



LCWD
Lebec County Water District

PACKET

April 12, 2016

FOR PUBLIC VIEW ONLY

(Please do not remove from office)

5. WATER OPERATIONS REPORT:

- a. SYSTEM REPORT – DISCUSSION AND APPROPRIATE ACTION
- b. MOTION TO APPROVE WATER OPERATORS REPORT

Director Maillis made a **MOTION** to approve Water Operators Report for February 2016.
Secretary/Treasurer Hopper SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

6. UNFINISHED BUSINESS:

- a. ANNEXING JUNIPER RIDGE - DISCUSSION AND APPROPRIATE ACTION
- b. DWSRF GRANT - DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRES. HIGHTOWER)
- c. EMERGENCY GENERATOR CONNECTIONS ESTIMATES - DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRES. HIGHTOWER)
- d. EMPLOYEE HEALTH BENEFITS–DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRESIDENT HIGHTOWER)
- e. EMPLOYEE IRA BENEFIT- DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRESIDENT HIGHTOWER)
- f. TEJON RANCH WATER SERVICE – DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRESIDENT HIGHTOWER)
- g. POLICIES AND PROCEDURES CHANGES – DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY V.P. MARTIN)
- h. WEST SIDE LEBEC TO STATE SYSTEM CONNECTION - DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY V.P. MARTIN)
- i. ASSIGNING A NEW AUDITOR - DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRES. HIGHTOWER)
- j. LCWD LEGAL REPRESENTATION CHANGE - DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRES. HIGHTOWER)
- k. REQUEST TO USE ROBOCALL FOR EMERGENCY NOTIFICATION - DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY JESSICA CARROLL)

V.P. Martin made a **MOTION** to move item 6.h (west side Lebec to state well) up to 6.a
Director Maillis SECONDED the Motion.

Yea: 3(BH, PM, MH) Nay: 0 Abstain: 0
Board concurs and Motion passes

V.P. Martin made a **MOTION** to table item 6.h (west side Lebec to state well) until next meeting.
Sec/treasurer Hopper SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

President Hightower made a **MOTION** to table item 6.a (annexing Juniper Ridge) until next meeting.
Director Maillis SECONDED the Motion.

Yea: 3(BH, PM, MH) Nay: 0 Abstain: 1 (WM)
Board concurs and Motion passes

President Hightower made a **MOTION** to table item 6.b (DWSRF Grant) until next meeting.

Secretary/Treasurer Hopper SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

President Hightower made a **MOTION** to table item 6.c (Emergency generator connection) until next meeting.

Director Maillis SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

Sec/Treasurer Hopper made a **MOTION** to approve the Anthem Blue Cross health Benefit plan with PPO Platinum, Dental PPO Classic, and PPO Blue View Vision A3 with 100% Employer paid for Employee only.

Director Maillis SECONDED the Motion.

Yea: 3(BH, PM, WM) Nay: 0 Abstain: 1 (MH)
Board concurs and Motion passes

Sec/treasurer Hopper made a **MOTION** to table item 6.e (Employee IRA Benefits) until next meeting.

Director Maillis SECONDED the Motion.

Yea: 3(BH, PM, WM) Nay: 0 Abstain: 1 (MH)
Board concurs and Motion passes

V.P. Martin made a **MOTION** to table item 6.f (Tejon Ranch Water Service) indefinitely.

President Hightower SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes.

V.P. Martin made a **MOTION** to schedule a special meeting to address Policy & Procedures.

President Hightower SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes.

Sec/Treasurer Hopper made a **MOTION** to table item 6.i (new auditor) until next meeting.

President Hightower SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

Sec/Treasurer Hopper made a **MOTION** to accept the proposal from David Holland to become legal counsel for LCWD.

President Hightower SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

Sec/Treasurer Hopper made a **MOTION** to send SWRCB (Jesse Dhaliwal) a letter requesting the use of a robocall service and if approved implement plan.

President Hightower SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

7. NEW BUSINESS:

- a. APPLY FOR GRANT FUND TO UPGRADE AND REPAIR SYSTEMS-DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRESIDENT HIGHTOWER)
- b. 5% RATE INCREASE FOR NEXT FISCAL YEAR-DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY SECRETARY/TREAS HOPPER)
- c. CLEANING AREA AROUND CHIMNEY CANYON TANKS - DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY SEC/TREASURER HOPPER)
- d. CROSS CONNECTION LETTER REGARDING HEALTH DEPARTMENT- DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY SEC/TREAS HOPPER)
- e. MOUNTAIN ENTERPRISE PHONEBOOK ADVERTISING-DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY JESSICA CARROLL)

President Hightower made a **MOTION** to table item 7.a (Apply for grant) until next meeting.

Sec/Treasurer Hopper SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

President Hightower made a **MOTION** implement a 5% rate increase beginning next fiscal year (July 1, 2016).

Sec/Treasurer Hopper SECONDED the Motion.

Yea: 3(BH, PM, MH) Nay: 1(WM) Abstain: 0
Board concurs and Motion passes

Sec/Treasurer Hopper withdraws item 7c. from the agenda.

Secretary/Treasurer Hopper made a **MOTION** to send out a letter to all customers that will receive notice from Kern County Health Department regarding needed backflow devices, stressing the importance to comply.

Director Maillis SECONDED the Motion.

Yea: 4(BH, PM, MH, WM) Nay: 0 Abstain: 0
Board concurs and Motion passes

Secretary/Treasurer Hopper made a **MOTION** to not put an ad in the 2016 phone book published by Mountain Enterprise.

Director Maillis **SECONDED** the Motion.

Yea: 4(BH, PM, MH, WM)

Nay: 0

Abstain:

0

Board concurs and Motion passes

8. BOARD/STAFF PROPOSED AGENDA ITEMS

9. ANNOUNCE DATE/TIME OF THE NEXT MEETING

Regular Board Meeting Scheduled for April 12,, 2016 7pm at the District Office

10. ADJOURNMENT

President Hightower made a **MOTION** to adjourn the meeting.

Sec/Treasurer Hopper **SECONDED** the Motion.

Yea: 4(BH, PM, MH, WM)

Nay: 0

Abstain:

0

Board concurs and Motion passes

MEETING WAS ADJOURNED AT 9:39PM

MINUTES
LEBEC COUNTY WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
AND
BY TELECONFERENCE AT 595 CASTAC VIEW ROAD, LEBEC, CA 93243
THURSDAY MARCH 17, 2016
8:00AM

CALL THE MEETING TO ORDER/ROLL CALL/MOMENT OF SILENCE/FLAG SALUTE
MEETING BEGAN AT 8:08AM

3 Directors present (BH, PM, WM) 1 Director Absent (MH)

1. PUBLIC PRESENTATIONS:

PLEASE LIMIT ANY PRESENTATIONS OR ANNOUNCEMENTS TO THREE (3) MINUTES PER PERSON. THIS PORTION OF THE MEETING IS RESERVED FOR PERSONS TO ADDRESS THE BOARD OF DIRECTORS ON ANY MATTER NOT ON THE AGENDA, BUT UNDER THE JURISDICTION OF THE BOARD. BOARD MEMBERS MAY RESPOND BRIEFLY TO STATEMENTS MADE OR QUESTIONS POSED. THEY MAY ASK A QUESTION FOR CLARIFICATION MAKE A REFERRAL TO STAFF FOR FACTUAL INFORMATION OR REQUEST STAFF TO REPORT BACK TO THE BOARD AT A LATER MEETING. ALSO, THE BOARD MAY TAKE ACTION TO DIRECT STAFF TO PLACE A MATTER OF BUSINESS ON A FUTURE AGENDA.

2. NEW BUSINESS

- a. DENTAL PLAN OPTION-DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY JESSICA CARROLL)
- b. POLICIES & PROCEDURES-DISCUSSION AND APPROPRIATE ACTION (REQUESTED BY PRESIDENT HIGHTOWER

Secretary/Treasurer Hopper made a MOTION to go with an Anthem Blue cross PPO Classic Plan instead of the HMO plan agreed on at March 8, 2016 board meeting..

Director Maillis SECONDED the Motion.

Yea: 3(BH, PM, WM)

Nay: 0

Abstain: 0

Board concurs and Motion passes.

Director Maillis made a MOTION to accept the changes made to the Policy & Procedures.

Secretary/Treasurer Hopper SECONDED the Motion.

Yea: 3(BH, PM, WM)

Nay: 0

Abstain: 0

Board concurs and Motion passes.

Sec/Treasurer Hopper made a **MOTION** to Adjourn Meeting

Director Maillis **SECONDED** the Motion

Yea: 3 (WM, BH, PM)

Nay: 0

Abstain: 0

Board concurs, and Motion passes.

MEETING WAS ADJOURNED AT 10:13AM

DRAFT

12:06 PM

04/06/16

LEBEC COUNTY WATER DISTRICT

Reconciliation Summary

1020 · Lebec Co Water Dist. - Checking, Period Ending 03/31/2016

	Mar 31, 16
Beginning Balance	99,838.62
Cleared Transactions	
Checks and Payments - 49 ite...	-35,991.83
Deposits and Credits - 32 items	41,622.88
Total Cleared Transactions	5,631.05
Cleared Balance	<u>105,469.67</u>
Uncleared Transactions	
Checks and Payments - 5 items	-2,008.25
Total Uncleared Transactions	-2,008.25
Register Balance as of 03/31/2016	<u>103,461.42</u>
New Transactions	
Checks and Payments - 21 ite...	-10,336.99
Total New Transactions	-10,336.99
Ending Balance	<u>93,124.43</u>

11:55 AM

04/06/16

LEBEC COUNTY WATER DISTRICT
Reconciliation Summary
1040 · Grant Checking Account, Period Ending 03/31/2016

	<u>Mar 31, 16</u>
Beginning Balance	3,928.57
Cleared Balance	3,928.57
Uncleared Transactions	
Checks and Payments - 1 it...	<u>-3,903.57</u>
Total Uncleared Transactions	<u>-3,903.57</u>
Register Balance as of 03/31/2016	<u><u>25.00</u></u>
Ending Balance	25.00

11:56 AM

04/06/16

LEBEC COUNTY WATER DISTRICT
Reconciliation Summary
1080 · Savings, Period Ending 01/31/2016

	<u>Jan 31, 16</u>
Beginning Balance	475,021.45
Cleared Transactions	
Deposits and Credits - 2 items	<u>31.83</u>
Total Cleared Transactions	<u>31.83</u>
Cleared Balance	<u>475,053.28</u>
Register Balance as of 01/31/2016	475,053.28
Ending Balance	475,053.28

LEBEC COUNTY WATER DISTRICT

Reconciliation Detail

1020 · Lebec Co Water Dist. - Checking, Period Ending 03/31/2016

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						99,838.62
Cleared Transactions						
Checks and Payments - 49 items						
Bill Pmt -Check	02/22/2016	7266	Wainright Emilie	X	-800.00	-800.00
Bill Pmt -Check	02/22/2016	7264	PC Pal	X	-100.00	-900.00
Bill Pmt -Check	02/22/2016	7263	Maillis, Patricia E	X	-100.00	-1,000.00
Paycheck	02/29/2016	7269	Michael D Highto...	X	-1,882.17	-2,882.17
Paycheck	02/29/2016	7267	Jeffrey G Bryan	X	-1,155.76	-4,037.93
Liability Check	03/01/2016	E-pay	EFTPS	X	-4,821.54	-8,859.47
Liability Check	03/01/2016	E-pay	EDD	X	-802.22	-9,661.69
Bill Pmt -Check	03/03/2016	7276	HD Supply Water...	X	-1,100.63	-10,762.32
Bill Pmt -Check	03/03/2016	7284	SCE 2-03-200-81...	X	-914.67	-11,676.99
Bill Pmt -Check	03/03/2016	7285	State Compensat...	X	-802.58	-12,479.57
Bill Pmt -Check	03/03/2016	7279	Lewis & Associates	X	-450.00	-12,929.57
Bill Pmt -Check	03/03/2016	7273	BC Laboratories	X	-332.50	-13,262.07
Bill Pmt -Check	03/03/2016	7278	Kern County Audi...	X	-298.59	-13,560.66
Bill Pmt -Check	03/03/2016	7271	At&T Office	X	-268.65	-13,829.31
Bill Pmt -Check	03/03/2016	7280	Pilot Travel Cent...	X	-258.09	-14,087.40
Bill Pmt -Check	03/03/2016	7286	Verizon Wireless	X	-240.35	-14,327.75
Bill Pmt -Check	03/03/2016	7272	AUS Aramark	X	-230.79	-14,558.54
Bill Pmt -Check	03/03/2016	7270	3D Imaging Syste...	X	-142.93	-14,701.47
Bill Pmt -Check	03/03/2016	7282	PowerTech Electr...	X	-135.00	-14,836.47
Bill Pmt -Check	03/03/2016	7275	Fred C. Gilbert Co.	X	-101.86	-14,938.33
Bill Pmt -Check	03/03/2016	7281	Pitney Bowes	X	-64.34	-15,002.67
Bill Pmt -Check	03/03/2016	7283	Price Disposal	X	-42.33	-15,045.00
Bill Pmt -Check	03/03/2016	7274	Cash	X	-28.51	-15,073.51
Bill Pmt -Check	03/03/2016	7277	Hometown Publis...	X	-22.80	-15,096.31
Bill Pmt -Check	03/09/2016	7292	Professional Elec...	X	-4,475.00	-19,571.31
Bill Pmt -Check	03/09/2016	7291	Martin, Willard	X	-200.00	-19,771.31
Bill Pmt -Check	03/09/2016	7288	GE Capital	X	-96.75	-19,868.06
Bill Pmt -Check	03/09/2016	7287	Gas Company	X	-77.97	-19,946.03
Bill Pmt -Check	03/09/2016	7293	SCE 2-36-538-21...	X	-50.58	-19,996.61
Paycheck	03/14/2016	7296	Michael D Highto...	X	-1,889.96	-21,886.57
Paycheck	03/14/2016	7294	Jeffrey G Bryan	X	-1,421.16	-23,307.73
Paycheck	03/14/2016	7295	Jessica Carroll	X	-1,201.19	-24,508.92
Bill Pmt -Check	03/15/2016	7299	PGE5159	X	-1,205.99	-25,714.91
Bill Pmt -Check	03/15/2016	7297	Ca Bank-Visa	X	-761.47	-26,476.38
Bill Pmt -Check	03/15/2016	7301	PGE8279	X	-593.40	-27,069.78
Bill Pmt -Check	03/15/2016	7298	PGE4923	X	-25.30	-27,095.08
Bill Pmt -Check	03/15/2016	7300	PGE5230	X	-21.03	-27,116.11
Bill Pmt -Check	03/22/2016	7309	PowerTech Electr...	X	-2,670.00	-29,786.11
Bill Pmt -Check	03/22/2016	7304	AFCO Insurance ...	X	-828.86	-30,614.97
Bill Pmt -Check	03/22/2016	7305	AT&T Uverse	X	-82.00	-30,696.97
Bill Pmt -Check	03/22/2016	7310	Sparkletts	X	-51.06	-30,748.03
Bill Pmt -Check	03/22/2016	7303	Ability Answering ...	X	-30.16	-30,778.19
Bill Pmt -Check	03/22/2016	7308	Pitney Bowes Pur...	X	-29.99	-30,808.18
Paycheck	03/28/2016	7313	Michael D Highto...	X	-1,792.05	-32,600.23
Paycheck	03/28/2016	7311	Jeffrey G Bryan	X	-1,385.10	-33,985.33
Paycheck	03/28/2016	7312	Jessica Carroll	X	-1,169.50	-35,154.83
Bill Pmt -Check	03/29/2016	7315	Wainright Emilie	X	-800.00	-35,954.83
Check	03/31/2016			X	-25.00	-35,979.83
Check	03/31/2016		QuickBooks Payr...	X	-12.00	-35,991.83
Total Checks and Payments					-35,991.83	-35,991.83

LEBEC COUNTY WATER DISTRICT

Reconciliation Detail

1020 · Lebec Co Water Dist. - Checking, Period Ending 03/31/2016

Type	Date	Num	Name	Clr	Amount	Balance
Deposits and Credits - 32 items						
Deposit	03/04/2016			X	377.72	377.72
Deposit	03/04/2016			X	992.16	1,369.88
Deposit	03/04/2016			X	1,742.03	3,111.91
Deposit	03/10/2016			X	4,828.86	7,940.77
Deposit	03/10/2016			X	5,100.00	13,040.77
Deposit	03/10/2016			X	5,717.38	18,758.15
Deposit	03/11/2016			X	41.92	18,800.07
Deposit	03/11/2016			X	47.22	18,847.29
Deposit	03/11/2016			X	80.03	18,927.32
Deposit	03/11/2016			X	100.00	19,027.32
Deposit	03/11/2016			X	116.22	19,143.54
Deposit	03/11/2016			X	128.69	19,272.23
Deposit	03/11/2016			X	3,407.13	22,679.36
Bill Pmt -Check	03/15/2016	7302	PowerTech Electr...	X	0.00	22,679.36
Deposit	03/16/2016			X	2,913.14	25,592.50
Deposit	03/18/2016			X	340.00	25,932.50
Deposit	03/18/2016			X	3,512.20	29,444.70
Deposit	03/20/2016			X	38.11	29,482.81
Deposit	03/20/2016			X	76.00	29,558.81
Deposit	03/20/2016			X	80.00	29,638.81
Deposit	03/20/2016			X	161.27	29,800.08
Deposit	03/20/2016			X	211.92	30,012.00
Deposit	03/20/2016			X	220.06	30,232.06
Deposit	03/20/2016			X	4,802.31	35,034.37
Deposit	03/29/2016			X	44.68	35,079.05
Deposit	03/29/2016			X	44.97	35,124.02
Deposit	03/29/2016			X	82.92	35,206.94
Deposit	03/29/2016			X	3,278.57	38,485.51
Deposit	03/30/2016			X	671.95	39,157.46
Deposit	03/30/2016			X	818.71	39,976.17
Deposit	03/31/2016			X	352.71	40,328.88
Deposit	03/31/2016			X	1,294.00	41,622.88
Total Deposits and Credits					41,622.88	41,622.88
Total Cleared Transactions					5,631.05	5,631.05
Cleared Balance					5,631.05	105,469.67
Uncleared Transactions						
Checks and Payments - 5 items						
Bill Pmt -Check	03/09/2016	7290	Maillis, Patricia E		-200.00	-200.00
Bill Pmt -Check	03/09/2016	7289	LEO TIDWELL E...		-125.00	-325.00
Bill Pmt -Check	03/22/2016	7306	Maillis, Patricia E		-100.00	-425.00
Bill Pmt -Check	03/22/2016	7307	Martin, Willard		-100.00	-525.00
Bill Pmt -Check	03/29/2016	7314	Anthem Blue Cross		-1,483.25	-2,008.25
Total Checks and Payments					-2,008.25	-2,008.25
Total Uncleared Transactions					-2,008.25	-2,008.25
Register Balance as of 03/31/2016					3,622.80	103,461.42
New Transactions						
Checks and Payments - 21 items						
Liability Check	04/01/2016	E-pay	EFTPS		-3,199.40	-3,199.40
Liability Check	04/01/2016	E-pay	EDD		-1,302.00	-4,501.40
Liability Check	04/01/2016	E-pay	EDD		-524.76	-5,026.16
Bill Pmt -Check	04/04/2016	7320	Ca Bank-Visa		-1,309.05	-6,335.21
Bill Pmt -Check	04/04/2016	7330	SCE 2-03-200-81...		-871.76	-7,206.97
Bill Pmt -Check	04/04/2016	7332	State Compensat...		-802.58	-8,009.55
Bill Pmt -Check	04/04/2016	7327	Lewis & Associates		-450.00	-8,459.55
Bill Pmt -Check	04/04/2016	7325	HD Supply Water...		-355.31	-8,814.86
Bill Pmt -Check	04/04/2016	7328	Pilot Travel Cent...		-249.07	-9,063.93
Bill Pmt -Check	04/04/2016	7321	California Rural ...		-183.00	-9,246.93
Bill Pmt -Check	04/04/2016	7318	AUS Aramark		-182.34	-9,429.27
Bill Pmt -Check	04/04/2016	7317	At&T Office		-155.00	-9,584.27
Bill Pmt -Check	04/04/2016	7316	3D Imaging Syste...		-138.57	-9,722.84
Bill Pmt -Check	04/04/2016	7326	Kern County Envi...		-115.00	-9,837.84

LEBEC COUNTY WATER DISTRICT

Reconciliation Detail

1020 · Lebec Co Water Dist. - Checking, Period Ending 03/31/2016

Type	Date	Num	Name	Clr	Amount	Balance
Bill Pmt -Check	04/04/2016	7333	Verizon Wireless		-109.88	-9,947.72
Bill Pmt -Check	04/04/2016	7324	GE Capital		-96.75	-10,044.47
Bill Pmt -Check	04/04/2016	7322	Cash		-91.67	-10,136.14
Bill Pmt -Check	04/04/2016	7319	BC Laboratories		-62.50	-10,198.64
Bill Pmt -Check	04/04/2016	7323	Gas Company		-62.22	-10,260.86
Bill Pmt -Check	04/04/2016	7329	Price Disposal		-42.33	-10,303.19
Bill Pmt -Check	04/04/2016	7331	Sparkletts		-33.80	-10,336.99
Total Checks and Payments					-10,336.99	-10,336.99
Total New Transactions					-10,336.99	-10,336.99
Ending Balance					-6,714.19	93,124.43

11:55 AM

04/06/16

LEBEC COUNTY WATER DISTRICT
Reconciliation Detail
1040 · Grant Checking Account, Period Ending 03/31/2016

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						3,928.57
Cleared Balance						3,928.57
Uncleared Transactions						
Checks and Payments - 1 item						
Bill Pmt -Check	03/09/2016	107	Provost & Prichar...		-3,903.57	-3,903.57
Total Checks and Payments					-3,903.57	-3,903.57
Total Uncleared Transactions					-3,903.57	-3,903.57
Register Balance as of 03/31/2016					-3,903.57	25.00
Ending Balance					-3,903.57	25.00

11:56 AM

04/06/16

LEBEC COUNTY WATER DISTRICT
Reconciliation Detail
1080 · Savings, Period Ending 01/31/2016

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						475,021.45
Cleared Transactions						
Deposits and Credits - 2 items						
Deposit	01/31/2016			X	11.83	11.83
Bill	01/31/2016	xfr to ...	3470218732	X	20.00	31.83
Total Deposits and Credits					31.83	31.83
Total Cleared Transactions					31.83	31.83
Cleared Balance					31.83	475,053.28
Register Balance as of 01/31/2016					31.83	475,053.28
Ending Balance					31.83	475,053.28

LEBEC COUNTY WATER DISTRICT

Profit & Loss YTD Comparison

March 2016

	Mar 16	Jul '15 - Mar 16
Ordinary Income/Expense		
Income		
4000 · Operating Revenue		
4010 · Commercial	17,126.11	145,962.91
4030 · Other-Copies	3,278.57	4,206.57
4040 · Residential	10,189.92	100,981.83
4060 · Rent Income	671.95	6,010.37
4090 · Refund	0.00	12.90
4100 · Kern Co Tax Income	1,810.87	23,897.14
4120 · Surplus Water	2,702.95	22,829.25
4130 · Will Serve	147.00	1,281.00
4140 · Late Charges & Customer Charg...	239.80	9,119.46
Total 4000 · Operating Revenue	36,167.17	314,301.43
Total Income	36,167.17	314,301.43
Expense		
6010 · Advertising	0.00	328.80
6020 · Auto Expense		
6022 · Gas	249.07	2,519.92
6028 · Repairs		
6028.1 · GMC	2.46	579.75
6028.2 · DODGE	0.00	1,211.58
6028.3 · BACKHOE	143.09	718.09
Total 6028 · Repairs	145.55	2,509.42
6030 · Service		
6030.1 · Dodge Service	0.00	484.96
6030.2 · Gmc Service	0.00	271.57
Total 6030 · Service	0.00	756.53
Total 6020 · Auto Expense	394.62	5,785.87
6040 · Bank Service Charge	25.00	265.00
6050 · Compensation of Board	600.00	2,700.00
6065 · Depreciation	4,952.08	44,568.72
6070 · Dues & Subscriptions	183.00	1,539.00
6075 · Education	9.95	537.86
6090 · Equipment Rental	193.50	999.43
6095 · Fees and Permits	115.00	2,581.89
6110 · Insurance		
6112 · Insurance - AFLAC	0.00	0.00
6113 · Medical Insurance	1,483.25	953.34
6115 · Business Insurance	828.86	9,159.82
6120 · Workers Compensation Insurance	802.58	6,316.18
Total 6110 · Insurance	3,114.69	16,429.34
6130 · Maintenance		
6135 · Maintenance Services	2,670.00	3,597.08
6140 · Maintenance Supplies	359.37	17,270.29
Total 6130 · Maintenance	3,029.37	20,867.37

LEBEC COUNTY WATER DISTRICT Profit & Loss YTD Comparison

March 2016

	Mar 16	Jul '15 - Mar 16
6145 · Meals & Entertainment	0.00	120.00
6155 · Office Expense		
6160 · Computer	0.00	1,127.90
6170 · Answering Service	30.16	354.82
6175 · Repair	138.57	1,149.72
6180 · Signage	0.00	27.76
6185 · Supplies	277.75	1,525.08
Total 6155 · Office Expense	446.48	4,185.28
6215 · Payroll - Gross Wages	11,688.92	108,175.90
6233 · Employee Drug Testing Fees	0.00	30.00
6235 · Payroll Service Fees	12.00	54.45
6245 · Postage	751.39	2,606.28
6250 · Professional Fees		
6255 · Accounting / Bookkeeping	450.00	4,180.00
6260 · Audit	0.00	11,000.00
6270 · Legal	0.00	7,397.24
6250 · Professional Fees - Other	0.00	20.00
Total 6250 · Professional Fees	450.00	22,597.24
6290 · Rent	800.00	7,200.00
6300 · Repairs & Maintenance		
6301 · Repairs	0.00	381.62
6302 · Maintenance		
6302.2 · Backhoe	0.00	128.52
6302 · Maintenance - Other	0.00	1,113.92
Total 6302 · Maintenance	0.00	1,242.44
6300 · Repairs & Maintenance - Other	808.88	2,009.07
Total 6300 · Repairs & Maintenance	808.88	3,633.13
6310 · Software System	0.00	1,012.00
6315 · Taxes		
6320 · Payroll Taxes	894.20	10,254.79
6325 · Property Tax	0.00	100.07
Total 6315 · Taxes	894.20	10,354.86
6340 · Telephone	346.88	3,540.95
6342 · Tools	279.46	334.25
6345 · Travel	0.00	466.90
6352 · Uniforms	182.34	1,810.62
6355 · Utilities - Office		
6360 · Electric	50.58	538.19
6365 · Gas	140.19	345.06
6370 · Trash	42.33	380.97
Total 6355 · Utilities - Office	233.10	1,264.22
6375 · Utilities - Pumps		

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04/06/16

accrual Basis

LEBEC COUNTY WATER DISTRICT Profit & Loss YTD Comparison

March 2016

	Mar 16	Jul '15 - Mar 16
6380 · Electric	2,717.48	28,366.80
Total 6375 · Utilities - Pumps	2,717.48	28,366.80
6390 · Water Test	62.50	1,888.75
Total Expense	32,290.84	294,244.91
Net Ordinary Income	3,876.33	20,056.52
Other Income/Expense		
Other Income		
9000 · Interest Income	0.00	34.06
9015 · Grant Income	0.00	8,781.73
Total Other Income	0.00	8,815.79
Other Expense		
9016 · Grant Expense	3,903.57	13,165.97
Total Other Expense	3,903.57	13,165.97
Net Other Income	-3,903.57	-4,350.18
Net Income	-27.24	15,706.34

LEBEC COUNTY WATER DISTRICT

04/06/16

Balance Sheet

accrual Basis

As of March 31, 2016

	Mar 31, 16
ASSETS	
Current Assets	
Checking/Savings	
1011 - Customer Change Petty Ca	300.00
1020 - Lebec Co Water Dist. - Checki...	103,461.42
1040 - Grant Checking Account	25.00
1080 - Savings	
1081 - Emergency Fund Reserve	120,000.00
1080 - Savings - Other	355,053.28
Total 1080 - Savings	475,053.28
Total Checking/Savings	578,839.70
Accounts Receivable	
1200 - Accounts Receivable	30,021.06
Total Accounts Receivable	30,021.06
Other Current Assets	
1260 - Bad Debt Loss A/R	-231.55
Total Other Current Assets	-231.55
Total Current Assets	608,629.21
Fixed Assets	
1400 - Fixed Assets	
1410 - Land	15,521.00
1430 - Office Equipment	4,352.00
1440 - RVS Software	2,800.00
1450 - 2011 Dodge Truck	36,179.75
1460 - 2012 Chevy Truck	17,544.00
1470 - Soft Start Well	7,975.00
1480 - Used Welder	2,600.00
1490 - 02 Backhoe	28,782.00
1495 - Generator	8,225.00
1500 - Other Equipment	8,250.00
1530 - Inventory	28,218.42
1590 - Lebec Well Motor Pump	10,109.35
1600 - Pumps & Wells	191,245.40
1610 - Tanks	313,180.72
1615 - Tank Ladders	6,972.00
1620 - Transmission & Distribution	636,423.00
1630 - Tools	4,084.73
1690 - Accumulated Depreciation	-736,693.05
Total 1400 - Fixed Assets	585,769.32
Total Fixed Assets	585,769.32
Other Assets	
1800 - Deposits	1,675.00
Total Other Assets	1,675.00

LEBEC COUNTY WATER DISTRICT

04/06/16

Balance Sheet

accrual Basis

As of March 31, 2016

	Mar 31, 16
TOTAL ASSETS	<u><u>1,196,073.53</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	5,310.83
Total Accounts Payable	5,310.83
Other Current Liabilities	
2030 · Surplus Water Deposits	5,000.00
2110 · Direct Deposit Liabilities	288.24
2300 · Payroll Liabilities	
2310 · Federal Withholding	-0.11
2320 · FICA	-0.45
2330 · State Withholding	0.41
2350 · SUTA	0.07
2360 · SDI	-0.14
2300 · Payroll Liabilities - Other	5,026.01
Total 2300 · Payroll Liabilities	5,025.79
2400 · Accrued Payroll	-0.19
Total Other Current Liabilities	10,313.84
Total Current Liabilities	15,624.67
Total Liabilities	15,624.67
Equity	
3290 · Fund Balance -Net Assets	797,919.12
3300 · Retained Earnings	366,823.40
Net Income	15,706.34
Total Equity	1,180,448.86
TOTAL LIABILITIES & EQUITY	<u><u>1,196,073.53</u></u>

A/P Aging Detail

As of April 4, 2016

Name	Memo	Open Balance
Current		
3D Imagi...	6175	138.57
AUS Ara...	6352	58.30
AUS Ara...	6352	32.87
AUS Ara...	6352	58.30
AUS Ara...	6352	32.87
At&T Offi...	6340	155.00
BC Labor...	6390	62.50
Ca Bank-...	Visa	1,309.05
Californi...	annual membership dues 6070	183.00
GE Capital	6090	96.75
Kern Cou...	backflow fee 6095	115.00
HD Suppl...	6140	355.31
Lewis & ...	6255	450.00
Cash	petty cash 6155/6245	91.67
Pilot Tra...	6022	249.07
Price Dis...	TRASH SERVICE 6370	42.33
Sparkletts	Water 6185	33.80
Gas Com...	office 6365	62.22
SCE 2-03...	6380	871.76
State Co...	Workers Comp Insurance 6120	802.58
Verizon ...	6340	109.88
Wainrigh...	6290	800.00
Anthem ...	6113 Premium	1,483.25
AT&T Uv...	6340	82.00
Ability A...	6170	30.16
AFCO Ins...	liability/property insurance 6115	828.86
PowerTe...	6135	775.00
PowerTe...	6135	685.00
PowerTe...	6135	545.00
PowerTe...	6135	665.00
Sparkletts	Water 6185	51.06
Pitney B...	6245	29.99
Maillis, P...	6050 3-17-16 Special Meeting	100.00
Martin, ...	6050 3-17-16 Special Meeting	100.00
Ca Bank-...	Visa	761.47
PGE5230	Landfill Rd Booster Electricity ...	21.03
PGE5159	State Well Pump Electricity 6375	1,205.99
PGE8279	Lebec Well Pump Electricity 63...	593.40
PGE4923	Ridge Route Pump Electricity 6...	25.30

11:21 AM

LEBEC COUNTY WATER DISTRICT

03/09/16

A/P Aging Detail

As of March 9, 2016

<u>Name</u>	<u>Memo</u>	<u>Open Balance</u>
Current		
Maillis, P...	special meeting 3-3-16 & regul...	200.00
Martin, ...	special meeting 3-3-16 & regul...	200.00
Professio...	Deposit Reimbursement minus ...	4,475.00
LEO TID...	Reimbursement for Deposit min...	125.00
GE Capital	6090	96.75
Gas Com...	office 6365	77.97
SCE 2-36...	Office 6360	50.58

TOTAL

23,222.21

Lebec County Water District.

Monthly Distribution Report

March, 2016

By: Mike Hightower, Jr.

Well Reports:

State Well

	March	February	Difference	Uranium	Fluoride	Nitrate
Static Level	123' 7"	123' 2"	-5"	17 pCi/L.	1.8 mg/L.	5.3mg/L.
Drawdown	125' 10"	125' 5"	-5"		Date: Mar 2016	
GPM	230 Gpm	230 Gpm	0		Bacteriological:	
Total Gallons	1,403,498	1,158,173	-245,325		Absent	

Lebec Well

	March	February	Difference	Uranium	Fluoride	Nitrate
Static Level	83' 2"	82' 9"	-5"	13 pCi/L.	1.3 mg/L.	5.2mg/L.
Drawdown	93' 6"	93' 1"	-5"		Date: Mar 2016	
GPM	210 Gpm	210 Gpm	0		Bacteriological:	
Total Gallons	1,398,349	975,414	+422,935		Absent	

Chimney Canyon Well

	March	February	Difference	Uranium	Fluoride	Nitrate
Static Level	172' 7"	173' 2"	+7"	21 pCi/L.	2.0 mg/L.	6.0mg/L.
Drawdown	200' 3"	201' 3"	+7"		Date: Mar 2016	
GPM	105 Gpm	105 Gpm	0		Bacteriological:	
Total Gallons	983,800	849,354	+134,446		Absent	

Water Pumped	3,812,647	2,982,941 Gal	+829,706 Gal
Water Sold	3,448,729	2,583,929 Gal	+864,800Gal
Water Loss	363,918 GL	399,012GL	9% for 2016

Cuddy Creek Well - Non-Potable

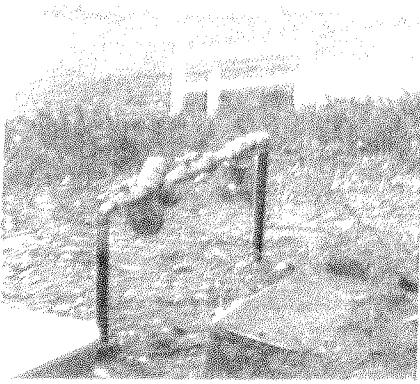
	March	February	Difference	Fluoride	Nitrate
Static Level	177 Feet	177 Feet	0	mg/L	mg/L
Drawdown	188 Feet	188 Feet	0	Date: Mar 2016	

System Information:

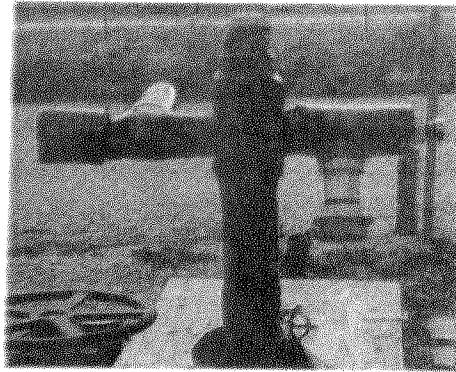
1. There were no water leaks reported for the month of March.
2. All bacteriological sample came back absent for coliform bacteria for the month of March.
3. Terry, from Power Tech Electrical, has installed mechanical times on all three of Lebec County Water District's booster pumps. This will allow the boosters to be operated on off peak hours of electricity use.
4. I have completed Lebec County Water District Annual Water Report, it has been submitted, and accepted.
5. Compliance letters have been sent out to those customers who do not have a properly installed backflow device. These letters have been sent by mail, from our cross connection specialist "Dave Wasserman, with the Department Of Public Health". Also Lebec County Water, also sent out courtesy letters to inform the customers of the importance of these cross connection devices. Some customers have begun installing these devices, such as Tejon Ranch "Post Office", Kingdom Hall Jehovah's Witness church, Clinica SierraVista, and Oakridge Mobile Home Park to name a few.
6. Lebec County Water District To Do List is being completed at a good pace, both operators have completed many tasks, for example we have raised all well casing vents to 3 feet above grade, as well as the air relief valves. The old pumps and pump columns have been removed, and all identification signs have been displayed at the appropriate sites throughout the system.
7. I have included in this report an estimate for rock "3/4" gravel 45 cubic yards. This amount of gravel will provide enough gravel to cover half of the Lebec well at 4-6", and should cover the whole area of the State well at 4-6". Leaving only the Chimney well left out, which should equate to half the amount required as stated above to complete this area. This rock is needed to prevent erosion, and prevent ground squirrels from undermining the well head areas. "See attached estimate"
8. An estimate for Lebec County Water District Tank cleaning, recoating, and ocv valve replacement, also including the repair, and or replacement of Lebec County Water booster pumps. This estimate reflects the repairs, and upgrades that were suggested by Jessie Dhaliwal, our sanitary engineer, who completed Lebec County Water Districts sanitary survey, and system inspection back in December 2015. A letter from Dave

Warner, indicating the possibilities of alternative funding for these improvements is attached.

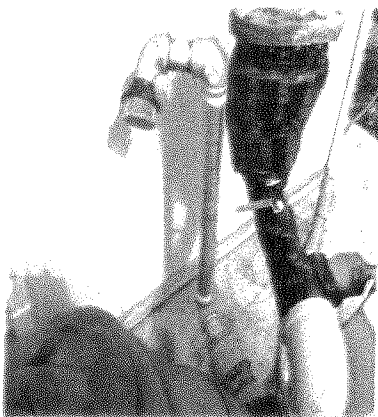
All other systems are running normally. Thank You.



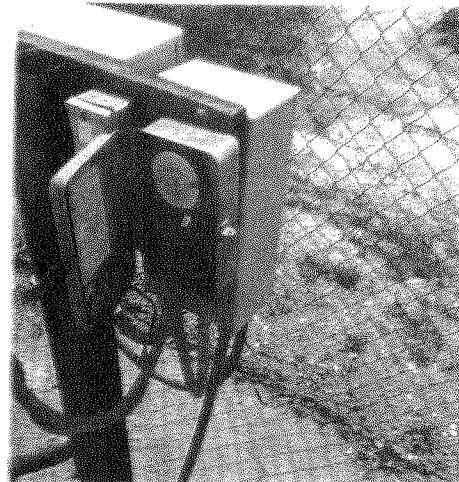
Reduce pressure zone backflow assembly
Backflow prevention device



Well casing vent, and air relief valve raised
three feet above grade.



Well casing vent, and air relief valve raised
Three feet above grade



Mechanical Timer installed at Ridge Route
Booster pump, duplicated at Philips, and Mesa



PREMIER TANK, INC.
14625 Domart Avenue · Norwalk, CA 90650 ·
310-729-8854 · FAX: 562 484-0604
License No. 715448 A – C60

April 1, 2016

Lebec Water
323 Frazier Mountain Park Road
Lebec, CA 93243

Attention: Michael Hightower

Regarding: Tank Repair

Gentlemen:

WE PROPOSE THE FOLLOWING: To supply labor, material and equipment to perform work as discussed in our site visit, (approximately 14 different tanks), including the following:

Prices are per appurtenance, work to be per your direction since at this time the district is undecided as to the exact scope of work.

1. Manways - 30" multi bolt, installed per code \$4,800.00/Each
Lebec Tank, Upper and Lower Ridge Route
2. Liquid Level Indicators, installed \$3,500.00/Each
State Tanks, Lebec Tanks, Chimney Tanks, Philips Tanks, Mesa Valley Tanks,
Upper and Lower Ridge Route Tanks
3. Minor liquid level indicator repair (cable, cable clamps,
guide wires, etc.) \$ 1,200.00/Each
4. New vents, up to 24" \$ 2,500.00/Each
All tanks
These vents would also double as access from the top of tanks for future
tank inspections with the use of divers ect
5. Minor vent repair, (screen, hardware) \$ 750.00/Each
6. OCV Float Valves can be installed on a Time and Material Basis, (provided

district furnishes parts), (includes all tools
to perform work) \$ 110.00/Hour
Lebec Tanks, Mesa Valley Tanks, Chimney Tanks, Phillips Tanks, State Booster

7. Safety Climbs (galvanized) \$ 2,800.00/Each
One needed at State Tanks, two needed for the Chimney Tanks

All appurtenances installed requiring welding will require minor touch-up on
paint. Please allow for costs.

April 1, 2016
Lebec Water
RE: Various Tank Repair/Paint
Page 2 of 3

Paint:
Minor paint repair, (per tank) \$ 5,400.00/Each

The following prices are for full interior re-coat:
5 Tanks up to 3' diam. X 8' tall, complete including
sandblasting and coating \$13,440.00/Each

3 Tanks up to 10' diam. X 12' tall, complete including
sandblasting and coating \$20,640.00/Each

4 Tanks up to 12' diam. X 20' tall, complete including
sandblasting and coating \$26,400.00/Each

3 Tanks approximately 20' diam. X 26' tall, complete
including sandblasting and coating \$44,875.00/Each

All painting and blasting procedures to be per AWWA Code. Paint to be a
two-part epoxy (interior only).

CONDITIONS:

1. All work to be performed per API 650/653 Standards.
2. All work to be performed on straight time.
3. Preliminary Information to be provided prior to commencement of project.
4. Submittal process to commence upon receipt of Purchase Order or Subcontract.

5. Ordering of material to commence upon receipt of Approved Submittals, (some items may take 2-4 weeks for receipt after ordering).
6. Terms of Payment - Net Due 30 Days.
7. Pricing good for 60 days, (unless noted otherwise).
8. These prices are based on Premier Tank Inc. performing all Line items pertaining to our work, and/or change orders approved for our Scope of Work during the course of the Contract.
9. These prices include all applicable sales taxes.
10. Any work performed over and above indicated in these Plans and/or Specifications will be considered a Change Order.
11. All equipment, parts and material, (new or used) are the property of Premier Tank, Inc., and cannot be used, removed or sold without authorization.
12. If Premier Tank is requested to be on a jobsite on a specific date and time, and the Owner is not ready for our crew, there will be a travel charge assessed. The rate will be \$95.00/per hour, per person, portal to portal.
13. ANY INVOICE PAYMENT RECEIVED IN OUR OFFICE WITHIN 30 DAYS OF INVOICE DATE WILL BE ENTITLED TO A 2% DEDUCT/DISCOUNT.
14. Pricing includes Workman's Compensation insurance and \$2,000,000 General Liability Insurance.

April 1, 2016

Lebec Water

RE: Various Tank Repair/Paint

Page 3 of 3

EXCLUSIONS:

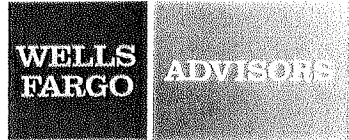
1. Bonds and permits.
2. Lead abatement.
3. Inspection, testing.
4. Any draining, cleaning or coating removal, (if needed) of tank prior to start of work.
5. Telemetry, vandal alarms, or any other electrical systems, (unless noted otherwise).
6. Hydro testing.
7. Confined space rescue team.
8. De-energizing or moving of any overhead or other high voltage lines.
9. X-rays and testing.
10. Waiver of Subrogation.

Accepted By:

Submitted By:

Michael Hightower Date

Ed Kocina



SEP, SIMPLE and 401(k) Comparison Fact Sheet

	SEP IRA	SIMPLE IRA	Traditional 401(k)	Safe Harbor 401(k)
Eligible employers	Businesses of any size and structure	<ul style="list-style-type: none"> • Businesses with no more than 100 employees receiving at least \$5,000 in compensation during the previous year • Businesses with no other retirement plan in the year the plan is established 	Businesses of any size and structure (excluding government entities)	Businesses of any size and structure (excluding government entities)
When to establish plan	Employer's tax-filing deadline, including extensions	<ul style="list-style-type: none"> • No later than Oct. 1 each calendar year, with accounts set up in time to receive the first contributions • New businesses established after Oct. 1: As soon as administratively feasible 	No later than the plan year-end (including setup of accounts for receipt of first contributions)	No later than Oct. 1 each calendar year, with accounts set up in time to receive the first contributions
Eligibility requirements	Exclusion options: <ul style="list-style-type: none"> • Employees under age 21 • Employees earning less than \$600* • Employees not employed three out of the five preceding years 	Maximum eligibility requirements: <ul style="list-style-type: none"> • Employees earning at least \$5,000 in the two preceding calendar years • Reasonably expected to earn \$5,000 for the current calendar year 	Exclusion options: <ul style="list-style-type: none"> • Employees under age 21 • Employees with less than one year of service for salary-deferral contributions 	Exclusion options: <ul style="list-style-type: none"> • Employees under age 21 • Employees with less than one year of service for salary-deferral contributions
Compensation limit	<ul style="list-style-type: none"> • \$265,000 (2016) 	Applies to nonelective contribution formula only: <ul style="list-style-type: none"> • \$265,000 (2016) 	For employer contributions: <ul style="list-style-type: none"> • \$265,000 (2016) 	For employer contributions: <ul style="list-style-type: none"> • \$265,000 (2016)

* Subject to cost-of-living adjustments.

	SEP IRA	SIMPLE IRA	Traditional 401(k)	Safe Harbor 401(k)
Plan year	<ul style="list-style-type: none"> • Calendar year • Fiscal-year election available with prototype plan document 	Calendar year only	<ul style="list-style-type: none"> • Calendar year • Any fiscal-year period 	<ul style="list-style-type: none"> • Calendar year • Any fiscal-year period
Allowable contribution types	Employer only	<ul style="list-style-type: none"> • Employee salary deferrals • Employer matching • Employer nonelective 	<ul style="list-style-type: none"> • Employee salary deferrals • Employer matching • Employer nonelective • Employer profit-sharing 	<ul style="list-style-type: none"> • Employee salary deferrals • Employer safe harbor matching • Employer safe harbor non-elective • Employer matching • Employer nonelective • Employer profit-sharing
Employer contributions*	Annual discretion (0% to 25% of the total eligible participants' compensation, not to exceed \$53,000 [2016] for any one participant)	<ul style="list-style-type: none"> • Employer matching (the lesser of 100% of the employee deferral, up to 3% of compensation[†]) • Employer nonelective (2% of eligible compensation to each eligible employee) 	Discretionary matching, nonelective and profit-sharing (total contributions, including salary deferrals, cannot exceed \$53,000 [2016] for any one participant not including catch-up)	Discretionary matching, nonelective and profit-sharing (total contributions, including salary deferrals, cannot exceed \$53,000 [2016] for any one participant not including catch-up)
Salary deferral limit*	None (Exception: Employee salary deferrals [†] do apply to existing SAR-SEPs, but the total aggregated contributions are not to exceed 25% of eligible compensation, or \$53,000 [2016] for any one participant)	• \$12,500 (2016)	• \$18,000 (2016)	• \$18,000 (2016)
Catch-up contribution* (for participants age 50 or older)	None (Exception: Catch-up contributions [‡] do apply to existing SAR-SEPs)	• \$3,000 (2016)	• \$6,000 (2016)	• \$6,000 (2016)

* Subject to cost-of-living adjustments.

† The SIMPLE match percentage can be reduced to as little as 1% for any two of five consecutive years.

‡ Same as traditional 401(k) limits.

	SEP IRA	SIMPLE IRA	Traditional 401(k)	Safe Harbor 401(k)
Contribution deadline	Employer's tax-filing deadline, including extensions	<ul style="list-style-type: none"> Employee salary deferrals As soon as administratively feasible, but no later than the 30th day after the end of month withheld from payroll Employer contributions By employer's tax-filing deadline, including extensions 	<ul style="list-style-type: none"> Employee salary deferrals As soon as administratively feasible, but no later than the 15th* day after the end of month withheld from payroll Employer contributions By employer's tax-filing deadline, including extensions 	<ul style="list-style-type: none"> Employee salary deferrals As soon as administratively feasible, but no later than the 15th* day after the end of month withheld from payroll Employer contributions By employer's tax-filing deadline, including extensions
Nondiscrimination testing	Top-heavy	Not applicable	<ul style="list-style-type: none"> Coverage and participation Actual deferral percentage (ADP) Actual contribution percentage (ACP) 415 annual-contribution limit Top-heavy 	<ul style="list-style-type: none"> Coverage and participation 415 annual-contribution limit Top-heavy Exception: Safe Harbor contribution satisfies Top Heavy requirement if no additional employer contribution is funded.

* If your plan has fewer than 100 participants, your deposit is considered timely if it is made within seven business days after you withhold the salary deferrals even if you were able to deposit them earlier. If you don't deposit the salary deferrals within seven days after you receive or withhold them, then your individual facts and circumstances will determine whether your deposit was considered timely.

This information sheet is intended to provide a general overview of the topics covered. Since each investor's situation is unique you need to review your specific investment objectives, risk tolerance and liquidity needs with your financial professional(s) before a suitable investment strategy can be selected. The accuracy and completeness of this information is not guaranteed and is subject to change. It is based on current tax information and legislation as of November 2015. It is not intended to provide tax, accounting or legal advice of any type since Wells Fargo Advisors is not engaged in rendering tax, accounting or legal advice. Investors should consult with their own tax and legal advisors before taking any action that may have tax or legal consequences.

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Simplified Employee Pension Plans

A flexible way to plan for retirement

If you decide to offer a retirement plan, the next step is to determine the type. Whether the business is a sole proprietorship, partnership or corporation, the retirement plan should be structured to reflect the business's goals.

The Simplified Employee Pension (SEP) plan is easy to establish, inexpensive to administer and may be ideal for a business that:

- Has volatile profits
- Requires a low-cost plan that's easy to administer
- Would like to provide a benefit for long-term employees only
- Employs few or no part-time individuals

SEP benefits

A SEP plan can offer you and your employees the following benefits:

- **Simplicity.** A SEP requires no complex paperwork or annual IRS filings. You just complete a simplified adoption agreement and make contributions.
- **Flexibility.** You can modify contributions annually based on the business's situation.
- **Tax savings.** Contributions are tax-deductible for the business and tax deferred for both you and your employees.
- **Avoiding investment related fiduciary responsibility.** Each eligible employee establishes his or her own IRA and manages the investments, which lets you avoid investment related fiduciary responsibility.

How a SEP works

Consider the following key points regarding establishing and administering a SEP and discuss them with your Financial Advisor.

The adoption agreement

A SEP is the only retirement plan that can be established retroactively for the previous business year if an adoption agreement is completed by the deadline for the business's tax return (including extensions). Each eligible employee should receive a copy of the completed adoption agreement.

Employee eligibility

You may exclude only employees who are younger than age 21 and those not employed during any part of three of the previous five years. Three years is the maximum service requirement permitted; however, you may choose to use a lower service requirement. You can generally exclude:

- Employees covered under a collective bargaining agreement
- Nonresident aliens receiving no U.S. earned income
- Employees receiving total annual compensation of less than \$600* in the year the contribution is made

Keep in mind, any eligibility requirements will also apply to you.

About SEP contributions

A SEP provides for discretionary, tax-deductible contributions on behalf of eligible employees, including owners. Contributions are flexible and can vary from year to year; contributions can be skipped in any year, without penalty. However, you must use the same contribution calculation method for all eligible employees, including owner-employees.



Ways to determine SEP contributions

Depending on the available options in the plan document, contributions can be calculated using a:

- Prorata formula based on a percentage of compensation
- Social Security integrated formula
- Flat dollar benefit to all eligible employees

All contributions are immediately 100% vested. This means employees are entitled to all of their SEP assets, regardless of how long they have been employed by the business.

The maximum contribution for an employee in one year is the lesser of 25% of the employee's annual compensation or \$53,000 for 2015 and 2016.* Keep in mind that compensation in excess of \$265,000 for 2015 and 2016* cannot be included when calculating contributions. Also note that SEP contributions are fully funded by

* Subject to cost-of-living adjustments.



you as the employer. There are no salary deferral contributions into a SEP; therefore, catch-up contributions are not available.

IRS rules require that contributions be made either by cash, check or money order on or before the due date (including extensions) for filing the business's tax return. You can deduct the total contributions, thereby reducing your business's tax liability. Keep in mind that contributions are not included in the employee's taxable income.

Providing statements to employees

Each year, you should provide all employees with a statement indicating the amount contributed to his or her SEP. In addition, employees may make their Traditional IRA contributions to the same account. However, the individual contributions may not be deductible because the IRS considers a SEP an employer-sponsored retirement plan. Employees should consult their tax and/or legal advisors to help determine their Traditional IRA contributions' deductibility. For additional information on IRAs, see IRS Publication 590 at www.irs.gov.

Considerations for self-employed individuals

If you are self-employed, be careful when calculating the maximum amount of your contribution based on your "compensation." For self-employed individuals, the IRS defines compensation as net earnings from self-employment reduced by the deduction:

- Allowed for one-half of the self-employment tax for a contribution made on behalf of the self-employed person

You should consult your business's tax advisor when calculating your SEP contribution. For additional information on the contribution calculation for self-employed individuals, see IRS Publication 560 at www.irs.gov.

Investment alternatives

Employees are responsible for investing their contributions according to their financial goals. The plan sponsor is not subject to the same fiduciary standards of other qualified plans.

Employee withdrawal alternatives and tax consequences
SEPs and Traditional IRAs follow the same distribution rules. SEP participants have access to their funds at any time. They can make withdrawals before age 59½; however, they may be subject to both a 10% IRS early withdrawal penalty and ordinary income tax. (Certain distributions prior to age 59½ can be made penalty free.) If participants do not need current income, they may let the IRA assets continue to potentially accumulate tax-deferred. Remember, all individuals must begin taking mandatory distributions from a Traditional or SEP no later than April 1 following the calendar year in which they reach age 70½. Your Financial Advisor can help you and your employees understand mandatory distribution requirements as well as plan for retirement.

Is a SEP right for you and your employees?

For many business owners and their employees, a SEP offers a simple and cost-effective step toward preparing for a more comfortable retirement. Although the SEP may provide one of the easiest retirement-plan solutions, another type of plan may be more appropriate for your situation or business profile.

You can count on us

Although SEP plans offer many benefits, they may not be right for every business. Wells Fargo Advisors offers a range of plans and can help you match the right plan with your needs and objectives.

Contact your Financial Advisor for assistance

Deep Paul

Managing Director Investments

Wells Fargo Advisors

Toll Free 855-262-3378

deep.paul@wellsfargoadvisors.com

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ADVISORS

Information for employees

SIMPLE IRA retirement plan



Together we'll go far





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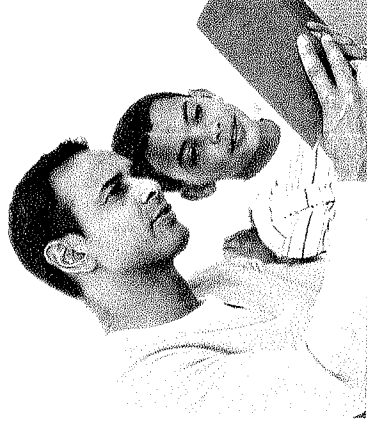
Now's the time to start

Take advantage of this valuable benefit today! The sooner you establish your SIMPLE IRA, the sooner you can put your money to work toward the financial future you desire.

How a SIMPLE IRA benefits you

- ▶ Participation is easy. After you enroll, your employer will take care of making your contributions.
- ▶ Your contributions will be deducted from your taxable income, potentially resulting in lower taxes.
- ▶ You can contribute as much or as little as you feel comfortable with – up to the lesser of 100% of your annual compensation or the contribution limits discussed on page 2.
- ▶ If you participate, your employer will add money to your account. Not participating could essentially mean passing up “free money” from your employer.*
- ▶ You control how your contributions are invested to help you achieve your financial goals.
- ▶ Your SIMPLE IRA belongs to you – even if you leave the company.

* If your employer elects to make a contribution to your account on your behalf, you will not have to contribute in order to receive your employer's contribution. However, you will need to have a SIMPLE IRA account.



Introduction

Like many Americans, you've probably wondered about whether you'd have the right to contribute to retirement in your own name. That's understandable because the company you work for doesn't have a 401(k) plan. But now that you've learned about SIMPLE IRAs, you can see how you can take control of your own financial future.

Your employer understands this challenge and is offering you an easy way to save – a SIMPLE IRA. This plan offers a great way to save for retirement. It's a great way to help you build personal wealth for your retirement years.

As the name suggests, the plan's rules are pretty straightforward:

- ▶ Your employer will let you know whether you're eligible to participate.
- ▶ If you're eligible and choose to participate, you will need to open a SIMPLE IRA account.
- ▶ You will decide how much (up to \$12,500 in 2016 if you are younger than age 50 or \$15,500 if you are age 50 or older by the end of the year) you want deducted from your paycheck – and your taxable income – and contributed to your SIMPLE IRA.
- ▶ Your employer will take care of ensuring your contributions are made each payday.
- ▶ In addition to your contributions, your employer will make contributions to your account.
- ▶ You will decide how to invest the contributions in your account.
- ▶ Contributions to your account will have the opportunity to grow tax-deferred.
- ▶ Withdrawals from your SIMPLE IRA will be subject to taxation, and if you take them before you reach age 59½, they may be subject to a 10% IRS penalty.*

* The penalty is reduced to 5% for withdrawals prior to age 59½ if taken during the two-year period after your first contribution.

The Wells Fargo Advisors SIMPLE IRA

The Wells Fargo Advisors SIMPLE IRA gives you the ability to structure your investment program around your goals. Whether your goal is growth, high income or safety of principal, a self-directed SIMPLE IRA lets you decide how the funds contributed are invested, so you can be as aggressive or conservative as your objectives and risk tolerance allow. The information provided by Wells Fargo Advisors can assist you, but it should not be the primary basis of your investment decisions. Neither Wells Fargo Advisors nor its employees are fiduciaries of your SIMPLE IRA account.

Competitive investment options

With a Wells Fargo Advisors SIMPLE IRA, you can choose from a wide variety of investment alternatives, including stocks, mutual or money market funds, government and corporate bonds, and unit investment trusts or advisory products.

Ability to monitor your account

You will receive a monthly (or quarterly, if there is no investment activity) individual account statement that reflects the current value of your account assets. You also have online access to account and investment information 24 hours a day, 7 days a week.

Account protection

Wells Fargo Advisors is a member of the Securities Investor Protection Corporation (SIPC), which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available upon request or at www.sipc.org.

Above and beyond SIPC coverage, Wells Fargo Advisors maintains, at no cost to clients, protection for any cash and securities in brokerage accounts above the \$500,000 SIPC threshold. The additional insurance coverage is provided through Lexington Insurance Company, an AIG company (referred to as Lexington). For clients who have received the full SIPC payout limit, Wells Fargo Advisors' policy provides additional coverage above the SIPC limits for any missing securities and cash in client brokerage accounts up to a firm aggregate limit of \$1 billion (including up to \$1.9 million for cash per client).

In other words, the aggregate amount of all client losses covered under this policy are subject to a limit of \$1 billion, with each client covered up to \$1.9 million for cash.

SIPC and this additional protection from Lexington does not insure the quality of investments or protect against losses from fluctuating market value. All coverage is subject to the specific policy terms and conditions.

Frequently asked questions

Why should I participate?

Retirement can be expensive. Experts estimate that you'll need between 70% and 80% of your pre-retirement income to maintain your standard of living when you stop working.

You can also expect to live longer in retirement than your parents or grandparents did. If you're married, at age 65 you can expect that one of you will live another 25 years,* and signs point to even longer life spans in the future. Simply put, the longer you live, the more money you are likely to need.

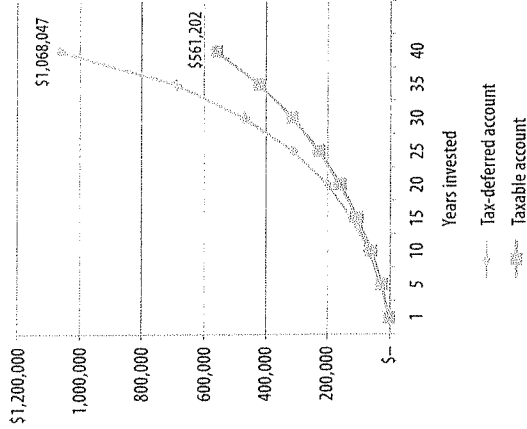
Social Security currently pays about 39% of the average retiree's income.[†] Although those monthly checks will help, they may not be enough to ensure a comfortable retirement.

One of the primary benefits of contributing to a SIMPLE IRA is that your contributions have the opportunity to grow tax-deferred. In other words, you won't be taxed on any growth in your account each year; however, withdrawals will be taxable and may be subject to an IRS penalty if you're younger than age 59½ when you take them.

As a result of tax-deferred growth, you'll likely end up having more money in retirement than you would have if the same amounts were contributed to an account subject to annual taxation. As the chart (above, right) demonstrates, the benefits of tax-deferred growth can be dramatic.

This chart illustrates a hypothetical 7% rate of return on a \$5,000 annual investment. If you were in the 33% tax bracket, you can see that after 40 years, you would practically double your account's value versus what you would have if the earnings were taxed each year. Your investment would be worth more than \$1 million, as opposed to \$561,000 in a taxable investment.

On your tax-deferred investment, if you withdrew the money all at once at the end of the period and paid taxes at the 35% rate — today's highest — you would still end up with approximately \$694,230 — that's approximately \$133,000 more than the taxable account's value.



These figures are for illustrative purposes only and do not reflect the actual performance of any specific investments. Investing involves risk including the possible loss of principal. The assumed rate of return in the hypothetical example has been provided solely for illustrative purposes and is not guaranteed.

Lower tax rates on capital gains and dividends may result in more favorable returns on taxable investments, thereby reducing the difference in performance between the accounts shown. You should consider your personal investment horizon and income-tax brackets, both current and anticipated, when making an investment decision as these may further affect the results of the comparison.

Fees and charges are not reflected in the illustration and would reduce the performance shown if they were.

For most people, the core of their retirement savings comes from their own efforts. Don't wait to take charge of your retirement future by participating in your employer's SIMPLE IRA. You may be allowed to enroll only once a year. Don't miss this opportunity to start saving for your retirement today.

Am I eligible to participate in my employer's SIMPLE IRA Plan?

You are eligible to participate if you earned at least \$5,000 from your employer in any two prior years and are expected to earn at least \$5,000 during the current year. (Your employer may reduce these eligibility requirements, so refer to the "Notification to Eligible Employees" you received from your employer for more details.) Certain union employees and nonresident alien employees may be excluded from your employer's SIMPLE IRA plan.

Will my employer make contributions into my account?

Your employer is required to either match your pre-tax contributions dollar-for-dollar up to 3% of your compensation or make a flat contribution equal to 2% of your compensation. (Your employer can reduce the matching contribution rate to as little as 1% for two out of every five consecutive years.) However, if your employer chooses to match employee contributions, they will not contribute to your account unless you elect to contribute under the plan.

When will I have to set up my employer's contributions?

Your employer will notify you at least 60 days before the beginning of each plan year regarding which contribution formula they will be using. If they choose to make the

non-elective contribution for 2016, compensation is limited to \$265,000 (subject to annual IRS cost-of-living adjustments). You are not required to contribute to the plan to receive this contribution.

When will my account be vested?

All contributions to your SIMPLE IRA account, whether made by you or your employer, are 100% vested immediately. In other words, they're yours to keep, even if you leave your employer.

How much should I contribute?

After working with you to determine your investment goals, a Financial Advisor from Wells Fargo Advisors can help you estimate how much you should contribute each year to help you work toward your objectives. One of the tools he/she can use is Wells Fargo Advisors' Ewison[®] process, which could help you in quantifying your retirement needs and charting a savings and investment course.

The bottom line is that you should consider signing up and contributing as soon as possible through convenient payroll deductions. Any amount you contribute today could help make your retirement years more comfortable, secure and enjoyable.

Can I change my contribution amount?

You can always increase or decrease your pre-tax contribution rate within the 60-day period before the start of each year in which your employer offers a SIMPLE IRA plan. Refer to the "Notification to Eligible Employees" you received from your employer to see if you can modify your pre-tax contribution rate at other times during the year. Also, you always have the ability to stop your payroll deduction. However, keep in mind that if you discontinue your pre-tax contributions, your employer may not let you start again until the beginning of the next year.

Will I pay any fees?

There is no fee to establish your SIMPLE IRA account at Wells Fargo Advisors. The annual custodial fee is described in the "Individual Retirement Account Fee Schedule" you can get from your Financial Advisor. Normal commissions and transaction fees will apply depending on the types of investments you select for your account. These commissions are considered a cost for the security and cannot be billed separately.

*From Life and Last Survey Expectancy Table, 1981 and Census 90, Table 1.
†Source: Social Security Administration, 2012.

When will fees be billed?

Your annual IRA custodial fee will be billed in August for the current calendar year. You will have several payment options, such as debiting another Wells Fargo Advisors account or paying by check. The fee will automatically be deducted from your SIMPLE IRA account if you take no action by the payment due date.

How will my contributions be taxed?

The amount that you contribute to the SIMPLE IRA plan is not included as taxable wages on your Form W-2. However, your contributions are subject to Social Security and Medicare payroll taxes. Your employer's contributions are not subject to current taxes. You do not need to file additional forms with the IRS as a result of your participation in your employer's plan unless you take early distributions from your SIMPLE IRA account.

Can I take withdrawals from my account?

To help achieve your savings goals, it's important to keep your money working for you. However, if you must make a withdrawal, the following IRA distribution rules apply in general to SIMPLE IRAs:

- The IRS discourages withdrawals from IRAs if you are younger than age 59½. Unless there's a permitted exception, an IRS 10% early-withdrawal penalty usually applies for withdrawals prior to age 59½. However, the penalty is increased to 25% for withdrawals made during the two-year period starting on the date you made the first contribution to your account. This penalty is in addition to the ordinary income tax that will be due on assets you withdraw from your SIMPLE IRA. There are certain exceptions to the penalty, including withdrawals:

- For your beneficiaries in the event of your death
- For you if you become disabled
- Made as part of a series of substantially equal periodic withdrawals, not less frequently than annually, made for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and a designated beneficiary

- Used to pay certain medical expenses in excess of 7.5% of your adjusted gross income (AGI)
- Used to pay health insurance premiums if you become unemployed
- Used for limited "first time" home purchases
- Used for qualified higher education expenses
- For reservists called to active duty

➤ You must begin taking annual withdrawals from your SIMPLE IRA account no later than April 1 of the year following the year in which you reach age 70½.

➤ Withdrawals are permitted at any time. Your employer may not require that any portion of the contributions be retained in your SIMPLE IRA account or otherwise impose withdrawal restrictions.

Will I be able to borrow from my account?

Loans from your SIMPLE IRA account are not legally permitted.

Investing for your retirement

Although your Financial Advisor is your best source for investment services, here is some basic information about the types of investments you may wish to consider for your SIMPLE IRA:

- Equity securities, or stocks, represent ownership in a corporation. You can own equities by purchasing equity mutual funds or individual stocks.
- Fixed-income securities, typically bonds, are debt instruments. They are issued by corporations, governments or municipalities in return for lending them money. You can purchase fixed-income securities directly or through bond mutual funds.

Investment returns of mutual funds may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.

➤ Cash alternatives are considered lower risk investments because they seek to preserve capital. Cash alternatives include, but are not limited to, FDIC-insured savings accounts and CDs. (The FDIC standard deposit insurance amount per depositor per insured depository institution for each account ownership category is \$250,000.)

Asset allocation guidelines

Not all investments perform the same during any given timeframe. Allocating your assets among a variety of investments - known as diversifying - may reduce the effects of market fluctuations, up or down, on your investments.

Once you've decided to start saving for retirement, you need to determine your appropriate asset allocation, which is important because each asset class (stocks, bonds and cash alternatives) has its own fundamental strengths and weaknesses. You are likely to change your asset allocation as you move through different stages in life.

The 20s and 30s: Starting to save for retirement in your 20s or 30s can put you in a great position. Potentially, your money could have 45 years or longer to grow. Starting to save at such a young age affords you the opportunity to develop an investment plan with a higher return potential. In general, the longer your investment time horizon, the better you should be able to withstand the inevitable volatility of a more risky investment class, such as stocks.

The 40s and 50s: During this life stage, you will likely experience your peak income-earning years. It's also possible that other needs (college tuition, etc.) will begin to compete for the same dollars that you would have used toward your retirement goals. Although the time horizon is getting shorter, you still could be as much as 15 to 25 years from your anticipated retirement date. Long-term growth is still likely your number-one retirement-savings goal. However, not losing what you've earned might be of growing importance.

The 60s: At this point, your retirement date is likely to be right around the corner, and your main concern may be maintaining your standard of living throughout your retirement years. You may want to consider moving a good portion of your retirement savings out of riskier,

growth-oriented investments and into more conservative, income-oriented ones. However, you will likely spend many years in retirement, so maintaining an element of growth investments in your portfolio may help you keep pace with inflation.

A word about investing

Investing involves risk including the possible loss of principal. When deciding how to invest your retirement savings among the different asset classes, it is important to understand the relationship between a security's volatility and its return. Volatility refers to the likelihood that a security's return will differ from what is expected. The more volatility associated with a security or asset class, the higher the investment's return (or loss) potential over time should be.

When investing among stocks, bonds and cash alternatives, remember that stocks are typically more volatile than bonds, and bonds typically are more volatile than cash alternatives. Stocks offer long-term growth potential, but may fluctuate more and provide less current income than other investments. An investment in the stock market should be made with an understanding of the risks associated with common stocks, including market fluctuations. Investing in fixed income securities involves certain risks such as market risk if sold prior to maturity and credit risk especially if investing in high yield bonds, which have lower ratings and are subject to greater volatility. All fixed income investments may be worth less than original cost upon redemption or maturity.

Your Financial Advisor will be happy to discuss investment principles with you in more detail. You should also consult with your tax advisor before making any tax-related investment decision.

*Asset allocation does not eliminate the risk of fluctuating prices and uncertain returns.

Other important information

Availability of traditional IRA contribution deduction

In addition to any SIMPLE salary reduction contributions, you may contribute the lesser of either the current IRA contribution limit or 100% of your compensation to a:

- ▶ Traditional IRA
- ▶ Roth IRA (if you meet the eligibility requirements)
- ▶ Combination of the two

However, the deductibility of any traditional IRA contribution is subject to various limitations since, as a SIMPLE plan participant, you will be considered an active participant in an employer-sponsored plan. Consult your tax advisor regarding the deductibility of any traditional IRA contribution you make.

Rollovers and direct transfers

You may withdraw funds from your SIMPLE IRA and deposit those funds into another SIMPLE IRA, IRA or employer-sponsored plan within 60 days. This is a tax-free "rollover" and may be done without penalty only once within a 365-day period. You may make more frequent "transfers" if you arrange to have the funds transferred directly between the trustees or custodians so that you never have possession of the funds. However, a tax-free rollover or transfer to an IRA that is not a SIMPLE IRA or to an employer-sponsored plan cannot be made within the first two years you participate in your employer's SIMPLE plan. If your SIMPLE IRA is at Wells Fargo Advisors, transfers to another SIMPLE IRA within Wells Fargo Advisors may be made without cost or penalty (other than costs or penalties resulting from any sales, liquidation or transfer of investments you have selected for your SIMPLE IRA). The "Individual Retirement Account Fee Schedule" can be obtained from your Financial Advisor.

Required distributions after age 70½

By April 1 of the year following the year in which you reach age 70½, you must receive either:

- ▶ The entire balance in your SIMPLE IRA
- ▶ Periodic distributions from your SIMPLE IRA

Regardless of your chosen alternative, the amounts you receive could be subject to taxation.

If you choose to receive periodic distributions, you must receive at least a minimum amount for each year starting with the year you reach age 70½. Distributions must be made over your lifetime based on the IRS's required minimum distribution (RMD) rules. If you have more than one IRA (or SIMPLE IRA), you must determine the RMD separately for each IRA; however, you may add up these amounts and take the total from any one or more of the IRAs.

If the distributions you receive are less than your RMD for any tax year, you may have to pay a 50% penalty for that tax year on the amount not distributed as required. The "SIMPLE IRA Disclosure Statements and Custodial Account Agreement" for your IRA or SIMPLE IRA, explains how RMDs may be calculated for each account. Your Financial Advisor can provide a copy of this document.

Information on your employer's SIMPLE plan

For every year your employer sponsors this SIMPLE plan, they must provide you with a copy of the "SIMPLE IRA Plan Employee Notice" (containing eligibility requirements and a description of how contributions may be made) and the "Salary Deferral Form" (which you should use to elect deferral amounts for your SIMPLE IRA) and a statement showing any contributions to your SIMPLE IRA.

At Wells Fargo Advisors, your employer fulfills the annual contribution statement requirement through the periodic brokerage statements you receive for your SIMPLE IRA account. You should retain these statements for more than one year in order to evaluate your IRA's investment performance as well as to report IRA distributions for tax purposes.

In addition, you may obtain "IRS Publication 590, Individual Retirement Arrangements" for more specific information by calling 1-800-TAX-FORM, or from www.irs.gov. Finally, you should consult with your tax advisor on all decisions you make concerning your SIMPLE IRA account.

Excess deferrals

If you work for other employers unrelated to this employer that also maintain a salary deferral plan, there is an overall contribution limit on the amount you may defer in each calendar year to all of the employers' plans. Your 2016 calendar year limit on salary deferrals is \$12,500 (\$15,500 if you're age 50 or older by the end of the plan year) for SIMPLE plans.

If you participate in a 401(k), 403(b) or salary reduction SEP plan in addition to this employer's SIMPLE plan, your aggregate salary deferral limit between all the plans for 2016 is \$18,000 (\$24,000 if you're age 50 or older by the end of the plan year).

You are responsible for calculating whether you have exceeded your limit for a calendar year. You should withdraw "excess deferrals" (that is, amounts greater than your salary deferral limit) and any earnings on the excess deferral amounts from your SIMPLE IRA or other deferral plan by April 15 of the year following the year to which the deferrals relate.

Excess deferrals will be included in your gross income for the calendar year of deferral. Income on the excess deferrals is included in your income for the year of withdrawal. These amounts may not be transferred or rolled over tax-free to another IRA or SIMPLE IRA. The rules for determining earnings related to excess elective deferrals and other excess SIMPLE contributions are the same as those governing traditional IRA excess contributions.

If you fail to withdraw excess deferrals made to a SIMPLE IRA by the deadline, the excess deferrals will be subject to the IRA contribution limitations and thus may be considered an excess contribution to your IRA. Such excess deferrals may be subject to a 6% excise tax for each year they remain in your SIMPLE IRA.

If you don't withdraw the earnings on excess deferrals by the deadline, they may be subject to a 10% tax (25% if withdrawn within the first two years of participation) on early distributions. See "IRS Publication 590, Individual Retirement Arrangements" for more specific information.

Wells Fargo Advisors and its financial advisors provide discretionary services only. They do not provide investment advice. As of 1/1/14, as amended, "SBA's 7(a) loan guaranty" is a discretionary service with respect to the plan. These are not guaranteed services. Any action that would be taken by the plan or other parties may vary from the plan or other parties.

Wells Fargo Advisors does not provide legal or tax advice. Please consult your tax or legal advisor before taking any action that may have tax or legal consequences.

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Securities and Insurance Products:

▶ Not Insured by FDIC or any Federal Government Agency ▶ MAY Lose Value ▶ NOT a Deposit or Guaranteed by a Bank or Any Bank Affiliate

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Dave Warner

From: Dave Warner
Sent: Wednesday, March 02, 2016 2:36 PM
To: 'Lebec Water District'
Cc: michaelh.lcwd@att.net; michael.lcwd@att.net
Subject: RE: Sanitary Survey
Attachments: ExampleERP.pdf

Jessica & Michael,

Equipment replacement:

I have gone thru the list of things the State wants done. Much of it can be considered operations & Maintenance so it would not qualify for State funding.

A couple things like the contaminated well and old leaking storage tank(s), maybe the booster pumps, it may be worthwhile to see if it can be included in the State Planning and construction grants. Are any of the old storage tanks and related booster pumps that need to be replaced near the new well or will be used with the new well that you are planning? If so there is a direct need to make sure the well pumps into a system tank that can operate....so you might be able to get some funding thru your current grant to plan & design a replacement and the future Construction grant to build a replacement tank(s) along with your new well. It depends on getting the health department to approve that, so you need to run some options by the engineer and see if it could be justified and then get the State to approve that work to be a part of the Well Project. It would be important to show that all the Proposed work is related to each other

Emergency Response Plan:

I have attached a sample ERP I downloaded from the State. If you go thru the list you should be able to fill this in. Let me know if you have any questions.

Dave

-----Original Message-----

From: Lebec Water District [<mailto:lebecwater@att.net>]
Sent: Wednesday, March 02, 2016 9:14 AM
To: Dave Warner
Subject: Sanitary Survey

Hi Dave here you go.

Jessica

Lebec County Water District
323 Frazier Mountain Park Road
P.O. Box 910
Lebec, CA 93243
Phone (661) 248-6872
Fax (661) 248-6439
lebecwater@att.net

Enclosure 1

To-Do List

1. [faint handwritten text]

2. [faint handwritten text]



State Of California
State Water Resources Control Board
Division Of Drinking Water

Deficiency/To-Do List

System Name: Lebec County Water District System No.: 1510051
 Source of Information: Field Inspection and File Review
 Collected by: Jaswinder Dhaliwal & Colton Nicholson Date: December 16-17, 2015

Date Found	Description Of Deficiency	Order of Hazard	Planned Date of Correction
	SOURCES:		
12/16/15	Well 01 (Lebec Well): The well casing vent needs to be raised 3' above grade.	C	
12/16/15	Well 01 (Lebec Well): Discharge port of the ARVR Valve is not protected with a screen.	C	
12/16/15	Well 01 (Lebec Well): There is no pump-to-waste arrangement.	C	
12/16/15	Well 01 (Lebec Well): There are old pump columns lying around the well site that need to be removed.	D	
12/16/15	Well 01 (Lebec Well): There are squirrel holes around the well site.	D	
12/16/15	Well 02 (State Well): Discharge port of the ARVR Valve is not protected with a screen.	C	
12/16/15	Well 02 (State Well): There is erosion around the concrete pump pedestal.	C	
12/16/15	Well 02 (State Well): There is no pump-to-waste arrangement.	C	
12/16/15	Well 02 (State Well): The well casing vent needs to be raised 3' above grade.	C	
12/16/15	Well 02 (State Well): There is an old pump at the well site area that needs to be removed. The well site should be kept clean and free of debris.	D	
12/16/15	Well 03 (Chimney Canyon): There is no pump-to-waste arrangement.	C	
12/16/15	Well 03 (Chimney Canyon): The well casing vent needs to be raised 3' above grade.	C	
12/16/15	Well 03 (Chimney Canyon): Discharge port of ARVR Valve is not protected with a screen.	C	
12/16/15	Well 03 (Chimney Canyon): Old propane tank located 15' south of the well needs to be removed.	D	
12/16/15	Well 03 (Chimney Canyon): An abandoned well located 40' west of the well needs to be properly destroyed.	C	
	STORAGE:		
12/17/15	State Tank 1 (South): Screen on discharge port of ARVRV Valve is missing.	C	
12/17/15	State Tank 1 (South): Exterior paint is peeling and beginning to rust.	C	
12/17/15	State Tank 1 (South): There is no identification sign.	D	
12/17/15	State Tank 1 (South): Interior coating is failing, the tank needs to be recoated.	C	
12/17/15	State Tank 1 (South): There is a broken/loose 6" hatch on top of tank; needs to be secured and/or fixed.	C	
12/17/15	State Tank 2 (East): No identification sign.	D	
12/17/15	State Tank 2 (East): Tank needs an air vent on the roof.	C	
12/17/15	State Tank 2 (East): Patches of rust inside the tank.	C	
12/17/15	State Tank 3 (West): No identification sign.	D	
12/17/15	State Tank 3 (West): Tank needs an air vent on the roof.	C	
12/17/15	State Tank 3 (West): Patches of rust inside the tank.	C	

Date Found	DESCRIPTION OF DEFICIENCY	Order of Hazard	Planned Date of Correction
12/17/15	State Tank 3 (West): Unidentified dark spot at the bottom of the tank.	C	
12/16/15	State Booster Pump Tank: Leaking ball valve on discharge of State Well Booster Pump Tank.	C	
12/16/15	State Booster Pump Tank: The capacity (gpm) of the booster pump is unknown. The booster pump capacity should be located/evaluated in order to determine if the pumping capacity is adequate to meet system demand.	D	
12/16/15	State Booster Pump Tank: No identification sign.	D	
12/16/15	State Booster Pump Tank: Unknown overflow outlet location.	C	
12/16/15	Chimney Canyon Tank 1 (South): Common overflow screen is torn.	C	
12/16/15	Chimney Canyon Tank 1 (South): No identification sign.	D	
12/16/15	Chimney Canyon Tank 2 (North): No identification sign.	D	
12/16/15	Chimney Canyon Tanks: Screen on the common overflow pipe is torn.	C	
12/16/15	Chimney Canyon Tank 3: No identification sign.	D	
12/16/15	Chimney Canyon Tank 3: Some floating particles on the water surface, tank needs to be overflowed.	C	
12/16/15	Chimney Canyon Tank 3: The tank is badly rusted from inside.	C	
12/16/15	Chimney Canyon Tank 3: There is a small hole in the tank roof (southeast side).	C	
12/16/15	Chimney Canyon Tank 3: There is not a gauge for the water level indication.	C	
12/16/15	Chimney Canyon Tank 4: Some floating flakes on the water surface, the tank needs to be overflowed.	C	
12/16/15	Chimney Canyon Tank 4: There is a loose cover plate on the tank roof (covering a 1-inch dia. hole), this plate needs to be sealed.	C	
12/16/15	Chimney Canyon Tank 4: The tank is badly rusted from inside, its coating should be evaluated to determine the need for recoating the tank.	C	
12/16/15	Chimney Canyon Tank 4: There is not a gauge for the water level indication.	C	
12/16/15	Chimney Canyon Tank 5: No identification sign.	D	
12/16/15	Chimney Canyon Tank 6: No identification sign.	D	
12/16/15	Chimney Canyon Tank 6: Small 1/2" hole on top of the tank (North East Side): need to ensure that this hole is sealed.	C	
12/17/15	Lower Ridge Route Tank: Tank was nearly out of water (less than 1 foot). Need to review/adjust filling cycle and fix filling mechanism.	B	
12/17/15	Lower Ridge Route Tank: There is no vent on the roof.	C	
12/17/15	Lower Ridge Route Tank: No identification sign.	D	
12/17/15	Lower Ridge Route Tank: No drain pipe.	C	
12/17/15	Lower Ridge Route Tank: Paint peeling on outside and signs of rust inside and outside.	C	
12/17/15	Lower Ridge Route Tank: Flakes of rust and debris at the bottom of tank.	C	
12/17/15	Phillips Booster Tank: Rusting inside the tank.	C	
12/17/15	Phillips Booster Tank: No overflow pipe installed.	C	
12/17/15	Phillips Booster Tank: No identification sign.	D	
12/17/15	Phillips Booster Tank: There is no pressure gauge.	D	
12/17/15	Lebec Tank (North): Valve assembly in tank is badly rusted.	C	
12/17/15	Lebec Tank (South): Small 1/2" hole on east side of the top of the tank needs to be sealed.	C	
12/17/15	Lebec Tank (South): Some flakes on top of the water, the tank needs to be overflowed.	C	
12/17/15	Lebec Tank (South): Water level gauge is broken.	C	
12/17/15	Landfill Road Booster Tank: Need to locate and screen the overflow line.	C	
12/17/15	Landfill Road Booster Tank: Inlet line is rusted.	C	

Date Found	DESCRIPTION OF DEFICIENCY	Order of Hazard	Planned Date of Correction
12/17/15	Landfill Road Booster Tank: The capacity (gpm) of the booster pump is unknown. The booster pump capacity should be located/evaluated in order to determine if the pumping capacity is adequate to meet system demand.	D	
12/17/15	Landfill Road Booster Tank: There is no pressure gauge.	C	
12/17/15	Upper Ridge Route Tank #1: Paint is peeling on tank.	C	
12/17/15	Upper Ridge Route Tank #1: Flakes on top of water, the tank needs to be overflowed.	C	
12/17/15	Upper Ridge Route Tank #1: Overflow pipe has a flapper; however, the end of the overflow is unknown and needs to be located and screened.	C	
12/17/15	Upper Ridge Route Tank #2: Overflow has a flap backflow cover assembly, however the end of the overflow is unknown and needs to be located and screened.	C	
12/16/15	Mesa Valley Tank #1: Flakes on surface of water, the tank needs to be overflowed.	C	
12/16/15	Mesa Valley Tank #1: No identification sign.	D	
12/16/15	Mesa Valley Tank #2: Flakes on surface of water, the tank needs to be overflowed.	C	
12/16/15	Mesa Valley Tank #2: No identification sign.	D	
12/16/15	Mesa Valley Booster Pump Tank: Piping is rusted and rust inside the tank.	C	
12/16/15	Ridge Route Booster Pump Tank: No screen protection on overflow.	C	
12/16/15	Ridge Route Booster Pump Tank: The capacity (gpm) of the booster pump is unknown. The booster pump capacity should be located/evaluated in order to determine if the capacity is adequate for demand.	C	
12/16/15	Ridge Route Booster Pump Tank: No screen on air relief valve.	C	
12/16/15	Ridge Route Booster Pump Tank: No drain pipe.	C	
12/16/15	Ridge Route Booster Pump Tank: Tank is very badly corroded; it should be evaluated for replacement.	C	
12/16/15	Phillips Tank No. 1 (East): Minor rusting inside.	C	
12/16/15	Phillips Tank No. 1 (East): Some floating flakes on the water surface, tank needs to be overflowed.	C	
12/16/15	Phillips Tank No. 2 (West): Some floating flakes on the water surface, tank needs to be overflowed.	C	
12/16/15	Phillips Tank No. 2 (West): Minor rusting inside.	C	
	MONITORING:		
12/16/15	Bacteriological Monitoring: The wells need to be sampled quarterly for bacteria and analyzed using the MPN/100mL method instead of the presence/absence method.	B	
12/16/15	Nitrate Monitoring: The Water District needs to continue conducting quarterly nitrate monitoring of Well 03 (Chimney Canyon Well) and begin quarterly nitrate monitoring of Well 01 (Lebec Well) and Well 02 (State Well), starting first quarter of 2016, because nitrate level in all three wells is over one-half of the MCL.	B	
	OPERATION:		
12/16/15	Emergency Response Plan (ERP): The Water District does not have an ERP on file with the State Board. An ERP should be developed and submitted to the State Board within 3 months.	D	

Date Found	DESCRIPTION OF DEFICIENCY	Order of Hazard	Planned Date of Correction
12/16/15	Dead-End Flushing Program: The local fire department conducts some of the dead-end flushing for the Water District. The Water District needs to develop a program for tracking the dead end flushing that the fire department conducts in order to track flushing of the dead ends and maintain accurate records of the program.	D	
12/16/15	Cross-Connection Control Survey: It is noted that last cross-connection control survey was conducted on April 30, 2014, by Monte A. Raines from Kern Plumbing & Backflow Services, Inc. and findings of the survey were summarized in a report dated June 5, 2014 (copy enclosed). The report recommended installing several new backflow prevention assemblies. Within 30 days of the sanitary survey letter, the Water District should notify the State Board of improvements made and actions taken in response to the 2014 cross-connection control survey report.	D	
12/16/15	Valve Exercise Program: System valves need to be located, identified and exercised. Currently, there is no valve exercise program. It is recommended that the Water District develop a valve exercise program.	N/A	
12/16/15	Tank Inspection and Maintenance Program: The Water District needs to develop a tank inspection and maintenance program. The tanks must be inspected a minimum of once every five years.	D	

ORDER OF HAZARD

- A. CRITICAL HEALTH HAZARD - CORRECTIVE ACTION MUST BE TAKEN IMMEDIATELY
- B. SERIOUS POTENTIAL HEALTH HAZARD - ACTION MUST BE TAKEN AS SOON AS POSSIBLE
- C. POTENTIAL HEALTH HAZARD - MUST BE CORRECTED AS WORK LOAD PERMITS
- SYSTEM OR OPERATIONAL DEFECT RESULTING IN POOR WATERWORKS PRACTICE
- N/A. NOT APPLICABLE

4.02 Water Rates and Charges

L.C.W.D. water rates shall be periodically raised as needed to support the Districts expansion and maintenance of the water system. No water, services, or use of any District facilities shall be furnished to any user or to any person free of charge. Except by special agreement with the District, no user shall resell any water furnished by the District through the Districts Water System.

The rates and charges for water furnished or available to premises outside the boundaries of the District shall be in amounts at least equal to the rates and charges which would be applicable if the premises were located within the District, together with a sum equal to taxes which would be paid by such water users if their property were within the District, unless otherwise specifically fixed by the Board of Directors.

Separate premises under single control or management shall be furnished water through separate individual service connections unless the district elects otherwise. Separate houses, buildings, and living or business quarters on the same lot, pieces of a parcel of land or on adjoining lots, pieces, or parcels of land, under a single control or management shall be furnished water, at the option of the District, by either of the following methods:

(a) Through separate service connections to each such house, building, living quarters, or business quarters.

(b) Through a single service connection to supply all such houses, building, living quarters and business quarters, in which case one monthly minimum charge shall be applied for each house or building or living quarters and the responsibility for payment of charges for all water furnished is assumed by the person having such control or management or ownership.

February 2, 2004 the Board of Directors established a \$4,000.00 connection fee for all residential customers.

March 5, 2007 the water rates have been raised 10 % across the board. Residential rates are now a minimum of \$12.10.

June 1, 2011 the water rates have been raised across the board. Residential rates are now a minimum of \$36.30 and Commercial rates are a minimum of \$54.45

August 1, 2014 a 5% cost of living rate increase went into effect. Residential rates are now a minimum of \$38.11 and Commercial rates are a minimum of \$57.17. In addition a new Residential Conservation rate was established which offered a water allotment to 1000cf if a hot water re-circulating pump is installed and verified by LCWD.

May 12, 2015 the Board of Directors passed a motion to remove the tiered payment structure and charge a flat rate for water usage.

November 2007 water rates will be charged as either Residential or Commercial and the size of the meter at the service address will determine the water rate.

December 2007, the Board of Directors agreed that meter charges will be assessed by the size of the meter installed and whether it is a residential or commercial account.

4.03 Billing

Meter reading will be completed the last week of each month and submitted to the Office Supervisor by the ~~last day of the month~~. The billing will be processed the first week of each month by the LCWD Office Supervisor. The Office Supervisor will be responsible to insure that all billing codes, as defined in Appendix B, match the meter charge rate for each customer. Details of all billing deadlines are defined in Appendix C.

All customers will have their own file kept at the LCWD office. Any and all applications, correspondence, notes, or other documentation regarding individual customers will be kept in the customer file for future reference. Any complaint or pertinent contact information regarding the customer will be documented by note or memo memorializing the contact, and the date and outcome of the contact.

The rates and charges for water furnished or available to premises outside the boundaries of the District shall be in amounts at least equal to the rates and charges which would be applicable if the premises were located within the District, together with a sum equal to taxes which would be paid by such water users if their property were within the District, unless otherwise specifically fixed by the Board of Directors.

4.04 Temporary Services

The District may, if no undue hardship to its existing users will result there from, furnish temporary water service under the following conditions:

(a) The applicant will be required to pay to the District in advance, the estimated net cost of installing and removing the facilities necessary to furnish the service; and

(b) Where duration of service is to be less than one month, the applicant may also be required to deposit cash equal to the estimated bill, subject to adjustment and refund or repayment in accordance with the actual bill rendered upon discontinuance of service; or

Appendix A

Office

Lebec County Water District

P.O Box 910

323 Frazier Mountain Park Road

Lebec, CA. 93243

Phone: (661) 248-6872

Fax: (661) 248-6439

24 Hour Emergency Number (866) 701-5298

Email lebecwater@att.net

Board of Director Meetings:

Every 2nd Tuesday of each month at 7:00p in the LCWD office or as determined by the B.O.D.

Employee / Contractor Positions

Responsibilities and Conditions

Office Supervisor

Field Operations Supervisor

Field Operations Technician

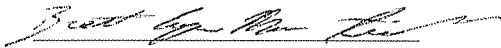
Job Descriptions and terms of hire are described in the District Employee Manual.

March 10, 2016

Re: Open seat on the Lebec County Water District Board

Board of Directors,

My name is Brett Layne Marr Tucker and I am submitting a letter of intent. I would like to fill the 4 year term board position that is open. I have lived within the district for 22 years. I work for Kern County Road Department. I have basic knowledge of plumbing, construction, and mechanics. I would like to become more involved in my water district and community. If you have any questions contact me at 6612890590.



Brett Layne Marr Tucker

RECEIVED MAR 11 2016