 | 8,787 | 3,706 | 65,400 |
| 2003 | 52,907 | 8,787 | 3,706 | 65,400 |
| 2004 | 52,907 | 8,788 | 3,705 | 65,400 |
| 2005 | 53,019 | 8,722 | 3,659 | 65,400 |
| 2006 | 53,019 | 8,715 | 3,666 | 65,400 |
| 2007 | 52,993 | 8,742 | 3,665 | 65,400 |
| 2008 | 52,993 | 8,741 | 3,666 | 65,400 |
| 2009 | 52,984 | 8,741 | 3,675 | 65,400 |
| 2010 | 55,708 | 6,029 | 3,663 | 65,400 |
| 2011 | 55,708 | 6,029 | 3,663 | 65,400 |
| 2012 | 55,708 | 6,029 | 3,663 | 65,400 |
| 2013 | 55,920 | 6,359 | 3,121 | 65,400 |

| **Agriculture** | *acres* |
|---|---|
| Alfalfa | 917 |
| Citrus | 1 |
| Corn | 41 |
| Fruit, Berry | 1 |
| Oats | 91 |
| Onions | 18 |
| Pasture | 26 |
| Pecan | 1 |
| Pumpkin | 26 |
| Safflower | 119 |
| Sorghum Milo | 1,141 |
| Stone Fruit | 1 |
| Sudangrass | 48 |
| Uncultivated Ag | 19 |
| Walnut | 1 |
| Wheat | 1,253 |
| *Subtotal* | *3,704* |
| Developing/Developed | 53,210 |
| Fallow | 2,655 |
| Undeveloped | 3,121 |
| Non-Producing Acres | 58,986 |
| **Total District Acres** | **65,400** |

*Crop data obtained from the Kern County Department of Agriculture and Measurement Standards. Last updated August 27, 2013.*

## Henry C. Garnett Water Purification Plant Operations Costs 2013

| | Purchased Chemicals[1] ($) | Labor ($) | Energy ($) | Miscellaneous Expenditures[2] ($) | Capital Outlays ($) | Total ($) | Deliveries (af) | Unit Rate ($/af) |
|---|---|---|---|---|---|---|---|---|
| January | 53,135 | 252,575 | 26,985 | 94,814 | 26,925 | 454,434 | 2,794 | 162.65 |
| February | 68,204 | 192,581 | 17,978 | 118,650 | 160,688 | 558,101 | 3,087 | 180.79 |
| March | 56,076 | 193,798 | 42,516 | 142,281 | - | 434,671 | 2,701 | 160.93 |
| April | 58,883 | 170,257 | - | 83,859 | 2,209 | 315,208 | 2,945 | 107.03 |
| May | 57,962 | 294,671 | 21,832 | 99,553 | 14,385 | 488,403 | 3,081 | 158.52 |
| June | 56,877 | 98,873 | 55,906 | 41,257 | 323,116 | 576,029 | 2,896 | 198.91 |
| July | 78,207 | 198,664 | - | 66,781 | - | 343,652 | 3,679 | 93.41 |
| August | 60,943 | 191,881 | 32,828 | 104,152 | 142,046 | 531,850 | 4,119 | 129.12 |
| September | 55,949 | 207,866 | 35,056 | 141,532 | 23,243 | 463,646 | 3,613 | 128.33 |
| October | 40,669 | 180,887 | 50,545 | 109,109 | 298,570 | 679,780 | 3,030 | 224.35 |
| November | 28,631 | 296,267 | 46,341 | 108,660 | (1,423) | 478,476 | 2,150 | 222.55 |
| December | 26,991 | 164,445 | 38,371 | 129,317 | (131) | 358,993 | 2,199 | 163.25 |
| **Totals** | **642,527** | **2,442,765** | **368,358** | **1,239,965** | **989,628** | **5,683,243** | **36,294** | **156.59** |

## Henry C. Garnett Water Purification Plant Historic Annual Operations Costs

| | Chemicals ($) | Labor ($) | Energy ($) | Miscellaneous Expenditures[2] ($) | Capital Outlays ($) | Total ($) | Deliveries (af) | Unit Rate ($/af) |
|---|---|---|---|---|---|---|---|---|
| 2004 | 281,990 | 1,494,611 | 200,132 | 1,156,501 | 409,807 | 3,543,041 | 24,944 | 142.04 |
| 2005 | 373,640 | 1,651,025 | 256,785 | 1,429,100 | 297,483 | 4,008,033 | 26,172 | 153.14 |
| 2006 | 410,347 | 1,736,945 | 269,666 | 1,168,357 | 76,412 | 3,661,727 | 25,166 | 145.50 |
| 2007 | 496,534 | 1,759,677 | 259,859 | 1,288,309 | 74,081 | 3,878,460 | 26,998 | 143.66 |
| 2008 | 563,518 | 1,592,535 | 230,467 | 1,010,175 | 199,101 | 3,595,796 | 26,463 | 135.88 |
| 2009 | 619,402 | 1,643,238 | 454,070 | 955,730 | 27,399 | 3,699,839 | 28,335 | 130.57 |
| 2010 | 449,778 | 1,759,894 | 228,145 | 935,348 | 24,817 | 3,397,982 | 29,384 | 115.64 |
| 2011 | 737,123 | 2,279,966 | 308,657 | 1,102,132 | (1,092) | 4,426,786 | 33,849 | 130.78 |
| 2012 | 1,004,472 | 2,521,149 | 388,141 | 1,116,506 | 494,395 | 5,524,663 | 41,209 | 134.06 |
| 2013 [1] | 642,527 | 2,442,765 | 368,358 | 1,239,965 | 989,628 | 5,683,243 | 36,294 | 156.59 |
| **Totals** | **5,579,331** | **18,881,805** | **2,964,280** | **11,402,123** | **2,592,031** | **41,419,570** | **298,814** | |

[1] Chemical costs reflect actual use rather than invoices paid.

[2] Includes: operations (less chemicals), maintenance, office supplies, memberships, professional services, licenses & permits, insurance premiums, debt service on ID4 capital assets, KCWA overhead charges and other expenses.

# ID4 Operations Fund

| Revenues | Final Actual 2010-11 | Actual 2011-12 | Budget 2012-13 | Estimated Actual 2012-13 | Proposed Budget 2013-14 |
|---|---|---|---|---|---|
| 4150 Treated Water Sales | 4,695,381 | 6,529,331 | 6,537,600 | 6,271,061 | 6,645,600 |
| 4170 Other Water Sales | 193,273 | 79,410 | 48,100 | 198,749 | 112,600 |
| **Water Sales Total** | **4,888,654** | **6,608,741** | **6,585,700** | **6,469,810** | **6,758,200** |
| 4290 Refunds & Credits | 796,570 | 1,006,488 | 760,000 | 913,096 | 500,000 |
| **Credits & Refunds Total** | **796,570** | **1,006,488** | **760,000** | **913,096** | **500,000** |
| 4400 Participant's Annual Payments | 98,210 | 196,420 | 180,000 | 196,420 | 196,420 |
| 4401 Participant's O&M Costs | 306,089 | 309,163 | 373,200 | 342,092 | 535,520 |
| 4402 Participant's Power Costs | 1,542,284 | 1,746,510 | 2,218,000 | 2,052,637 | 2,317,900 |
| 4430 Exchange/Conveyance Fees | 23,316 | 37,218 | - | 356,521 | 136,000 |
| 4499 Other User Charges | 33,265 | 33,265 | 33,280 | 471,324 | 752,680 |
| **User ChargesTotal** | **2,003,164** | **2,322,576** | **2,804,480** | **3,418,994** | **3,938,520** |
| 4500 Groundwater Charge Collection | 2,704,364 | 2,716,272 | 3,240,000 | 2,682,901 | 3,060,000 |
| **Ground Water Charges Total** | **2,704,364** | **2,716,272** | **3,240,000** | **2,682,901** | **3,060,000** |
| 4610 Reimburseables | 320,438 | 682,155 | 575,000 | 753,966 | 300,000 |
| **Reimbursements Total** | **320,438** | **682,155** | **575,000** | **753,966** | **300,000** |
| 4700 Investment Income | 106,020 | 84,535 | 84,000 | 53,656 | 80,000 |
| 4705 Interest From Other Sources | - | - | - | - | - |
| **Interest Income Total** | **106,020** | **84,535** | **84,000** | **53,656** | **80,000** |
| 4800 Proceeds from Debt Issuance | - | - | - | - | - |
| **Proceeds From Debt Insurance Total** | **-** | **-** | **-** | **-** | **-** |
| 4900 Other Revenue | 195 | - | - | - | - |
| 4901 Disposal of Fixed Assets | (102,591) | (100,693) | - | (2,195) | - |
| 4902 Lease Income | 19,200 | 24,000 | 24,000 | 24,000 | 12,000 |
| 4911 Water Analyses | 17,045 | 20,660 | 20,160 | 19,620 | 17,500 |
| **Other Revenue Total** | **(66,151)** | **(56,033)** | **44,160** | **41,425** | **29,500** |
| **Total Revenues** | **10,753,059** | **13,364,734** | **14,093,340** | **14,333,848** | **14,666,220** |

# ID4 Operations Fund - continued

| Expenditures | Final Actual 2010-11 | Actual 2011-12 | Budget 2012-13 | Estimated Actual 2012-13 | Proposed Budget 2013-14 |
|---|---|---|---|---|---|
| 5000 Salaries Regular | 1,637,000 | 2,040,389 | 1,920,620 | 1,920,967 | 2,001,740 |
| 5001 Salaries Overtime | 53,772 | 68,839 | 65,600 | 61,536 | 65,600 |
| 5002 Salaries Temporary | 17,240 | 16,201 | 9,400 | 12,311 | 9,400 |
| 5010 Benefits Social Security | 99,054 | 136,658 | 152,600 | 143,592 | 158,780 |
| 5011 Workers Compensation Insurance | 18,705 | 52,739 | 102,740 | 90,511 | 108,680 |
| 5020 Benefits Retirement | 552,613 | 691,194 | 735,920 | 712,505 | 780,280 |
| 5021 Benefits Health Insurance | 367,572 | 490,147 | 499,440 | 514,029 | 556,440 |
| 5022 Benefits Life Insurance | 8,931 | 9,492 | 12,360 | 11,163 | 12,840 |
| 5023 Benefits Dental Insurance | 21,772 | 29,008 | 28,440 | 30,285 | 31,080 |
| 5024 Benefits Vision Insurance | 4,421 | 5,635 | 6,360 | 5,649 | 6,600 |
| 5025 Benefits LTD Insurance | 13,426 | 16,313 | 17,400 | 15,149 | 17,940 |
| 5026 Benefits LTC Insurance | 2,840 | 3,385 | 3,600 | 3,211 | 4,560 |
| **Labor CostsTotal** | **2,797,346** | **3,560,000** | **3,554,480** | **3,520,908** | **3,753,940** |
| 5250 Member Unit Credits | - | - | - | - | - |
| **Member Unit Credit Total** | **-** | **-** | **-** | **-** | **-** |
| 5100 Groundwater Recharge Fees | 90,105 | 100,186 | 86,700 | 78,478 | 82,000 |
| 5101 Groundwater Extraction Fees | 7,355 | 235,468 | 426,700 | 313,503 | 622,000 |
| 5103 Water Exchange & Convey. Fees | 293,612 | 104,924 | 125,000 | 223,238 | 311,000 |
| 5115 Reregulation Fees | - | - | - | - | - |
| 5130 CVC O&M Costs | 598,817 | 639,234 | 694,000 | 794,462 | 730,500 |
| 5131 CVC Power & Standby Charges | 648,628 | 577,698 | 391,000 | 1,115,300 | 781,500 |
| 5170 Other Water Purchases | 160,200 | 112,395 | - | - | - |
| **Water Purchases & Fees Total** | **1,798,717** | **1,769,905** | **1,723,400** | **2,524,981** | **2,527,000** |
| 5260 Fuels, Oils and Grease | 27,744 | 45,147 | 31,500 | 40,231 | 30,650 |
| 5270 Chemicals | 656,870 | 712,598 | 998,800 | 945,453 | 1,042,000 |
| 5280 Water Analyses | 67,906 | 67,072 | 78,000 | 71,280 | 79,000 |
| 5290 Rents and Leases | 3,567 | 7,275 | 5,400 | 1,338 | 7,500 |
| 5299 Other Operating Supplies | 9,693 | 6,349 | 7,350 | 4,128 | 5,200 |
| **Operations Total** | **765,780** | **838,441** | **1,121,050** | **1,062,430** | **1,164,350** |
| 5300 Power for Operations | 1,825,553 | 2,009,860 | 2,528,000 | 2,474,337 | 2,704,900 |
| 5301 Standby Charges for Power | 4,671 | 13,484 | 5,000 | 23,520 | 7,000 |
| **Power Total** | **1,830,224** | **2,023,344** | **2,533,000** | **2,497,857** | **2,711,900** |
| 5400 Maint - Structures & Improvmts | 112,710 | 141,653 | 154,000 | 95,700 | 265,000 |
| 5401 Maint - Mobile Equip | 12,212 | 13,055 | 17,050 | 23,904 | 17,000 |
| 5402 Maint - Electronic Equip | 48,494 | 52,413 | 47,550 | 56,529 | 46,600 |
| 5403 Maint - Wells, Pumps, Motors | 12,660 | 17,144 | 20,500 | 8,872 | 39,000 |
| 5408 Maint - Office Equip & Furnish | 1,719 | (433) | - | 1,397 | - |
| 5409 Maint - Other | 17,593 | 36,522 | 20,550 | 41,074 | 21,200 |
| 5410 Maint - Janitorial | 17,918 | 20,622 | 24,000 | 21,066 | 24,400 |
| **Maintenance Total** | **223,306** | **280,976** | **283,650** | **248,542** | **413,200** |

# ID4 Operations Fund - continued

| | Actual 2010-11 | Actual 2011-12 | Budget 2012-13 | Actual 2012-13 | Budget 2013-14 |
|---|---|---|---|---|---|
| 5500 General Office Supplies | 3,899 | 3,094 | 3,995 | 3,999 | 3,400 |
| 5501 Printing and Reproduction | 1,361 | 3,086 | 3,450 | 879 | 2,000 |
| 5502 Computer Supplies | 8,315 | 1,416 | 4,700 | 541 | 1,550 |
| 5503 Publications & Subscriptions | 4,228 | 6,426 | 4,055 | 3,920 | 3,400 |
| 5504 Mailing Services | 2,182 | 1,406 | 2,100 | 3,273 | 1,500 |
| 5510 Laundry and Uniforms | 21,042 | 18,676 | 20,900 | 19,073 | 21,100 |
| 5520 Legal Notices & Job Advertise. | 780 | 4,668 | 3,400 | 8,023 | 4,000 |
| 5530 Computer Access Fees | 1,172 | 2,689 | 3,900 | 4,779 | 4,300 |
| 5540 Promotions & Advertisements | 5,954 | 13,800 | - | - | - |
| 5550 Assoc. & Prof. Membership Fees | 28,451 | 32,614 | 124,720 | 114,911 | 123,730 |
| 5570 Telephone | 10,252 | 13,116 | 10,200 | 10,921 | 10,250 |
| 5571 Utilities | 5,226 | 5,552 | 5,800 | 6,498 | 7,500 |
| 5581 Liability Insurance | 36,076 | 50,885 | 62,400 | 60,602 | 61,750 |
| 5582 Property Insurance | 44,425 | 44,118 | 49,500 | 50,454 | 49,500 |
| 5589 Safety Programs & Equipment | 22,413 | 21,230 | 23,250 | 23,502 | 16,950 |
| 5590 Directors' Fees | 4,639 | 8,152 | 6,500 | 7,701 | 8,200 |
| 5591 Business Meetings & Travel | 27,244 | 18,740 | 25,050 | 11,908 | 14,470 |
| 5592 Education & Training | 3,247 | 4,438 | 2,000 | 4,773 | 11,550 |
| 5599 Agency Overhead Allocation | 625,243 | 745,794 | 848,520 | 848,520 | 866,400 |
| **AdministrationTotal** | **856,149** | **999,900** | **1,204,440** | **1,184,277** | **1,211,550** |
| 5601 Legal Services | 1,389 | 21,735 | 69,000 | 13,865 | 69,000 |
| 5602 Consulting Engineers | 50,666 | 42,398 | 52,600 | 24,157 | 20,000 |
| 5603 Audit Services | - | - | 13,000 | 7,007 | 13,000 |
| 5604 Special Consultants | 46,381 | 36,226 | 138,450 | 179,603 | 111,200 |
| **Professional Services Total** | **98,436** | **100,359** | **273,050** | **224,632** | **213,200** |
| 5710 Land Purchase | 793,307 | - | - | - | - |
| 5720 Structures & Improvements | 272,155 | 573,397 | 908,000 | 1,525,068 | 1,444,500 |
| 5730 Mobile Equipment | 29,040 | - | - | - | - |
| 5740 Electrical & Mechanical Equip | 43,278 | 29,461 | 67,000 | 63,533 | 49,900 |
| 5790 Other Equipment | 926 | - | - | 11,113 | - |
| **Capital Outlays Total** | **1,138,706** | **602,858** | **975,000** | **1,599,714** | **1,494,400** |
| 5800 Principal on Long Term Debt | - | - | 485,500 | - | 510,000 |
| 5801 Interest on Long Term Debt | 55,223 | 89,208 | 999,800 | 30,687 | 554,000 |
| **Debt Repayment Total** | **55,223** | **89,208** | **1,485,300** | **30,687** | **1,064,000** |
| 5910 Tax Collection Charge | - | - | - | - | - |
| 5920 Amort. / Deprec. Expense | 1,523,383 | 1,898,643 | - | 4,596,298 | - |
| 5940 Wheeling Charges Distribution | - | - | - | - | - |
| 5950 Licenses & Permits | 38,415 | 14,426 | 35,500 | 35,556 | 38,500 |
| 5960 Security | 47,526 | 46,421 | 48,000 | 45,246 | 48,000 |
| 5970 Special Projects | 786,676 | 1,006,488 | 760,000 | 913,096 | 500,000 |
| 5999 Other Expenses | 5,110 | 6,350 | 56,850 | 13,630 | 14,550 |
| **Other Expenses Total** | **2,401,110** | **2,972,328** | **900,350** | **5,603,826** | **601,050** |
| 5900 Unapplied Appropriations | - | - | - | - | |
| **Unapplied Appropriations Total** | **-** | **-** | **-** | **-** | **-** |
| **Total Expenditures** | **11,964,997** | **13,237,319** | **14,053,720** | **18,497,854** | **15,154,590** |

| Constituent | Maximum Contaminant Level | | | Parameter | | | Months in Compliance | |
|---|---|---|---|---|---|---|---|---|
| **Microbiological** | | | | | | | | |
| Coliform Bacteria | > 5.0% of samples present for coliform bacteria in one month | | | 40 or more samples collected per month | | | 12 | |
| **Constituent** | **Units** | **PHG** | **MCL** | **Quarter 1** | **Quarter 2** | **Quarter 3** | **Quarter 4** | **Average** |
| **Primary Inorganic Chemicals** | | | | | | | | |
| Aluminum | mg/L | 0.6 | 1 | 0.098 | 0.051 | 0.147 | 0.113 | 0.102 |
| Antimony | mg/L | 0.02 | 0.006 | ND | ND | ND | ND | ND |
| Arsenic | mg/L | 0.000004 | 0.010 | ND | ND | 0.003 | 0.002 | 0.001 |
| Asbestos | MFL | 7 | 7 | - | ND | - | - | N/A |
| Barium | mg/L | 2 | 1 | ND | ND | ND | ND | ND |
| Beryllium | mg/L | 0.001 | 0.004 | ND | ND | ND | ND | ND |
| Cadmium | mg/L | 0.00004 | 0.005 | ND | ND | ND | ND | ND |
| Chromium (Total) | mg/L | N/A | 0.05 | ND | ND | ND | 0.002 | ND |
| Fluoride | mg/L | 1 | 2 | 0.29 | 0.18 | 0.28 | 0.17 | 0.23 |
| Lead* | mg/L | 0.0002 | 0.015 | ND | ND | ND | ND | ND |
| Mercury | mg/L | 0.0012 | 0.002 | ND | ND | ND | ND | ND |
| Nickel | mg/L | 0.012 | 0.1 | ND | ND | ND | ND | ND |
| Nitrate (as $NO_3$) | mg/L | 45 | 45 | 1.73 | ND | ND | 6.29 | 2.01 |
| Nitrite (as Nitrogen, N) | mg/L | 1 | 1 | ND | ND | ND | ND | ND |
| Nitrite + Nitrate (sum as Nitrogen, N) | mg/L | 10 | 10 | 0.39 | ND | ND | 1.42 | 0.45 |
| Selenium | mg/L | 0.03 | 0.05 | ND | ND | ND | ND | ND |
| Thallium | mg/L | 0.0001 | 0.002 | ND | ND | ND | ND | ND |
| **Secondary Standards** | | | | | | | | |
| Aluminum | mg/L | N/A | 0.2 | 0.098 | 0.051 | 0.147 | 0.113 | 0.102 |
| Color | Units | N/A | 15 | < 2.5 | < 2.5 | < 2.5 | < 2.5 | < 2.5 |
| Copper* | mg/L | 0.3 | 1.3 | ND | ND | ND | ND | ND |
| Iron | mg/L | N/A | 0.3 | ND | ND | ND | ND | ND |
| Manganese | mg/L | N/A | 0.05 | ND | ND | ND | ND | ND |
| Methyl tert-butyl ether | mg/L | N/A | 0.005 | ND | ND | ND | ND | ND |
| Odor | Units | N/A | 3 | 2 | 2 | 2 | 1.4 | 2 |
| Silver | mg/L | N/A | 0.1 | ND | ND | ND | ND | ND |
| Turbidity | NTU | N/A | 5 | 0.05 | 0.04 | 0.06 | 0.04 | 0.05 |
| Zinc | mg/L | N/A | 5.0 | 0.052 | ND | ND | ND | 0.013 |
| Total Dissolved Solids | mg/L | N/A | 1000 | 127 | 106 | 113 | 223 | 142 |
| Specific Conductance | uS/cm | N/A | 1600 | 228 | 205 | 181 | 364 | 245 |
| Chloride | mg/L | N/A | 500 | 11.8 | 9.58 | 8.96 | 42.6 | 18.2 |
| Sulfate | mg/L | N/A | 500 | 31.8 | 26.9 | 26.7 | 32.8 | 29.6 |
| **General Minerals** | | | | | | | | |
| Total Alkalinity (as $CaCO_3$) | mg/L | N/A | N/A | 63 | 59 | 50 | 69 | 60 |
| Bicarbonate | mg/L | N/A | N/A | 76.9 | 72.0 | 61.0 | 84.2 | 73.5 |
| Carbonate | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Hydroxide | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Total Hardness (as $CaCO_3$) | mg/L | N/A | N/A | 60.7 | 50.7 | 42.4 | 81.4 | 58.8 |
| Calcium | mg/L | N/A | N/A | 18.8 | 15.3 | 13.5 | 29.6 | 19.3 |
| Magnesium | mg/L | N/A | N/A | 3.35 | 3.04 | 2.08 | 1.82 | 2.57 |
| Sodium | mg/L | N/A | N/A | 19.5 | 19.3 | 16.6 | 32.5 | 22.0 |
| Potassium | mg/L | N/A | N/A | 2.23 | 1.87 | 1.57 | 1.35 | 1.76 |
| pH | Units | N/A | N/A | 7.37 | 7.26 | 7.19 | 7.39 | 7.30 |
| **Additional Analyses** | | | | | | | | |
| Ammonia | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Boron*** | mg/L | N/A | 1 | - | 0.15 | - | - | N/A |
| Bromide | mg/L | N/A | N/A | ND | ND | ND | 0.11 | 0.03 |
| Chlorate*** | mg/L | N/A | 0.8 | 0.206 | 0.171 | 0.309 | 0.540 | 0.307 |
| Chlorite | mg/L | 0.05 | 1.0 | ND | ND | ND | ND | ND |
| Phosphate | mg/L | N/A | N/A | ND | 0.45 | 0.51 | ND | 0.24 |
| Silica | mg/L | N/A | N/A | 11.2 | 3.68 | 10.0 | 17.3 | 10.5 |
| Total Organic Carbon | mg/L | N/A | N/A | 1.4 | 1.3 | 1.6 | 0.55 | 1.2 |

*Values identified as MCLs are Action Levels under the lead and copper rule

**Locational Running Annual Average

N/A = Not Applicable

ND = Not Detected

Treated water quarterly monitoring compliance determined by running annual average of four quarterly samples.

# Treated Water 2013 - continued

| Constituent | Units | PHG | MCL | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Average |
|---|---|---|---|---|---|---|---|---|
| **Regulated Organic Chemicals** | | | | | | | | |
| Total Trihalomethanes** | mg/L | N/A | 0.080 | Refer to page 55 | | | | |
| Haloacetic Acids (HAA5)** | mg/L | N/A | 0.060 | Refer to page 55 | | | | |
| Benzene | mg/L | 0.00015 | 0.001 | ND | ND | ND | ND | ND |
| Carbon Tetrachloride | mg/L | 0.0001 | 0.0005 | ND | ND | ND | ND | ND |
| 1,2-Dichlorobenzene | mg/L | 0.6 | 0.6 | ND | ND | ND | ND | ND |
| 1,4-Dichlorobenzene | mg/L | 0.006 | 0.005 | ND | ND | ND | ND | ND |
| 1,1-Dichloroethane | mg/L | 0.003 | 0.005 | ND | ND | ND | ND | ND |
| 1,2-Dichloroethane | mg/L | 0.0004 | 0.0005 | ND | ND | ND | ND | ND |
| 1,1-Dichloroethylene | mg/L | 0.01 | 0.006 | ND | ND | ND | ND | ND |
| cis-1,2-Dichloroethylene | mg/L | 0.1 | 0.006 | ND | ND | ND | ND | ND |
| trans-1,2-Dichloroethylene | mg/L | 0.06 | 0.01 | ND | ND | ND | ND | ND |
| Dichloromethane | mg/L | 0.004 | 0.005 | ND | ND | ND | ND | ND |
| 1,2-Dichloropropane | mg/L | 0.0005 | 0.005 | ND | ND | ND | ND | ND |
| 1,3-Dichloropropene | mg/L | 0.0002 | 0.0005 | ND | ND | ND | ND | ND |
| Ethylbenzene | mg/L | 0.3 | 0.3 | ND | ND | ND | ND | ND |
| Methyl tert-butyl ether | mg/L | 0.013 | 0.013 | ND | ND | ND | ND | ND |
| Monochlorobenzene | mg/L | 0.2 | 0.07 | ND | ND | ND | ND | ND |
| Styrene | mg/L | 0.0005 | 0.1 | ND | ND | ND | ND | ND |
| 1,1,2,2-Tetrachloroethane | mg/L | 0.0001 | 0.001 | ND | ND | ND | ND | ND |
| Tetrachloroethylene | mg/L | 0.00006 | 0.005 | ND | ND | ND | ND | ND |
| Toluene | mg/L | 0.15 | 0.15 | ND | ND | ND | ND | ND |
| 1,2,4-Trichlorobenzene | mg/L | 0.005 | 0.005 | ND | ND | ND | ND | ND |
| 1,1,1-Trichloroethane | mg/L | 1 | 0.2 | ND | ND | ND | ND | ND |
| 1,1,2-Trichloroethane | mg/L | 0.0003 | 0.005 | ND | ND | ND | ND | ND |
| Trichloroethylene | mg/L | 0.0017 | 0.005 | ND | ND | ND | ND | ND |
| Trichlorofluoromethane | mg/L | 0.7 | 0.15 | ND | ND | ND | ND | ND |
| 1,1,2-Trichloro-1,2,2-Trifluoroethane | mg/L | 4 | 1.2 | ND | ND | ND | ND | ND |
| Vinyl Chloride | mg/L | 0.00005 | 0.0005 | ND | ND | ND | ND | ND |
| Xylenes (total) | mg/L | 1.8 | 1.75 | ND | ND | ND | ND | ND |

*Values identified as MCLs are Action Levels under the lead and copper rule

**Locational Running Annual Average

***Values identified as MCLs are Notification Levels or Advisory Levels for constituents lacking MCLs

MCL = Maximum Contaminant Level

MFL = million fibers per liter: MCL for fibers exceeding 10 micrometers in length

mg/L = milligrams per liter (parts per million)

N/A = Not Applicable

ND = Not Detected

NTU = nephelometric turbidity units

pCi/L = picocuries per liter

PHG = Public Health Goal

uS/cm = microsiemens per centimeter

Treated water quarterly monitoring compliance determined by running annual average of four quarterly samples.

| Constituent | Units | PHG | MCL | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Average |
|---|---|---|---|---|---|---|---|---|
| **Unregulated Organic Chemicals** | | | | | | | | |
| tert-Amyl methyl ether | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Bromobenzene | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Bromochloromethane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Bromomethane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Tertiary butyl alcohol*** | mg/L | N/A | 0.012 | ND | ND | ND | ND | ND |
| n-Butylbenzene*** | mg/L | N/A | 0.26 | ND | ND | ND | ND | ND |
| sec-Butylbenzene*** | mg/L | N/A | 0.26 | ND | ND | ND | ND | ND |
| tert-Butylbenzene*** | mg/L | N/A | 0.26 | ND | ND | ND | ND | ND |
| Chloroethane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Chloromethane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| 2-Chlorotoluene*** | mg/L | N/A | 0.14 | ND | ND | ND | ND | ND |
| 4-Chlorotoluene*** | mg/L | N/A | 0.14 | ND | ND | ND | ND | ND |
| Dibromomethane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| 1,3-Dichlorobenzene*** | mg/L | N/A | 0.6 | ND | ND | ND | ND | ND |
| Dichlorodifluoromethane*** | mg/L | N/A | 1 | ND | ND | ND | ND | ND |
| 1,3-Dichloropropane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| 2,2-Dichloropropane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| 1,1-Dichloropropene | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Diisopropyl ether | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Ethyl tert-butyl ether | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Hexachlorobutadiene | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Isopropylbenzene*** | mg/L | N/A | 0.77 | ND | ND | ND | ND | ND |
| p-Isopropyltoluene | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Naphthalene*** | mg/L | N/A | 0.017 | ND | ND | ND | ND | ND |
| Nitrobenzene | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| Pentachloroethane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| n-Propylbenzene*** | mg/L | N/A | 0.26 | ND | ND | ND | ND | ND |
| 1,1,1,2-Tetrachloroethane | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| 1,2,3-Trichlorobenzene | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| 1,3,5-Trichlorobenzene | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| 1,2,3-Trichloropropane*** | mg/L | 0.0000007 | 0.000005 | < 0.0005 | < 0.0005 | < 0.0005 | < 0.0005 | < 0.0005 |
| 1,2,3-Trimethylbenzene | mg/L | N/A | N/A | ND | ND | ND | ND | ND |
| 1,2,4-Trimethylbenzene*** | mg/L | N/A | 0.33 | ND | ND | ND | ND | ND |
| 1,3,5-Trimethylbenzene*** | mg/L | N/A | 0.33 | ND | ND | ND | ND | ND |
| Methyl isobutyl ketone*** | mg/L | N/A | 0.12 | ND | ND | ND | ND | ND |

*Values identified as MCLs are Action Levels under the lead and copper rule

**Locational Running Annual Average

***Values identified as MCLs are Notification Levels or Advisory Levels for constituents lacking MCLs

MCL = Maximum Contaminant Level

MFL = million fibers per liter: MCL for fibers exceeding 10 micrometers in length

mg/L = milligrams per liter (parts per million)

N/A = Not Applicable

ND = Not Detected

NTU = nephelometric turbidity units

pCi/L = picocuries per liter

PHG = Public Health Goal

uS/cm = microsiemens per centimeter

Treated water quarterly monitoring compliance determined by running annual average of four quarterly samples.

## Total Trihalomethanes Monitoring 2013 (State Stage 2 D/DBPR)

| Total Trihalomethanes MCL | 0.080 ppm | | | | |
|---|---|---|---|---|---|
| MCL in CCR units | 80 ppb | | | | |
| Location | 2013 TTHM Results (ppb) | | | | |
| | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | LRAA |
| Site 1: 1022 Sequoia Street | 33.4 | 29.1 | 15.0 | 12.7 | 22.6 |
| Site 2: Francis Street Alley | 33.2 | 30.4 | 24.9 | 17.2 | 26.4 |
| Site 3: NOR Terminal Tank Inlet | 32.5 | 29.2 | 22.7 | 15.6 | 25.0 |
| Site 4: North King & Jeffrey | N/A | N/A | N/A | 12.8 | N/A |
| Site 5: Wenatchee Pump Station | 23.2 | 34.9 | 14.6 | 20.7 | 23.4 |
| Site 6: Oswell Large Tank | 45.8 | 46.0 | 52.2 | 26.4 | 42.6 |
| Site 7: Oswell Pump Station | 33.8 | 51.9 | 63.8 | N/A | 49.8 |
| Site 8: Meany & Alken | 23.5 | 35.9 | 15.2 | 14.0 | 22.2 |
| Site 9: Meany & Coffee | 23.9 | 37.9 | 15.5 | 17.8 | 23.8 |

### CCR Table Excerpt

| Contaminant (CCR units) | MCL | PHG (or MCLG) | Highest LRAA | LRAA Range | Sample Date | Violation | Typical Source |
|---|---|---|---|---|---|---|---|
| TTHM (ppb) | 80 | N/A | 49.8 | 22.2 - 49.8 | 2013 | No | Byproduct of drinking water disinfection |

## Haloacetic Acids Monitoring 2013 (State Stage 2 D/DBPR)

| Haloacetic Acids MCL | 0.060 ppm | | | | |
|---|---|---|---|---|---|
| MCL in CCR units | 60 ppb | | | | |
| Location | 2013 HAA5 Results (ppb) | | | | |
| | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | LRAA |
| Site 1: 1022 Sequoia Street | 26.6 | 28.7 | 4.3 | 4.8 | 16.1 |
| Site 2: Francis Street Alley | 27.4 | 29.0 | 6.6 | 5.4 | 17.1 |
| Site 3: NOR Terminal Tank Inlet | 26.4 | 29.8 | 6.7 | 4.2 | 16.8 |
| Site 4: North King & Jeffrey | N/A | N/A | N/A | 4.9 | N/A |
| Site 5: Wenatchee Pump Station | 19.7 | 40.3 | 4.6 | 7.7 | 18.1 |
| Site 6: Oswell Large Tank | 29.2 | 47.0 | 16.7 | 9.7 | 25.7 |
| Site 7: Oswell Pump Station | 24.6 | 27.3 | 28.8 | N/A | 26.9 |
| Site 8: Meany & Alken | 17.2 | 35.7 | 4.8 | 5.4 | 15.8 |
| Site 9: Meany & Coffee | 20.9 | 36.3 | 4.4 | 4.3 | 16.5 |

### CCR Table Excerpt

| Contaminant (CCR units) | MCL | PHG (or MCLG) | Highest LRAA | LRAA Range | Sample Date | Violation | Typical Source |
|---|---|---|---|---|---|---|---|
| HAA5 (ppb) | 60 | N/A | 26.9 | 15.8 - 26.9 | 2013 | No | Byproduct of drinking water disinfection |

CCR = Consumer Confidence Report
LRAA = Locational Running Annual Average
MCL = Maximum Contaminant Level
MCLG = Maximum Contaminant Level Goal
N/A = Not Applicable
PHG = Public Health Goal
ppb = parts per billion
ppm = parts per million

# Source Water 2013

| Constituent | Units | PHG* | MCL* | Source | | | |
|---|---|---|---|---|---|---|---|
| | | | | Friant Kern | Groundwater | Aqueduct | Kern River |
| **Primary Inorganic Chemicals** | | | | | | | |
| Aluminum | mg/L | 0.6 | 1 | ND | ND | 0.071 | 0.230 |
| Antimony | mg/L | 0.02 | 0.006 | ND | ND | ND | ND |
| Arsenic | mg/L | 0.000004 | 0.010 | 0.004 | ND | ND | 0.004 |
| Asbestos | MFL | 7 | 7 | ND | ND | ND | ND |
| Barium | mg/L | 2 | 1 | ND | ND | ND | ND |
| Beryllium | mg/L | 0.001 | 0.004 | ND | ND | ND | ND |
| Cadmium | mg/L | 0.00004 | 0.005 | ND | ND | ND | ND |
| Chromium | mg/L | N/A | 0.05 | ND | ND | ND | ND |
| Cyanide | mg/L | 0.15 | 0.15 | ND | ND | ND | ND |
| Fluoride | mg/L | 1 | 2 | 0.22 | 0.11 | ND | 0.29 |
| Lead** | mg/L | 0.0002 | 0.015 | ND | ND | ND | ND |
| Mercury | mg/L | 0.0012 | 0.002 | ND | ND | ND | ND |
| Nickel | mg/L | 0.012 | 0.1 | ND | ND | ND | ND |
| Nitrate (as $NO_3$) | mg/L | 45 | 45 | 2.75 | 4.84 | 3.25 | ND |
| Nitrite (as Nitrogen, N) | mg/L | 1 | 1 | ND | ND | ND | ND |
| Nitrate + Nitrite (sum as Nitrogen, N) | mg/L | 10 | 10 | 0.62 | 1.09 | 0.73 | ND |
| Perchlorate | mg/L | 0.006 | 0.006 | ND | ND | ND | ND |
| Selenium | mg/L | 0.03 | 0.05 | ND | ND | ND | ND |
| Thallium | mg/L | 0.0001 | 0.002 | ND | ND | ND | ND |
| **Secondary Standards** | | | | | | | |
| Aluminum | mg/L | N/A | 0.2 | ND | ND | 0.071 | 0.230 |
| Color | Units | N/A | 15 | 10 | < 2.5 | 12.5 | 15 |
| Copper** | mg/L | 0.3 | 1.3 | ND | ND | ND | ND |
| Foaming Agents (MBAS) | mg/L | N/A | 0.5 | ND | ND | ND | ND |
| Iron | mg/L | N/A | 0.3 | ND | ND | 0.099 | 0.334 |
| Manganese | mg/L | N/A | 0.05 | ND | ND | ND | 0.042 |
| Methyl tert-butyl ether | mg/L | N/A | 0.005 | ND | ND | ND | ND |
| Odor | Units | N/A | 3 | 6 | 6 | 8 | 6 |
| Silver | mg/L | N/A | 0.1 | ND | ND | ND | ND |
| Thiobencarb | mg/L | N/A | 0.001 | ND | ND | ND | ND |
| Turbidity | Units | N/A | 5 | 1.13 | 0.55 | 1.39 | 5.34 |
| Zinc | mg/L | N/A | 5.0 | ND | ND | ND | ND |
| Total Dissolved Solids | mg/L | N/A | 1000 | 233 | 172 | 293 | 110 |
| Specific Conductance | uS/cm | N/A | 1600 | 405 | 288 | 522 | 192 |
| Chloride | mg/L | N/A | 500 | 66.8 | 23.9 | 69.0 | 6.58 |
| Sulfate | mg/L | N/A | 500 | 35.3 | 19.8 | 57.9 | 18.6 |
| **General Minerals** | | | | | | | |
| Total Alkalinity (as $CaCO_3$) | mg/L | N/A | N/A | 66 | 82 | 92 | 64 |
| Bicarbonate | mg/L | N/A | N/A | 65.9 | 100 | 112 | 78.1 |
| Carbonate | mg/L | N/A | N/A | 12 | ND | ND | ND |
| Hydroxide | mg/L | N/A | N/A | ND | ND | ND | ND |
| Total Hardness (as $CaCO_3$) | mg/L | N/A | N/A | 75.2 | 80.7 | 122 | 51.2 |
| Calcium | mg/L | N/A | N/A | 20.7 | 29.8 | 25.0 | 15.4 |
| Magnesium | mg/L | N/A | N/A | 5.70 | 1.53 | 14.5 | 3.09 |
| Sodium | mg/L | N/A | N/A | 43.8 | 22.5 | 49.8 | 17.6 |
| Potassium | mg/L | N/A | N/A | 1.81 | 1.25 | 2.68 | 2.01 |
| pH | Units | N/A | N/A | 9.05 | 8.24 | 8.15 | 7.93 |
| **Additional Analyses** | | | | | | | |
| Ammonia | mg/L | N/A | N/A | ND | 0.05 | 0.03 | 0.07 |
| Boron*** | mg/L | N/A | 1 | 0.16 | 0.13 | 0.23 | 0.16 |
| Bromide | mg/L | N/A | N/A | 0.24 | 0.08 | 0.20 | 0.02 |
| Chromium (Hexavalent) | mg/L | 0.00002 | N/A | ND | ND | ND | ND |
| Phosphate | mg/L | N/A | N/A | ND | ND | ND | ND |
| Silica | mg/L | N/A | N/A | 14.4 | 20.6 | 12.5 | 4.43 |
| Total Organic Carbon | mg/L | N/A | N/A | 2.1 | 0.56 | 4.2 | 2.1 |
| **Radioactivity** | | | | | | | |
| Gross Alpha | pCi/L | N/A | 15 | 3.65 | 4.43 | ND | 2.39 |
| Radium 226 + Radium 228 | pCi/L | N/A | 5 | - | - | - | - |
| Radium 226 | pCi/L | 0.05 | N/A | 1.42 | 1.23 | ND | 1.04 |
| Radium 228 | pCi/L | 0.019 | N/A | ND | ND | ND | 1.82 |
| Uranium | pCi/L | 0.43 | 20 | 3.08 | 3.90 | ND | 1.97 |

*Applicable to treated water only

**Values identified as MCLs are Action Levels under the lead and copper rule

***Values identified as MCLs are Notification Levels or Advisory Levels for constituents lacking MCLs

MCL = Maximum Contaminant Level

MFL = million fibers per liter: MCL for fibers exceeding 10 micrometers in length

mg/L = milligrams per liter (parts per million)

N/A = Not Applicable

ND = Not Detected

NTU = nephelometric turbidity units

pCi/L = picocuries per liter

PHG = Public Health Goal

uS/cm = microsiemens per centimeter

# Source Water 2013 - continued

| Constituent | Units | PHG* | MCL* | Sample Date | | | |
|---|---|---|---|---|---|---|---|
| | | | | Friant Kern | Groundwater | Aqueduct | Kern River |
| **Regulated Volatile Organic Chemicals** | | | | | | | |
| Benzene | mg/L | 0.00015 | 0.001 | ND | ND | ND | ND |
| Carbon Tetrachloride | mg/L | 0.0001 | 0.0005 | ND | ND | ND | ND |
| 1,2-Dichlorobenzene | mg/L | 0.6 | 0.6 | ND | ND | ND | ND |
| 1,4-Dichlorobenzene | mg/L | 0.006 | 0.005 | ND | ND | ND | ND |
| 1,1-Dichloroethane | mg/L | 0.003 | 0.005 | ND | ND | ND | ND |
| 1,2-Dichloroethane | mg/L | 0.0004 | 0.0005 | ND | ND | ND | ND |
| 1,1-Dichloroethylene | mg/L | 0.01 | 0.006 | ND | ND | ND | ND |
| cis-1,2-Dichloroethylene | mg/L | 0.1 | 0.006 | ND | ND | ND | ND |
| trans-1,2-Dichloroethylene | mg/L | 0.06 | 0.01 | ND | ND | ND | ND |
| Dichloromethane | mg/L | 0.004 | 0.005 | ND | ND | ND | ND |
| 1,2-Dichloropropane | mg/L | 0.0005 | 0.005 | ND | ND | ND | ND |
| 1,3-Dichloropropene | mg/L | 0.0002 | 0.0005 | ND | ND | ND | ND |
| Ethylbenzene | mg/L | 0.3 | 0.3 | ND | ND | ND | ND |
| Methyl tert-butyl ether | mg/L | 0.013 | 0.013 | ND | ND | ND | ND |
| Monochlorobenzene | mg/L | 0.2 | 0.07 | ND | ND | ND | ND |
| Styrene | mg/L | 0.0005 | 0.1 | ND | ND | ND | ND |
| 1,1,2,2-Tetrachloroethane | mg/L | 0.0001 | 0.001 | ND | ND | ND | ND |
| Tetrachloroethylene | mg/L | 0.00006 | 0.005 | ND | ND | ND | ND |
| Toluene | mg/L | 0.15 | 0.15 | ND | ND | ND | ND |
| 1,2,4-Trichlorobenzene | mg/L | 0.005 | 0.005 | ND | ND | ND | ND |
| 1,1,1-Trichloroethane | mg/L | 1 | 0.2 | ND | ND | ND | ND |
| 1,1,2-Trichloroethane | mg/L | 0.0003 | 0.005 | ND | ND | ND | ND |
| Trichloroethylene | mg/L | 0.0017 | 0.005 | ND | ND | ND | ND |
| Trichlorofluoromethane | mg/L | 0.7 | 0.15 | ND | ND | ND | ND |
| 1,1,2-Trichloro-1,2,2-Trifluoroethane | mg/L | 4 | 1.2 | ND | ND | ND | ND |
| Vinyl Chloride | mg/L | 0.00005 | 0.0005 | ND | ND | ND | ND |
| Xylenes (total) | mg/L | 1.8 | 1.75 | ND | ND | ND | ND |
| **Regulated Non-Volatile Synthetic Organic Chemicals** | | | | | | | |
| Alachlor | mg/L | 0.004 | 0.002 | ND | ND | ND | ND |
| Atrazine | mg/L | 0.00015 | 0.001 | ND | ND | ND | ND |
| Bentazon | mg/L | 0.2 | 0.018 | ND | ND | ND | ND |
| Benzo(a)pyrene | mg/L | 0.000007 | 0.0002 | ND | ND | ND | ND |
| Carbofuran | mg/L | 0.0017 | 0.018 | ND | ND | ND | ND |
| Chlordane | mg/L | 0.00003 | 0.0001 | ND | ND | ND | ND |
| Dalapon | mg/L | 0.79 | 0.2 | ND | ND | ND | ND |
| 1,2-Dibromo-3-chloropropane | mg/L | 0.0000017 | 0.0002 | ND | ND | ND | ND |
| 2,4-Dichlorophenoxyacetic acid (2,4-D) | mg/L | 0.02 | 0.07 | ND | ND | ND | ND |
| Di(2-ethylhexyl)adipate | mg/L | 0.2 | 0.4 | ND | ND | ND | ND |
| Di(2-ethylhexyl)phthalate | mg/L | 0.012 | 0.004 | ND | ND | ND | ND |
| Dinoseb | mg/L | 0.014 | 0.007 | ND | ND | ND | ND |
| Diquat | mg/L | 0.015 | 0.02 | ND | ND | ND | ND |
| Endrin | mg/L | 0.0018 | 0.002 | ND | ND | ND | ND |
| Endothall | mg/L | 0.58 | 0.1 | ND | ND | ND | ND |
| Ethylene Dibromide | mg/L | 0.00001 | 0.00005 | ND | ND | ND | ND |
| Glyphosate | mg/L | 0.9 | 0.7 | ND | ND | ND | ND |
| Heptachlor | mg/L | 0.000008 | 0.00001 | ND | ND | ND | ND |
| Heptachlor Epoxide | mg/L | 0.000006 | 0.00001 | ND | ND | ND | ND |
| Hexachlorobenzene | mg/L | 0.00003 | 0.001 | ND | ND | ND | ND |
| Hexachlorocyclopentadiene | mg/L | 0.05 | 0.05 | ND | ND | ND | ND |
| Lindane | mg/L | 0.000032 | 0.0002 | ND | ND | ND | ND |
| Methoxychlor | mg/L | 0.00009 | 0.03 | ND | ND | ND | ND |
| Molinate | mg/L | 0.001 | 0.02 | ND | ND | ND | ND |
| Oxamyl | mg/L | 0.026 | 0.05 | ND | ND | ND | ND |
| Pentachlorophenol | mg/L | 0.0003 | 0.001 | ND | ND | ND | ND |
| Picloram | mg/L | 0.5 | 0.5 | ND | ND | ND | ND |
| Polychlorinated Biphenyls | mg/L | 0.00009 | 0.0005 | ND | ND | ND | ND |
| Simazine | mg/L | 0.004 | 0.004 | ND | ND | ND | ND |
| 2,4,5-TP (Silvex) | mg/L | 0.025 | 0.05 | ND | ND | ND | ND |
| 2,3,7,8-TCDD (Dioxin) | mg/L | 0.00000000005 | 0.00000003 | waived | waived | waived | waived |
| Thiobencarb | mg/L | 0.07 | 0.07 | ND | ND | ND | ND |
| Toxaphene | mg/L | 0.00003 | 0.003 | ND | ND | ND | ND |

*Applicable to treated water only

**Values identified as MCLs are Action Levels under the lead and copper rule

***Values identified as MCLs are Notification Levels or Advisory Levels for constituents lacking MCLs

MCL = Maximum Contaminant Level

MFL = million fibers per liter: MCL for fibers exceeding 10 micrometers in length

N/A = Not Applicable

ND = Not Detected

NTU = nephelometric turbidity units

pCi/L = picocuries per liter

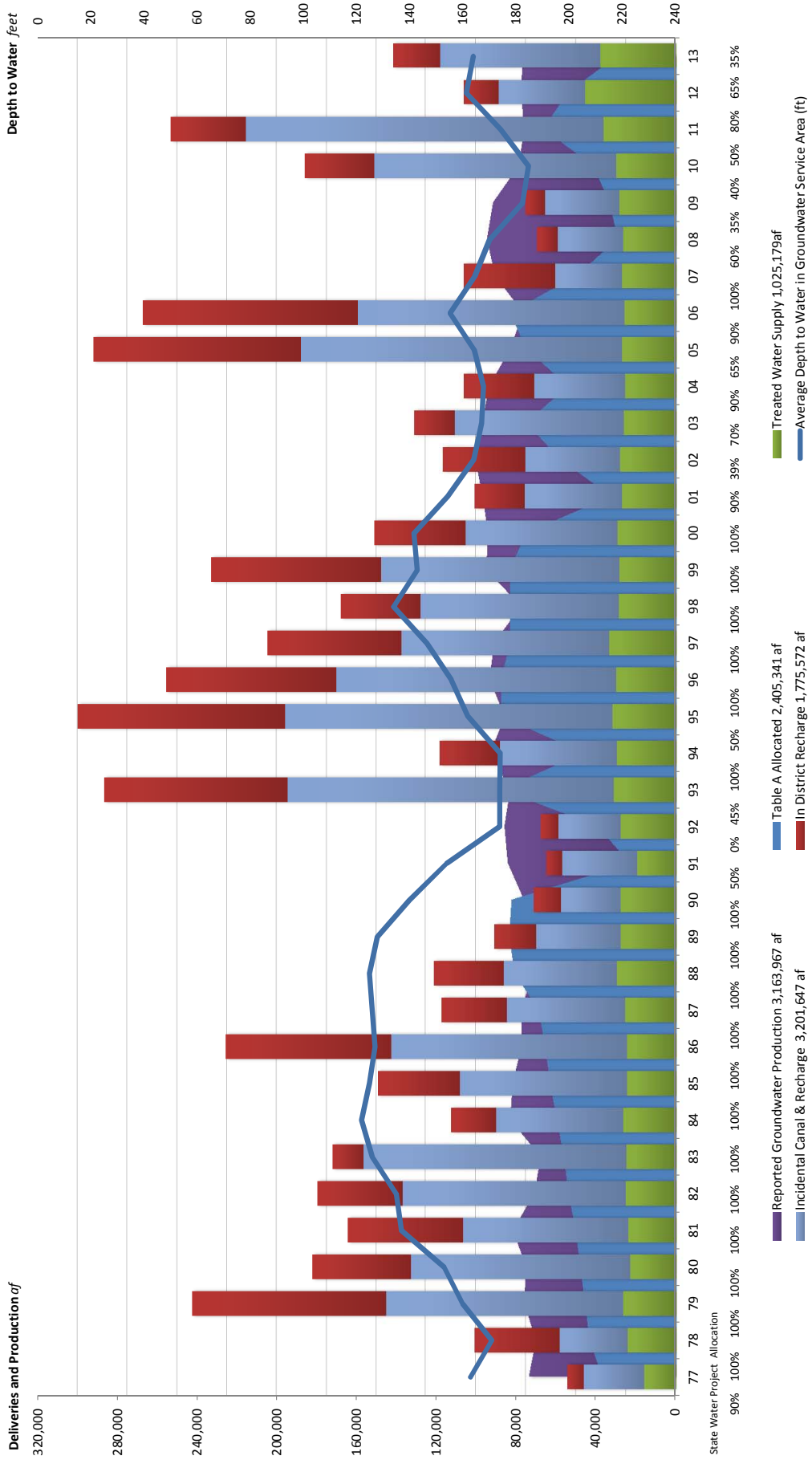
PHG = Public Health Goal

## Source Water 2013

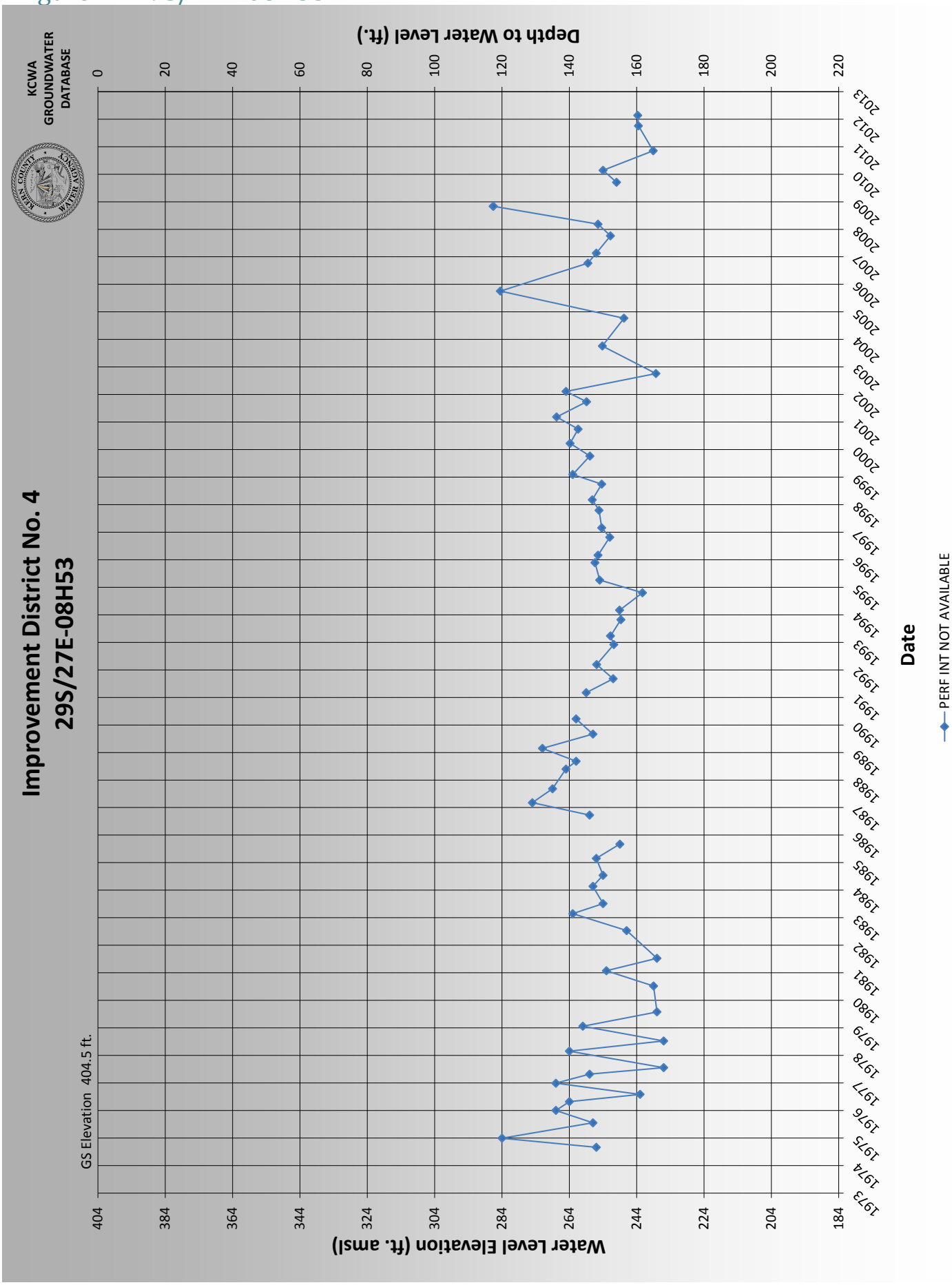
| Constituent | Units | PHG* | MCL* | Sample Date | | | |
|---|---|---|---|---|---|---|---|
| | | | | Friant Kern | Groundwater | Aqueduct | Kern River |
| **Unregulated Volatile Organic Chemicals** | | | | | | | |
| tert-Amyl methyl ether | mg/L | N/A | N/A | ND | ND | ND | ND |
| Bromobenzene | mg/L | N/A | N/A | ND | ND | ND | ND |
| Bromochloromethane | mg/L | N/A | N/A | ND | ND | ND | ND |
| Bromomethane | mg/L | N/A | N/A | ND | ND | ND | ND |
| Tertiary butyl alcohol*** | mg/L | N/A | 0.012 | ND | ND | ND | ND |
| n-Butylbenzene*** | mg/L | N/A | 0.26 | ND | ND | ND | ND |
| sec-Butylbenzene*** | mg/L | N/A | 0.26 | ND | ND | ND | ND |
| tert-Butylbenzene*** | mg/L | N/A | 0.26 | ND | ND | ND | ND |
| Chloroethane | mg/L | N/A | N/A | ND | ND | ND | ND |
| Chloromethane | mg/L | N/A | N/A | ND | ND | ND | ND |
| 2-Chlorotoluene*** | mg/L | N/A | 0.14 | ND | ND | ND | ND |
| 4-Chlorotoluene*** | mg/L | N/A | 0.14 | ND | ND | ND | ND |
| Dibromomethane | mg/L | N/A | N/A | ND | ND | ND | ND |
| 1,3-Dichlorobenzene*** | mg/L | N/A | 0.6 | ND | ND | ND | ND |
| Dichlorodifluoromethane*** | mg/L | N/A | 1 | ND | ND | ND | ND |
| 1,3-Dichloropropane | mg/L | N/A | N/A | ND | ND | ND | ND |
| 2,2-Dichloropropane | mg/L | N/A | N/A | ND | ND | ND | ND |
| 1,1-Dichloropropene | mg/L | N/A | N/A | ND | ND | ND | ND |
| Diisopropyl ether | mg/L | N/A | N/A | ND | ND | ND | ND |
| Ethyl tert-butyl ether | mg/L | N/A | N/A | ND | ND | ND | ND |
| Hexachlorobutadiene | mg/L | N/A | N/A | ND | ND | ND | ND |
| Isopropylbenzene*** | mg/L | N/A | 0.77 | ND | ND | ND | ND |
| p-Isopropyltoluene | mg/L | N/A | N/A | ND | ND | ND | ND |
| Naphthalene*** | mg/L | N/A | 0.017 | ND | ND | ND | ND |
| Nitrobenzene | mg/L | N/A | N/A | ND | ND | ND | ND |
| Pentachloroethane | mg/L | N/A | N/A | ND | ND | ND | ND |
| n-Propylbenzene*** | mg/L | N/A | 0.26 | ND | ND | ND | ND |
| 1,1,1,2-Tetrachloroethane | mg/L | N/A | N/A | ND | ND | ND | ND |
| 1,2,3-Trichlorobenzene | mg/L | N/A | N/A | ND | ND | ND | ND |
| 1,3,5-Trichlorobenzene | mg/L | N/A | N/A | ND | ND | ND | ND |
| 1,2,3-Trichloropropane*** | mg/L | 0.0000007 | 0.000005 | ND | ND | ND | ND |
| 1,2,3-Trimethylbenzene | mg/L | N/A | N/A | ND | ND | ND | ND |
| 1,2,4-Trimethylbenzene*** | mg/L | N/A | 0.33 | ND | ND | ND | ND |
| 1,3,5-Trimethylbenzene*** | mg/L | N/A | 0.33 | ND | ND | ND | ND |
| Methyl isobutyl ketone*** | mg/L | N/A | 0.12 | ND | ND | ND | ND |
| **Unregulated Non-Volatile Synthetic Organic Chemicals** | | | | | | | |
| Aldicarb*** | mg/L | N/A | 0.007 | ND | ND | ND | ND |
| Aldicarb Sulfone | mg/L | N/A | N/A | ND | ND | ND | ND |
| Aldicarb Sulfoxide | mg/L | N/A | N/A | ND | ND | ND | ND |
| Aldrin*** | mg/L | N/A | 0.000002 | ND | ND | ND | ND |
| Bromacil | mg/L | N/A | N/A | ND | ND | ND | ND |
| Butachlor | mg/L | N/A | N/A | ND | ND | ND | ND |
| Carbaryl*** | mg/L | N/A | 0.7 | ND | ND | ND | ND |
| Chlorothalonil | mg/L | N/A | N/A | ND | ND | ND | ND |
| Diazinon*** | mg/L | N/A | 0.0012 | ND | ND | ND | ND |
| Dicamba | mg/L | N/A | N/A | ND | ND | ND | ND |
| Dieldrin*** | mg/L | N/A | 0.000002 | ND | ND | ND | ND |
| Dimethoate*** | mg/L | N/A | 0.001 | ND | ND | ND | ND |
| Diuron | mg/L | N/A | N/A | ND | ND | ND | ND |
| 3-Hydroxycarbofuran | mg/L | N/A | N/A | ND | ND | ND | ND |
| Methomyl | mg/L | N/A | N/A | ND | ND | ND | ND |
| Metolachlor | mg/L | N/A | N/A | ND | ND | ND | ND |
| Metribuzin | mg/L | N/A | N/A | ND | ND | ND | ND |
| Propachlor*** | mg/L | N/A | 0.09 | ND | ND | ND | ND |
| Trifluralin | mg/L | N/A | N/A | ND | ND | ND | ND |
| 2,4,5-T | mg/L | N/A | N/A | ND | ND | ND | ND |

*Applicable to treated water only N/A = Not Applicable

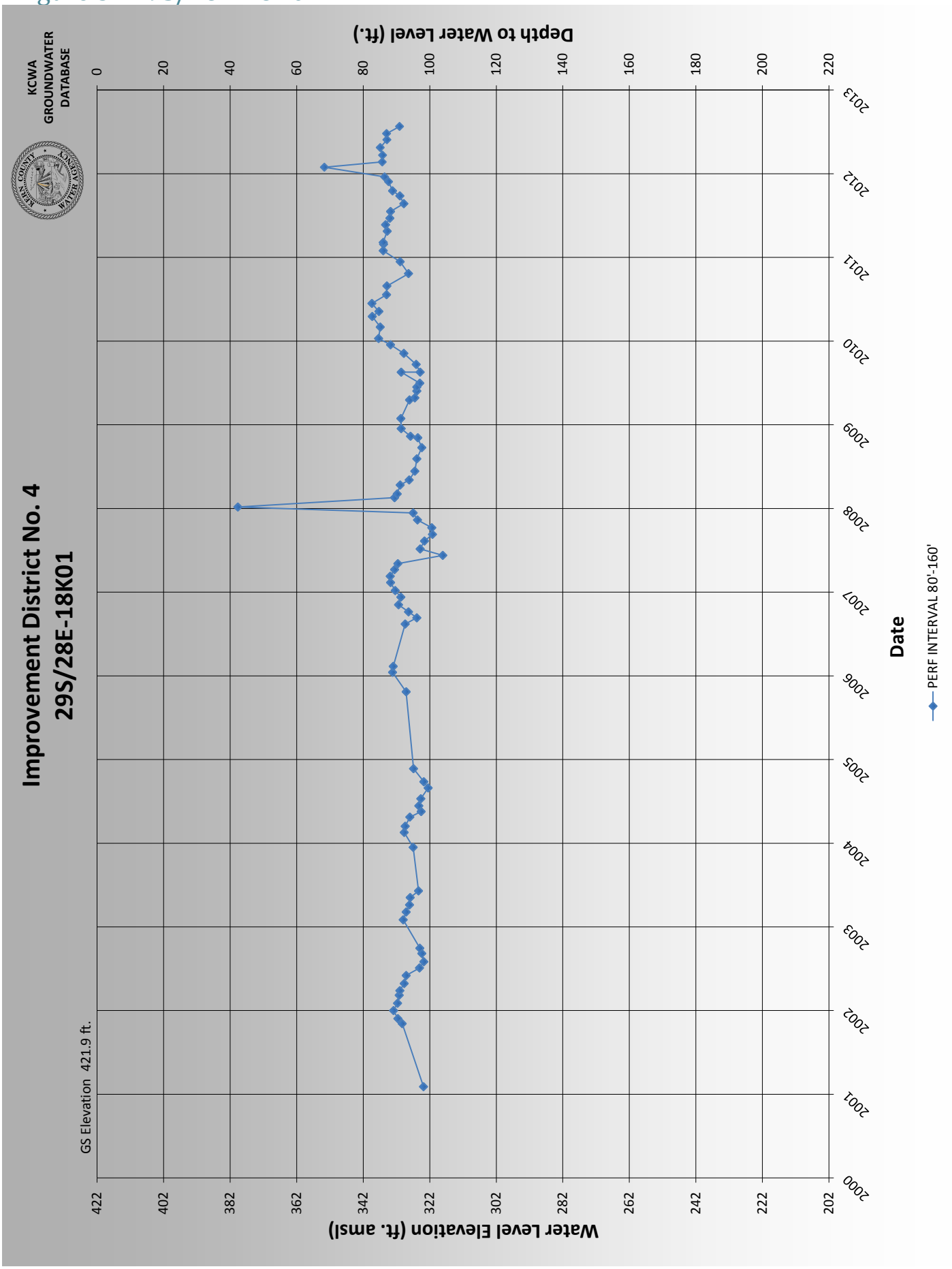
# Figure 1 - Groundwater Replenishment



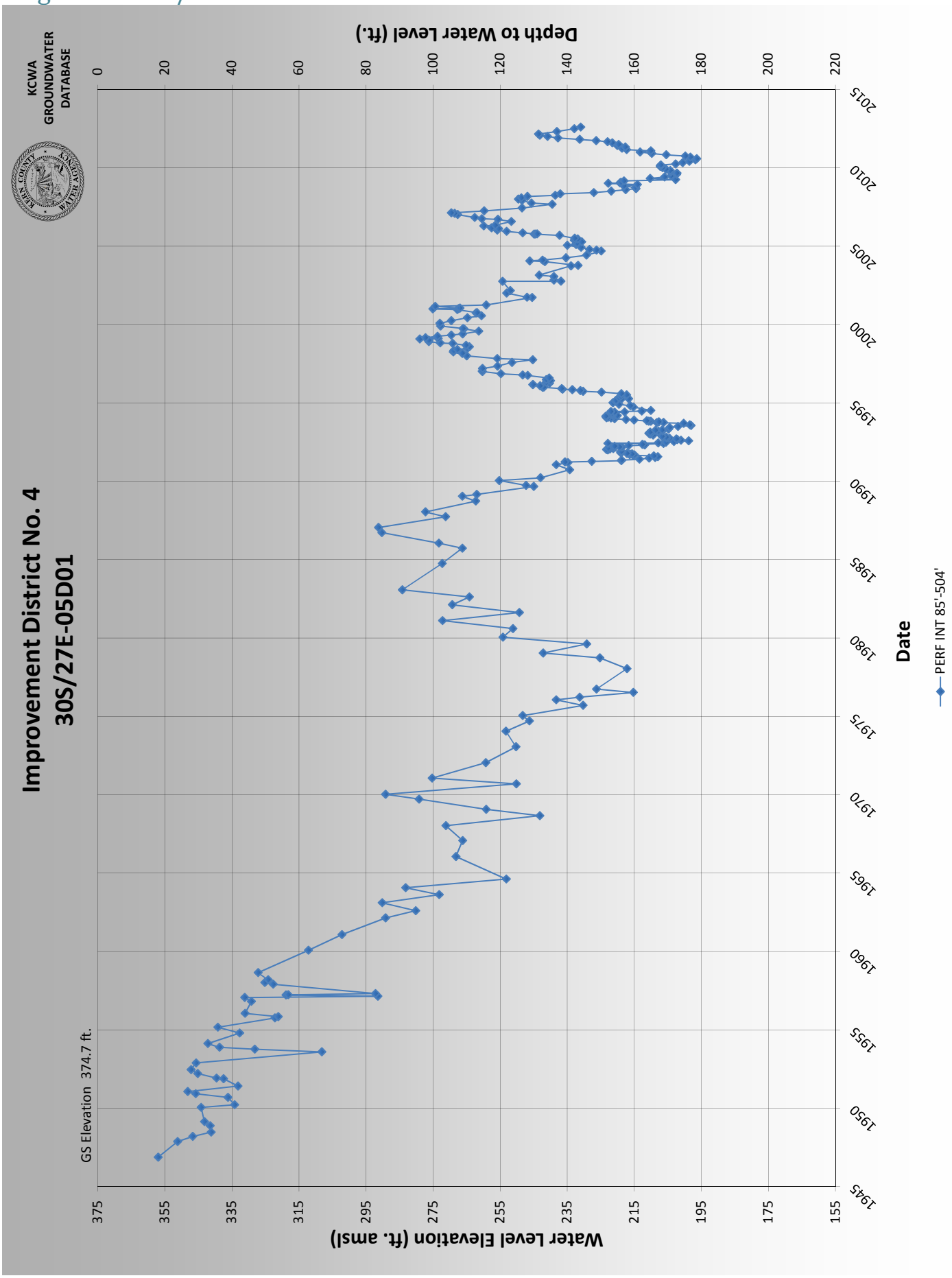
## Figure 2 - 29S/27E-08H53



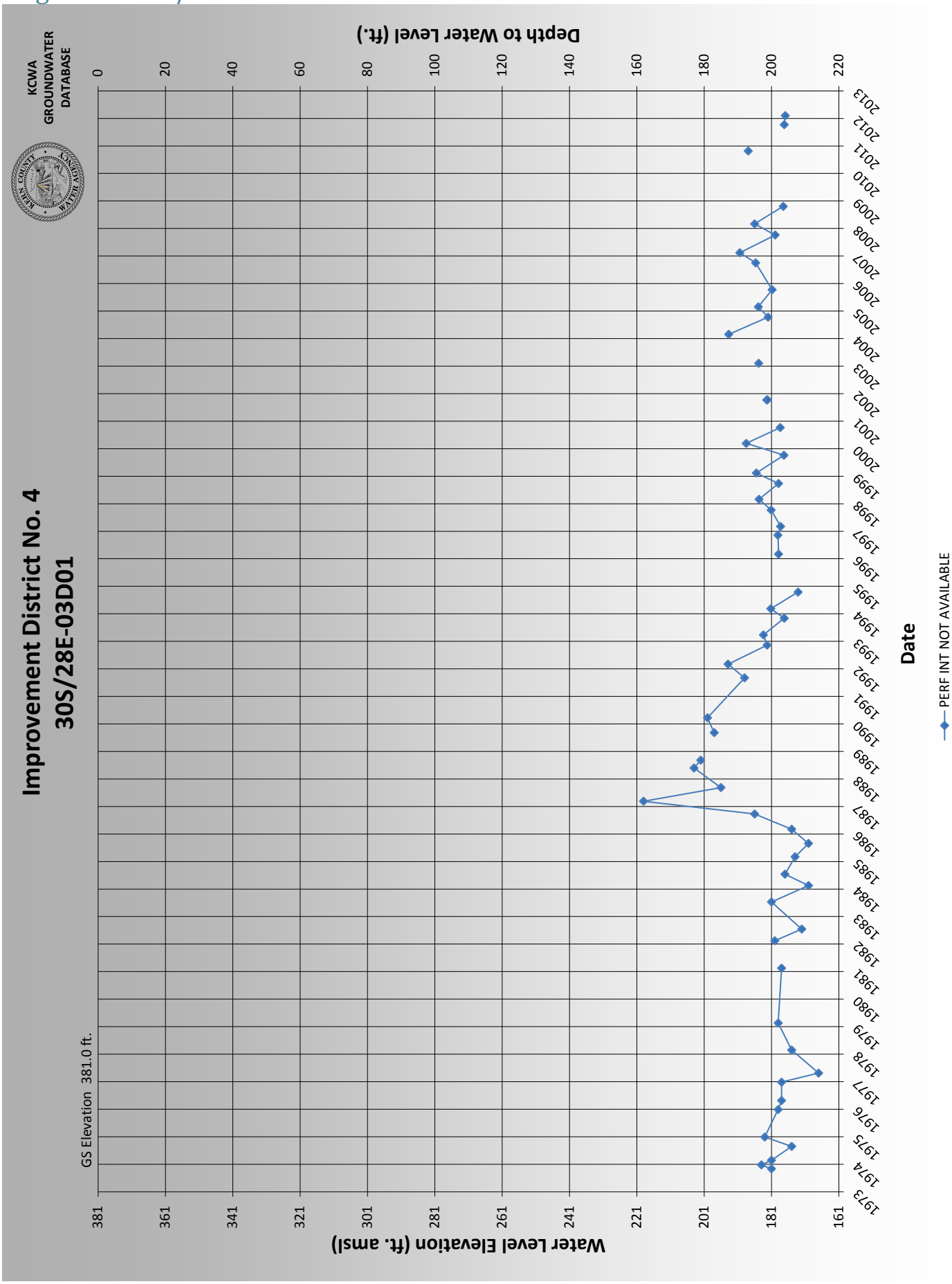
## Figure 3 - 29S/28E-18K01



## Figure 4 - 30S/27E-05D01

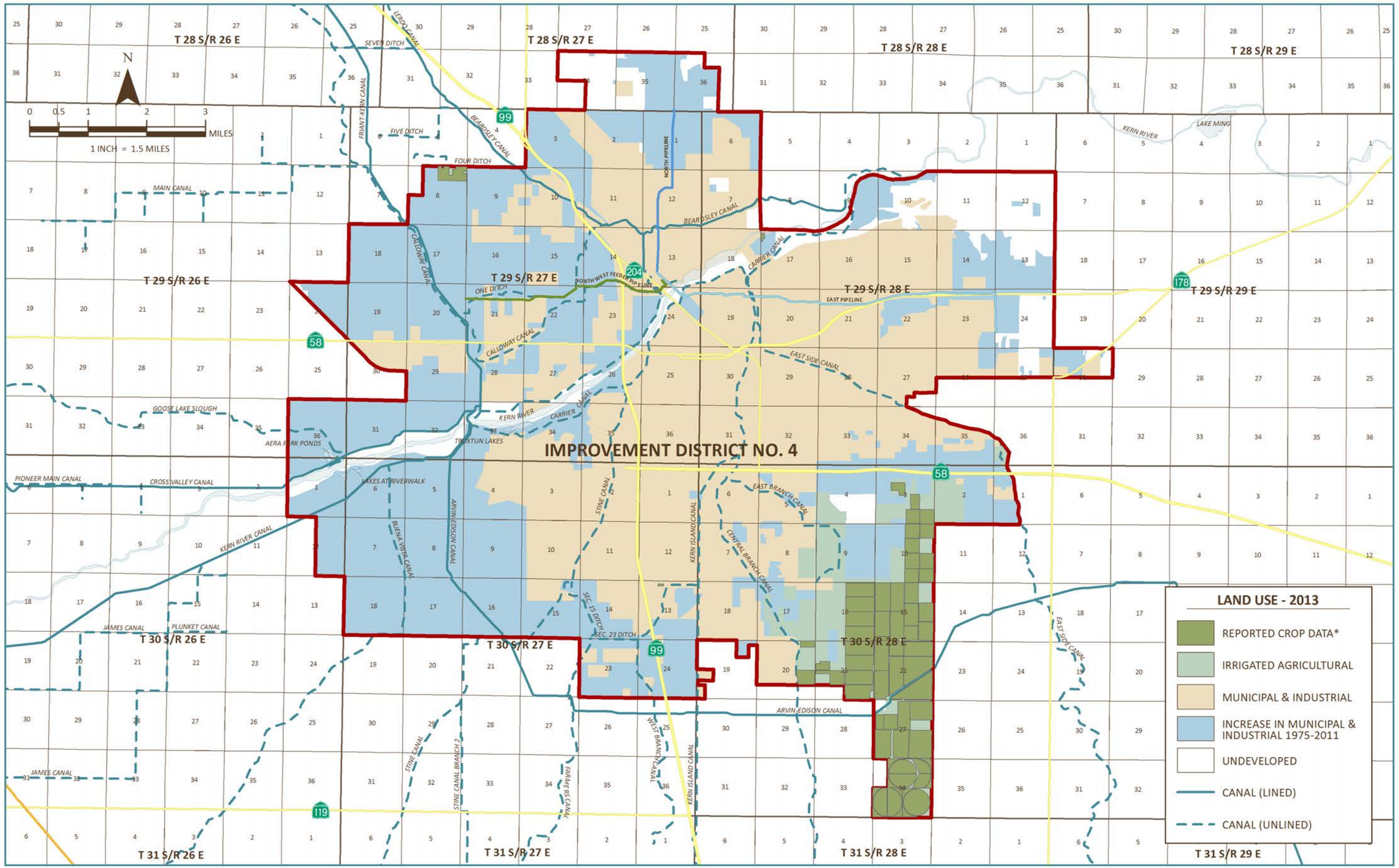


## Figure 5 - 30S/28E-03D01



# Plates

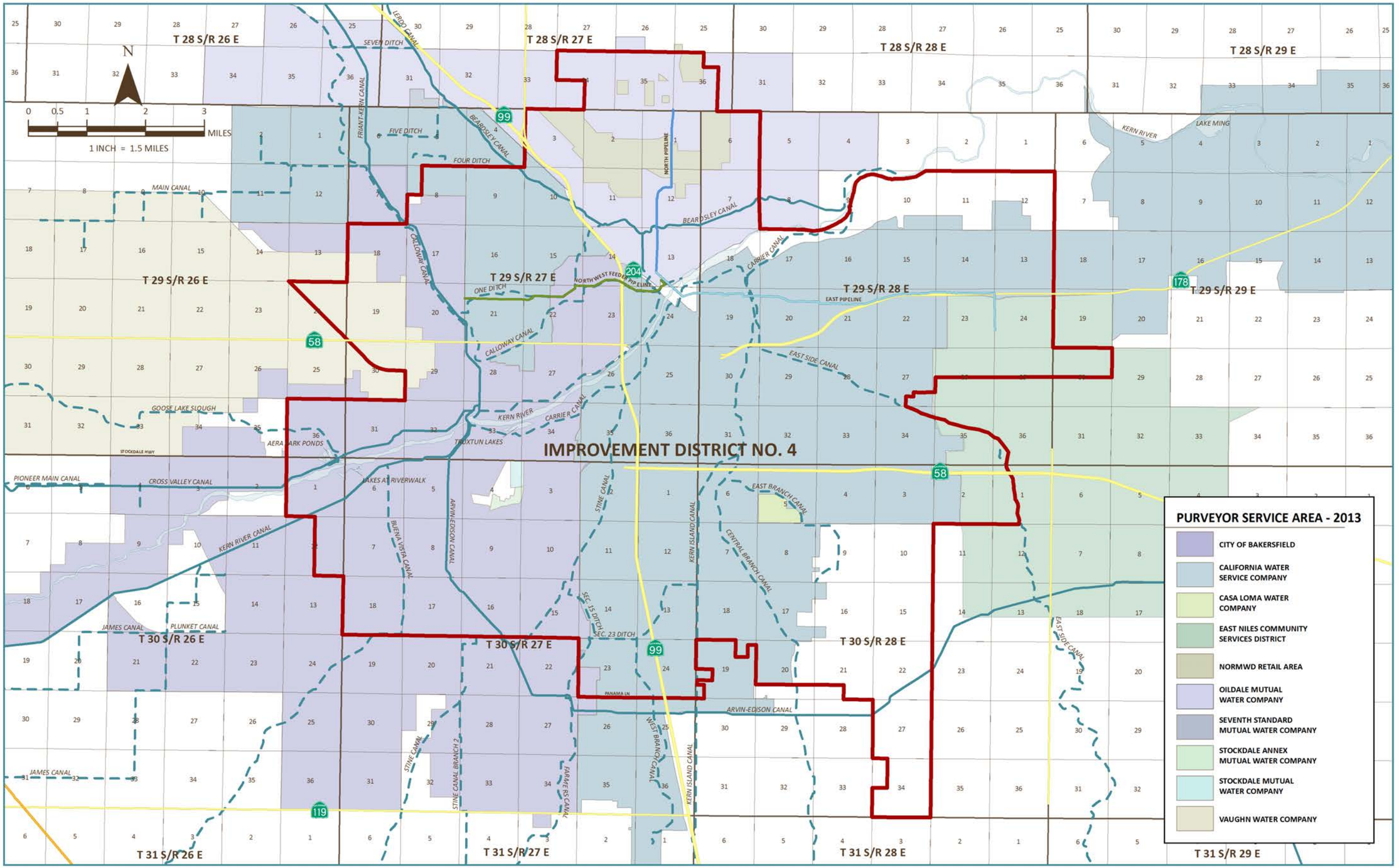
## Plate 1 - Land Use




BY: M. ALLEN
DATE: NOVEMBER 26, 2013
REVIEWED BY: M. VARGA
FILENAME: Plate 1 - Land Use (2013).mxd

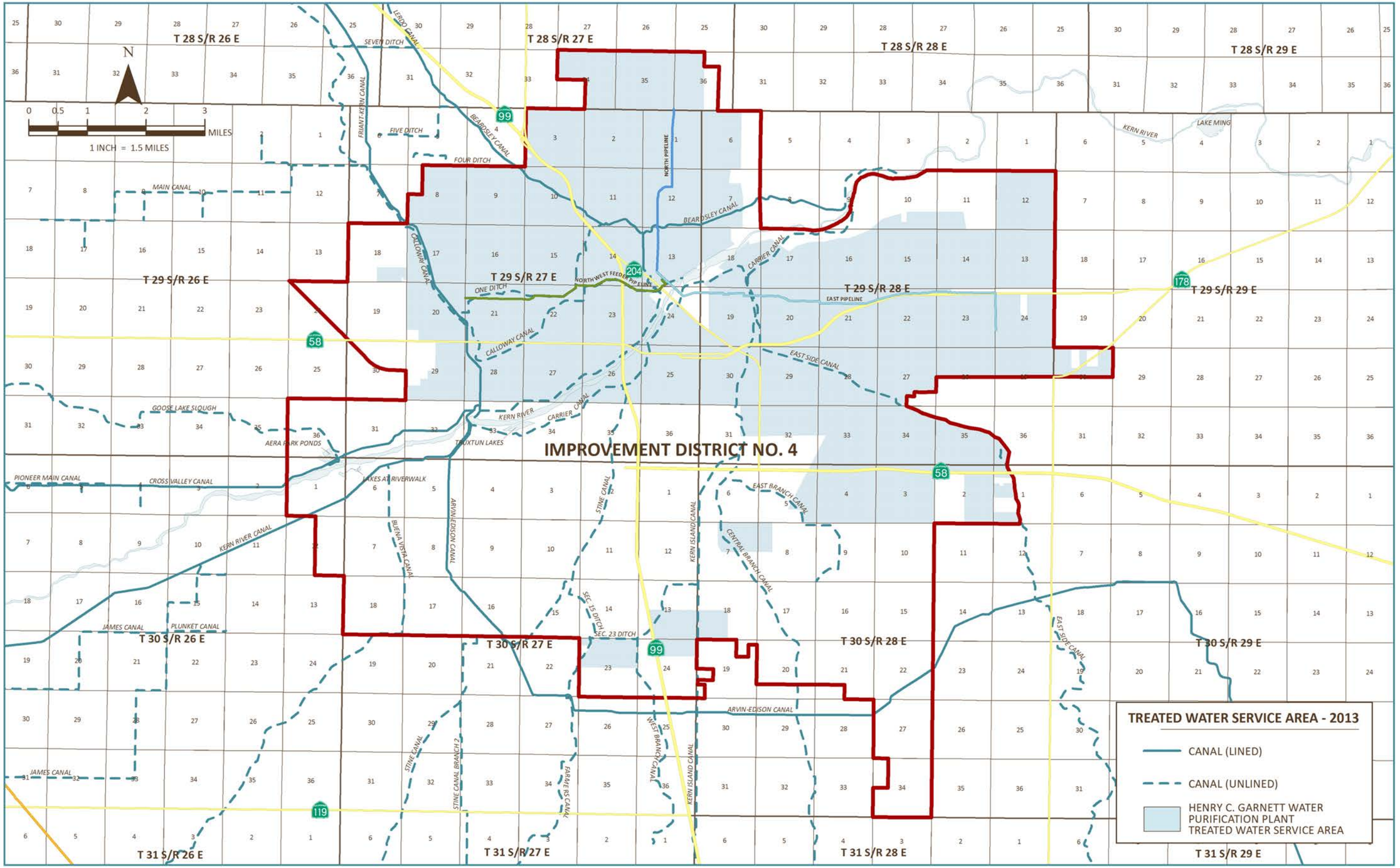
*Crop data obtained from the County of Kern Agriculture and Measurement Standards. Last Updated August 27, 2013.

## Plate 2 - Purveyor Service Area Map



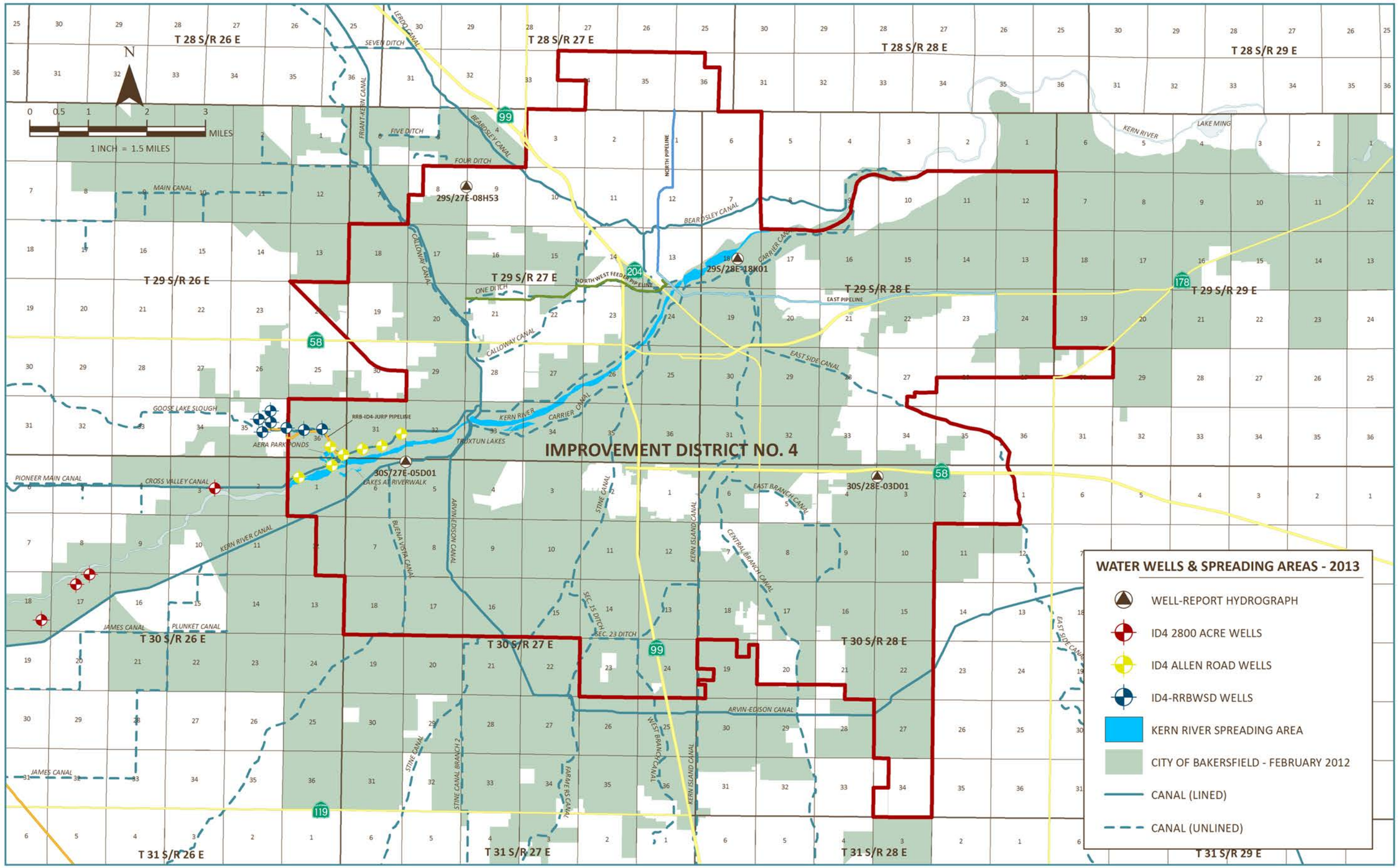

BY: M. ALLEN
DATE: NOVEMBER 26, 2013
REVIEWED BY: M. Varga
FILENAME: Plate 2 - Purveyor Service Area (2013).mxd

## Plate 3 - Treated Water Service Area



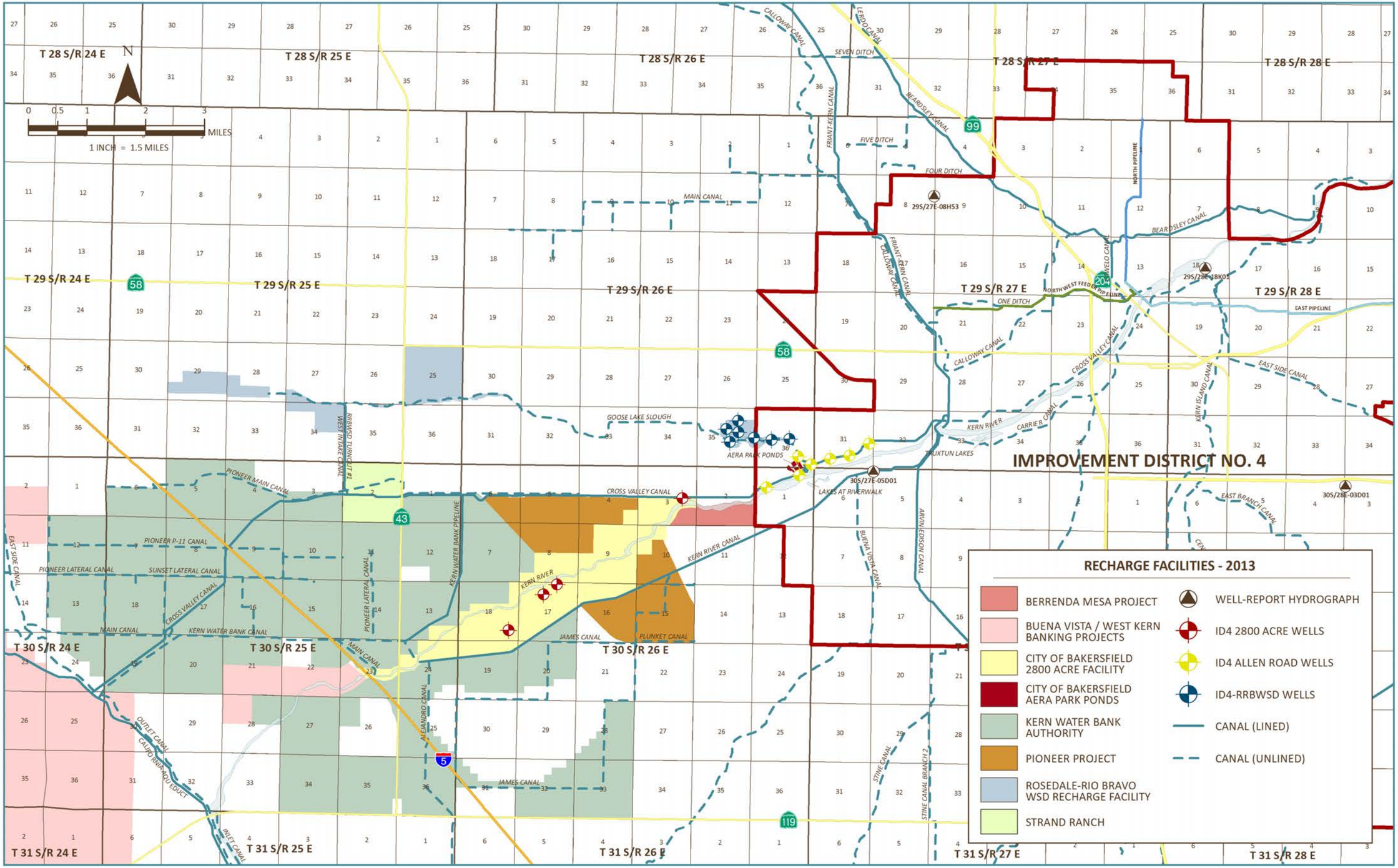

BY: M. ALLEN
DATE: NOVEMBER 26, 2013
REVIEWED BY: M. VARGA
FILENAME: Plate 3 - Treated Water Service Area (2013).mxd

## Plate 4 - Water Wells and Spreading Areas



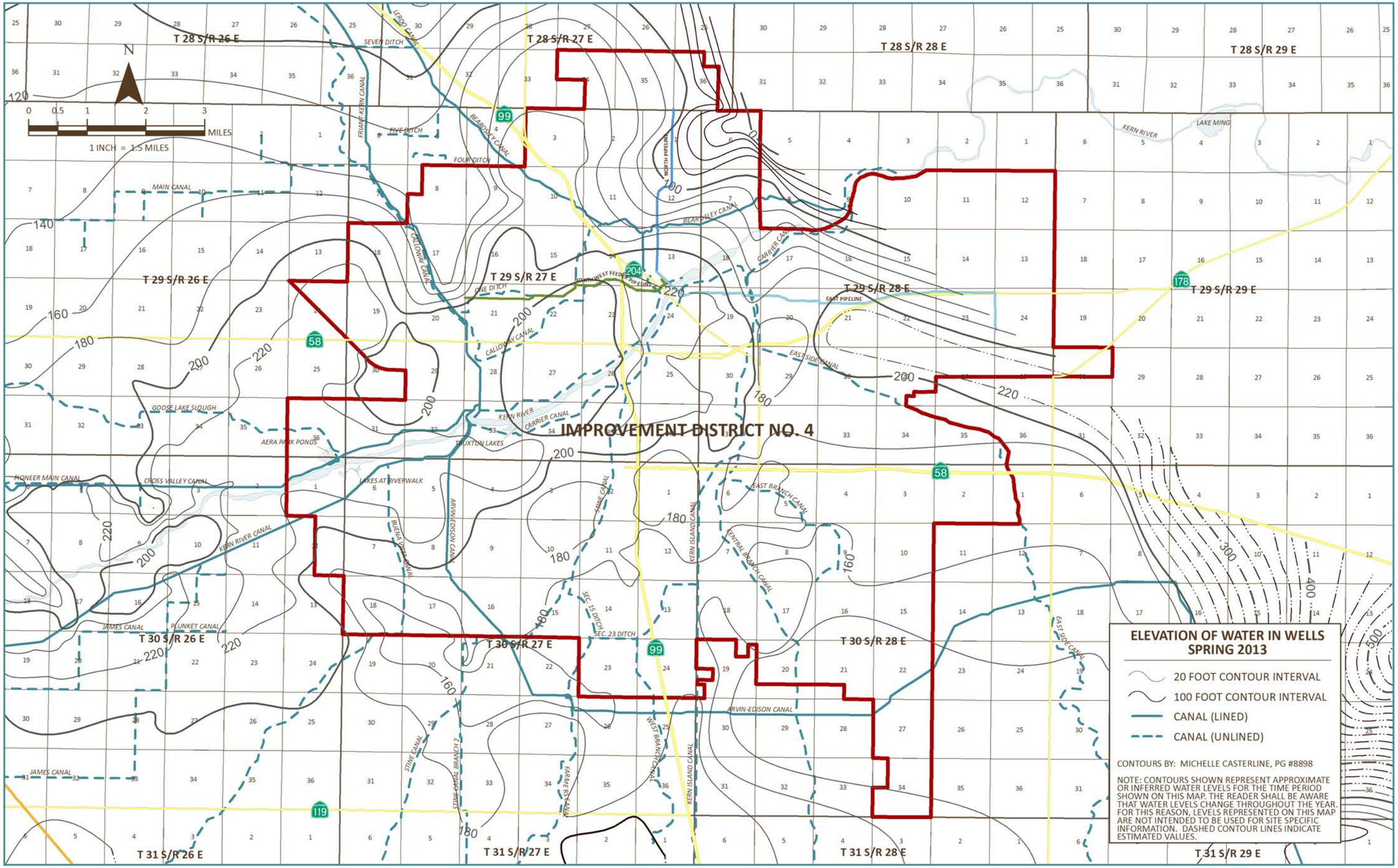

BY: M. ALLEN
DATE: NOVEMBER 19, 2013
REVIEWED BY: M. VARGA
FILENAME: Plate 4 - Water Wells and Spreading Areas (2013).mxd

## Plate 5 - Recharge Facilities Available to ID4




BY: M. ALLEN
DATE: NOVEMBER 26, 2013
REVIEWED BY: M. VARGA
FILENAME: Plate 5 - Recharge Facilities (2013).mxd

## Plate 6 - Elevation of Water in Wells




**ELEVATION OF WATER IN WELLS**
**SPRING 2013**

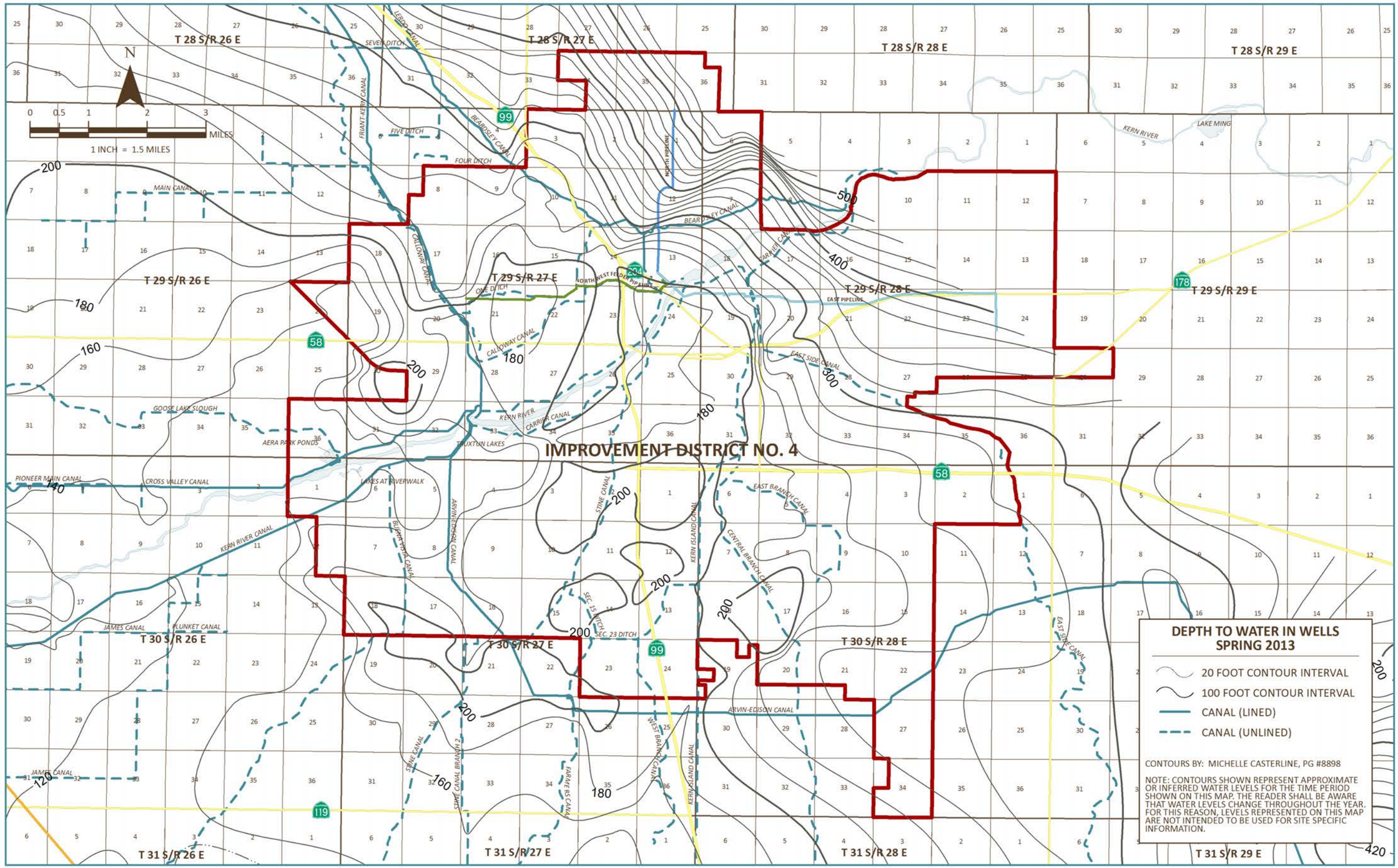
- 20 FOOT CONTOUR INTERVAL
- 100 FOOT CONTOUR INTERVAL
- CANAL (LINED)
- CANAL (UNLINED)

CONTOURS BY: MICHELLE CASTERLINE, PG #8898

NOTE: CONTOURS SHOWN REPRESENT APPROXIMATE OR INFERRED WATER LEVELS FOR THE TIME PERIOD SHOWN ON THIS MAP. THE READER SHALL BE AWARE THAT WATER LEVELS CHANGE THROUGHOUT THE YEAR. FOR THIS REASON, LEVELS REPRESENTED ON THIS MAP ARE NOT INTENDED TO BE USED FOR SITE SPECIFIC INFORMATION. DASHED CONTOUR LINES INDICATE ESTIMATED VALUES.

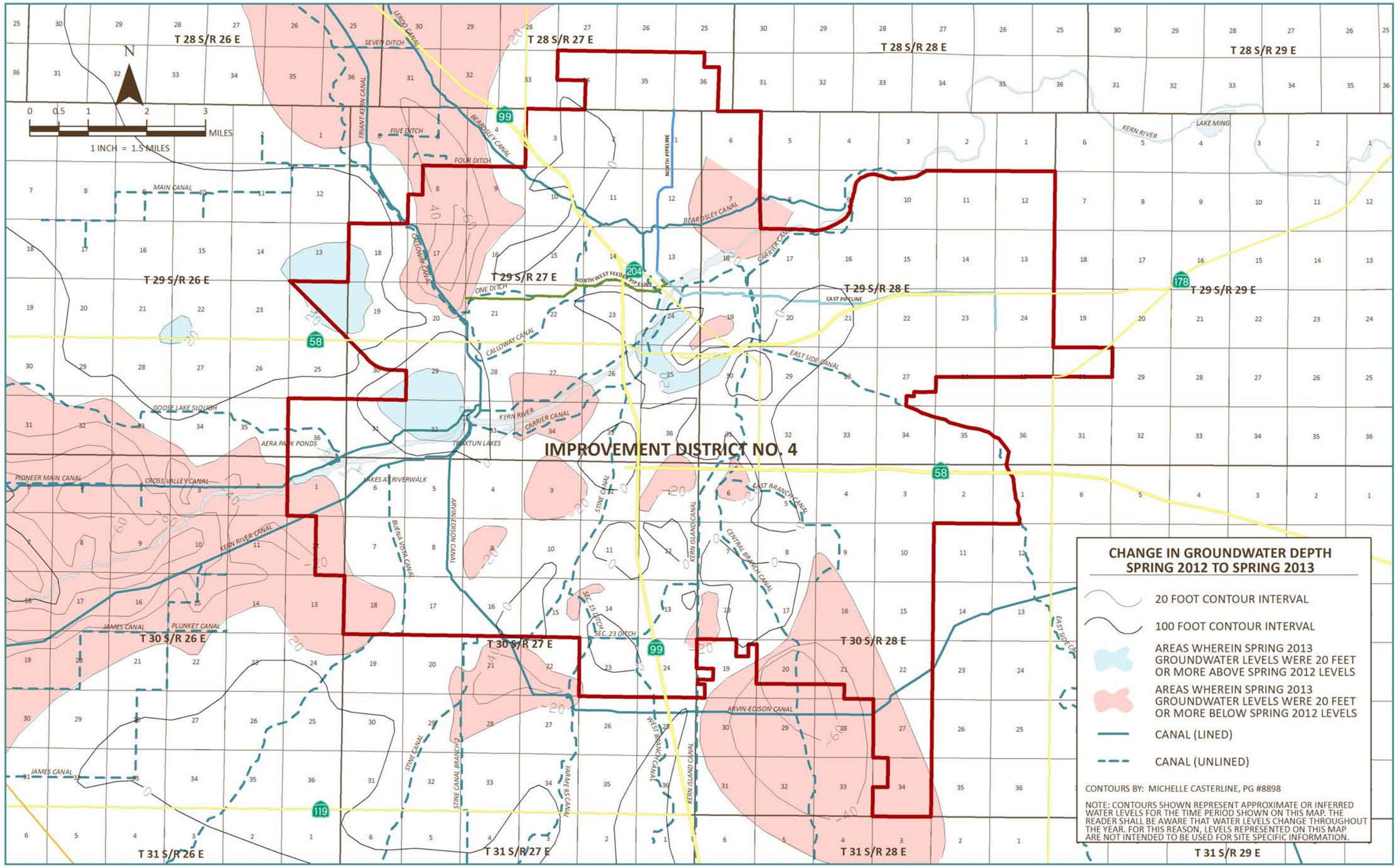
BY: M. ALLEN
DATE: NOVEMBER 26, 2013
REVIEWED BY: M. VARGA
FILENAME: Plate 6 - Elevation of Water in Wells (2013).mxd

## Plate 7 - Depth to Water in Wells




BY: M. ALLEN
DATE: NOVEMBER 26, 2013
REVIEWED BY: M. VARGA
FILENAME: Plate 7 - Depth to Water in Wells (2013).mxd

## Plate 8 - Change in Groundwater Depth




BY: M. ALLEN
DATE: NOVEMBER 26, 2013
REVIEWED BY: M. VARGA
FILENAME: Plate 8 - Change in Groundwater Depth (2013).mxd

**Kern County Water Agency**
3200 Rio Mirada Dr. / P.O. Box 58
Bakersfield CA, 93308 / 93302-0058
Phone:  (661) 634-1400
www.kcwa.com