

Hingtgen, Robert J

From: Charlene Ayers <char.ayers@att.net>
Sent: Friday, February 28, 2014 10:04 AM
To: Hingtgen, Robert J
Cc: char.ayers@att.net; charlenesetz@yahoo.com
Subject: Soitec Solar DEIR - PDS2012-3910-120005 ER: Comments
Attachments: Soitec Solar DEIR Comments - PDS2012-3910-120005 ER.pdf

Mr. Hingtgen...

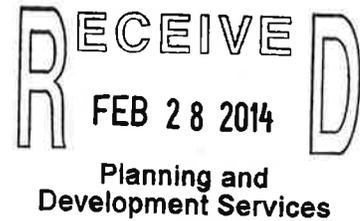
Please find my comments and their supporting documents for the Soitec Solar DEIR - PDS2012-3910-120005 ER attached.

Charlene Ayers

RECEIVED
FEB 28 2014
**Planning and
Development Services**

February 28, 2014

Robert Hingtgen
County of San Diego
Planning and Development Services
5510 Overland Avenue, Suite 110
San Diego, CA 92123



Via Email: Robert.Hingtgen@sdcounty.ca.gov

Re: Soitec Solar Development Draft Program EIR – PDS2012-3910-120005(ER)

Mr. Hingtgen:

On February 11, 2014, I asked Jim Bennett, in an email, how the transfer of water from the Pine Valley Mutual Water Company to the Soitec project would work since PVMWC is a shareholder based water agency. Each property owner in their district owns a share.

On February 18, 2014, I received an email from Jim Bennett where he stated that he would get back to me on that by February 21, 2014. He didn't.

I have never heard back from him.

According to the "Ground Water Monitoring and Mitigation Plan for Pine Valley Mutual Water Company" of the DEIR, Soitec is planning on receiving 16 acre feet of water from PVMWD during 60-90 days of its construction stage.

I am including the PVMWC's Articles of Incorporation (1950) and a subsequent amendment (1988). The 1988 amendment allows them to provide water "to the state or any agency or department thereof," in addition to their stakeholders.

In 2011, PVMWC did that. They provided water to Granite Construction, a private entity, through their contract with Caltrans, a state agency, which was making repairs to I-8.

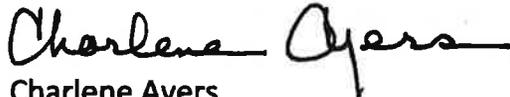
Robert Hingtgen
Soitec Solar
Planning and Development Services
February 28, 2014
Page 2

PVMWC's mission statement on their 2011-990 is: "to supply and charge water sales and irrigation services to its shareholders/community members for residential and business use." They are a non-profit 501(c)(3).

Does this out of district water transfer to a non-state entity (Soitec) threaten PVMWC's non-profit status?

Based on Pine Valley Mutual Water Company's "Articles of Incorporation -1950 & 1988," I do not think that PVMWC is a viable source of water for this project.

Please cite the authority(s) that allow PVMWC to legally supply water to this project.



Charlene Ayers
10801 Dewitt Court
El Cajon, CA 92020

Attachments:

Jim Bennett Emails – February 11 & 18, 2014
PVMWC – Articles of Incorporation – 1950 & 1988
CalTrans Contract No. 11-2M1604
PVMWC – IRS – 990 for 2011

Subject: RE: Pine Valley Water District: Water sales to Soitec project in Boulevard
From: Bennett, Jim (Jim.Bennett@sdcounty.ca.gov)
To: char.ayers@att.net;
Date: Tuesday, February 18, 2014 2:04 PM

Good Afternoon Charlene,

We should have a response hopefully back to you by the end of this week.

Thank you,

Jim Bennett, P.G. #7707, CHG#854

Groundwater Geologist

County of San Diego

Planning & Development Services

5510 Overland Avenue, Suite 110, San Diego, CA 92123

Phone: 858-694-3820 Fax: 858-694-3373

From: Charlene Ayers [mailto:char.ayers@att.net]
Sent: Tuesday, February 11, 2014 11:36 AM
To: Bennett, Jim
Cc: Ranters Roost
Subject: Pine Valley Water District: Water sales to Soitec project in Boulevard

Mr. Bennett...

On January 30, 2014, Flip Boerman, GM of PVMWD, gave an interview to KPBS stating that his district had an abundance of water:

<http://www.kpbs.org/news/2014/jan/30/mountain-community-san-diego-finds-abundance-water/>

An online search pulled up:

<http://www.sdcountry.ca.gov/pds/ceqa/Soitec-Documents/Record-Documents/2013-09-27-Trey-Driscoll-email-re-RE-Pine-Valley-Cumulative-Groundwater-Study-1.pdf>

This email thread is a discussion between yourself and Dudek regarding a cumulative groundwater study being performed in Pine Valley in 2013...to the benefit of the Soitec project in Boulevard: "Rough Acres Water Company, Inc. (Rough Acres) proposes purchasing up to 16 acre feet of water from the Pine Valley Mutual Water Company (PVMWC) for use during the construction phase of the Rugged Solar Farm Project (Project)...PVMWD has agreed to dedicate well No 5 to the Project for the 60 day peak construction period."

Since PVMWD can only sell water to its shareholders, property owners, in their district, how will this arrangement for sale of water to the Soitec project work?

Charlene Ayers

Term made Perpetual

CERTIFICATE OF AMENDMENT OF ARTICLES
OF INCORPORATION OF

PINE VALLEY MUTUAL WATER COMPANY

FILED
In the office of the Secretary of State
of the State of California
APR 28 1950
FRANK A. JORDAN, Secretary of State
By *[Signature]*
Assistant Secretary of State

The undersigned, W. A. Tondro and Chester B. Wohler, as the president and secretary respectively of PINE VALLEY MUTUAL WATER COMPANY, hereby certify and declare as hereinafter set forth.

FIRST: That PINE VALLEY MUTUAL WATER COMPANY now is, and at all times herein mentioned was, a nonprofit co-operative corporation duly organized under and existing by virtue of the laws of the State of California, with its principal office for the transaction of its business located at Lot 40, Pine Valley Subdivision No. 1, County of San Diego, State of California.

SECOND: That the undersigned now are, and at all times herein mentioned were, respectively, the duly elected and acting president and secretary of said corporation; and that they are duly authorized to sign, verify by their oaths and submit this certificate on its behalf.

THIRD: That at a special meeting of the Board of Directors of said corporation duly held at the hour of 1:30 o'clock p.m., on the 25th day of February, 1950, at the residence of E. C. Bangs, at Pine Valley, County of San Diego, State of California, at which meeting all of the members of said board were at all times present and acting, the following resolutions were duly offered, seconded and unanimously adopted, to-wit:

"WHEREAS, it is deemed by the Board of Directors of this corporation to be to its best interests and to the best interests of its

members that its Articles of Incorporation be amended as hereinafter provided:

"NOW, THEREFORE, BE IT RESOLVED that paragraph 'Second' of the Articles of Incorporation of this corporation be amended to read as herein set forth in full:

'SECOND: The purposes for which it is formed are: To supply to its members only, at cost and not for profit, water for any and all beneficial uses upon the property situated in the County of San Diego, State of California, more particularly described as Pine Valley Subdivisions Nos. 1, 2, 3 and 4, according to maps thereof on file in the Office of the County Recorder of San Diego County, together with such adjacent territory as may from time to time be designated by the Board of Directors to be within the service area of the corporation; to own and acquire by purchase, appropriation or any other lawful manner, hold, manage, control, operate and maintain for such corporate uses all necessary water, water rights, canals, flumes, wells, cisterns, culverts, filter-beds, main and other pipes and appliances, reservoirs, rights of way, land and property, real and personal, for the uses of said corporation as aforesaid; to sink wells and shafts, and to make, build and construct, lay down and maintain, cisterns, culverts, filter-beds, main and other pipes and appliances, reservoirs, rights of way, canals, flumes, and to execute and do all other works and things necessary or convenient for obtaining, storing, delivering, measuring and distributing water, or otherwise for the purposes of said corporation as aforesaid.';

that the Articles of Incorporation of this corporation be amended by removing the present paragraph 'Fourth' thereof, which reads:

'FOURTH: The term for which said corporation is to exist is 50 years from and after the date of its incorporation.'

and substituting in lieu thereof the following provision:

'FOURTH: That said corporation shall have perpetual existence.';

that paragraph 'Fifth' of the Articles of Incorporation of this corporation be amended to read as herein set

forth in full:

'FIFTH: The number of directors of said corporation shall be five (5) and the names and residences of the directors who are selected for the first year and to serve until the selection of their successors, are as follows, to-wit:

<u>Names</u>	<u>Residences</u>
C. S. Judson	Bostonia, California
Katherine Judson	Bostonia, California
M. G. Eighmey	Bostonia, California

Any owner or person in legal possession of land in Pine Valley Subdivisions Nos. 1, 2, 3 and 4, together with any owner or person in legal possession of land in such adjacent territory as may from time to time be designated by the Board of Directors to be within the service area of the corporation, shall upon written application be admitted to membership in this corporation, by a vote of the Board of Directors, subject to the provisions hereinafter contained.'

and that paragraph 'Sixth' be amended to read as follows:

'SIXTH: The voting power, property rights and interest of each member of this corporation shall be unequal, and shall be determined by the number of lots in the aforesaid Pine Valley Subdivisions Nos. 1, 2, 3 and 4, and such adjacent territory as may from time to time be designated by the Board of Directors to be within the service area of the corporation, that each member owns or is in legal possession thereof, or in the event the owner consents to the transfer of membership, is entitled to the actual possession of, each lot, as the same appears on the record plat of said Pine Valley Subdivisions Nos. 1, 2, 3 and 4, and adjacent territory as aforesaid, representing one vote and one share proportionate to the whole number of lots whose owners or possessors remain members of this corporation. In the event the ownership of any such lot becomes divided, the voting power and property right of each fractional owner or possessor shall be that fraction of one represented by the fractional area as a quotient and the total area of the particular lot as a divisor. No new member shall be admitted to the corporation unless he is the owner or legal possessor of land in Pine Valley Subdivisions Nos. 1, 2, 3 or 4, or of such adjacent territory as

may from time to time be designated by the Board of Directors to be within the service area of the corporation, and all such admissions shall be made by the vote of the Board of Directors. Upon the transfer of the certificate of membership and the transfer of ownership or possession of land in said Pine Valley Subdivisions or adjacent territory, a corresponding new member may be admitted, provided all delinquencies in fulfilling the corporation's By-Laws on the part of the old member have first been discharged or cancelled.'

"RESOLVED, that the Board of Directors of this corporation hereby adopts and approves said amendments of its Articles of Incorporation; and

"RESOLVED, that the President or Vice-President and the Secretary of this corporation be and they are hereby authorized and directed to procure the adoption and approval of the amendment removing the provision limiting the term of corporate existence and providing for perpetual existence by the vote or written consent of the members of this corporation holding at least a majority of the voting power, and to procure the adoption and approval of the amendments to paragraphs 'Second', 'Fifth' and 'Sixth' of the Articles of Incorporation of this corporation by the vote or written consent of members holding at least two-thirds of the voting power, and thereafter to sign and verify by their oaths and to submit to the Secretary of State of the State of California for filing a certificate in the form and manner required by Sections 3672 and 3702 of the California Corporations Code, and in general to do any and all things necessary to effect said amendments in accordance with law."

FOURTH: At a special meeting of the members of said corporation duly held at the Pine Valley School, Pine Valley, County of San Diego, State of California, at 1:30 o'clock p.m. on the 25th day of March, 1950, the following resolutions were duly adopted:

"WHEREAS, it is deemed by the members of this corporation to be to their best interests and to the best interests of the corporation that its Articles of Incorporation be amended as hereinafter provided:

"NOW, THEREFORE, BE IT RESOLVED that paragraph 'Second' of the Articles of Incorporation of this corporation be amended to read as herein set forth in full:

'SECOND: The purposes for which it is formed are: To supply to its members

only, at cost and not for profit, water for any and all beneficial uses upon the property situated in the County of San Diego, State of California, more particularly described as Pine Valley Subdivisions Nos. 1, 2, 3 and 4, according to maps thereof on file in the Office of the County Recorder of San Diego County, together with such adjacent territory as may from time to time be designated by the Board of Directors to be within the service area of the corporation; to own and acquire by purchase, appropriation or any other lawful manner, hold, manage, control, operate and maintain for such corporate uses all necessary water, water rights, canals, flumes, wells, cisterns, culverts, filter-beds, main and other pipes and appliances, reservoirs, rights of way, land and property, real and personal, for the uses of said corporation as aforesaid; to sink wells and shafts, and to make, build and construct, lay down and maintain, cisterns, culverts, filter-beds, main and other pipes and appliances, reservoirs, rights of way, canals, flumes, and to execute and do all other works and things necessary or convenient for obtaining, storing, delivering, measuring and distributing water, or otherwise for the purposes of said corporation as aforesaid.';

that the Articles of Incorporation of this corporation be amended by removing the present paragraph 'Fourth' thereof, which reads:

'FOURTH: The term for which said corporation is to exist is 50 years from and after the date of its incorporation.'

and substituting in lieu thereof the following provision:

'FOURTH: That said corporation shall have perpetual existence.';

that paragraph 'Fifth' of the Articles of Incorporation of this corporation be amended to read as herein set forth in full:

'FIFTH: The number of directors of said corporation shall be five (5) and the names and residences of the directors who are selected for the first year and to serve until the selection of their successors, are as follows, to-wit:

<u>Names</u>	<u>Residences</u>
C. S. Judson	Bostonia, California
Katherine Judson	Bostonia, California
M. G. Eighmey	Bostonia, California

Any owner or person in legal possession of land in Pine Valley Subdivisions Nos. 1, 2,

3 and 4, together with any owner or person in legal possession of land in such adjacent territory as may from time to time be designated by the Board of Directors to be within the service area of the corporation, shall upon written application be admitted to membership in this corporation, by a vote of the Board of Directors, subject to the provisions hereinafter contained.'

and that paragraph 'Sixth' be amended to read as follows:

'SIXTH: The voting power, property rights and interest of each member of this corporation shall be unequal, and shall be determined by the number of lots in the aforesaid Pine Valley Subdivisions Nos. 1, 2, 3 and 4, and such adjacent territory as may from time to time be designated by the Board of Directors to be within the service area of the corporation, that each member owns or is in legal possession thereof, or in the event the owner consents to the transfer of membership, is entitled to the actual possession of, each lot, as the same appears on the record plat of said Pine Valley Subdivisions Nos. 1, 2, 3 and 4, and adjacent territory as aforesaid, representing one vote and one share proportionate to the whole number of lots whose owners or possessors remain members of this corporation. In the event the ownership of any such lot becomes divided, the voting power and property right of each fractional owner or possessor shall be that fraction of one represented by the fractional area as a quotient and the total area of the particular lot as a divisor. No new member shall be admitted to the corporation unless he is the owner or legal possessor of land in Pine Valley Subdivisions Nos. 1, 2, 3 or 4, or of such adjacent territory as may from time to time be designated by the Board of Directors to be within the service area of the corporation, and all such admissions shall be made by the vote of the Board of Directors. Upon the transfer of the certificate of membership and the transfer of ownership or possession of land in said Pine Valley Subdivisions or adjacent territory, a corresponding new member may be admitted, provided all delinquencies in fulfilling the corporation's By-Laws on the part of the old member have first been discharged or cancelled.'

"RESOLVED, that the members of this corporation hereby adopt and approve said amendments of its Articles of Incorporation."

FIFTH: The foregoing amendments were adopted and approved at said meeting of the members by the total vote of Three Hundred and Sixty (360) shares.

SIXTH: The total number of shares of said corporation entitled to vote on or consent to the adoption of such amendments is Four Hundred and Sixty Five (465).

SEVENTH: A copy of the Articles of Incorporation, as amended, is attached hereto marked "Exhibit A" and is incorporated herein by reference.

IN WITNESS WHEREOF, the undersigned have executed this certificate of amendment this 22nd day of April, 1950.



President of Pine Valley Mutual
Water Company



Secretary of Pine Valley Mutual
Water Company

(CORPORATE SEAL)

106809

A345475

FILED
In the office of the Secretary of State
of the State of California

FEB 8 1988

March Fred Euc
MARCH FRED EU, Secretary of State

RESTATED ARTICLES OF INCORPORATION OF
PINE VALLEY MUTUAL WATER COMPANY

We, Joseph Simpkins III and James Ford certify that:

1. They are the president and the secretary, respectively, of Pine Valley Mutual Water Company, a California nonprofit corporation.

2. The articles of incorporation of this corporation are amended and restated to read as follows:

"One: The name of the corporation is Pine Valley Mutual Water Company.

Two: This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

The specific purposes for which this corporation was formed are to develop, distribute, supply and deliver water for irrigation or domestic uses or both to its members at cost, plus necessary expenses, and to deliver water to no one except its members, or to the state or any agency or department thereof, pursuant to California Civil Code Section 330.24.

Three: No part of the net earnings of the corporation shall inure to the benefit of any member, as defined for purposes of Section 501(c)(12) of the Internal Revenue Code of 1954.

Four: The County in this State where the principal office for the transaction of the business of this corporation is located, is the County of San Diego.

Five: The number of directors of this corporation is five.

Six: The members of this corporation shall be its holders of membership certificates. The corporation may levy assessments upon its members, whether or not fully paid.

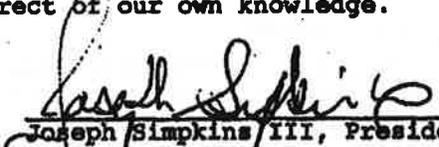
Seven: This corporation elects to be governed by all of the provisions of Part 3 of Division 2 of Title 1 of the California Corporations Code (as enacted by act of the California Legislature, 1977-78 Regular Session, effective January 1, 1980, as defined in Section 9910 of the California Nonprofit Corporation Law not otherwise applicable to this corporation under Part 5 of said Division 2)."

3. The foregoing amendment and restatement of articles of incorporation has been duly approved by the board of directors.

4. The foregoing amendment and restatement of articles of incorporation has been duly approved by the required vote of members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: January 8, 1988



Joseph Simpkins III, President

Date: January 10, 1988



James Ford, Secretary

(BT30:MGPINE.C1)



STATE OF CALIFORNIA

DEPARTMENT OF TRANSPORTATION

CONTRACT NO. 11-2M1604

THIS AGREEMENT, made and concluded, in duplicate, **MAY 17 2011**
between the State of California, by the Department of Transportation thereof, party of the first part, and

GRANITE CONSTRUCTION COMPANY

585 W BEACH STREET
WATSONVILLE CA 95076

License: 89

Class: A

Phone: (831)724-1011

Contractor, party of the second part.

ARTICLE L-- WITNESSETH, That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the said party of the first part, and under the conditions expressed in the 2 bonds, bearing even date with these presents, and hereunto annexed, the said party of the second part agrees with the said party of the first part, at his own proper cost and expense, to do all the work and furnish all the materials, except such as are mentioned in the specifications to be furnished by said party of the first part, necessary to construct and complete in a good, workmanlike and substantial manner and to the satisfaction of the Department of Transportation, the work described in the special provisions and the project plans described below, including any addenda thereto, and also in accordance with the Department of Transportation Standard Plans, dated May, 2006, the Standard Specifications, dated May, 2006, and the Labor Surcharge And Equipment Rental Rates in effect on the date the work is accomplished, which said special provisions, project plans, Standard Plans, Standard Specifications, and Labor Surcharge And Equipment Rental Rates are hereby specially referred to and by such reference made a part hereof.

The special provisions for the work to be done are dated March 7,2011 and are entitled:

STATE OF CALIFORNIA; DEPARTMENT OF TRANSPORTATION; NOTICE TO CONTRACTORS AND SPECIAL PROVISIONS FOR CONSTRUCTION ON STATE HIGHWAY IN SAN DIEGO COUNTY NEAR PINE VALLEY FROM HORSETHIEF CREEK UNDERCROSSING TO 0.3 MILE EAST OF CRESTWOOD ROAD UNDERCROSSING

The project plans for the work to be done were approved January 18,2011 and are entitled:

STATE OF CALIFORNIA; DEPARTMENT OF TRANSPORTATION; PROJECT PLANS FOR CONSTRUCTION ON STATE HIGHWAY IN SAN DIEGO COUNTY NEAR PINE VALLEY FROM HORSETHIEF CREEK UNDERCROSSING TO 0.3 MILE EAST OF CRESTWOOD ROAD UNDERCROSSING

Type of Work: PCC pavement grinding, AC coldplane and HMA overlay, slab replacement.

ARTICLE II.— The said party of the first part hereby promises and agrees with the said Contractor to employ, and does hereby employ, the said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the prices hereinafter set forth, and hereby contracts to pay the same at the time, in the manner and upon the conditions herein set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III.— The statement of prevailing wages appearing in the General Prevailing Wage Rates is hereby specifically referred to and by this reference is made a part of this contract. It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument and the bid or proposal of said Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE IV.— By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE V.— And the said Contractor agrees to receive and accept the following price or prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage, arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the Department of Transportation, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the plans and special provisions, and the requirements of the Engineer under them, to wit:

11-2M1604
11-SD-8-R39
04/07/11

CONTRACT PROPOSAL OF LOW BIDDER

BID211
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04/14/11

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ITEM NO.	ITEM CODE	ITEM DESCRIPTION	UNIT OF MEASURE	ESTIMATED QUANTITY	BID	AMOUNT
1	070012	PROGRESS SCHEDULE (CRITICAL PATH METHOD)	LS	LUMP SUM	3,000.00	3,000.00
2	070018	TIME-RELATED OVERHEAD	LS	LUMP SUM	120,000.00	120,000.00
3	074016	CONSTRUCTION SITE MANAGEMENT	LS	LUMP SUM	5,000.00	5,000.00
4	074017	PREPARE WATER POLLUTION CONTROL PROGRAM	LS	LUMP SUM	1,000.00	1,000.00
5	074041	STREET SWEEPING	LS	LUMP SUM	25,000.00	25,000.00
6	074042	TEMPORARY CONCRETE WASHOUT (PORTABLE)	LS	LUMP SUM	8,000.00	8,000.00
7	120090	CONSTRUCTION AREA SIGNS	LS	LUMP SUM	25,000.00	25,000.00
8	120100	TRAFFIC CONTROL SYSTEM	LS	LUMP SUM	150,000.00	150,000.00
9	120150	TEMPORARY PAVEMENT MARKING	LS	LUMP SUM	2,000.00	2,000.00
10	120159	TEMPORARY TRAFFIC STRIPE (PAINT)	SQFT	510	2.00	1,020.00
11	120165	CHANNELIZER (SURFACE MOUNTED)	LF	22,700	.25	5,675.00
12	120300	TEMPORARY PAVEMENT MARKER	EA	87	32.00	2,784.00
13	128650	PORTABLE CHANGEABLE MESSAGE SIGN	EA	240	2.50	600.00
14	129000	TEMPORARY RAILING (TYPE K)	EA	6	2,500.00	15,000.00
15	141101	REMOVE YELLOW PAINTED TRAFFIC STRIPE (HAZARDOUS WASTE)	LF	5,650	8.00	45,200.00
16	150666	REMOVE METAL BEAM BARRIER	LF	690	.50	2,260.00
17	150711	REMOVE PAINTED TRAFFIC STRIPE	LF	31,500	37.00	25,530.00
18	150712	REMOVE PAINTED PAVEMENT MARKING	LF	510	.30	9,450.00
19	150771	REMOVE ASPHALT CONCRETE DIKE	SQFT	1,500	1.50	2,250.00
20	020446	RECONSTRUCT EDGE DRAIN CLEANOUT	LF	291,000	.18	52,380.00
21	152604	MODIFY INLET	EA	680	160.00	108,800.00
22	153103	COLD PLANE ASPHALT CONCRETE PAVEMENT	EA	1	1,600.00	1,600.00
23	190101	ROADWAY EXCAVATION	SCYD	522,000	1.00	522,000.00
24	190110	LEAD COMPLIANCE PLAN	CY	840	39.00	32,760.00
25	260201	CLASS 2 AGGREGATE BASE	LS	LUMP SUM	2,500.00	2,500.00
26	260210	AGGREGATE BASE (APPROACH SLAB)	CY	320	50.00	16,000.00
27	374002	ASPHALTIC EMULSION (FOG SEAL COAT)	CY	18	100.00	1,800.00
28	390132	HOT MIX ASPHALT (TYPE A)	TON	180	200.00	36,000.00
29	390136	MINOR HOT MIX ASPHALT	TON	38,200	93.00	3,552,600.00
30	394053	SHOULDER RUMBLE STRIP (BMA, GROUND-IN INDENTATIONS)	TON	7,640	102.00	779,280.00
31	394071	PLACE HOT MIX ASPHALT DIKE	STA	3,960	10.00	39,600.00
32	394090	PLACE HOT MIX ASPHALT (MISCELLANEOUS AREA)	LF	291,000	.50	145,500.00
33	397005	TACK COAT	SCYD	160	30.00	4,800.00
34	401050	JOINTED PLAIN CONCRETE PAVEMENT	TON	140	800.00	112,000.00
			CY	300	250.00	75,000.00

11-2M1604
11-SD-8-R39
04/07/11

CONTRACT PROPOSAL OF LOW BIDDER

BID211
PAGE 7
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ITEM NO.	ITEM CODE	ITEM DESCRIPTION	UNIT OF MEASURE	ESTIMATED QUANTITY	BID	AMOUNT
35	401108	REPLACE CONCRETE PAVEMENT (RAPID STRENGTH CONCRETE)	CY	1,180	600.00	708,000.00
36	404092	SEAL PAVEMENT JOINT	LF	1,440	2.00	2,880.00
37	406050	DOWEL BAR (DRILL AND BOND)	EA	1,040	25.00	26,000.00
38	413115	SEAL JOINT (EXISTING CONCRETE PAVEMENT)	LF	216,000	2.00	432,000.00
39	420201	GRIND EXISTING CONCRETE PAVEMENT	SQYD	545,000	3.75	2,043,750.00
40	510087	STRUCTURAL CONCRETE, APPROACH SLAB (TYPE R)	CY	180	500.00	90,000.00
41	510502	MINOR CONCRETE (MINOR STRUCTURE)	CY	4	1,530.00	6,120.00
42	519091	JOINT SEAL (MR 1 1/2")	LF	160	150.00	24,000.00
43	665716	18" SLOTTED CORRUGATED STEEL PIPE (.064" THICK)	LF	54	150.00	8,100.00
44	681103	3" PLASTIC PIPE (EDGE DRAIN)	LF	380	16.00	6,080.00
45	681107	3" PLASTIC PIPE (EDGE DRAIN OUTLET)	LF	64	25.00	1,600.00
46 (F)	750001	MISCELLANEOUS IRON AND STEEL	LB	44	2.00	88.00
47	820110	MILEPOST MARKER	EA	11	100.00	1,100.00
48	820118	GUARD RAILING DELINEATOR	EA	14	22.00	308.00
49	832001	METAL BEAM GUARD RAILING	LF	1,570	22.00	34,540.00
50	020447	DOUBLE METAL BEAM GUARD RAILING	LF	880	30.00	26,400.00
51	839541	TRANSITION RAILING (TYPE WB)	EA	4	3,000.00	12,000.00
52	839561	RAIL TENSIONING ASSEMBLY	EA	2	500.00	1,000.00
53	839585	ALTERNATIVE FLARED TERMINAL SYSTEM	EA	1	2,800.00	2,800.00
54	020448	ALTERNATIVE CRASH CUSHION SYSTEM	EA	2	6,000.00	12,000.00
55	840506	8" THERMOPLASTIC TRAFFIC STRIPE	LF	9,980	.70	6,986.00
56	840515	THERMOPLASTIC TRAFFIC STRIPE	SQFT	4,480	3.25	14,560.00
57	840656	PAINT TRAFFIC STRIPE (2-COAT)	LF	689,000	.14	96,460.00
58	850122	PAVEMENT MARKER (RETROREFLECTIVE-RECESSED)	EA	10,500	10.00	105,000.00
59	860090	MAINTAINING EXISTING TRAFFIC MANAGEMENT SYSTEM ELEMENTS DURING CONSTRUCTION	LS	LUMP SUM	500.00	500.00
60	999990	MOBILIZATION	LS	LUMP SUM	499,000.00	499,000.00
					A)	10,089,176.00
					B)	50 DAYS X 10400
					A+B)	10,609,176.00

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION

CONTRACT

DES-OE-0103A (REV 3/2010)



STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
CONTRACT NO. 11-2M1604

This contract is entered into between the State of California's Department of Transportation and the Contractor named below:

GRANITE CONSTRUCTION COMPANY

CONTRACTOR'S NAME

The parties agree to comply with the terms of the following exhibits that are by this reference made a part of this contract.

Exhibit A - Bid book dated	<u>3/7/2011</u>
Exhibit B - Notice to Bidders and Special Provisions dated	<u>3/7/2011</u>
Exhibit C - Project Plans approved	<u>1-18-2011</u>
Exhibit D - Standard Specifications dated	<u>2006</u>
Exhibit E - Standard Plans dated	<u>2006</u>
Exhibit F - Addenda	

Exhibits A, B, C, and F are those exhibits identified with the same contract number as this contract.

This contract has been executed by the following parties:

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)
Granite Construction Company, a California Corporation

BY (Authorized Signature)

Jigisha Desai
PRINTED NAME AND TITLE OF PERSON SIGNING
Jigisha Desai, Vice President

DATE SIGNED (Do not type)

5/19/11

FEDERAL EMPLOYER IDENTIFICATION NUMBER
04-0519552

DEPARTMENT OF TRANSPORTATION

BY (Authorized Signature)

Loren Newell
PRINTED NAME AND TITLE OF PERSON SIGNING
Loren Newell, Acting Chief

DATE SIGNED (Do not type)

6/4/11

This contract has been certified as complying with the State Contract Act

BY (Authorized Signature)

Dorise Buriga
PRINTED NAME AND TITLE OF PERSON SIGNING
Dorise Buriga, Deputy Attorney

DATE SIGNED (Do not type)

6/10/11

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3690 or write Records and Forms Management, 1120 N Street, MS-66, Sacramento, CA 95814.

Return of Organization Exempt From Income Tax

2011

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

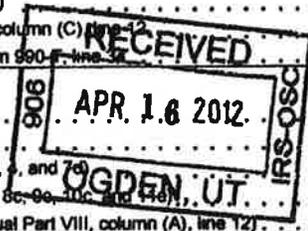
The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2011 calendar year, or tax year beginning **2011**, and ending **2011**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization PINE VALLEY MUTUAL WATER CO.		D Employer identification number 95-1109600
	Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite P.O. BOX 148		E Telephone number (619) 473-8450
	City or town, state or country, and ZIP + 4 PINE VALLEY, CA 91962		G Gross receipts \$ 439,057.
	F Name and address of principal officer		H(a) Is this a group return for affiliates? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> H(b) Are all affiliates included? Yes <input type="checkbox"/> No <input type="checkbox"/> If "No," attach a list (see instructions)
I Tax-exempt status: 501(c)(3) <input checked="" type="checkbox"/> 501(c) (12) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: N/A			
K Form of organization: Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> MUTUAL WATER			
L Year of formation 1923 M State of legal domicile CA			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities THE COMPANY'S MISSION IS TO SUPPLY AND CHARGE WATER SALES AND IRRIGATION SERVICES TO ITS SHAREHOLDERS/COMMUNITY MEMEBERS FOR RESIDENTIAL AND BUSINESS USE.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	5.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	5.
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	6.
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C) line 7a	7a	0
b Net unrelated business taxable income from Form 990-F, line 31	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	0	0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	397,945.	421,120.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 6e, 6f, 7c, and 7e)	7,679.	4,104.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	409,374.	439,057.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	212,583.	207,613.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25)	0	0
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	270,250.	294,722.
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	482,833.	502,335.	
19 Revenue less expenses Subtract line 18 from line 12	-73,459.	-63,278.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	1,391,253.	1,330,694.
	22 Net assets or fund balances Subtract line 21 from line 20.	24,187.	26,906.
		1,367,066.	1,303,788.



Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer: Bob Loftis	Date: 4-10-12		
	Type or print name and title: BOB LOFTIS VICE PRESIDENT			
Paid Preparer Use Only	Preparer's name: Brian Hadley	Preparer's signature: Brian Hadley	Date: 4/4/12	Check <input type="checkbox"/> self-employed <input type="checkbox"/> PTIN: P00067183
	Firm's name: WILKINSON HADLEY KING & CO., LLP	Firm's EIN: 52-2354566		Phone no: 619-447-6700
	Firm's address: 218 W. DOUGLAS AVENUE EL CAJON, CA 92020			

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2011)

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission

THE COMPANY'S MISSION IS TO SUPPLY AND CHARGE WATER SALES AND IRRIGATION SERVICES TO ITS SHAREHOLDERS/COMMUNITY MEMBERS FOR RESIDENTIAL AND BUSINESS USE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 423,088. including grants of \$) (Revenue \$ 421,120.)

THE COMPANY OPERATES AS A MUTUAL WATER COMPANY AND SUPPLIES WATER AND IRRIGATION SERVICES TO ITS SHAREHOLDERS. WATER SALES AND OTHER IRRIGATION SERVICES ARE BILLED TO SHAREHOLDERS ON A BI-MONTHLY BASIS

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 423,088.

Part IV Checklist of Required Schedules

Table with 3 columns: Question, Yes, No. Rows 1-20b detailing various organizational requirements and their completion status.

JSA

Form 990 (2011)

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PAGE 5

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I.		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		X
35 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V.

Form with questions 1a through 14b regarding IRS filings and tax compliance, including sections on backup withholding, employee reporting, foreign accounts, prohibited tax shelter transactions, and contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI. [X]

Section A. Governing Body and Management

Table with 4 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members... 1b Enter the number of voting members... 2 Did any officer, director, trustee, or key employee have a family relationship... 3 Did the organization delegate control over management duties... 4 Did the organization make any significant changes to its governing documents... 5 Did the organization become aware during the year of a significant diversion of the organization's assets... 6 Did the organization have members or stockholders... 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body? 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

Table with 4 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done 13 Did the organization have a written whistleblower policy? 14 Did the organization have a written document retention and destruction policy? 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official 15b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions) 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [] Own website [] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization PHILIP BOERMAN P.O. BOX 148 PINE VALLEY, CA 91962 619-473-4850

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's current key employees, if any See instructions for definition of "key employee"
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

X Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 1										
(1) RONALD CUEVAS PRESIDENT	2.00	X						0	0	0
(2) ROBERT LOFTIS VICE PRESIDENT	1.00	X						0	0	0
(3) EDWARD KROSKY TREASURER	1.00	X						0	0	0
(4) RON HOBSON SECRETARY	1.00	X						0	0	0
(5) MATTHEW GROSSET DIRECTOR	1.00	X						0	0	0
(6) PHILIP BOERMAN GENERAL MANAGER	45.00				X			79,767.	0	16,463.
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

Part VIII Statement of Revenue			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		0			
Program Service Revenue	Business Code						
	2a	WATER SALES/CHARGES		421,120.		421,120.	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
g	Total. Add lines 2a-2f		421,120.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 2		4,104.		4,104.	
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
	6a	Gross rents	(i) Real				
			(ii) Personal				
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0			
	7a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
d	Net gain or (loss)		0				
8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a					
b	Less direct expenses	b					
c	Net income or (loss) from fundraising events		0				
9a	Gross income from gaming activities See Part IV, line 19	a					
b	Less direct expenses	b					
c	Net income or (loss) from gaming activities		0				
10a	Gross sales of inventory, less returns and allowances	a					
b	Less cost of goods sold	b					
c	Net income or (loss) from sales of inventory		0				
Miscellaneous Revenue		Business Code					
11a	TRANSFER FEES		9,750.		9,750.		
b	OTHER INCOME		4,083.		4,083.		
c							
d	All other revenue						
e	Total. Add lines 11a-11d		13,833.				
12	Total revenue. See instructions		439,057.		439,057.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	96,230.	81,796.	14,434.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	88,022.	70,458.	17,564.	
8 Pension plan accruals and contributions (include section 401(h) and 403(b) employer contributions)	11,465.	9,172.	2,293.	
9 Other employee benefits	0			
10 Payroll taxes	11,896.	9,517.	2,379.	
11 Fees for services (non-employees)				
a Management	0			
b Legal	2,879.	2,447.	432.	
c Accounting	4,900.	4,165.	735.	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other	0			
12 Advertising and promotion	0			
13 Office expenses	13,421.	8,053.	5,368.	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	0			
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	35,674.	30,323.	5,351.	
23 Insurance <u>ATCH 5</u>	0			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a <u>ELECTRIC POWER</u>	34,608.	27,686.	6,922.	
b <u>VEHICLE EXPENSES</u>	15,784.	14,206.	1,578.	
c <u>PERMITS AND FEES</u>	10,554.	9,499.	1,055.	
d <u>CAPITAL IMPROVEMENT REPAIRS</u>	88,995.	80,095.	8,900.	
e All other expenses <u>ATTACHMENT 3</u>	87,907.	75,671.	12,236.	
25 Total functional expenses. Add lines 1 through 24e	502,335.	423,088.	79,247.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	785,914.	2	577,927.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	45,984.	4	50,750.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	24,784.	8	26,798.
	9 Prepaid expenses and deferred charges	4,962.	9	2,811.
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 2,380,090.		
	b Less accumulated depreciation	10b 1,787,682.	449,609.	10c 592,408.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities See Part IV, line 11		12	
	13 Investments - program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	80,000.	15	80,000.
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,391,253.	16	1,330,694.	
Liabilities	17 Accounts payable and accrued expenses	24,187.	17	26,906.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	24,187.	26	26,906.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds	1,367,066.	32	1,303,788.
33 Total net assets or fund balances	1,367,066.	33	1,303,788.	
34 Total liabilities and net assets/fund balances	1,391,253.	34	1,330,694.	

Form 990 (2011)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	439,057.
2	Total expenses (must equal Part IX, column (A), line 25)	2	502,335.
3	Revenue less expenses Subtract line 2 from line 1	3	-63,278.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,367,066.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	1,303,788.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII.

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	X	
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Name of the organization

Employer identification number

PINE VALLEY MUTUAL WATER CO.

95-1109600

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year, and two questions about donor informed status.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

Form with multiple sections: Purpose(s) of conservation easements, Total acreage restricted, Number of conservation easements modified, Number of states where property subject, Does the organization have a written policy, Staff and volunteer hours, Amount of expenses incurred, Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(v)?

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8

Form with multiple sections: If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2011

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Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
a Public exhibition
b Scholarly research
c Preservation for future generations
d Loan or exchange programs
e Other
4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV
5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
b If "Yes," explain the arrangement in Part XIV and complete the following table

Table with 2 columns: Description, Amount. Rows: 1e Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

- 2a Did the organization include an amount on Form 990, Part X, line 21?
b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g Balance and activity items.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
a Board designated or quasi-endowment %
b Permanent endowment %
c Temporarily restricted endowment %
The percentages in lines 2a, 2b, and 2c should equal 100%

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
(i) unrelated organizations
(ii) related organizations

Small table for 3a(i), 3a(ii), 3b with Yes/No columns.

- 4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10

Table with 5 columns: Description of property, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other, Total.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	439,057.
2	Total expenses (Form 990, Part IX, column (A), line 25)	502,335.
3	Excess or (deficit) for the year Subtract line 2 from line 1	-63,278.
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net) Add lines 4 through 8	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	-63,278.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	439,057.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	439,057.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	439,057.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	502,335.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities	2a
b	Prior year adjustments	2b
c	Other losses	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	502,335.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	502,335.

Part XIV Supplemental Information
 Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIV • Supplemental Information (continued)

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

Name of the organization

Employer identification number

PINE VALLEY MUTUAL WATER CO.

95-1109600

PART VI: GOVERNANCE MANAGEMENT AND DISCLOSURE

SECTION A: GOVERNING BODY AND MANAGEMENT

LINE 6: THE ORGANIZATION IS COMPRISED OF SHAREHOLDERS THAT RECEIVE WATER AND IRRIGATION SERVICES WHICH ARE BILLED ON A SEMI-MONTHLY BASIS.

LINE 7A: ANNUAL MEETING OF SHAREHOLDERS ELECTS ONE OR MORE MEMBERS TO THE GOVERNING BOARD THROUGH MAJORITY VOTE.

LINE 8A/8B: THE ORGANIZATION HAS AN ANNUAL MEETING OF SHAREHOLDERS WHEREBY BOARD MEMEBERS ARE ELECTED BY MAJORITY VOTE. ANNUAL SHAREHOLDER MINUTES ARE KEPT ON FILE IN ADDITION TO MONTHLY GOVERNING BOARD MINUTES.

LINE 10: THE TAX RETURN IS PREPARED BY AN INDEPENDENT CPA FIRM UTILIZING AUDITED FINANCIAL INFORMATION AND IS REVIEWED BY THE GENERAL MANAGER AND BOARD PRESIDENT PRIOR TO FILING. IN ADDITION, OTHER MEMBERS OF THE BOARD REVIEW THE TAX RETURN AT THE MONTHLY BOARD MEETING PRIOR TO FILING.

LINE 15B: THE GENERAL MANAGER IS A KEY EMPLOYEE AND AN ANNUAL REVIEW OF COMPENSATION IS CONDUCTED BY THE GOVERNING BOARD TO DETERMINE IF THERE IS ANY CHANGES TO THE GENERAL MANAGER'S COMPENSATION.

LINE 19: INDEPENDENT ANNUAL AUDIT REPORT IS MAILED TO ALL SHAREHOLDERS AND MEMBERS. IN ADDITION, ALL GOVERNING DOCUMENTS AND FINANCIAL STATEMENTS ARE OPEN TO PUBLIC INSPECTION AT THE OFFICE SITE.

ATTACHMENT 1

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
RONALD CUEVAS PRESIDENT	0
ROBERT LOFTIS VICE PRESIDENT	0

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2010)

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Name of the organization

PINE VALLEY MUTUAL WATER CO.

Employer identification number

95-1109600

ATTACHMENT 1 (CONT'D)

EDWARD KROSKY	
TREASURER	0
RON HOBSON	
SECRETARY	0
MATTHEW GROSSET	
DIRECTOR	0
PHILIP BOERMAN	
GENERAL MANAGER	0

ATTACHMENT 2FORM 990, PART VIII - INVESTMENT INCOME

<u>DESCRIPTION</u>	(A) <u>TOTAL REVENUE</u>	(B) <u>RELATED OR EXEMPT REVENUE</u>	(C) <u>UNRELATED BUSINESS REV.</u>	(D) <u>EXCLUDED REVENUE</u>
INTEREST INCOME	4,104.			4,104.
TOTALS	<u>4,104.</u>			<u>4,104.</u>

ATTACHMENT 3FORM 990, PART IX - OTHER EXPENSES

<u>DESCRIPTION</u>	(A) <u>TOTAL EXPENSES</u>	(B) <u>PROGRAM SERVICE EXP.</u>	(C) <u>MANAGEMENT AND GENERAL EXPENSES</u>	(D) <u>FUNDRAISING EXPENSES</u>
MISCELLANEOUS	2,478.	2,230.	248.	
INSURANCE	47,767.	40,602.	7,165.	
OTHER TAXES	4,243.	3,443.	800.	
WATER ANALYSIS	5,724.	5,724.		
UTILITIES	2,470.	1,976.	494.	
COMMUNICATIONS	3,070.	2,763.	307.	
SUPPLIES AND SMALL EQUIPMENT	20,111.	17,094.	3,017.	
EQUIPMENT MAINTENANCE	2,044.	1,839.	205.	
TOTALS	<u>87,907.</u>	<u>75,671.</u>	<u>12,236.</u>	

Name of the organization

PINE VALLEY MUTUAL WATER CO.

Employer identification number

95-1109600

ATTACHMENT 4FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>
PREPAID INSURANCE	4,962.	2,811.
TOTALS	<u>4,962.</u>	<u>2,811.</u>

**Depreciation and Amortization
(Including Information on Listed Property)**

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to your tax return.

Attachment
Sequence No **179**

Name(s) shown on return

Identifying number

PINE VALLEY MUTUAL WATER CO.

95-1109600

Business or activity to which this form relates

GENERAL DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1
2	Total cost of section 179 property placed in service (see instructions)	2
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- if named thing separately, see instructions	5
6	(a) Description of property	(b) Cost (business use only)
		(c) Elected cost
7	Listed property Enter the amount from line 29	7
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12
13	Carryover of disallowed deduction to 2012 Add lines 9 and 10, less line 12	13

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14
15	Property subject to section 168(f)(1) election	15
16	Other depreciation (including ACRS)	16 18,692.

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17 13,065.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>	

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property	SEE DETAIL					
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property		28,473.	20.000	MQ	150DB	267.
g 25-year property				25 yrs		S/L
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property Enter amount from line 28	21 3,650.
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instructions	22 35,674.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23

Part V Listed Property (include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (e) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No
(a) Type of property (list vehicles first) (b) Date placed in service (c) Business/investment use percentage (d) Cost or other basis (e) Basis for depreciation (business/investment use only) (f) Recovery period (g) Method/Convention (h) Depreciation deduction (i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 26 Property used more than 50% in a qualified business use SEE LISTED PROPERTY DETAIL
27 Property used 50% or less in a qualified business use
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 29 Add amounts in column (i), line 26 Enter here and on line 7, page 1

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person if you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles)
31 Total commuting miles driven during the year
32 Total other personal (noncommuting) miles driven
33 Total miles driven during the year Add lines 30 through 32
34 Was the vehicle available for personal use during off-duty hours?
35 Was the vehicle used primarily by a more than 5% owner or related person?
36 Is another vehicle available for personal use?

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners
39 Do you treat all use of vehicles by employees as personal use?
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year (see instructions)
43 Amortization of costs that began before your 2011 tax year
44 Total. Add amounts in column (f). See the instructions for where to report

2011

95-1109600

PINE VALLEY NATURAL WATER CO.

Description of Property
GENERAL DEPRECIATION
DEPRECIATION

Asset description	Date placed in service	Unadjusted Cost or basis	Bus %	179 exp reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
OTHER PROPERTY	01/01/1998	33,194.	100.000			33,194.	33,194.	33,194.	SL		5.000				
LAND	01/01/1998	41,360.	100.000								20.000				
TANK CONSTRUCTION	01/31/1986	44,718.	100.000			44,718.	44,718.	44,718.	SL		20.000				
COPIER	12/01/1996	1,615.	100.000			1,615.	1,615.	1,615.	200DM	MO		5			
COMPRESSOR	12/01/1996	10,029.	100.000			10,029.	10,029.	10,029.	200DM	MO		5			
PIPELINE	10/01/1986	28,927.	100.000			28,927.	22,475.	23,120.	DOB		20.000				645.
WELL CONSTRUCT #10	05/01/1996	69,224.	100.000			69,224.	54,444.	55,922.	DOB		20.000				1,478.
LAUNCHER	10/13/1999	1,435.	100.000			1,435.	1,435.	1,435.	200DM	MO		5			
FORKLIFT	04/30/1999	824.	100.000			824.	824.	824.	200DM	MO		5			
SUPPLY BUILDING	11/01/1999	45,099.	100.000			45,099.	33,578.	36,585.	SL		15.000				3,007.
FENCING	03/31/2000	9,681.	100.000			9,681.	9,681.	9,681.	SL		5.000				
WELL REMODEL	07/31/2000	9,874.	100.000			9,874.	5,146.	5,640.	SL		20.000				494.
COMPUTER	01/31/2000	1,018.	100.000			1,018.	1,018.	1,018.	SL		5.000				
TRAILER	06/30/2000	1,139.	100.000			1,139.	1,139.	1,139.	SL		5.000				
WELDER	06/30/2000	2,585.	100.000			2,585.	2,585.	2,585.	SL		5.000				
CHLORINATOR	10/31/2000	884.	100.000			884.	884.	884.	SL		5.000				
TRACTOR	04/01/2001	5,000.	100.000			5,000.	5,000.	5,000.	200DM	RY		3			
BUILDING	11/01/2001	15,000.	100.000			15,000.	3,112.	3,497.	SL	MM		39			365.
LAND	11/01/2001	65,000.	100.000												
Less Retired Assets															
Subtotals															

Listed Property

Asset description	Date placed in service	Cost or basis	Bus %	179 exp reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
Less Retired Assets															
Subtotals															
TOTALS															

AMORTIZATION

Asset description	Date placed in service	Cost or basis	Bus %	179 exp reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated amortization	Ending Accumulated amortization	Code	Life	Current-year amortization
Asset description											
TOTALS											

*Assets Retired
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GENERAL DEPRECIATION

DEPRECIATION

Asset description	Date placed in service	Unadjusted Cost or basis	Basis reduction in basis	179 exp reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Method	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
FURNITURE	12/01/2002	1,459.	100.000			1,459.	1,459.	1,459.	SL		7.000				
FENCING	12/01/2002	12,740.	100.000			12,740.	12,740.	12,740.	SL		7.000				
BLDG. IMPROVEMENTS	12/01/2002	111,341.	100.000			111,341.	23,079.	25,993.	SL		39.000				2,895.
PIPELINE	10/01/2003	11,602.	100.000			11,602.	4,205.	4,765.	SL		20.000				580.
COMPUTER	09/01/2003	1,483.	100.000			1,483.	1,483.	1,483.	SL		5.000				
BLDG. IMPROVEMENTS	05/01/2003	3,069.	100.000			3,069.	1,571.	1,776.	SL		19.000				205.
MANAMAITA PIPELINE	12/01/2004	13,822.	100.000			13,822.	4,204.	4,895.	SL		10.000				691.
FENCING	08/01/2004	3,385.	100.000			3,385.	3,001.	3,385.	SL		7.000				384.
BRASS METERS	12/31/2004	4,265.	100.000			4,265.	4,265.	4,265.	SL		5.000				
WELL IMPROVEMENTS	11/30/2005	18,628.	100.000			18,628.	6,064.	7,001.	MQ	MQ			20		937.
BLDG. IMPROVEMENTS	11/30/2005	14,340.	100.000			14,340.	5,892.	6,738.	MQ	MQ			15		846.
BLDG. IMPROVEMENTS	12/01/2007	3,250.	100.000			3,250.	1,000.	1,225.	MQ	MQ			15		225.
WELL IMPROVEMENTS	09/01/2007	25,549.	100.000			25,549.	6,086.	7,546.	RY	RY			20		1,460.
WELL IMPROVEMENTS	08/01/2007	19,840.	100.000			19,840.	4,727.	5,860.	RY	RY			20		1,133.
COPIER	10/01/2007	11,924.	100.000			11,924.	9,864.	11,238.	RY	RY			5		1,374.
WELL #5 REMODEL	07/31/2008	30,889.	100.000			30,889.	5,450.	7,358.	RY	RY			20		1,908.
WELL #3 REMODEL	12/31/2008	3,564.	100.000			3,564.	495.	715.	RY	RY			20		220.
WELL IMPROVEMENTS	07/01/2009	15,205.	100.000			15,205.	1,668.	2,663.	RY	RY			20		1,015.
PIPELINE	07/01/2009	28,555.	100.000			28,555.	3,132.	5,039.	RY	RY			20		1,907.
Less Retired Assets															
Subtotals															

AMORTIZATION

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending accumulated amortization	Code	Life	Current-year amortization
Less Retired Assets							
Subtotals							
TOTALS							

*Assets Retired
1X0024 1 000

