



Daniel R. Ferons  
SAN JUAN BASIN AUTHORITY  
and the Board of Directors thereof

## **AGENDA**

**SAN JUAN BASIN AUTHORITY  
BOARD OF DIRECTORS' MEETING  
SANTA MARGARITA WATER DISTRICT  
BOARD ROOM  
November 12, 2013  
1:30 p.m.**

*Upon Request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Daniel Ferons, Secretary, Board of Directors, at (949) 459-6590 at least 48 hours before the meeting if possible.*

### **ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING**

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Authority's business office located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688, during regular business hours. When practical, these public records will also be made available on the San Juan Basin Authority's Internet Web Site, accessible at <http://www.sjbauthority.com>. All documents available for public review are on file with the Authority's Secretary located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688.

- I. CALL MEETING TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. ADMINISTRATION OF OATH OF OFFICE
- IV. ORAL COMMUNICATIONS

- A. Persons wishing address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request to be Heard" forms are available at the entrance to the Board Room. Comments are limited to three minutes, unless further time is granted by the Presiding Officer. Please submit the form to the Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any items listed on the Agenda should submit a "request to be Heard" form to the Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

V. PUBLIC HEARING

- A. Public Hearing to Consider the San Juan Basin Authority Resolution of Intention to Draft Groundwater Management Plan .....**Page 4**
- B. Consideration and Action on Resolution 2013-11-01; Resolution of the Board of Directors of the San Juan Basin Authority, Intention to Prepare a Groundwater Management Plan Pursuant to Water Code Section 10750, et. Seq.....**Page 5**

**Staff Recommendation:** Adopt the Resolution.

VI. CONSENT CALENDAR

- A. Consideration and Action on Minutes of Regular Meeting of September 10, 2013.....**Page 7**
- Staff Recommendation:** Approve subject minutes.
- B. Consideration and Action on Monthly Financial Statements for July, August and September 2013 .....**Page 10**
- Staff Recommendation:** Receive and file the Monthly Financial Statements.

Note: Items on the CONSENT CALENDAR will be considered for approval without discussion in one vote. A Director may request that an item be taken off the Consent Calendar for full discussion.

**[END OF CONSENT CALENDAR]**

VII. ACTION ITEMS

- A. Consideration and Action on Annual Financial Report for Fiscal Year 2012-2013 .....**Page 13**
- Staff Recommendation:** 1. Receive and file the audit; 2. Authorize distribution of the final audit and posting on the website; and 3. Authorize use of excess funds from Fiscal Year 2012-2013 in lieu of assessing member agencies.

VIII. CHAIRMAN'S REPORT

IX. ATTORNEY'S REPORT

X. OTHER MATTERS

- A. Open Discussion or items received too late to be agendaized.

INFORMATION ITEMS

XI. ADJOURNMENT

The next Regular Board of Directors' meeting is scheduled for **December 10, 2013 at 1:30 p.m.** at the Santa Margarita Water District, 26111 Antonio Parkway, Rancho Santa Margarita, California.



## SAN JUAN BASIN AUTHORITY

26111 Antonio Parkway • Rancho Santa Margarita, CA 92688 (949) 459-6400 FAX (949) 459-6463

**TO:** Board of Directors **DATE:** November 12, 2013  
**FROM:** Dan Ferons  
**SUBJECT:** Public Hearing to Consider the San Juan Basin Authority Resolution of Intention to Prepare a Groundwater Management Plan

### **SUMMARY**

**Issue:** Prior to adopting a resolution of intention to draft a groundwater management plan, the authority, per Water Code Section 10753.2 is required to hold a hearing to consider whether or not to adopt the resolution.

**Recommendation:** Receive public comments

**Fiscal Impact:** No fiscal impact.

**Previously Related Action:** At the September 2013 Board meeting, the Authority received comments on the draft San Juan Basin Groundwater Management and Facilities Plan.

### **DISCUSSION**

Wildermuth Environmental has prepared a draft update of the Groundwater Management and Facilities Plan (GWMFP) for the San Juan Basin. The document has been released for review by the public and is proposing to release the draft document for public review following the September Board meeting.

The Authority will hold a public hearing with notice pursuant to Section 6066 of the Government Code to consider a resolution of intention to adopt a groundwater management plan at the November meeting, at which time a final draft that addresses those comments submitted shall be released. The Authority will schedule a subsequent hearing at the December Board meeting to consider adoption of the plan and shall also consider any protests to the adoption of the Plan.

The Technical Advisory Committee has been provided an updated draft of the report and upon completion of its review, the document will be released for additional public review.

## **Resolution 2013-11-01**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN JUAN BASIN AUTHORITY INTENTION TO PREPARE A GROUNDWATER MANAGEMENT PLAN PURSUANT TO WATER CODE SECTION 10750, ET. SEQ.**

WHEREAS, in 2010 the San Juan Basin Authority (Authority) has commenced an integrated planning effort to update its San Juan Basin Groundwater Management and Facilities Plan to develop alternatives for groundwater management of the San Juan Basin in Orange County, and

WHEREAS, periodically, the Authority reviewed progress on the planning effort including development of a groundwater model of the lower San Juan Basin; and

WHEREAS, in July 2013 the Authority authorized release of the Draft San Juan Basin Groundwater Management and Facilities Plan for public review; and

WHEREAS, in September 2013 at its Board meeting, the Authority received public comment on the Draft San Juan Basin Groundwater Management and Facilities Plan, and

WHEREAS, the Authority now desires to commence proceedings to adopt a groundwater management plan in compliance with the 1992 Assembly Bill 3030 and Water Code Section 10750, et. seq. with this resolution of intention; and

WHEREAS, the California Water Code requires that the Authority must provide notice and hold a hearing regarding the intent to prepare a groundwater management plan per Water Code Section 10750, et. seq.; and

WHEREAS, following publication of notice as required by law the Authority held a public hearing on November 12, 2013, to receive public comment on whether or not it should adopt a resolution of intention to prepare a groundwater management plan; and

WHEREAS, after considering the public comments and other information presented at the hearing, the Board of Directors determines that it is in the best interest of the Authority that it prepare a groundwater management plan.

NO, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Juan Basin Authority hereby finds, determines and declares as follows:

1. The foregoing recitals are true and are incorporated by reference.
2. The Authority declares its intention to prepare a groundwater management plan pursuant to water Code Section 10750, et. seq.

3. The Authority Technical Advisory Committee is authorized and directed to take such steps as are necessary to complete development of a groundwater management plan.
4. The Authority Secretary is directed to take appropriate action necessary to implement this resolution
5. This resolution shall take effect immediately.

**PASSED AND ADOPTED** by the Board of Directors of the San Juan Basin Authority this 12th day of November, 2013.

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ASTAIN: DIRECTORS:

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Larry McKenney  
President of the Board of Directors  
San Juan Basin Authority

**ATTEST:**

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Daniel R. Feron  
Secretary to the Board of Directors  
San Juan Basin Authority

**SAN JUAN BASIN AUTHORITY  
BOARD OF DIRECTORS' MEETING  
SANTA MARGARITA WATER DISTRICT  
BOARD ROOM  
September 10, 2013**

**UNAPPROVED**

A Meeting of the Board of Directors (Board) of the San Juan Basin Authority (SJBA) was held on Tuesday, September 10, 2013 at its principal place of business located at 26111 Antonio Parkway, Suite A, Rancho Santa Margarita, CA 92688. The following Directors and/or Alternate Directors were present:

**Directors Present:**

LARRY McKENNEY, Moulton Niguel Water District  
LARRY KRAMER, City of San Juan Capistrano  
CHARLES T. GIBSON, Santa Margarita Water District  
WAYNE RAYFIELD, South Coast Water District

Chairman  
Director  
Alternate Director  
Director

**Directors Absent:** None

**Support Services Present:**

DANIEL R. FERONS                      Administrator  
WEST CURRY                              Administrator

**Others Present:**

Vanessa Locklin, Legal Counsel Stradling Yocca Carlson & Rauth, P.C  
Mark Wildermuth,  
John Perry, Capistrano Taxpayers Association

I.        **CALL MEETING TO ORDER**

Director McKenney called the meeting to order at 1:34 p.m.

II.       **PLEDGE OF ALLEGIANCE**

Director McKenney led the Pledge of Allegiance

III.      **ADMINISTRATION OF OATH OF OFFICE**

Item not required for this meeting.

IV.      **ORAL COMMUNICATIONS**

There were no public comments

V.        **CONSENT CALENDAR**

A.      Consideration and Action on Minutes of Regular Meeting of August 13, 2013

**MOTION NO. 2013-20**

Thereafter, upon a motion duly made by Director Rayfield, seconded by Director Kramer, to approve the Consent Calendar (Item A - Consideration and Action on Minutes of Regular Meeting of August 13, 2013). Motion passed 4-0.

**UNAPPROVED**

VI. ACTION ITEMS

- A. Presentation on San Juan Basin Groundwater Management and Facilities Plan (SJBAGMFP) and Acceptance of Public Comments.

Director McKenney offered that the purpose of this topic is to receive public comments on the Plan.

Mr. Ferons offered the GMFP was made available for public comment in July 2013. Letters have been received from the Municipal Water District of Orange County and Two letters from the Burnett Firm representing the San Juan Hills Golf Club.

The object of today's meeting was to give the public an opportunity to provide comments on the plan that was released. Subsequent to this meeting the report will be updated with comments received to date. The four member agencies have provided comments. In October 2013, there will be a public hearing as prescribed by the Water Code on the adoption of management plans. In November 2013, there will be a hearing for the adoption of the plan. At the November meeting, the Board will receive protests as prescribed by the government code.

Mark Wildermuth was introduced and proceeded with a presentation.

He reviewed the following:

- Investigation Objective – To update the SJBA Groundwater Management and Facilities Plan
- Reviewed the Contents of the SJBAGMFP Report
- Consistency with State Requirements for a Groundwater Management Plan

Mr. Wildermuth responded to questions.

Director McKenney asked if all member agencies had provided comments. Each Director responded yes that written comments had been provided. Mr. Curry offered that while the City of San Juan Capistrano has already submitted written comments the City has additional comments to submit.

Director McKenney acknowledged John Perry representing the Capistrano Taxpayers Association. Mr. Perry's written comments were received both in written form and a verbal report. He highlighted the various alternatives and their respective costs and offered that the Capistrano Taxpayers Association does not support the costs associated with the various components of the plan.

**UNAPPROVED**

Richard Gardner reiterated the importance of addressing governance in order to address implementation of the SJBAGMFP.

West Curry offered additional comments presented on behalf of the City of San Juan Capistrano. He reviewed five items and presented a written report.

**VII. CHAIRMAN'S REPORT**

Director McKenney offered that water reliability and cost issues are a major issue with water service and reviewed the potential for future reduction in water supply with the various components that affect that water supply.

**VIII. ATTORNEY'S REPORT**

There was no Attorney's Report.

**IX. OTHER MATTERS**

A. Open Discussion or items received too late to be agendaized.

**X. INFORMATION ITEMS**

A. Update on Metropolitan Water District of Southern California (Met) Foundational Actions Funding Program.

Mr. Ferons reported the Met Board was considering approval of the Foundation Action grant for the Doheny Desalter and the San Juan Basin Authority Groundwater Management Project. Information will be forthcoming once the Met Board awards the grants.

**XI. ADJOURNMENT**

There being no further business before the Board the meeting was adjourned at 2:27 p.m. The next Regular Board meeting is scheduled for October 8, 2013 at 1:30 p.m.

Respectfully submitted,

Sharon D. Brimer, Recording Secretary

I DO HEREBY CERTIFY that the foregoing Minutes are true and correct copy of the Minutes adopted by the Board of Directors of the SAN JUAN BASIN AUTHORITY.

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West Curry, Administrator  
SAN JUAN BASIN AUTHORITY

**San Juan Basin Authority**  
**Financial Statements**  
**July 31, 2013**

	G/L 21 General Fund	P.C. 1 G/L 26 Ortega Well	P.C. 4 G/L 22 Desalter	P.C. 4 G/L 31 Debt Svc	P.C. 9 G/L 29 Well Field	P.C. 10 G/L 25 Monitoring	P.C.11 G/L 20 Future Proj	P.C. 13 G/L 32 USGS Co-Op GIS	Total
<b>ASSETS</b>									
Cash and Investments	\$ 211,416	\$ -	\$ 55,578	\$ -	\$ -	\$ 126,893	\$ 3,816	\$ 53,190	\$ 450,893
Cash and Investment-Restricted for Debt Service	-	-	-	2,357,435	-	-	-	-	2,357,435
Accounts Receivable - Lease prin	-	-	-	22,473,845	-	-	-	-	22,473,845
Utility Plant in Service	147,274	493,254	-	-	489,004	42,187	-	-	1,171,719
(Less) Accumulated Depreciation	(147,274)	(433,673)	-	-	(464,065)	(42,187)	-	-	(1,087,199)
<b>TOTAL ASSETS</b>	<b>\$ 211,416</b>	<b>\$ 59,581</b>	<b>\$ 55,578</b>	<b>\$ 24,831,280</b>	<b>\$ 24,939</b>	<b>\$ 126,893</b>	<b>\$ 3,816</b>	<b>\$ 53,190</b>	<b>\$ 25,366,693</b>
<b>LIABILITIES AND FUND EQUITIES</b>									
Current - Accounts Payable	\$ 15,362	\$ -	\$ 1,146	\$ 418,042	\$ -	\$ 14,867	\$ -	\$ 24,850	\$ 474,267
Bonds Payable	-	-	-	24,780,000	-	-	-	-	24,780,000
<b>TOTAL LIABILITIES</b>	<b>\$ 15,362.0</b>	<b>\$ -</b>	<b>\$ 1,146</b>	<b>\$ 25,198,042</b>	<b>\$ -</b>	<b>\$ 14,867</b>	<b>\$ -</b>	<b>\$ 24,850</b>	<b>\$ 25,254,267</b>
<b>FUND EQUITIES</b>									
SMWD	\$ 53,703	\$ 30,271	\$ 12,059	\$ -	\$ 12,650	\$ 22,056	\$ 11,251	\$ 7,085	\$ 149,075
MNWD	47,755	-	12,059	-	-	38,457	(4,550)	7,085	100,806
CITY OF SAN JUAN CAPISTRANO	46,706	30,271	18,255	(366,762)	12,651	43,551	(4,657)	7,085	(212,900)
SCWD	48,178	-	12,059	-	-	8,345	1,772	7,085	77,439
Current Year Fund Balance	(288)	(961)	-	-	(362)	(383)	-	-	(1,994)
<b>TOTAL FUND EQUITIES</b>	<b>196,054</b>	<b>59,581</b>	<b>54,432</b>	<b>(366,762)</b>	<b>24,939</b>	<b>112,026</b>	<b>3,816</b>	<b>28,340</b>	<b>112,426</b>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b>\$ 211,416</b>	<b>\$ 59,581</b>	<b>\$ 55,578</b>	<b>\$ 24,831,280</b>	<b>\$ 24,939</b>	<b>\$ 126,893</b>	<b>\$ 3,816</b>	<b>\$ 53,190</b>	<b>\$ 25,366,693</b>
<b>REVENUES</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES-OPERATING</b>									
Consulting Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383	\$ -	\$ -	\$ 383
Administrative fees	205	-	-	-	-	-	-	-	205
Dues	83	-	-	-	-	-	-	-	83
<b>TOTAL EXPENDITURES-OPERATING</b>	<b>288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383</b>	<b>-</b>	<b>-</b>	<b>671</b>
<b>EXPENDITURES NON-OPERATING</b>									
Depreciation Expense	\$ -	\$ 961	\$ -	\$ -	\$ 362	\$ -	\$ -	\$ -	\$ 1,323
<b>TOTAL EXPENDITURES NON-OPERATING</b>	<b>-</b>	<b>961</b>	<b>-</b>	<b>-</b>	<b>362</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,323</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 288</b>	<b>\$ 961</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 362</b>	<b>\$ 383</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,994</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (288)</b>	<b>\$ (961)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (362)</b>	<b>\$ (383)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,994)</b>

**San Juan Basin Authority**  
**Financial Statements**  
**August 31, 2013**

	G/L 21 General Fund	P.C. 1 G/L 26 Ortega Well	P.C. 4 G/L 22 Desalter	P.C. 4 G/L 31 Debt Svc	P.C. 9 G/L 29 Well Field	P.C. 10 G/L 25 Monitoring	P.C.11 G/L 20 Future Proj	P.C. 13 G/L 32 USGS Co-Op GIS	Total
<b>ASSETS</b>									
Cash and Investments	\$ 200,052	\$ -	\$ 54,432	\$ -	\$ -	\$ 112,409	\$ 3,816	\$ 28,340	\$ 399,049
Cash and Investment-Restricted for Debt Service	-	-	-	2,357,435	-	-	-	-	2,357,435
Accounts Receivable - Lease prin	-	-	-	22,473,845	-	-	-	-	22,473,845
Utility Plant in Service	147,274	493,254	-	-	489,004	42,187	-	-	1,171,719
(Less) Accumulated Depreciation	(147,274)	(434,633)	-	-	(464,426)	(42,187)	-	-	(1,088,520)
<b>TOTAL ASSETS</b>	<b>\$ 200,052</b>	<b>\$ 58,621</b>	<b>\$ 54,432</b>	<b>\$ 24,831,280</b>	<b>\$ 24,578</b>	<b>\$ 112,409</b>	<b>\$ 3,816</b>	<b>\$ 28,340</b>	<b>\$ 25,313,528</b>
<b>LIABILITIES AND FUND EQUITIES</b>									
Current - Accounts Payable	\$ 4,138	\$ -	\$ 661	\$ 418,042	\$ -	\$ 4,481	\$ -	\$ -	\$ 427,322
Bonds Payable	-	-	-	24,780,000	-	-	-	-	24,780,000
<b>TOTAL LIABILITIES</b>	<b>\$ 4,138.2</b>	<b>\$ -</b>	<b>\$ 661</b>	<b>\$ 25,198,042</b>	<b>\$ -</b>	<b>\$ 4,481</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,207,322</b>
<b>FUND EQUITIES</b>									
SMWD	\$ 53,702	\$ 30,272	\$ 12,059	\$ -	\$ 12,650	\$ 22,056	\$ 11,251	\$ 7,085	\$ 149,075
MNWD	47,755	-	12,059	-	-	38,457	(4,550)	7,085	100,806
CITY OF SAN JUAN CAPISTRANO	46,705	30,272	18,255	(366,762)	12,650	43,551	(4,657)	7,085	(212,901)
SCWD	48,179	-	12,059	-	-	8,345	1,772	7,085	77,440
Current Year Fund Balance	(427)	(1,923)	(661)	-	(722)	(4,481)	-	-	(8,214)
<b>TOTAL FUND EQUITIES</b>	<b>195,914</b>	<b>58,621</b>	<b>53,771</b>	<b>(366,762)</b>	<b>24,578</b>	<b>107,928</b>	<b>3,816</b>	<b>28,340</b>	<b>106,206</b>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b>\$ 200,052</b>	<b>\$ 58,621</b>	<b>\$ 54,432</b>	<b>\$ 24,831,280</b>	<b>\$ 24,578</b>	<b>\$ 112,409</b>	<b>\$ 3,816</b>	<b>\$ 28,340</b>	<b>\$ 25,313,528</b>
<b>REVENUES</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES-OPERATING</b>									
Consulting Services	\$ 427	\$ -	\$ 661	\$ -	\$ -	\$ 4,481	\$ -	\$ -	\$ 5,569
<b>TOTAL EXPENDITURES-OPERATING</b>	<b>427</b>	<b>-</b>	<b>661</b>	<b>-</b>	<b>-</b>	<b>4,481</b>	<b>-</b>	<b>-</b>	<b>5,569</b>
<b>EXPENDITURES NON-OPERATING</b>									
Depreciation Expense	\$ -	\$ 1,923	\$ -	\$ -	\$ 722	\$ -	\$ -	\$ -	\$ 2,645
<b>TOTAL EXPENDITURES NON-OPERATING</b>	<b>-</b>	<b>1,923</b>	<b>-</b>	<b>-</b>	<b>722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,645</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 427</b>	<b>\$ 1,923</b>	<b>\$ 661</b>	<b>\$ -</b>	<b>\$ 722</b>	<b>\$ 4,481</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,214</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (427)</b>	<b>\$ (1,923)</b>	<b>\$ (661)</b>	<b>\$ -</b>	<b>\$ (722)</b>	<b>\$ (4,481)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (8,214)</b>

**San Juan Basin Authority**  
**Financial Statements**  
**September 30, 2013**

	G/L 21 General Fund	P.C. 1 G/L 26 Ortega Well	P.C. 4 G/L 22 Desalter	P.C. 4 G/L 31 Debt Svc	P.C. 9 G/L 29 Well Field	P.C. 10 G/L 25 Monitoring	P.C.11 G/L 20 Future Proj	P.C. 13 G/L 32 USGS Co-Op GIS	Total
<b>ASSETS</b>									
Cash and Investments	\$ 197,915	\$ -	\$ 53,771	\$ -	\$ -	\$ 102,299	\$ 3,816	\$ 28,340	\$ 386,141
Cash and Investment-Restricted for Debt Service	-	-	-	2,357,435	-	-	-	-	2,357,435
Accounts Receivable - Lease prin	-	-	-	22,473,845	-	-	-	-	22,473,845
Utility Plant in Service	147,274	493,254	-	-	489,004	42,187	-	-	1,171,719
(Less) Accumulated Depreciation	(147,274)	(435,594)	-	-	(464,788)	(42,187)	-	-	(1,089,843)
<b>TOTAL ASSETS</b>	<b>\$ 197,915</b>	<b>\$ 57,660</b>	<b>\$ 53,771</b>	<b>\$ 24,831,280</b>	<b>\$ 24,216</b>	<b>\$ 102,299</b>	<b>\$ 3,816</b>	<b>\$ 28,340</b>	<b>\$ 25,299,297</b>
<b>LIABILITIES AND FUND EQUITIES</b>									
Current - Accounts Payable	\$ 5,550	\$ -	\$ 878	\$ 157,540	\$ -	\$ 9,237	\$ -	\$ -	\$ 173,205
Bonds Payable	-	-	-	24,780,000	-	-	-	-	24,780,000
<b>TOTAL LIABILITIES</b>	<b>\$ 5,550</b>	<b>\$ -</b>	<b>\$ 878</b>	<b>\$ 24,937,540</b>	<b>\$ -</b>	<b>\$ 9,237</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,953,205</b>
<b>FUND EQUITIES</b>									
SMWD	\$ 53,702	\$ 30,272	\$ 12,059	\$ -	\$ 12,650	\$ 22,056	\$ 11,251	\$ 7,085	\$ 149,075
MNWD	47,755	-	12,059	-	-	38,457	(4,550)	7,085	100,806
CITY OF SAN JUAN CAPISTRANO	46,705	30,272	18,255	(106,260)	12,650	43,551	(4,657)	7,085	47,601
SCWD	48,179	-	12,059	-	-	8,345	1,772	7,085	77,440
Current Year Fund Balance	(3,976)	(2,884)	(1,539)	-	(1,084)	(19,347)	-	-	(28,830)
<b>TOTAL FUND EQUITIES</b>	<b>192,365</b>	<b>57,660</b>	<b>52,893</b>	<b>(106,260)</b>	<b>24,216</b>	<b>93,062</b>	<b>3,816</b>	<b>28,340</b>	<b>346,092</b>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b>\$ 197,915</b>	<b>\$ 57,660</b>	<b>\$ 53,771</b>	<b>\$ 24,831,280</b>	<b>\$ 24,216</b>	<b>\$ 102,299</b>	<b>\$ 3,816</b>	<b>\$ 28,340</b>	<b>\$ 25,299,297</b>
<b>REVENUES</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES-OPERATING</b>									
Consulting Services	\$ 427	\$ -	\$ 1,539	\$ -	\$ -	\$ 19,347	\$ -	\$ -	\$ 21,313
Legal Fees	3,549	-	-	-	-	-	-	-	3,549
<b>TOTAL EXPENDITURES-OPERATING</b>	<b>\$ 3,976</b>	<b>\$ -</b>	<b>\$ 1,539</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,347</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,862</b>
<b>EXPENDITURES NON-OPERATING</b>									
Depreciation Expense	\$ -	\$ 2,884	\$ -	\$ -	\$ 1,084	\$ -	\$ -	\$ -	\$ 3,968
<b>TOTAL EXPENDITURES NON-OPERATING</b>	<b>\$ -</b>	<b>\$ 2,884</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,084</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,968</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,976</b>	<b>\$ 2,884</b>	<b>\$ 1,539</b>	<b>\$ -</b>	<b>\$ 1,084</b>	<b>\$ 19,347</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,830</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (3,976)</b>	<b>\$ (2,884)</b>	<b>\$ (1,539)</b>	<b>\$ -</b>	<b>\$ (1,084)</b>	<b>\$ (19,347)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (28,830)</b>



## SAN JUAN BASIN AUTHORITY

26111 Antonio Parkway • Rancho Santa Margarita, CA 92688 (949) 459-6400 FAX (949) 459-6463

**TO:** Board of Directors

**DATE:** November 8, 2013

**FROM:** Kristin Griffith, Treasurer

**SUBJECT:** Audit for Fiscal Year 2012-2013

### **SUMMARY**

**Issue:** The Authority authorized preparation of the attached Fiscal Year 2012-2013 Audit by Charles Z. Fedak and Company. The audit has been completed and meets the current Governmental Accounting Standards Board (GASB) standards.

**Recommendation:** 1. Receive and file the audit; 2. Authorize distribution of the final audit and posting on the website; and 3. Authorize use of excess funds from Fiscal Year 2012-2013 in lieu of assessing member agencies.

**Fiscal Impact:** Funds on deposit by agency will be utilized for Fiscal Year 2013-14.

**Previously Related Action:** June 2013 approved Auditors

A copy of the Fiscal Year 2013 Audit and management letter, prepared by Charles Z. Fedak and Company, is attached for your review.

The staff met with the auditors to review the current principles issued by the GASB and the applicability to the Authority's financial statements. As a result, the Authority restructured and updated the financial statements to meet the new standards.

As noted in the financial statements, the following is the current cash and investments balance for FY2013:

Agency	2012-13 Balance	Final 12-13 expenses	Remainder	2013-14 Budget
City of San Juan Capistrano	\$112,864	\$(14,030)	\$98,834	\$100,875
MNWD	112,864	(14,030)	98,834	100,875
SCWD	112,864	(14,030)	98,834	100,875
SMWD	112,864	(14,030)	98,834	100,875
<b>Total</b>	<b>\$451,456</b>	<b>\$(56,120)</b>	<b>\$395,336</b>	<b>\$403,500</b>

Board of Directors  
San Juan Basin Authority  
November 12, 2013  
Page 2

The Authority has not issued any invoices for deposits for the current year and the recommendation is to utilize the funds on hand for the FY2014 expenses. The expenses will be monitored and an assessment for approximately \$2,000 may be required at the end of the year. Member balances will be updated quarterly in the financial statement package.

**San Juan Basin Authority**  
**Annual Financial Report**  
**June 30, 2013 and 2012**



**San Juan Basin Authority**  
**Annual Financial Report**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**San Juan Basin Authority  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2013 and 2012**

**Table of Contents**

	<b><u>Page No.</u></b>
Table of Contents	i
<b>Financial Section</b>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements:	
Statements of Net Position	8
Statements of Revenues, Expenses and Changes in Net Position	9
Statements of Cash Flows	10
Notes to the Basic Financial Statements	11-20

## **Financial Section**



## **Independent Auditor's Report**

Board of Directors  
San Juan Basin Authority  
Mission Viejo, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the San Juan Basin Authority (Authority), which comprises the statement of net position as of June 30, 2013, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. The comparative financial information as of June 30, 2012, was audited by other auditors whose report dated October 4, 2012, expressed an unqualified opinion on those basic financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Juan Basin Authority as of June 30, 2013, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Independent Auditor's Report, continued**

### ***Other-Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financials statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Charles Z. Fedak and Company, CPAs – An Accountancy Corporation**  
**Cypress, California**  
**September 10, 2013**

**San Juan Basin Authority**  
***Management's Discussion and Analysis***  
**For the Fiscal Years Ended June 30, 2013 and 2012**

As management of the San Juan Basin Authority (Authority), we offer readers of Authority's financial statements this narrative overview and analysis of the financial activities and performance of Authority for the fiscal years ended June 30, 2013 and 2012. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

**Financial Highlights**

- In 2013, the Authority's net position increased 19.75%, or \$61,839, from \$313,083 to \$374,922 due to an increase in revenue over expenses. In 2012, the Authority's net position decreased 20.18%, or \$79,156, from \$392,239 to \$313,083 due to an increase in expenses over revenue.
- In 2013, member agency assessments for participation decreased \$128,600 from \$389,725 to \$261,125. In 2012, member agency assessments for participation decreased \$294,775 from \$684,500 to \$389,725.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the Authority using accounting methods similar to those used by private sector companies.

The Statements of Net Position includes all of the Authority's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the change in the Authority's net position due to operating and non-operating resources. The final required financial statement is the Statement of Cash Flows, which provides information about the Authority's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**Financial Analysis of the Authority**

One of the most important questions asked about the Authority's finances is, "Is the Authority better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information about the Authority in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Authority's *net position* and changes in them. You can think of the Authority's net position – the difference between assets and liabilities – as one way to measure the Authority's financial health, or *financial position*. Over time, *increases or decreases* in the Authority's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 11 through 20.

**San Juan Basin Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Statements of Net Position**

**Condensed Statement of Net Position**

	<u>2013</u>	<u>2012</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 2,808,892	2,777,796	31,096
Non-current assets	22,473,845	23,348,140	(874,295)
Capital assets, net	<u>85,843</u>	<u>101,714</u>	<u>(15,871)</u>
Total assets	<u>25,368,580</u>	<u>26,227,650</u>	<u>(859,070)</u>
<b>Liabilities:</b>			
Current liabilities	1,203,658	1,134,567	69,091
Non-current liabilities	<u>23,790,000</u>	<u>24,780,000</u>	<u>(990,000)</u>
Total liabilities	<u>24,993,658</u>	<u>25,914,567</u>	<u>(920,909)</u>
<b>Net position:</b>			
Net investment in capital assets	85,843	101,714	(15,871)
Unrestricted	<u>289,079</u>	<u>211,369</u>	<u>77,710</u>
Total net assets	<u>374,922</u>	<u>313,083</u>	<u>61,839</u>
Total liabilities and net assets	<u>\$ 25,368,580</u>	<u>26,227,650</u>	<u>(859,070)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets of Authority exceeded liabilities by \$374,922 and \$313,083 as of June 30, 2013 and 2012, respectively.

At the end of fiscal year 2013 and 2012, the Authority shows a positive balance in its unrestricted net position of \$289,079 and \$211,369, respectively that may be utilized in future years.

**Statements of Revenues, Expenses and Changes in Net Position**

**Condensed Statement of Revenues, Expenses and Changes in Net Position**

	<u>2013</u>	<u>2012</u>	<u>Change</u>
<b>Revenues:</b>			
Operating revenues	\$ 261,125	389,725	(128,600)
Non-operating revenues	<u>1,330,734</u>	<u>1,309,313</u>	<u>21,421</u>
Total revenues	<u>1,591,859</u>	<u>1,699,038</u>	<u>(107,179)</u>
<b>Expenses:</b>			
Operating expenses	186,600	336,765	(150,165)
Depreciation expense	15,871	18,301	(2,430)
Non-operating expenses	<u>1,327,549</u>	<u>1,423,128</u>	<u>(95,579)</u>
Total expenses	<u>1,530,020</u>	<u>1,778,194</u>	<u>(248,174)</u>
Change in net position	61,839	(79,156)	140,995
Net position – beginning of year	<u>313,083</u>	<u>392,239</u>	<u>(79,156)</u>
Net position – end of year	<u>\$ 374,922</u>	<u>313,083</u>	<u>61,839</u>

**San Juan Basin Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Statements of Revenues, Expenses and Changes in Net Position, continued**

The statements of revenues, expenses and changes in net position shows how the government's net position changed during the fiscal year. In the case of the Authority, net position increased by \$61,839 and decreased by \$79,156 during the fiscal years ended June 30, 2013 and 2012, respectively.

**Capital Asset Administration**

At the end of fiscal year 2013 and 2012, the Authority's investment in capital assets amounted to \$101,714 and \$85,843 (net of accumulated depreciation), respectively. (See note 4)

Changes in capital assets for 2013 were as follows:

	<b>Balance 2012</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balance 2013</b>
Depreciable capital assets	\$ 1,171,719	-	-	1,171,719
Accumulated depreciation	(1,070,005)	(15,871)	-	(1,085,876)
Total capital assets, net	<u>\$ 101,714</u>	<u>(15,871)</u>	<u>-</u>	<u>85,843</u>

Changes in capital assets for 2012 were as follows:

	<b>Balance 2011</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balance 2012</b>
Depreciable capital assets	\$ 1,171,719	-	-	1,171,719
Accumulated depreciation	(1,051,704)	(18,301)	-	(1,070,005)
Total capital assets, net	<u>\$ 120,015</u>	<u>(18,301)</u>	<u>-</u>	<u>101,714</u>

**Debt Administration**

In 2013, long-term debt decreased by \$955,000, due to regular principal payments on the Authority's outstanding debts. In 2012, long-term debt decreased by \$920,000, due to regular principal payments on the Authority's outstanding debts. (See note 5).

Changes in long-term debt for 2013 was as follows:

	<b>Balance 2012</b>	<b>Additions</b>	<b>Principal Payments</b>	<b>Balance 2013</b>
Bonds payable	\$ 25,735,000	-	(955,000)	24,780,000

Changes in long-term debt for 2012 was as follows:

	<b>Balance 2011</b>	<b>Additions</b>	<b>Principal Payments</b>	<b>Balance 2012</b>
Bonds payable	\$ 26,655,000	-	(920,000)	25,735,000

**San Juan Basin Authority**  
***Management's Discussion and Analysis, continued***  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Other Information**

***Mission Statement of the Authority***

*To develop and maintain a reliable, high-quality, economical local water supply for residents in the San Juan Basin by maximizing water use through management of local ground and surface water of San Juan Creek and its tributaries, with due consideration for preservation, enhancement, and conservation of the environment, including, but not limited to, the natural resources, fish and wildlife, infrastructure improvements, and the cultural heritage of the area.*

Keeping the Authority's mission statement in mind, the Authority's major objective has been to obtain a Water Rights Permit from the State Water Resources Control Board (SWRCB). This Permit was approved in October 2000, will allow the Authority to secure a right to divert authorized amounts of water from the San Juan Basin that can be used for beneficial purposes in accordance with the Authority's stated mission. The Permit contains specific requirements for the monitoring and management of the San Juan Basin.

***Annual Operating Budget***

The operating budget includes proposed expenses and the means of financing them. The Authority's operating budget remains in effect the entire fiscal year and is not revised. The goal of each year's work effort is to complete the tasks as outlined in the budget and not to accumulate funds for any other purpose.

The total operating budget for the Authority for the 2013 and 2012 fiscal years was \$361,125 and \$389,725, respectively. The funds collected from the member agencies as a result of the annual budget process are used to accomplish certain defined tasks. At the end of the fiscal year, the unexpended funds are normally returned to the member agencies, or rolled forward to the next fiscal year and incorporated into the next operating budget process.

***The Authority Consists of Four Member Agencies***

The Santa Margarita Water District (SMWD), Moulton Niguel Water District (MNWD), City of San Juan Capistrano (CSJC) and South Coast Water District (SCWD) are member agencies in the Authority. The Authority has several projects that each member agency may participate in based on their own particular needs. The schedules below reflect their individual participation in various Project Committees (PC) as a percentage and change in member agencies net position balances.

<b>Agency</b>	<b>General</b>	<b>PC1</b>	<b>PC4</b>	<b>PC9</b>	<b>PC10</b>	<b>PC11</b>	<b>PC13</b>	<b>PC14</b>
SMWD	25%	50%	25%	50%	25%	25%	25%	25%
MNWD	25%	0%	25%	0%	25%	25%	25%	25%
CSJC	25%	50%	25%	50%	25%	25%	25%	25%
SCWD	25%	0%	25%	0%	25%	25%	25%	25%
Totals	100%	100%	100%	100%	100%	100%	100%	100%

**San Juan Basin Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

**Other Information, continued**

***Member Agency Net Position***

<b><i>Net Position per Agency Rollforward</i></b>	<b>SMWD</b>	<b>MNWD</b>	<b>CSJC</b>	<b>SCWD</b>	<b>2013 Total</b>
Net position – beginning of the period	\$ 138,375	82,170	33,735	58,803	313,083
Member agency assessments for participation	65,281	65,281	65,282	65,281	261,125
Investment income	5	5	160,161	5	160,176
Interest income – lease receivable	-	-	1,170,558	-	1,170,558
Operating expenses	(46,650)	(46,650)	(46,650)	(46,650)	(186,600)
Depreciation expense	(7,936)	-	(7,935)	-	(15,871)
Interest expense	-	-	(1,327,549)	-	(1,327,549)
Change in net position	10,700	18,636	13,867	18,636	61,839
Net position – end of the period	\$ 149,075	100,806	47,602	77,439	374,922

  

<b><i>Net Position per Agency Rollforward</i></b>	<b>SMWD</b>	<b>MNWD</b>	<b>CSJC</b>	<b>SCWD</b>	<b>2012 Total</b>
Net position – beginning of the period	\$ 128,422	71,282	144,621	47,914	392,239
Member agency assessments for participation	97,431	97,431	97,431	97,432	389,725
Investment income	6	6	104,606	6	104,624
Interest income – lease receivable	-	-	1,204,689	-	1,204,689
Member agency assessment distributions	(18,849)	(25,849)	(25,849)	(25,849)	(96,396)
Operating expenses	(60,092)	(60,092)	(60,093)	(60,092)	(240,369)
Depreciation expense	(8,543)	(608)	(8,542)	(608)	(18,301)
Interest expense	-	-	(1,423,128)	-	(1,423,128)
Change in net position	9,953	10,888	(110,886)	10,889	(79,156)
Net position – end of the period	\$ 138,375	82,170	33,735	58,803	313,083

**Conditions Affecting Current Financial Position**

The Authority is unaware of any conditions, which could have a significant impact on the Authority's current financial position, net position, or operating results in terms of past, present, and future.

**Requests for Information**

The Authority's basic financial statements are designed to present users with a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions about the report or need additional information, please contact the Authority's Treasurer at P.O. Box 7005, Mission Viejo, California 92690-7005.

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# **Basic Financial Statements**

**San Juan Basin Authority**  
**Statements of Net Position**  
**June 30, 2013 and 2012**

<i>Assets</i>	<b>2013</b>	<b>2012</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 451,457	384,258
Restricted – cash and cash equivalents (note 2)	54,249	134,325
Restricted – investments (note 2)	2,303,186	2,251,080
Prepaid and other assets	-	8,133
Total current assets	<u>2,808,892</u>	<u>2,777,796</u>
<b>Non-current assets:</b>		
City of San Juan Capistrano lease receivable (note 3)	22,473,845	23,348,140
Capital assets, net (note 4)	<u>85,843</u>	<u>101,714</u>
Total non-current assets	<u>22,559,688</u>	<u>23,449,854</u>
<b>Total assets</b>	<u><u>\$ 25,368,580</u></u>	<u><u>26,227,650</u></u>
<b><i>Liabilities and Net Position</i></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 56,119	71,596
Accrued interest payable	157,539	107,971
Long-term liabilities – due within one year:		
Bonds payable (note 5)	<u>990,000</u>	<u>955,000</u>
Total current liabilities	<u>1,203,658</u>	<u>1,134,567</u>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Bonds payable (note 5)	<u>23,790,000</u>	<u>24,780,000</u>
Total non-current liabilities	<u>23,790,000</u>	<u>24,780,000</u>
<b>Total liabilities</b>	<u>24,993,658</u>	<u>25,914,567</u>
<b>Net position:</b>		
Net investment in capital assets	85,843	101,714
Unrestricted	<u>289,079</u>	<u>211,369</u>
<b>Total net position</b>	<u>374,922</u>	<u>313,083</u>
<b>Total liabilities and net position</b>	<u><u>\$ 25,368,580</u></u>	<u><u>26,227,650</u></u>

See accompanying notes to the financial statements

**San Juan Basin Authority**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Operating revenues:</b>		
Member agency assessments for participation	\$ 261,125	389,725
Total operating revenues	<u>261,125</u>	<u>389,725</u>
<b>Operating expenses:</b>		
Member agency assessment distributions	-	96,396
Engineering	168,553	220,794
Legal	9,823	4,010
Accounting	7,539	13,950
Other expenses	685	1,615
Total operating expenses	<u>186,600</u>	<u>336,765</u>
Operating income before depreciation	74,525	52,960
Depreciation expense	<u>(15,871)</u>	<u>(18,301)</u>
<b>Operating income</b>	<u>58,654</u>	<u>34,659</u>
<b>Non-operating revenues(expenses):</b>		
Investment income	160,176	104,624
Interest income – lease receivable	1,170,558	1,204,689
Interest expense	<u>(1,327,549)</u>	<u>(1,423,128)</u>
Total non-operating expenses	<u>3,185</u>	<u>(113,815)</u>
<b>Changes in net position</b>	61,839	(79,156)
Net position – beginning of year	<u>313,083</u>	<u>392,239</u>
Net position – end of year	<u>\$ 374,922</u>	<u>313,083</u>

See accompanying notes to the financial statements

**San Juan Basin Authority**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2013 and 2012**

	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Cash flows from operating activities:</b>		
Cash receipts from member agency assessments	\$ 261,125	389,725
Cash payments to suppliers and vendors	<u>(193,944)</u>	<u>(264,202)</u>
Net cash provided by operating activities	<u>67,181</u>	<u>125,523</u>
<b>Cash flows from capital and related financing activities:</b>		
City of San Juan Capistrano lease receipts	874,295	1,027,519
Principal paid on bonds payable	(955,000)	(920,000)
Interest paid on bonds payable	<u>(1,277,981)</u>	<u>(1,312,208)</u>
Net cash used in capital and related financing activities	<u>(1,358,686)</u>	<u>(1,204,689)</u>
<b>Cash flows from investing activities:</b>		
Investment income	108,070	104,624
Interest income – lease receivable	<u>1,170,558</u>	<u>1,204,689</u>
Net cash provided by investing activities	<u>1,278,628</u>	<u>1,309,313</u>
<b>Net increase(decrease) in cash and cash equivalents</b>	<u>(12,877)</u>	<u>230,147</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>518,583</u>	<u>288,436</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 505,706</u></u>	<u><u>518,583</u></u>
<b>Reconciliation of cash and cash equivalents:</b>		
Cash and cash equivalents	\$ 451,457	384,258
Restricted – cash and cash equivalents	<u>54,249</u>	<u>134,325</u>
Total cash and cash equivalents	<u><u>\$ 505,706</u></u>	<u><u>518,583</u></u>
<b>Reconciliation of operating income to net cash used in operating activities:</b>		
Operating income	\$ 58,654	34,659
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	15,871	18,301
Change in assets – (increase)decrease:		
Prepaid and other assets	8,133	(8,133)
Change in liabilities – increase(decrease):		
Accounts payable and accrued liabilities	<u>(15,477)</u>	<u>80,696</u>
Total adjustments	<u>8,527</u>	<u>90,864</u>
Net cash used in operating activities	<u><u>\$ 67,181</u></u>	<u><u>125,523</u></u>

See accompanying notes to the basic financial statements

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The San Juan Basin Authority (Authority) is a public entity created for the joint exercise of common powers pursuant to a Joint Exercise of Powers Agreement dated November 22, 1972, by and between the Capistrano Beach County Water District (predecessor of Capistrano Beach Water District (CBWD), the Capistrano Valley Water District (CVWD) and the Santa Margarita Water District (SMWD). Effective in 1997, the City of San Juan Capistrano (CSJC) became the successor agency of the CVWD.

The Moulton Niguel Water District (MNWD) and the Trabuco Canyon Water District (TCWD) were subsequently admitted as members to the Authority. The CBWD and the TCWD withdrew as member agencies effective April 5, 1989, and June 30, 1997, respectively. Effective April 7, 1998, CBWD was readmitted as a member to the Authority. Effective January 1, 1999, CBWD was dissolved and the South Coast Water District (SCWD) became the successor agency. The Authority was formed under the powers granted to the member agencies pursuant to Article 1, Chapter 5, Division 7, Title 1 of the California Government Code. The Authority is a joint venture of Member Agencies - SMWD, MNWD, CSJC and SCWD.

The Authority was created to plan, acquire, construct, maintain, repair, operate, and control facilities to supply the inhabitants and lands within each of the Member Agencies' boundaries with water and provide for the development and conservation of water supplies.

The Authority currently has eight project committees to administer and develop various projects for the benefit of the Member Agencies. Member Agencies may elect to participate in each of the Authority's project committees and are assessed annually for the estimated costs to be incurred related to each project committee based upon ownership or usage. Member Agency assessments for the year ended June 30, 2013, totaled \$261,125. Each member agency was assessed \$65,281.25.

The powers and functions of the Authority are exercised by a Board of Directors, of which one Director may be appointed by each of the Board of Directors of the Member Agencies. Each Director holds office until a successor Director is appointed, serves at the pleasure of the legislative body of the appointing Member Agency and may be removed at any time, with or without cause, at the sole discretion of such legislative body.

**B. Basis of Accounting and Measurement Focus**

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the costs of providing services on a continuing basis be financed or recovered primarily through member agency participation assessments. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment income, result from non-exchange transactions, in which, the Authority gives (receives) value without directly receiving (giving) value in exchange.

**C. Financial Reporting**

The Authority's basic financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*. Revenues are recognized when earned, and costs and expenses are recognized when incurred.

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* effective for financial statements for periods beginning after December 15, 2011. The Authority implemented this new pronouncement in the current year. The effect of the implementation of this statement to the Authority is limited to renaming of *Net Assets* to *Net Position*.

**D. Assets, Liabilities and Net Position**

**1. Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. This also includes disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in the Authority's net position during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the Authority's cash is invested in interest bearing cash accounts. The Authority considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

**3. Investments and Investment Policy**

The Authority has adopted an investment policy directing the Treasurer to deposit funds in financial institutions.

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Capital Assets**

Capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Contributed assets which consist mainly of pipelines, wells and pump stations are recorded as contributed facilities based on cost information furnished by Member Agencies or other contributors. Depreciation on contributed facilities is charged just the same as purchased assets, using the straight-line method based on estimated lives which range from 10 to 40 years, consisting primarily of diversion structure over 20 years, wells over 25 years, and pump stations and pipelines over 40 years. Equipment that has been determined to have no useful life or value is removed from the records when such determination has been made by management. Facilities owned by the Authority are operated and maintained by individual Member Agencies.

**5. Allocation of Expenses and Member Agencies Net Position**

Expenses are applied directly against deposits received from Member Agencies. Expenses are allocated between Member Agencies based on ownership or usage. Interest earned on Member Agency deposits is allocated to the Member Agencies on a monthly basis in accordance with their relative deposit balances. At the end of each fiscal year, operating surplus balances are refunded to Member Agencies or added to their reserves as determined by the Board of Directors.

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Liabilities and Net Position, continued**

**6. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets Component of Net Position**– This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position
- **Restricted Component of Net Position** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- **Unrestricted Component of Net Position** – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

**7. Operating Budget**

An annual budget is adopted by the Board of Directors using a basis consistent with generally accepted accounting principles. The budget is used for operating management and internal accounting control but has not been presented in the accompanying financial statements, which is consistent with GAAP.

**E. Implementation of New Accounting Pronouncements**

For the year ended June 30, 2013, the Authority implemented the following Governmental Accounting Standards Board pronouncements:

***Governmental Accounting Standards Board Statement No. 60***

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard address how to account for and report service concession arrangements, a type of public-private or public-public partnership that state and local governments are increasingly entering into. No service concession arrangements were noted in the fiscal years transactions.

***Governmental Accounting Standards Board Statement No. 61***

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity, Omnibus*. This standard is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and local Governments*.

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**E. Implementation of New Accounting Pronouncements, continued**

***Governmental Accounting Standards Board Statement No. 62***

In December 2010, The GASB issued Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the “FASB and AICPA pronouncements.” This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989, FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989, FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

***Governmental Accounting Standards Board Statement No. 63***

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

***Governmental Accounting Standards Board Statement No. 65***

In March 2012, the GASB issued Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(2) Cash and Investments**

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

	<u><b>2013</b></u>	<u><b>2012</b></u>
Cash and cash equivalents	\$ 451,457	384,258
Restricted – cash and cash equivalents	54,249	134,325
Restricted – investments	<u>2,303,186</u>	<u>2,251,080</u>
Total cash and investments	<u><u>\$ 2,808,892</u></u>	<u><u>2,769,663</u></u>

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

	<u><b>2013</b></u>	<u><b>2012</b></u>
Deposits with financial institutions	\$ 445,181	378,003
Money market mutual funds	54,249	134,325
Investments	<u>2,309,462</u>	<u>2,257,335</u>
Total cash and investments	<u><u>\$ 2,808,892</u></u>	<u><u>2,769,663</u></u>

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

The Authority has not adopted its own investment policy and is, therefore, subject to the constraints of the California Government Code.

***Investments Authorized by Debt Agreements***

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u><b>Authorized Investment Type</b></u>	<u><b>Maximum Maturity</b></u>	<u><b>Maximum Percentage Of Portfolio</b></u>	<u><b>Maximum Investment in One Issuer</b></u>
U.S. Treasury Obligations	None	None	None
Federal Agency Obligations	None	None	None
Bankers's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Investment Contracts	30 years	None	None
Money Market Mutual Funds	N/A	None	None

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(2) Cash and Investments, continued**

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits, or will not be able to recover collateral securities that are in the possession of an outside party. The 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. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Authority'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. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, federally insured is unlimited for non-interest bearing accounts through June 30, 2013, and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Authority's name.

***Investment in State Investment Pool***

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

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures, or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity date:

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(2) Cash and Investments, continued**

***Interest Rate Risk, continued***

Investments at June 30, 2013 consisted of the following:

Investment Type	Total	Remaining Maturity 12 Months Or Less	13 to 24 Months	25-60 Months
Local Agency Investment Fund (LAIF)	\$ 6,276	6,276	-	-
Government sponsored agency obligations	2,303,186	2,303,186	-	-
Total	<u>\$ 2,309,462</u>	<u>2,309,462</u>	<u>-</u>	<u>-</u>

Investments at June 30, 2012 consisted of the following:

Investment Type	Total	Remaining Maturity 12 Months Or Less	13 to 24 Months	25-60 Months
Local Agency Investment Fund (LAIF)	\$ 6,255	6,255	-	-
Government sponsored agency obligations	2,251,080	2,251,080	-	-
Total	<u>\$ 2,257,335</u>	<u>2,257,335</u>	<u>-</u>	<u>-</u>

***Credit Risk***

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

Credit ratings of investments as of June 30, 2013, were as follows:

Investment type	Total	Minimum legal rating	Exempt or Not Rated	Rating as of year-end AA+
Local Agency Investment Fund (LAIF)	\$ 6,276	N/A	6,276	-
Government sponsored agency obligations	2,303,186	AA+	-	2,303,186
Total	<u>\$ 2,309,462</u>		<u>6,276</u>	<u>2,303,186</u>

Credit ratings of investments as of June 30, 2012, were as follows:

Investment type	Total	Minimum legal rating	Exempt or Not Rated	Rating as of year-end AA+
Local Agency Investment Fund (LAIF)	\$ 6,255	N/A	6,255	-
Government sponsored agency obligations	2,251,080	AA+	-	2,251,080
Total	<u>\$ 2,257,335</u>		<u>6,255</u>	<u>2,251,080</u>

***Concentration of Credit Risk***

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of total Authority investments are as follows:

Issuer	Investment Type	Invested Amount	
		2013	2012
Government sponsored agency obligations	Government sponsored agency	<u>\$ 2,303,186</u>	<u>2,251,080</u>

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(3) City of San Juan Capistrano Lease Receivable**

On December 1, 2002, the Authority entered into a direct financing lease agreement with the CSJC in conjunction with the issuance and payment of the 2002 Lease revenue bonds for the construction of the Desalter Treatment Plant. The lease payments are equal to the debt service coming due on the bonds. The outstanding balance at June 30, 2013 and 2012, net of reserve cash held with fiscal agent, was \$22,473,845 and \$23,348,140, respectively.

**(4) Capital Assets**

Changes in capital assets for 2013 were as follows:

	<b>Balance 2012</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balance 2013</b>
Depreciable capital assets	\$ 1,171,719	-	-	1,171,719
Accumulated depreciation	(1,070,005)	(15,871)	-	(1,085,876)
Total capital assets, net	<u>\$ 101,714</u>	<u>(15,871)</u>	<u>-</u>	<u>85,843</u>

Changes in capital assets for 2012 were as follows:

	<b>Balance 2011</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balance 2012</b>
Depreciable capital assets	\$ 1,171,719	-	-	1,171,719
Accumulated depreciation	(1,051,704)	(18,301)	-	(1,070,005)
Total capital assets, net	<u>\$ 120,015</u>	<u>(18,301)</u>	<u>-</u>	<u>101,714</u>

**(5) Long-term Debt**

Changes in long-term debt for 2013 was as follows:

	<b>Balance 2012</b>	<b>Additions</b>	<b>Principal Payments</b>	<b>Balance 2013</b>
Bonds payable	\$ 25,735,000	-	(955,000)	24,780,000

Changes in long-term debt for 2012 was as follows:

	<b>Balance 2011</b>	<b>Additions</b>	<b>Principal Payments</b>	<b>Balance 2012</b>
Bonds payable	\$ 26,655,000	-	(920,000)	25,735,000

***Bonds Payable***

On December 11, 2002, the Authority issued lease revenue bonds (Bonds) in the amount of \$31,555,000 for the Ground Water Recovery Project. The Bonds are special limited obligations of the Authority payable solely from the trustee estate, including lease payments to be made by the CJSC to the Authority solely from revenues of the water district pledged to the payment of the lease payments pursuant to the lease agreement between the CSJC and the Authority.

The proceeds of the Bonds are to be applied to finance and reimburse the costs of the design, development, acquisition and construction of a groundwater recovery plant and related improvements and facilities, fund a debt service reserve funds securing the Bonds, fund capitalized interest through June 1, 2004, and pay certain costs of issuance of the Bonds.

The annual interest rates and principal debt service payments range from 3.0% and \$755,000 to 5.250% and \$1,720,000. As of June 30, 2013, the outstanding principal of these Bonds totaled \$24,780,000.

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(5) Long-term Debt, continued**

***Bonds Payable, continued***

Anticipated future payments by the Authority for the Bonds payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 990,000	1,235,562	2,225,562
2015	1,040,000	1,183,512	2,223,512
2016	1,095,000	1,127,469	2,222,469
2017	1,150,000	1,068,537	2,218,537
2018	1,210,000	1,006,588	2,216,588
2019-2023	7,075,000	3,990,587	11,065,587
2024-2028	5,580,000	2,222,000	7,802,000
2029-2033	4,505,000	1,118,875	5,623,875
2034-2035	2,135,000	102,125	2,237,125
Total	24,780,000	13,055,255	37,835,255
Current	(990,000)		
Long-term	\$ 23,790,000		

**(6) Risk Management**

Insurance policies held by each individual Member Agency provided adequate liability coverage for the Authority. The Authority believes there are no existing matters which will have a material adverse effect on the Authority's financial position. In the opinion of the Authority's Counsel, the Authority had no material claims which would require loss provisions in the financial statements.

**(7) Related Party Transactions**

SMWD provides accounting services based on an hourly rate for the Authority. The total expenses incurred for services for the years ended June 30, 2013 and 2012, were \$3,393 and \$8,150, which were accrued on the statement of net position.

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2013, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 66***

In March 2012, the GASB issued Statement No. 66 – *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The impact of the implementation of this Statement to the Authority's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 68***

In June 2012, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

**San Juan Basin Authority**  
**Notes to the Basic Financial Statements, continued**  
**June 30, 2013 and 2012**

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 68, continued***

This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. The impact of the implementation of this Statement to the Authority's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 69***

In January 2013, the GASB issued Statement No. 69 – *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to provide new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The impact of the implementation of this Statement to the Authority's financial statements has not been assessed at this time.

***Governmental Accounting Standards Board Statement No. 70***

In April 2013, the GASB issued Statement No. 70 – *Accounting and Financial Reporting for Non-exchange Guarantees*. Provisions of this Statement require that governments that extend non-exchange financial guarantees to recognize a liability when qualitative factors and historic data, if any, indicate that it is more likely than not that the government will be required to make a payments on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. The impact of the implementation of this Statement to the Authority's financial statements has not been assessed at this time.

**(9) Commitments and Contingencies**

In the ordinary course of operations, the Authority and its Member Agencies are subject to claims and litigation from outside parties. Nevertheless, after consultation with legal counsel, the Authority believes that these actions, when finally concluded and determined are not likely to have a material adverse effect on the Authority's financial position, results of operations, or cash flows.

**(10) Subsequent Events**

Events occurring after June 30, 2013, have been evaluated for possible adjustment to the financial statements or disclosure as of September 10, 2013, which is the date the financial statements were available to be issued.



**San Juan Basin Authority**  
**Financial Statements**  
**July 31, 2013**

	G/L 21 General Fund	P.C. 1 G/L 26 Ortega Well	P.C. 4 G/L 22 Desalter	P.C. 4 G/L 31 Debt Svc	P.C. 9 G/L 29 Well Field	P.C. 10 G/L 25 Monitoring	P.C.11 G/L 20 Future Proj	P.C. 13 G/L 32 USGS Co-Op GIS	Total
<b>ASSETS</b>									
Cash and Investments	\$ 211,416	\$ -	\$ 55,578	\$ -	\$ -	\$ 126,893	\$ 3,816	\$ 53,190	\$ 450,893
Cash and Investment-Restricted for Debt Service	-	-	-	2,357,435	-	-	-	-	2,357,435
Accounts Receivable - Lease prin	-	-	-	22,473,845	-	-	-	-	22,473,845
Utility Plant in Service	147,274	493,254	-	-	489,004	42,187	-	-	1,171,719
(Less) Accumulated Depreciation	(147,274)	(433,673)	-	-	(464,065)	(42,187)	-	-	(1,087,199)
<b>TOTAL ASSETS</b>	<b>\$ 211,416</b>	<b>\$ 59,581</b>	<b>\$ 55,578</b>	<b>\$ 24,831,280</b>	<b>\$ 24,939</b>	<b>\$ 126,893</b>	<b>\$ 3,816</b>	<b>\$ 53,190</b>	<b>\$ 25,366,693</b>
<b>LIABILITIES AND FUND EQUITIES</b>									
Current - Accounts Payable	\$ 15,362	\$ -	\$ 1,146	\$ 418,042	\$ -	\$ 14,867	\$ -	\$ 24,850	\$ 474,267
Bonds Payable	-	-	-	24,780,000	-	-	-	-	24,780,000
<b>TOTAL LIABILITIES</b>	<b>\$ 15,362.0</b>	<b>\$ -</b>	<b>\$ 1,146</b>	<b>\$ 25,198,042</b>	<b>\$ -</b>	<b>\$ 14,867</b>	<b>\$ -</b>	<b>\$ 24,850</b>	<b>\$ 25,254,267</b>
<b>FUND EQUITIES</b>									
SMWD	\$ 53,703	\$ 30,271	\$ 12,059	\$ -	\$ 12,650	\$ 22,056	\$ 11,251	\$ 7,085	\$ 149,075
MNWD	47,755	-	12,059	-	-	38,457	(4,550)	7,085	100,806
CITY OF SAN JUAN CAPISTRANO	46,706	30,271	18,255	(366,762)	12,651	43,551	(4,657)	7,085	(212,900)
SCWD	48,178	-	12,059	-	-	8,345	1,772	7,085	77,439
Current Year Fund Balance	(288)	(961)	-	-	(362)	(383)	-	-	(1,994)
<b>TOTAL FUND EQUITIES</b>	<b>196,054</b>	<b>59,581</b>	<b>54,432</b>	<b>(366,762)</b>	<b>24,939</b>	<b>112,026</b>	<b>3,816</b>	<b>28,340</b>	<b>112,426</b>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b>\$ 211,416</b>	<b>\$ 59,581</b>	<b>\$ 55,578</b>	<b>\$ 24,831,280</b>	<b>\$ 24,939</b>	<b>\$ 126,893</b>	<b>\$ 3,816</b>	<b>\$ 53,190</b>	<b>\$ 25,366,693</b>
<b>REVENUES</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES-OPERATING</b>									
Consulting Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 383	\$ -	\$ -	\$ 383
Administrative fees	205	-	-	-	-	-	-	-	205
Dues	83	-	-	-	-	-	-	-	83
<b>TOTAL EXPENDITURES-OPERATING</b>	<b>288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383</b>	<b>-</b>	<b>-</b>	<b>671</b>
<b>EXPENDITURES NON-OPERATING</b>									
Depreciation Expense	\$ -	\$ 961	\$ -	\$ -	\$ 362	\$ -	\$ -	\$ -	\$ 1,323
<b>TOTAL EXPENDITURES NON-OPERATING</b>	<b>-</b>	<b>961</b>	<b>-</b>	<b>-</b>	<b>362</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,323</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 288</b>	<b>\$ 961</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 362</b>	<b>\$ 383</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,994</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (288)</b>	<b>\$ (961)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (362)</b>	<b>\$ (383)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,994)</b>

**San Juan Basin Authority**  
**Financial Statements**  
**August 31, 2013**

	G/L 21 General Fund	P.C. 1 G/L 26 Ortega Well	P.C. 4 G/L 22 Desalter	P.C. 4 G/L 31 Debt Svc	P.C. 9 G/L 29 Well Field	P.C. 10 G/L 25 Monitoring	P.C.11 G/L 20 Future Proj	P.C. 13 G/L 32 USGS Co-Op GIS	Total
<b>ASSETS</b>									
Cash and Investments	\$ 200,052	\$ -	\$ 54,432	\$ -	\$ -	\$ 112,409	\$ 3,816	\$ 28,340	\$ 399,049
Cash and Investment-Restricted for Debt Service	-	-	-	2,357,435	-	-	-	-	2,357,435
Accounts Receivable - Lease prin	-	-	-	22,473,845	-	-	-	-	22,473,845
Utility Plant in Service	147,274	493,254	-	-	489,004	42,187	-	-	1,171,719
(Less) Accumulated Depreciation	(147,274)	(434,633)	-	-	(464,426)	(42,187)	-	-	(1,088,520)
<b>TOTAL ASSETS</b>	<b>\$ 200,052</b>	<b>\$ 58,621</b>	<b>\$ 54,432</b>	<b>\$ 24,831,280</b>	<b>\$ 24,578</b>	<b>\$ 112,409</b>	<b>\$ 3,816</b>	<b>\$ 28,340</b>	<b>\$ 25,313,528</b>
<b>LIABILITIES AND FUND EQUITIES</b>									
Current - Accounts Payable	\$ 4,138	\$ -	\$ 661	\$ 418,042	\$ -	\$ 4,481	\$ -	\$ -	\$ 427,322
Bonds Payable	-	-	-	24,780,000	-	-	-	-	24,780,000
<b>TOTAL LIABILITIES</b>	<b>\$ 4,138.2</b>	<b>\$ -</b>	<b>\$ 661</b>	<b>\$ 25,198,042</b>	<b>\$ -</b>	<b>\$ 4,481</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,207,322</b>
<b>FUND EQUITIES</b>									
SMWD	\$ 53,702	\$ 30,272	\$ 12,059	\$ -	\$ 12,650	\$ 22,056	\$ 11,251	\$ 7,085	\$ 149,075
MNWD	47,755	-	12,059	-	-	38,457	(4,550)	7,085	100,806
CITY OF SAN JUAN CAPISTRANO	46,705	30,272	18,255	(366,762)	12,650	43,551	(4,657)	7,085	(212,901)
SCWD	48,179	-	12,059	-	-	8,345	1,772	7,085	77,440
Current Year Fund Balance	(427)	(1,923)	(661)	-	(722)	(4,481)	-	-	(8,214)
<b>TOTAL FUND EQUITIES</b>	<b>195,914</b>	<b>58,621</b>	<b>53,771</b>	<b>(366,762)</b>	<b>24,578</b>	<b>107,928</b>	<b>3,816</b>	<b>28,340</b>	<b>106,206</b>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b>\$ 200,052</b>	<b>\$ 58,621</b>	<b>\$ 54,432</b>	<b>\$ 24,831,280</b>	<b>\$ 24,578</b>	<b>\$ 112,409</b>	<b>\$ 3,816</b>	<b>\$ 28,340</b>	<b>\$ 25,313,528</b>
<b>REVENUES</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES-OPERATING</b>									
Consulting Services	\$ 427	\$ -	\$ 661	\$ -	\$ -	\$ 4,481	\$ -	\$ -	\$ 5,569
<b>TOTAL EXPENDITURES-OPERATING</b>	<b>427</b>	<b>-</b>	<b>661</b>	<b>-</b>	<b>-</b>	<b>4,481</b>	<b>-</b>	<b>-</b>	<b>5,569</b>
<b>EXPENDITURES NON-OPERATING</b>									
Depreciation Expense	\$ -	\$ 1,923	\$ -	\$ -	\$ 722	\$ -	\$ -	\$ -	\$ 2,645
<b>TOTAL EXPENDITURES NON-OPERATING</b>	<b>-</b>	<b>1,923</b>	<b>-</b>	<b>-</b>	<b>722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,645</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 427</b>	<b>\$ 1,923</b>	<b>\$ 661</b>	<b>\$ -</b>	<b>\$ 722</b>	<b>\$ 4,481</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,214</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (427)</b>	<b>\$ (1,923)</b>	<b>\$ (661)</b>	<b>\$ -</b>	<b>\$ (722)</b>	<b>\$ (4,481)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (8,214)</b>

**San Juan Basin Authority  
Financial Statements  
September 30, 2013**

	G/L 21 General Fund	P.C. 1 G/L 26 Ortega Well	P.C. 4 G/L 22 Desalter	P.C. 4 G/L 31 Debt Svc	P.C. 9 G/L 29 Well Field	P.C. 10 G/L 25 Monitoring	P.C.11 G/L 20 Future Proj	P.C. 13 G/L 32 USGS Co-Op GIS	Total
<b>ASSETS</b>									
Cash and Investments	\$ 197,915	\$ -	\$ 53,771	\$ -	\$ -	\$ 102,299	\$ 3,816	\$ 28,340	\$ 386,141
Cash and Investment-Restricted for Debt Service	-	-	-	2,357,435	-	-	-	-	2,357,435
Accounts Receivable - Lease prin	-	-	-	22,473,845	-	-	-	-	22,473,845
Utility Plant in Service	147,274	493,254	-	-	489,004	42,187	-	-	1,171,719
(Less) Accumulated Depreciation	(147,274)	(435,594)	-	-	(464,788)	(42,187)	-	-	(1,089,843)
<b>TOTAL ASSETS</b>	<b>\$ 197,915</b>	<b>\$ 57,660</b>	<b>\$ 53,771</b>	<b>\$ 24,831,280</b>	<b>\$ 24,216</b>	<b>\$ 102,299</b>	<b>\$ 3,816</b>	<b>\$ 28,340</b>	<b>\$ 25,299,297</b>
<b>LIABILITIES AND FUND EQUITIES</b>									
Current - Accounts Payable	\$ 5,550	\$ -	\$ 878	\$ 157,540	\$ -	\$ 9,237	\$ -	\$ -	\$ 173,205
Bonds Payable	-	-	-	24,780,000	-	-	-	-	24,780,000
<b>TOTAL LIABILITIES</b>	<b>\$ 5,550</b>	<b>\$ -</b>	<b>\$ 878</b>	<b>\$ 24,937,540</b>	<b>\$ -</b>	<b>\$ 9,237</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,953,205</b>
<b>FUND EQUITIES</b>									
SMWD	\$ 53,702	\$ 30,272	\$ 12,059	\$ -	\$ 12,650	\$ 22,056	\$ 11,251	\$ 7,085	\$ 149,075
MNWD	47,755	-	12,059	-	-	38,457	(4,550)	7,085	100,806
CITY OF SAN JUAN CAPISTRANO	46,705	30,272	18,255	(106,260)	12,650	43,551	(4,657)	7,085	47,601
SCWD	48,179	-	12,059	-	-	8,345	1,772	7,085	77,440
Current Year Fund Balance	(3,976)	(2,884)	(1,539)	-	(1,084)	(19,347)	-	-	(28,830)
<b>TOTAL FUND EQUITIES</b>	<b>192,365</b>	<b>57,660</b>	<b>52,893</b>	<b>(106,260)</b>	<b>24,216</b>	<b>93,062</b>	<b>3,816</b>	<b>28,340</b>	<b>346,092</b>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b>	<b>\$ 197,915</b>	<b>\$ 57,660</b>	<b>\$ 53,771</b>	<b>\$ 24,831,280</b>	<b>\$ 24,216</b>	<b>\$ 102,299</b>	<b>\$ 3,816</b>	<b>\$ 28,340</b>	<b>\$ 25,299,297</b>
<b>REVENUES</b>									
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES-OPERATING</b>									
Consulting Services	\$ 427	\$ -	\$ 1,539	\$ -	\$ -	\$ 19,347	\$ -	\$ -	\$ 21,313
Legal Fees	3,549	-	-	-	-	-	-	-	3,549
<b>TOTAL EXPENDITURES-OPERATING</b>	<b>\$ 3,976</b>	<b>\$ -</b>	<b>\$ 1,539</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,347</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,862</b>
<b>EXPENDITURES NON-OPERATING</b>									
Depreciation Expense	\$ -	\$ 2,884	\$ -	\$ -	\$ 1,084	\$ -	\$ -	\$ -	\$ 3,968
<b>TOTAL EXPENDITURES NON-OPERATING</b>	<b>\$ -</b>	<b>\$ 2,884</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,084</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,968</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,976</b>	<b>\$ 2,884</b>	<b>\$ 1,539</b>	<b>\$ -</b>	<b>\$ 1,084</b>	<b>\$ 19,347</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,830</b>
<b>NET INCOME/(LOSS)</b>	<b>\$ (3,976)</b>	<b>\$ (2,884)</b>	<b>\$ (1,539)</b>	<b>\$ -</b>	<b>\$ (1,084)</b>	<b>\$ (19,347)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (28,830)</b>

**San Juan Basin Authority  
Budget vs Actual  
Fiscal Year 2013/2014**

	Budget	July 2013 Actual	Aug 2013 Actual	Sept 2013 Actual	Oct 2013 Actual	Nov 2013 Actual	Dec 2013 Actual	Jan 2014 Actual	Feb 2014 Actual	March 2014 Actual	April 2014 Actual	May 2014 Actual	June 2014 Actual	Year to Date Expenditures Actual	Budget Remaining
<b>GENERAL FUND (021)</b>	-														
Financial Services	\$ 6,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,225
Legal Fees	15,000	-	-	3,549	-	-	-	-	-	-	-	-	-	3,549	11,451
Secretarial Administration	4,000	204	140	-	-	-	-	-	-	-	-	-	-	344	3,656
Audit Services	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Project Management Services	43,275	83	-	-	-	-	-	-	-	-	-	-	-	83	43,192
	<u>\$ 73,500</u>	<u>\$ 287</u>	<u>\$ 140</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,976</u>	<u>\$ 69,524</u>
<b>Project Committee 4 (022)</b>															
Vegetation Monitoring	\$ 25,000	\$ -	\$ 661	\$ 878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,539	\$ 23,461
	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 661</u>	<u>\$ 878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,539</u>	<u>\$ 23,461</u>
<b>PROJECT COMMITTEE 10 (025)</b>															
Water Rights Monitoring - Field	\$ 75,000	\$ -	\$ 4,099	\$ 14,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,964	\$ 56,036
Groundwater Management Plan	200,000	383	-	-	-	-	-	-	-	-	-	-	-	383	199,617
	<u>\$ 275,000</u>	<u>\$ 383</u>	<u>\$ 4,099</u>	<u>\$ 14,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,347</u>	<u>\$ 255,653</u>
<b>PROJECT COMMITTEE 13 (032)</b>															
USGS-Loop Agreement Steam Gauging	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>
<b>TOTAL BUDGETED EXPENDITURES</b>	<u>\$ 403,500</u>	<u>\$ 670</u>	<u>\$ 4,900</u>	<u>\$ 19,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,862</u>	<u>\$ 378,638</u>

**SAN JUAN BASIN AUTHORITY  
OPERATING BUDGET DETAIL/CHECK REGISTER  
AS OF SEPTEMBER 30, 2013**

					GENERAL FUND (21)						(021)	PC 4 DESALTER (22)	(022)
					Financial	Legal Fees	Secretarial	Audit	Misc	Proj Mgmt Svcs	TOTAL	Veg Monitoring	TOTAL
BUDGET					\$ 6,225.00	\$ 8,000.00	\$ 4,000.00	\$ 5,000.00	\$ -	\$ 50,275.00	\$ 73,500.00	\$ 25,000.00	\$ 25,000.00
Ck #	Date	Vendor	CHECK AMOUNT	Prior Yr Expenses									
		ACCRUALS BAL FWD Prior Year		(56,118.92)							-		-
2574	7/22/2013	Sharon D. Brimer	564.00	360.00			204.00				204.00		-
2575	8/15/2013	SMWD	8,478.24	8,392.84						83.40	83.40		-
2576	7/24/2013	Stradling Yocca Carlson & Rauth	2,886.29	2,886.29							-		-
2577	7/25/2013	Wildermuth Environmental	15,629.79	15,629.79							-		-
2578	7/26/2013	U.S. Geological Survey	24,850.00	24,850.00							-		-
2579	9/5/2013	Wildermuth Environmental	4,759.94								-	661.09	661.09
2580	9/5/2013	Sharon D. Brimer	140.00				140.00				140.00		-
2581	9/25/2013	Stradling Yocca Carlson & Rauth	1,996.50			1,996.50					1,996.50		-
2582	9/25/2013	Wildermuth Environmental	6,011.05								-		-
											-		-
		Monthly accrual		(4,000.00)		-	-		-		-	878.39	878.39
TOTAL EXPENSES Y-T-D					-	1,996.50	140.00	-	-	83.40	2,219.90	1,539.48	1,539.48
BUDGET REMAINING 2013.14					\$ 6,225.00	\$ 6,003.50	\$ 3,860.00	\$ 5,000.00	\$ -	\$ 50,191.60	\$ 71,280.10	\$ 23,460.52	\$ 23,460.52

					PC 10 MONITORING		(10)	PC 13 USGS CO-OP	(13)	(31)	TOTAL BUDGET
					Grdwtr monitoring	Grnd Mgmt Plan	TOTAL	Lp Agree Stm Gauging	TOTAL	Debt Svc Pmts	Used/Remaining
BUDGET					\$ 75,000.00	\$ 200,000.00	\$ 275,000.00	\$ 30,000.00	\$ 30,000.00		\$ 403,500.00
Ck #	Date	Vendor	CHECK AMOUNT	Prior Yr Expenses							
		ACCRUALS BAL FWD Prior Year					-		-		-
2574	7/22/2013	Sharon D. Brimer					-		-		(204.00)
2575	8/15/2013	SMWD					-		-		(83.40)
2576	7/24/2013	Stradling Yocca Carlson & Rauth					-		-		-
2577	7/25/2013	Wildermuth Environmental					-		-		-
2578	7/26/2013	U.S. Geological Survey					-		-		-
2579	9/5/2013	Wildermuth Environmental			4,098.85		4,098.85		-		(4,759.94)
2580	9/5/2013	Sharon D. Brimer					-		-		(140.00)
2581	9/25/2013	Stradling Yocca Carlson & Rauth					-		-		(1,996.50)
2582	9/25/2013	Wildermuth Environmental			6,011.05		6,011.05		-		(6,011.05)
		Monthly accrual							-		
		Monthly accrual			10,406.25	383.25	10,789.50		-		(11,667.89)
TOTAL EXPENSES Y-T-D					20,516.15	383.25	20,899.40	-	-	-	(24,862.78)
BUDGET REMAINING 2013.14					\$ 54,483.85	\$ 199,616.75	\$ 254,100.60	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 378,637.22

San Juan Basin Authority  
Wildermuth Analysis  
Project#'s 075-006 and 075-007  
As of September 30, 2013

CONTRACT# 075-006	Services Performed	Check #	Check Date	Invoice #	Integrated Groundwtr Monitoring Program	CASGEM Program	Basin Mgmt Monitoring Program	Vegetation Monitoring	Total Amount	Contract Amount Remaining
Contract Amount					\$ 53,594.00	\$ 1,860.00	\$ 28,677.00	\$ 12,250.00	\$ 96,381.00	\$ 96,381.00
FY 2011.2012										
	Jan thru March	2540	05/03/12	2012057	2,050.41	-	-	1,943.48	3,993.89	92,387.11
	April	2547	07/26/12	2012096	2,449.67	416.00	-	-	2,865.67	89,521.44
	May	2547	07/26/12	2012126	1,940.58	-	-	1,568.42	3,509.00	86,012.44
	June	2547	07/26/12	2012144	4,669.45	-	6,466.25	762.00	11,897.70	74,114.74
Total Expenses for FY 2011.2012					\$ 11,110.11	\$ 416.00	\$ 6,466.25	\$ 4,273.90	\$ 22,266.26	
FY 2012.2013										
	July	2550	10/11/12	2012187	2,450.25	-	2,531.25	-	4,981.50	69,133.24
	August	2550	10/11/12	2012206	3,079.40	-	3,420.00	2,288.38	8,787.78	60,345.46
	September	2550	10/11/12	2012254	4,638.95	-	2,610.00	-	7,248.95	53,096.51
	October	2557	11/27/12	2012287	4,835.20	-	90.00	1,486.68	6,411.88	46,684.63
	November	2558	01/10/13	2012318	1,805.80	-	-	959.98	2,765.78	43,918.85
	December	2560	01/23/13	2012352	2,080.75	-	6,501.25	691.70	9,273.70	34,645.15
	January/Februar	2565	03/28/13	2013010	3,148.00	537.00	2,027.50	1,781.52	7,494.02	27,151.13
	March	2567	04/23/13	2013085	2,451.41	-	1,903.75	767.84	5,123.00	22,028.13
	April	2568	05/23/13	2013119	2,717.50	-	-	-	2,717.50	19,310.63
	May	2571	06/28/13	2013136	1,125.00	-	-	-	1,125.00	18,185.63
	June accrual				2,187.50	-	-	-	2,187.50	15,998.13
Total Expenses FY 2012.2013					\$ 30,519.76	\$ 537.00	\$ 19,083.75	\$ 7,976.10	\$ 58,116.61	
FY 2013.2014										
	June acc paid	2577	01/20/07	2013185	2,187.50	-	-	-	-	15,998.13
Total Expenses for FY 2013.2014					\$ 2,187.50	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES					\$ 43,817.37	\$ 953.00	\$ 25,550.00	\$ 12,250.00	\$ 80,382.87	
Contract balance remaining					\$ 9,776.63	\$ 907.00	\$ 3,127.00	\$ -	\$ 15,998.13	\$ 15,998.13
**Note: contract for Integrated Water Monitoring was increased \$3,000 - Wildermuth is not showing on their statements										

CONTRACT# 075-007					Services Performed	Check#	Check Date	Invoice #	Field Monitoring Program	Date Acquisition and Management	Rights Permit Reporting	Bi-annual Storage Change Reports to SJBA	Seawater Intrusion Monitoring Plan	Presentations/Data Requests	Vegetation Monitoring	Total Amount	Contract Amount Remaining	
Contract Amount									\$ 41,892.00	\$ 21,560.00	\$ 14,670.00	\$ 18,715.00	\$ 19,260.00	\$ 9,472.00	\$ 13,550.00		\$ 139,119.00	\$ 139,119.00
FY 2012.2013																		
	January/Februar	2565	03/28/13	2013011	1,053.00				1,450.00				4,848.50	475.00			7,826.50	131,292.50
	March	2567	04/23/13	2013086	9,808.60				215.00						1,855.78		11,879.38	119,413.12
	April	2568	05/23/13	2013120	331.50				4,101.25	93.75		1,686.25		31.25			6,244.00	113,169.12
	May	2571	06/28/13	2013137	6,817.25				1,131.25			5,510.00		45.00	1,174.09		14,677.59	98,491.53
	June accrual				5,740.00				1,385.00	326.25		2,835.00		2,010.00	1,146.04		13,442.29	85,049.24
Total Expenses FY 2012.2013									\$ 23,750.35	\$ 8,282.50	\$ 420.00	\$ 10,031.25	\$ 4,848.50	\$ 2,561.25	\$ 4,175.91		\$ 54,069.76	
FY 2013.2014																		
Payment of above accrual																		
	June accrual pd	2577	08/15/13	2013185/186	5,740.00				1,385.00	326.25		2,835.00	-	2,010.00	1,146.04		13,442.29	85,049.24
	July	2579	09/05/13	2013220	2,380.10				875.00	-		180.00	-	663.75	661.09		4,759.94	80,289.30
	August	2582	25-Sep	2013258	5,786.05				-	-		-	-	225.00	-		6,011.05	74,278.25
Total Expenses FY 2013.2014									\$ 8,166.15	\$ 875.00	\$ -	\$ 180.00	\$ -	\$ 888.75	\$ 661.09		\$ 10,770.99	
Contract balance remaining									\$ 9,975.50	\$ 12,402.50	\$ 14,250.00	\$ 8,503.75	\$ 14,411.50	\$ 6,022.00	\$ 8,713.00		\$ 74,278.25	\$ 74,278.25