

San Bernardino County Flood Control District

2009 Continuing Disclosure



**San Bernardino County Flood Control District
2009 Continuing Disclosure**

- ❑ **Assessed Valuations**
- ❑ **Tax Levies and Delinquencies**
- ❑ **Discretionary Revenues and Expenditures**
(an update of the information contained in Table No. 2 of the forepart of the Official Statement)
- ❑ **Budget Information**
 - Schedule of Adopted Budgets
 - 2009-10 Special Districts Final Budget (Filed as a separate document)
(The budget of the San Bernardino County Flood Control District is published in this budget book.)
- ❑ **Statement of Revenues, Expenditures and Changes in Fund Balance**
(an update of the information in Table No. 1 contained in Appendix A to the Official Statement)
- ❑ **Summary of Aggregate Debt Obligations**
 - Aggregate Annual Debt Obligations
 - Outstanding Indebtedness
(An update of the information contained in Appendix A to the Official Statement under the heading titled "Outstanding Indebtedness".)
- ❑ **Pooled Investment Fund of the County**
(an update of the information in Table No. 4 contained in Appendix A to the Official Statement)
- ❑ **Continuing Disclosure and CUSIP Information**
- ❑ **The District's Audited Financial Statements as of June 30, 2009 (Filed as a separate document)**

**San Bernardino County Flood Control District
2009 Continuing Disclosure
Assessed Valuations**

**SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
CHANGE IN ASSESSED VALUATION⁽¹⁾
Fiscal Years 2005-06 through 2009-10**

Fiscal Year	Secured Valuation	Homeowner's Exemption	Unsecured Valuation	Percent Change in Secured Valuation
2005-06	88,768,016,548	1,777,529,284	4,111,460,082	12.66%
2006-07	102,544,653,801	1,790,813,021	4,078,021,095	15.52%
2007-08	115,892,539,512	1,803,535,128	4,549,989,283	13.02%
2008-09	119,170,364,383	1,831,986,445	5,054,152,621	2.83%
2009-10	111,448,722,327	1,842,083,076	5,249,254,007	-6.48%

(1) Excludes amounts relating to redevelopment agency tax increment

Source: County of San Bernardino, Auditor-Controller/Recorder
Property Tax Division

**San Bernardino County Flood Control District
2009 Continuing Disclosure
Tax Levies and Delinquencies**

**SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
SHARE OF COUNTY 1% PROPERTY TAX LEVY
Fiscal Year 2004-05 through 2008-09**

Fiscal Year	Total Tax Levy⁽¹⁾	Taxes Collected Through June 30⁽²⁾	Percentage of Tax Levy Received in the Fiscal Year of the Levy⁽³⁾	Percentage of Tax Levy Received to Date⁽³⁾ (as of June 30, 2008)
2004-05 ⁽⁴⁾	25,261,479	24,941,078	96.40%	98.80%
2005-06	28,681,482	29,154,882	96.40%	99.70%
2006-07	33,307,160	36,073,999	94.30%	98.90%
2007-08	38,830,375	40,895,591	92.50%	99.00%
2008-09	39,383,643	39,548,748	93.43%	93.43%

Source: County of San Bernardino, Auditor-Controller/Recorder
Property Tax Division

- (1) The total tax levy for the District includes, in addition to the portion of the property tax levy secured through the Teeter Plan, the unsecured tax roll, the Unitary roll, homeowners exemptions and the secured and unsecured portions of certain redevelopment area pass-throughs, none of which are part of the Teeter Plan.
- (2) Actuals are generally higher than levy figures because the original levy does not include supplemental tax roll revenues and actuals include supplemental roll collections. Amounts are not reduced by the administrative fee charged for property tax administration and deducted from property tax revenues.
- (3) Represents collection rates applicable to the secured and Unitary tax levies within the County, including the District.
- (4) Property taxes collected were less than total taxes levied because of the shift of property tax revenues from the District to the State pursuant to the State budget for Fiscal Year 2004-05. The effect of the property tax revenue shift for Fiscal Year 2005-06 was offset by the amount of supplemental property tax revenues received for that fiscal year.

**San Bernardino County Flood Control District
2009 Continuing Disclosure
Discretionary Revenues and Expenditures
for the Fiscal Year Ended June 30, 2009**

Fund Balance July 1, 2008 (Restated)	\$58,038,720
Revenues	
Property Taxes	\$40,262,176
Other Taxes	985,687
Governmental Aid	2,742,715
Intergovernmental	560,838
Rents, Concessions and Royalties	1,142,804
Interest	1,775,494
Other Revenues ⁽¹⁾	833,755
Sale of Fixed Assets	35,745
Total Revenues	\$48,339,214
Operating Expenditures	
Salaries and Benefits	\$12,812,258
Services and Supplies	16,178,492
Operating Transfers to Restricted Funds	40,000
Total Operating Expenditures	\$29,030,750
Net Operating Income	\$19,308,464
Debt Service	
2007 Refunding Bond Debt Service	\$1,904,413
2007 Series A Judgment Obligation Bond Debt Service	3,861,231
2008 Judgment Obligation Refunding Bond Debt Service	493,784
Total Debt Service (2)	\$6,259,428
Debt Service Coverage Ratio	3.08
Adjusted Fund Balance After Debt Service	\$71,087,756
Capital Outlay and Emergency Maintenance	
Capital Projects	\$114,971
Sultana Cypress Storm Drain	\$4,070,035
Cucamonga Basin #6	\$5,665,922
Cactus Basins	\$971,198
Rialto Channel	\$7,547
Randall Basin	\$36,677
Del Rosa Channel	\$10,000
Alabama @ City Creek	\$60,490
Lytle Cajon Channel/Warm Creek Channel	\$1,223
Wilson II Basins/Oak Creek Basins	\$501,436
San Timoteo Channel	\$120,607
Line E-01 (Victorville)	\$351,145
Mojave River I-15 Levee	\$144,714
Desert Knolls Wash	\$70,617
Kitchen/Dean Wash	\$65,109
Oro Grande Wash Detention Basins	\$5,218
Donnell Basin	\$40,395
Total Capital Outlay and Emergency Maintenance	\$12,237,305
Adjusted Fund Balance after Debt Service and Capital Outlay 6/30/2009	\$58,850,451
Notes	
<p>(1) Other revenues include sales of plans, aerial photos and maps to the public, permit and inspection fees, and other miscellaneous revenues. Other revenues also include property tax administration fees paid and GASB 31 adjustments which are displayed in this category to be consistent with the audited financial statements.</p>	
<p>(2) For the 2007 Refunding Bonds, the 2007 Judgment Obligation Refunding Bonds, and the 2008 Judgment Obligation Bonds, Debt Service amounts include principal and interest amounts paid to bondholders in the 2008-09 fiscal year. These Debt Service amounts do not include principal and interest amounts paid by the District to the Trustee pursuant to the Indenture in the fiscal year ending June 30, 2009, but not due to bondholders until August 1, 2009.</p>	

**San Bernardino County Flood Control District
2009 Continuing Disclosure
Schedule of Adopted Budgets**

**SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
FINAL ADOPTED BUDGETS
Fiscal Years 2005-06 through 2009-10**

	Fiscal Year 2005-06	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10
Appropriations					
Salaries and Benefits	\$14,093,757	\$15,035,506	\$15,490,032	\$15,643,368	\$15,261,185
Services and Supplies	\$110,799,817	\$128,264,033	\$113,947,395	\$99,248,925	\$78,757,432
Central Computer	\$86,200	\$123,000	\$137,700	\$155,809	\$129,000
Travel ⁽¹⁾				\$90,000	\$74,200
Other Charges	\$4,500,664	\$5,000,857	\$14,347,677	\$16,841,731	\$13,397,596
Easements/Rights of Ways	\$0	\$0	\$1,156,382	\$1,175,000	\$1,125,000
Land/Structures/Improvements	\$445,000	\$25,000	\$15,000	\$50,000	
Equipment/Vehicles	\$75,000	\$120,000	\$0	\$26,000	\$24,000
Lease/Purchases	\$42,000	\$42,000	\$42,000	\$66,000	\$210,000
Transfers Out	\$10,307,188	\$10,696,092	\$34,269,442	\$21,873,750	\$24,358,773
Reimbursements	(\$23,150)	(\$338,200)	(\$1,507,700)	(\$556,700)	(\$487,800)
Reserves & Contingencies					\$500,000
Total Appropriations	<u>\$140,326,476</u>	<u>\$158,968,288</u>	<u>\$177,897,928</u>	<u>\$154,613,883</u>	<u>\$133,349,386</u>
Revenues					
Taxes	\$22,989,032	\$33,638,000	\$40,090,700	\$41,403,000	\$38,679,600
Licenses and Permits	\$49,100	\$302,184	\$68,500	\$61,600	\$53,600
Use of Money and Property	\$2,403,000	\$4,134,700	\$5,756,200	\$5,444,800	\$3,015,000
State, Fed Gov't Aid	\$55,478,798	\$40,009,697	\$21,841,681	\$31,905,796	\$16,298,500
Current Services	\$8,300	\$38,400	(\$55,600)	\$11,710	(\$170,600)
Other Revenue	\$718,950	\$1,215,950	\$1,183,652	\$1,205,823	\$1,007,343
Other Financing Sources	\$15,211,615	\$24,936,389	\$47,956,518	\$22,272,899	\$30,332,639
Total Revenue	<u>\$96,858,795</u>	<u>\$104,275,320</u>	<u>\$116,841,651</u>	<u>\$102,305,628</u>	<u>\$89,216,082</u>
Fund Balance	\$43,467,681	\$54,692,968	\$61,056,277	\$52,308,255	\$44,133,304

Source: County of San Bernardino Special Districts Final Budgets for fiscal year 2005-06 through 2009-10.

(1) Travel was segregated into a separate appropriation unit beginning in fiscal year 2008-09. In prior fiscal years these expenditures were budgeted in the Services and Supplies appropriation.

**San Bernardino County Flood Control District
2009 Continuing Disclosure
Statement of Revenues, Expenditures and Changes in Fund Balances**

**SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Year Ended June 30, 2006 through Fiscal Year Ended June 30, 2009**

	Fiscal Year 2005-06	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09
REVENUES				
Property Taxes ⁽¹⁾	\$26,293,950	\$32,801,072	\$37,475,897	\$40,262,175
Other Taxes	\$2,492,007	\$3,053,912	\$2,355,447	\$985,687
Interest	\$2,353,892	\$4,030,441	\$2,829,432	\$2,023,728
Government aid and grants	\$34,013,808	\$20,172,074	\$4,965,776	\$9,548,931
Rents, concessions and royalties	\$1,905,563	\$2,903,461	\$2,079,944	\$1,142,806
Intergovernmental				\$1,451,892
Other revenues	\$1,053,767	\$10,881,990	\$1,717,539	\$1,798,316
Total Revenues	<u>\$68,112,987</u>	<u>\$73,842,950</u>	<u>\$51,424,035</u>	<u>\$57,213,535</u>
EXPENDITURES				
Salaries and benefits	\$11,880,978	\$14,137,018	\$14,093,752	\$14,673,121
Service and supplies	\$18,737,095	\$56,557,793	\$36,664,687	\$37,245,776
Debt service				
Principal	\$681,315	\$26,655,021	\$8,915,519	\$4,656,315
Interest	\$77,222	\$9,127,824	\$4,966,976	\$4,284,428
Bond issuance costs		\$1,550,667	\$269,330	
Capital outlay	\$18,949,009	\$115,498	\$32,210	\$114,971
Total Expenditures	<u>\$50,325,619</u>	<u>\$108,143,821</u>	<u>\$64,942,474</u>	<u>\$60,974,611</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$17,787,368</u>	<u>(\$34,300,871)</u>	<u>(\$13,518,439)</u>	<u>(\$3,761,076)</u>
OTHER FINANCING SOURCES (USES)				
Judgment Obligation bonds issued		\$103,780,000		
Refunding bonds issued		\$23,845,000	\$37,295,000	
Discount on refunding bond issued			(\$135,756)	
Payment to refunded escrow agent			(\$36,800,000)	
Loan issued		\$9,552,977		
Premium on judgment obligation bond		\$423,486		
Premium on refunding bond		\$1,385,168		
Discount on judgment obligation bond		(\$454,077)		
Transfers in from County		\$367,743		
Sale of capital assets	\$218,560	\$1,358,982	\$482,800	\$35,745
Loan proceeds from San Sevaine				
Total Other Financing Sources (Uses)	<u>\$218,560</u>	<u>\$140,259,279</u>	<u>\$842,044</u>	<u>\$35,745</u>
SPECIAL ITEM				
Litigation Settlement	\$0	(\$102,000,000)	\$0	\$0
Net change in fund balance	\$18,005,928	\$3,958,408	(\$12,676,395)	(\$3,725,331)
Fund Balance - beginning	<u>\$55,720,030</u>	<u>\$73,725,958</u>	<u>\$77,684,366</u>	<u>\$65,007,971</u>
Fund balance - ending	<u>\$73,725,958</u>	<u>\$77,684,366</u>	<u>\$65,007,971</u>	<u>\$61,282,640</u>

Source: County of San Bernardino, California Special Districts - Audit Reports - County Flood Control District - For the Fiscal Years Ended June 30, 2006 through 2009.

(1) Amounts are exclusive of an administrative fee charged for property tax administration deducted from property tax revenues.

**San Bernardino County Flood Control District
2009 Continuing Disclosure
Aggregate Annual Debt Obligations**

**SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
LOANS PAYABLE
June 30, 2009**

Year Ending June 30	Bureau of Reclamation Day Creek Project ⁽¹⁾	Army Corps of Engineers San Timoteo ⁽²⁾	Total
2010	681,315	-	681,315
2011	546,842	-	546,842
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015-2017	-	4,000,000	4,000,000
	<u>\$ 1,228,157</u>	<u>\$ 4,000,000</u>	<u>\$ 5,228,157</u>

(1) Amount includes principal only.

(2) Amount does not include interest on the loan. Interest will be determined by the Secretary of the Treasury upon completion of the project.

Source: County of San Bernardino, California Special Districts - Audit Report - County Flood Control District

**COUNTY OF SAN BERNARDINO FLOOD CONTROL DISTRICT
BONDS PAYABLE
June 30, 2009**

Year Ending June 30	Judgment Obligation Bonds ⁽¹⁾	Refunding Bonds	Total Amount
2010	6,045,361	2,107,850	8,153,211
2011	6,148,629	2,400,650	8,549,279
2012	6,149,176	2,400,550	8,549,726
2013	6,151,575	2,403,150	8,554,725
2014	6,143,450	2,395,725	8,539,175
2015-2019	30,696,821	12,070,250	42,767,071
2020-2024	30,605,285	7,850,125	38,455,410
2025-2029	30,500,899	0	30,500,899
2030-2034	27,538,167	0	27,538,167
2035-2039	21,604,589	0	21,604,589
Total Payments	\$ 171,583,952	\$ 31,628,300	\$ 203,212,252
Less Amount Representing Interest	\$ 77,138,952	\$ 8,553,300	\$ 85,692,252
Total Principal	\$ 94,445,000	\$ 23,075,000	\$ 117,520,000

(1) Reflects interest on the \$37.295 million principal amount of variable rate bonds at an assumed interest rate of 4.85% per annum

Source: County of San Bernardino, California Special Districts - Audit Report - County Flood Control District

San Bernardino County Flood Control District 2009 Continuing Disclosure “Outstanding Indebtedness”

Outstanding Indebtedness

General. As of June 30, 2009, the District has outstanding, two loans in the approximate aggregate principal amount of \$5.23 million, consisting of \$1.23 million in connection with the Day Creek Project Loan and \$4 million for the Army Corps of Engineers Loan for the San Timoteo Creek Project.

Day Creek Project. In October 1986, the County entered into a loan agreement with the Bureau of Reclamation in the aggregate principal amount of \$13.4 million for the construction of the Day Creek Project and, in April 1987, the District and the County approved a repayment agreement for such loan (collectively, the "Day Creek Project Loan"). A portion of the District's obligations under the Day Creek Project Loan is financed through a reimbursement agreement (the "Day Creek Reimbursement Agreement") by and between the District and the City of Rancho Cucamonga Redevelopment Agency (the "RCRA"). Pursuant to the Day Creek Reimbursement Agreement, the RCRA provides funds for repayment of the principal portion of the Day Creek Project Loan for a term of approximately 24 years or through the completion of the Day Creek Project and the repayment in full of the Day Creek Project Loan. Accordingly, the RCRA annually pays to the District principal on the Day Creek Project Loan in the amount of \$681,315 and the District remits such amount, together with the interest component for which the District is responsible (in the approximate amount of \$40,000 per year), to the Bureau of Reclamation. Payments under the Day Creek Project Loan and the Day Creek Reimbursement Agreement commenced in 1992 and the outstanding balance of the loan as of June 30, 2009 was \$1,228,157.

San Timoteo Creek Project. The San Timoteo Creek Project was financed in part by a local cooperation agreement (the "Cooperation Agreement") among the District, the Orange County Flood Control District, the Riverside County Flood Control and Water Conservation District and the U.S. Army Corps of Engineers (the "San Timoteo Loan"). Pursuant to the Cooperation Agreement, the District will repay the principal of and accrued interest on the San Timoteo Loan upon completion of the San Timoteo Creek Project. The interest rate applicable to the San Timoteo Loan will be determined by the U.S. Secretary of the Treasury in accordance with the Cooperation Agreement upon completion of the San Timoteo Creek Project. As of June 30, 2009, the unpaid balance on the San Timoteo Loan was \$4 million. The Cooperation Agreement provides that the District has 30 years to repay the San Timoteo Loan. The balance of \$4.0 million may be paid in fiscal year 2009-10 if sufficient funds are available. The project is not yet completed.

In addition to the loans outstanding, the District has issued bonds as described below:

Refunding Bonds In May 2007, the San Bernardino County Flood Control District issued Refunding Bonds, Series 2007, in the amount of \$23,845,000. The Bonds were issued to refund the obligation of the District under a contract with the County relating to a loan made by and between the United States of America, Bureau of Reclamation, and the County, entered into under the Small Reclamation Projects Act of 1956, to construct the San Sevaine Creek Water Project, finance a reserve fund surety bond and pay certain expenses in connection with the issuance of the Bonds. As a result of the advance refunding, the District decreased its overall debt service by approximately \$5,514,000 which resulted in an economic gain (difference between the present value of the debt service payments on the old and the new debt) of \$4,241,241.

Judgment Obligation Bonds. In addition to the Refunding Bonds, in May of 2007, the San Bernardino Flood Control District issued Judgment Obligations Bonds, Series A in the amount of \$58,780,000 and Series B in the amount of \$45,000,000. The Series A Bonds were initially issued as auction rate securities on May 29, 2007. Pursuant to the Indenture of Trust all of the Series A Bonds were converted to bear interest at Fixed Interest Rates on the Established Fixed Rate Conversion Date (May 30, 2007) and were reoffered. In connection with the conversion of the Series A Bonds on the established fixed rate conversion date, \$425,000 principal amount of the Series A Bonds were paid, leaving a balance outstanding of \$58,355,000. The Bonds were issued to pay the obligation of the District under a settlement agreement relating to an inverse condemnation action against the District, finance a reserve fund surety bond and pay certain expenses in connection with the issuance of the Bonds. In April, 2008, the District issued Judgment Obligation Refunding

Bonds, Series 2008 in the amount of \$37,295,000. This issue refunded all of the District's \$45,000,000 2007 Judgment Obligation Bonds Series B. As part of the refunding, the District contributed \$8.2 million to reduce the principal amount outstanding.

Reimbursement Agreements – Payments to the District. Certain of the amounts owed by the District pursuant to its outstanding loans are subject to reimbursement pursuant to agreements with certain local agencies for specific projects. Under these agreements, the District pays for all of the costs relating to a particular project and is reimbursed by the local agencies for all or a portion of the costs or financing costs relating thereto.

San Sevaine Creek Water Project and Related Projects. The San Sevaine Creek Water Project was financed in part with a construction loan (as amended, the "San Sevaine Creek Water Project Loan") by and between the Bureau of Reclamation and the County which as been paid in full with the proceeds of the District's 2007 Refunding Bonds. . The Etiwanda San Sevaine Project was completed on May 1, 2009.

The San Sevaine Creek Water Project included improvements to the San Sevaine Creek Channel System. In 2003, the City of Fontana and the District entered into an agreement (the "Fontana Reimbursement Agreement") pursuant to which the City of Fontana used a portion of the Fontana Flood Control Drainage Fees received pursuant to a drainage fee ordinance established by the City of Fontana to help finance various San Sevaine Creek Channel System improvements within the City of Fontana. To date, the City has contributed approximately \$10 million for the channel construction from Jurupa Ave. to Philadelphia, (the County Line). The City of Fontana has agreed to an amendment to the original agreement providing for the transfer to the District, any remaining Fontana Flood Control Drainage Fees to help repay the District's 2007 Refunding Bonds.

In 2003, the District and the County of San Bernardino Redevelopment Agency (the "San Bernardino Redevelopment Agency") entered into a reimbursement agreement to establish and allocate responsibilities relating to the acquisition of rights-of-way and design and construction of eleven flood control projects within the San Sevaine Creek Channel System and memorialize the San Bernardino Redevelopment Agency's agreement to reimburse the District in an amount of \$4,230,150 upon completion of the projects described therein, which amount is equal to the San Bernardino Redevelopment Agency's estimated share of the project costs.

In 2008, the District and the City of Ontario entered into a reimbursement agreement for the City to contribute \$1.2 million for a share project costs on the Etiwanda San Sevaine project. The funds will be generated from the City's Old Model Colony Development Impact Fees and will be paid to the district when this area is developed.

Etiwanda/San Sevaine Mainline System Design Project. The District entered into an agreement with the City of Rancho Cucamonga ("City of Rancho Cucamonga") which provided for the City of Rancho Cucamonga to reimburse the District for design and construction contracts on the Etiwanda/San Sevaine mainline drainage system. This project is complete. The District is considering entering into similar reimbursement agreements with other local agencies, including the Etiwanda School District for the San Sevaine Creek Water Project.

Upper Etiwanda Creek Improvement Construction Project. In 2005, the District and the Rancho Cucamonga Redevelopment Agency ("RCRA") entered into an agreement (the "Upper Etiwanda Reimbursement Agreement") pursuant to which the RCRA would use its accumulated tax increment funds to reimburse the District up to \$25 million for construction of the Upper Etiwanda Creek Improvement Project. The RCRA has reimbursed the District \$29.4 million through December 2009. The City of Rancho Cucamonga has provided over \$5 million from their drainage fees. In addition, the City of Rancho Cucamonga and its RCRA have amended the aforementioned funding agreements to provide for the ongoing use of their drainage fees to assist the District in the annual payment of the 2007 Refunding Bonds which were sold to pay off the San Sevaine Project's Bureau of Reclamation loan.

Sultana-Cypress Storm Drain Project. In 2002, the District entered into an agreement with the Natural Resources Conservation Service ("NRCS") pursuant to which the NRCS agreed to reimburse the District \$5.6 million for construction of the Sultana-Cypress Storm Drain Project, which is expected to cost approximately \$13.2 million. Construction of Phase IIA of the Sultana-Cypress Storm Drain Project is near completion at a cost of approximately \$3.4 million. Construction of Phase IIB has started and a construction contract was approved for \$5 million. Phase IIC is still in design and will be advertised and awarded in fiscal year 2010-2011 and is estimated at \$4.8 million.

Alabama Street at City Creek. The District currently has two cooperative agreements related to repairs needed to Alabama Street at City Creek which was severely damaged in the storms of January 2005. One is a cooperative agreement with the Federal Highway Administration (FHWA) and the State of California Office of Emergency Services (OES) for design and construction. The other is a cooperative agreement for design with the Inland Valley Development Agency (IVDA), and the Cities of Highland, San Bernardino and Redlands. Project cost is estimated at \$4.1 million. FHWA has awarded 88.53% and OES has awarded 8.6% of the project for a total of \$3,159,542. The remaining \$840,458 is to be shared equally among the parties. The cooperative agreement for construction is in process and is expected to be approved prior to June 30, 2010. The District will be reimbursed \$186,228 by each party upon award of contract to a successful bidder. Construction will begin in fiscal year 2010-2011.

County Redevelopment Agency Projects. On October 7, 2008, the District entered into an agreement No. 08-1027 with the County Redevelopment Agency (CoRDA) to supercede agreement No. 03-01, to complete two flood control projects: Etiwanda/San Sevaine Channel and West Fontana Channel. The total project is estimated at \$38,912,400; the CoRDA will reimburse the District \$3,292,400 of the project costs.

Contemplated Reimbursement Agreements. The District is considering entering into an agreement with the Inland Empire Utility Agency and Chino Basin Watermaster for \$300,000 each, to reconstruct approximately 1,500 feet of the San Sevaine Channel damaged by several severe storms. The District will be responsible for \$600,000 of the total estimated cost project cost of \$1.2 million.

Reimbursement Agreements – Payments by the District. The District has debt obligations pursuant to certain expenditure agreements with local agencies. Under such agreements, the District contributes a specified amount to the local agency for projects for which the local agency is responsible. The reimbursement agreements discussed below are debt obligations of the District payable from any available revenues of the District, but are not secured by a pledge of Revenues as the District's Judgment Obligation Bonds and Refunding Bonds.

English Channel Project. In 2006, the District entered into a reimbursement agreement with the City of Chino Hills ("City of Chino Hills") pursuant to which the District agreed to contribute 50%, up to a maximum of \$2,185,000, of the construction costs relating to additional improvements for the English Channel project. Pursuant to the agreement, the District will provide an initial advance of \$300,000 to the City of Chino Hills. The balance of \$1,885,000 will be paid to the City of Chino Hills by the District as funds become available to the District once the project is complete.

Cucamonga Drain Project. In 2006, the District entered into an agreement with the City of Rancho Cucamonga pursuant to which the District agreed to reimburse the City of Rancho Cucamonga 50% of the total construction costs, up to a maximum of \$2.6 million, relating to the upgrade of the Cucamonga Drain to accommodate 100-year storm flows. The estimated construction costs of this project are \$5,170,000. Pursuant to the Cucamonga Reimbursement Agreement, amounts in excess of the District's portion of the total construction will be paid by the City of Rancho Cucamonga. The project is complete and the District will reimburse the City when funds are available.

Victorville Regional Flood Control Facility (Line E-01) Segment Project. On May 13, 2006, the District entered into a reimbursement agreement with the City of Victorville wherein the District agreed to reimburse the City up to a maximum of \$1 million towards construction engineering and construction of the Line E-01 culvert extension, which traverses the NW corner of Route-18 and Highway 395. Pursuant to the agreement, the District will reimburse the City for project costs within 30 days of receipt of an itemized invoice. Amounts in excess of the District's \$1 million will be paid by the City of Victorville.

Forest Insect Infestation. In August 2008, the District entered into a 3-year agreement with the California State Department of Forestry and Fire Protection for the control of forest insect infestation damaging or threatening destruction of timber or forest growth. The total cost of the 3-year project is \$1,503,570. The District agreed to pay \$405,600 of the costs. The District will reimburse the Dept. of Forestry and Fire Protection on a quarterly basis upon receipt of an itemized invoice. Invoices and payments should be made quarterly.

Oak Glen Creek/Wilson I Basins. In January 2008, the District entered into an agreement with the City of Yucaipa, Yucaipa Water District and the Inland Empire Resource Conservation District whereby the District will pay the City of Yucaipa \$1.384 million for construction, operation and maintenance of the Oak Glen Creek Basin to improve flood control and overflow capacity, passive recreational opportunities, habitat mitigation and assist the YVWD in developing adequate groundwater recharge capabilities to meet the future needs of the community. The City has allocated \$1,776,000 and has been awarded \$1 million from the State of California and \$484,000 from the U. S. Environmental Protection Agency towards the project. In August 2008 the City requested an additional \$500,000 to cover unanticipated construction costs. The District has paid the City in full on this agreement, in the amount of \$1.884 million.

Other Reimbursement Agreements. The District has entered into various reimbursement agreements, including an agreement to reimburse the City of Chino Hills in the amount of \$433,208 in connection with preliminary engineering expenses relating to the English Channel project area; an amendment to an agreement with the City of Rialto for an additional \$720,000 to cover costs related to the replacement of the block wall along Rialto Channel just downstream of Cactus Basin; an agreement with Joseph E. Bonadiman & Associates, Inc in the amount of \$117,383 for development of a comprehensive feasibility study for the Rim Forest Community (this study is complete and contractor has been paid in full). An agreement with the City of Yucaipa to reimburse up to \$507,000 for the construction of a detention basin in the upper reach of Wildwood Creek. The total project cost for Wildwood Creek has been estimated at \$4,950,000. The City has received a grant from Federal Emergency Management Administration to cover a portion of the project cost. An agreement with the City of Rialto wherein the District will reimburse the City of Rialto an amount not to exceed \$50,000 to update the Master Plan of Drainage to reflect new hydrologic modeling techniques, better rainfall-runoff data and the construction of new facilities (project is complete and the City has been paid in full); and an agreement to reimburse the Cities of Colton and San Bernardino an aggregate amount of \$1.576 million for improvements in connection with the Randall Basin Project.

Contemplated Reimbursement Agreements. The District is considering entering into: an agreement with the Redevelopment Agency of the City of Rialto for \$3.5 million for the construction of basin improvements at the Cactus Basin #3. Total costs for the project is estimated at \$10.7 million. Rialto RDA will front approximately \$3.5 million to be reimbursed by the District when funding is available. Currently the agreement is on hold pending the outcome of litigation issues.

An agreement in the amount of \$1.7 million with the Redevelopment Agency of the City of Rialto for environmental mitigation, construction engineering and construction improvements at the Rialto Channel Crossings at Foothill Boulevard, Merrill Avenue and Randall Avenue. The RDA will advance the funds and District will reimburse the RDA within five years of the project completion; currently the agreement is on hold pending litigation issues.

Other agreements contemplated include an agreement with the City of Rialto for Cactus Basin #3 Street Improvements; an agreement with the Town of Apple Valley in an amount not to exceed \$500,000 to update the Apple Valley Master Plan of Drainage (MPD); two agreements with the Town of Yucca Valley and the Army Corps of Engineers to hire a consultant to research and analyze flooding in the vicinity of Long Canyon in the Town of Yucca Valley. The District and Town will fund up to \$335,000 each, with the Corp of Engineers awarding \$670,000 towards the project.

**San Bernardino County Flood Control District
2009 Continuing Disclosure
Pooled Investment Fund of the County**

**COUNTY OF SAN BERNARDINO
POOLED INVESTMENT FUND OF THE COUNTY
As of June 30, 2009**

<u>Security Type</u>	<u>Book Value</u>	<u>Market Value</u>
Bankers Acceptances	\$0	\$0
Certificates of Deposit	340,001,328	340,002,906
Collateralized CD	0	0
Commercial Paper	274,838,765	274,903,840
Corporate Notes	146,549,444	146,569,836
Federal Agencies	2,866,567,346	2,900,027,456
Money Market Funds	391,000,000	391,000,000
Municipal Debt	0	0
Repurchase Agreements	0	0
TLGP Corp. Notes	49,947,035	50,237,825
U.S. Treasuries	79,617,550	79,840,860
Total Securities	<u>\$4,148,521,469</u> ⁽¹⁾⁽²⁾	<u>\$4,182,582,723</u> ⁽¹⁾⁽²⁾

Source: County of San Bernardino, Treasurer-Tax Collector

- (1) Does not include accrued interest of \$21,577,355, cash balances of \$189,888,895 or TAGP/FDIC Now Balances of 100,000,000.
- (2) Amounts may not total due to rounding.

CONTINUING DISCLOSURE AGREEMENT
\$58,355,000
Judgment Obligation Bonds, Series 2007 A
(Fixed Rate Conversion)
San Bernardino County Flood Control District

The SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT (the "District"), in connection with \$58,355,000 principal amount of District 2007 Judgment Obligation Bonds (Fixed Rate Conversion), encloses the following information pursuant to the Continuing Disclosure Agreement dated May 1, 2007:

1. Assessed Valuations.
2. Tax Levies for real property located in the District.
3. An update of the information contained in Table No. 2 of the forepart of the Official Statement.
4. The District's Adopted Budget for the current fiscal year.
5. Summary of Aggregate Annual Debt Obligations.
6. An update of the information in Table No. 1 contained in Appendix A to the Official Statement.
7. An update of the information in Table No. 4 contained in Appendix A to the Official Statement.
8. An update of the information contained in Appendix A to the Official Statement under the heading titled "Outstanding Indebtedness".

In regards to significant events, there have been no material occurrences in:

- A. Principal and interest payment delinquencies.
- B. Non-payment related defaults.
- C. Unscheduled draws on debt service reserves reflecting financial difficulties.
- D. Unscheduled draws on credit enhancements reflecting financial difficulties.
- E. Substitution of credit or liquidity providers, or their failure to perform.
- F. Adverse tax opinions or events affecting the tax-exempt status of the security.
- G. Modifications to rights of security holders.
- H. Contingent or unscheduled bond calls.
- I. Defeasances.
- J. Release, substitution, or sale of property securing repayment of the securities.

Dated: February 26, 2010

SAN BERNARDINO COUNTY
FLOOD CONTROL DISTRICT

By /s/
Gary McBride
Deputy Administrative Officer
Acting ex-officio on behalf of the District

CUSIPs
\$58,355,000
Judgment Obligation Bonds, Series 2007
(Fixed Rate Conversion)

San Bernardino County Flood Control District

MATURITY DATE	CUSIP	MATURITY DATE	CUSIP
August 1, 2010	796860 AE4	August 1, 2017	796860 AM6
August 1, 2011	796860 AF1	August 1, 2018	796860 AN4
August 1, 2012	796860 AG9	August 1, 2019	796860 AP9
August 1, 2013	796860 AH7	August 1, 2020	796860 AQ7
August 1, 2014	796860 AJ3	August 1, 2021	796860 AR5
August 1, 2015	796860 AK0	August 1, 2025	796860 AS3
August 1, 2016	796860 AL8	August 1, 2029	796860 AT1

CONTINUING DISCLOSURE AGREEMENT
\$23,845,000
Refunding Bonds, Series 2007
San Bernardino County Flood Control District

The SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT (the "District"), in connection with \$23,845,000 principal amount of District 2007 Refunding Bonds, encloses the following information pursuant to the Continuing Disclosure Agreement dated May 1, 2007:

1. Assessed Valuations.
2. Tax Levies for real property located in the District.
3. An update of the information contained in Table No. 2 of the forepart of the Official Statement.
4. The District's Adopted Budget for the current fiscal year.
5. Summary of Aggregate Annual Debt Obligations.
6. An update of the information in Table No. 1 contained in Appendix A to the Official Statement.
7. An update of the information in Table No. 4 contained in Appendix A to the Official Statement.
8. An update of the information contained in Appendix A to the Official Statement under the heading titled "Outstanding Indebtedness".

In regards to significant events, there have been no material occurrences in:

- A. Principal and interest payment delinquencies.
- B. Non-payment related defaults.
- C. Unscheduled draws on debt service reserves reflecting financial difficulties.
- D. Unscheduled draws on credit enhancements reflecting financial difficulties.
- E. Substitution of credit or liquidity providers, or their failure to perform.
- F. Adverse tax opinions or events affecting the tax-exempt status of the security.
- G. Modifications to rights of security holders.
- H. Contingent or unscheduled bond calls.
- I. Defeasances.
- J. Release, substitution, or sale of property securing repayment of the securities.

Dated: February 26, 2010

**SAN BERNARDINO COUNTY
FLOOD CONTROL DISTRICT**

By /s/
Gary McBride
Deputy Administrative Officer
Acting ex-officio on behalf of the District

CUSIPs
\$23,845,000
Refunding Bonds, Series 2007
San Bernardino County Flood Control District

MATURITY DATE	CUSIP	MATURITY DATE	CUSIP
August 1, 2010	79686P AC3	August 1, 2016	79686P AJ8
August 1, 2011	79686P AD1	August 1, 2017	79686P AK5
August 1, 2012	79686P AE9	August 1, 2018	79686P AL3
August 1, 2013	79686P AF6	August 1, 2019	79686P AM1
August 1, 2014	79686P AG4	August 1, 2020	79686P AN9
August 1, 2015	79686P AH2	August 1, 2021	79686P AP4