



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399 Phone: (909) 797-5117

Notice and Agenda of a Regular Meeting of the Board of Directors

Wednesday, January 5, 2011 at 6:00 p.m.

- I. CALL TO ORDER - Pledge of Allegiance
- II. ROLL CALL
- III. PUBLIC COMMENTS - At this time, members of the public may address the Board of Directors on matters within its jurisdiction. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the board meeting.
- IV. CONSENT CALENDAR - All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the board considers the motion unless members of the board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar. The General Manager recommends approval of the following:
 - A. Minutes of Meetings
 1. Regular Board Meeting - December 15, 2010
- V. BOARD REPORTS
 - A. Reports by Board Members
- VI. STAFF REPORT
- VII. DISCUSSION ITEMS
 - A. Reimbursement Policy and Compensation Paid to Members of the Board of Directors Pursuant to Assembly Bill No. 1234 [[DM 11-001 - Page 11 of 43](#)]
RECOMMENDED ACTION: That the Board either: (1) takes no action which would provide for a five percent increase; or (2) adopts the attached resolution to defer increased compensation in accordance with Ordinance No. 53-2007.
 - B. Approval of Development Agreement No. 01-2011 related to Parcel Map No. 36213 (APN: 0411-131-14), Calimesa [[DM 11-002 - Page 18 of 43](#)]
RECOMMENDED ACTION: That the Board approves Development Agreement No. 01-2011 with Ann and Gary Hale and Lynette and Malcolm Weaver for Parcel Map Number 36213.

Any person with a disability who requires accommodation in order to participate in this meeting should telephone Chelsie Fogus at (909) 797-5118 at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this agenda submitted to the Board of Directors after distribution of the board meeting packet are available for public inspection during normal business hours at the District office located at 12770 Second Street, Yucaipa. Meeting material may also be available on the District's website at www.yvwd.dst.ca.us

- C. Approval of Development Agreement No. 03-2011 related to Tract Map No. 16055-1, Lot 2 (APN: 321-181-33) [\[DM 11-003 - Page 23 of 43\]](#)
RECOMMENDED ACTION: That the Board approves Development Agreement No. 03-2011 with Vernon Large for Tract Map Number 16055-1, Lot 2.
 - D. Approval of a Memorandum of Agreement with the General Employees of the Yucaipa Valley Water District [\[DM 11-004 - Page 38 of 43\]](#)
RECOMMENDED ACTION: That the Board approves the Memorandum of Agreement for the bargaining group as presented.
 - E. Presentation of Winter Storm Related Issues [\[DM 11-005 - Page 41 of 43\]](#)
RECOMMENDED ACTION: This agenda item will be used for a presentation of storm related issues. While the Board of Directors may take action related to this agenda item, no recommendations are provided at this time.
- VIII. DIRECTORS COMMENTS
- IX. CLOSED SESSION
- A. Conference with Labor Negotiator (Government Code 54957.6)
District Negotiator: Joseph Zoba, General Manager
Employee Organization: Management - Supervisory Bargaining Group
- X. ANNOUNCEMENTS
- A. January 11, 2011 at 4:00 p.m. - Board Workshop
 - B. January 19, 2011 at 6:00 p.m. - Regular Board Meeting
 - C. January 25, 2011 at 4:00 p.m. - Board Workshop
 - D. January 27, 2011 at 6:00 p.m. - Ethics Training Program for Local Government
 - E. February 2, 2011 at 6:00 p.m. - Regular Board Meeting
- XI. ADJOURNMENT

CONSENT CALENDAR

MINUTES OF A REGULAR BOARD MEETING

December 15, 2010

Directors Present:

Jay Bogh, President
Bruce Granlund, Vice President
Ian Cuthbertson, Director
Hank Wochholz, Director

Staff Present:

Joseph Zoba, General Manager
Jack Nelson, Assistant General Manager
Brent Anton, Engineering Project Integrator
Vicky Elisalda, Controller
Ryan Janisch, Environmental Control Tech. III
Benjamin Hernandez, Integrated Operator II
Luis Abrego, Administrative Clerk IV
Kyle Westerlin, Utility Service Worker II
Michael Murrietta, Stock Clerk
Sean Trost, Environmental Control Tech I
Tysa Beaumel, Administrative Clerk I
Todd Madrid, Utility Service Worker I
Chelsie Fogus, Engineering Tech. I

Directors Absent:

Lonni Granlund, Director

Consulting Staff Present:

David Wysocki, Aklufi & Wysocki
John Dietrich, Atlinson, Andelson, Loya, Rudd
& Romo

Others Present:

Bill Brown, News Mirror
Kelly Foster, IBEW
Clara Lottin, IBEW
Brian Raines, IBEW Local 1436
Anthony Jimcucz, IBEW Local 1436
Steve Shoely, IBEW
Sel Hayes, IBEW
Mike Murrietta Sr., 1136 Union

The regular meeting of the Board of Directors of the Yucaipa Valley Water District was called to order by Director Jay Bogh at 6:00 p.m. on Wednesday, December 15, 2010, at the General Office Building, 12770 Second Street, Yucaipa, California.

CALL TO ORDER

Director Jay Bogh led the pledge of allegiance.

FLAG SALUTE

The roll was called. Director Lonni Granlund was absent and all other Directors were present.

ROLL CALL

Tysa Beaumel, Benjamin Hernandez, Sean Trost, Luis Abrego, Ryan Janisch and Kelly Foster all expressed their concerns and issues regarding Discussion Item VIII-B on the agenda.

PUBLIC COMMENTS

Director Bruce Granlund moved to approve the consent calendar and Director Hank Wochholz seconded a motion that carried unanimously to approve the consent calendar.

CONSENT CALENDAR
MOTION NO. 1

Consent Calendar:

- A. Minutes of Meetings
 - 1. Regular Board Meeting - December 1, 2010
 - 2. Board Workshop - December 7, 2010
- B. Payment of Bills
 - 1. Approve/Ratify Invoices of Board Awarded Contracts
 - 2. Approve General Expenses for November 2010

BOARD REPORTS:

Director Hank Wochholz reported on items discussed at the workshop on December 7, 2010.

WORKSHOP

Director Bruce Granlund reported on the San Bernardino Valley Municipal Water District Facility Tour on December 10, 2010.

SBVMWD FACILITIES TOUR

Director Ian Cuthbertson reported on the Association of the San Bernardino County Special Districts meeting hosted by the ASBCSD Board of Directors at The Castaway Restaurant on December 13, 2010. Douglas Headrick presented an update on the Critical Habitat Designation for the Santa Ana Sucker.

ASSOCIATION OF SAN
BERNARDINO COUNTY
SPECIAL DISTRICTS

OTHER BOARD REPORTS

General Manager Zoba reported on the following items:

STAFF REPORT

- The District has filed for being the Groundwater Level Monitoring Agency with the Department of Water Resources as required as part of their SB7X7.
- The Board Workshop on December 28, 2010 has been cancelled.
- The next Board Meeting will be January 5, 2011.

There were no questions from the members of the Board.

President Jay Bogh adjourned to closed session at 6:33 p.m.

CLOSED SESSION

A. Conference with Labor Negotiator (Government Code 54957.6)

District Negotiator: Joseph Zoba, General Manager

Employee Organization: IBEW General Employee Bargaining Group

Director Jay Bogh, Director Bruce Granlund, Director Ian Cuthbertson, and Director Hank Wochholz were present in closed session.

The meeting was reconvened to open session at 7:11 p.m. Legal Counsel Wysocki stated that direction was given to the General Manager and no reportable action was taken.

DISCUSSION ITEMS:

Director Ian Cuthbertson moved and Director Hank Wochholz seconded a motion that carried by a 4-0 vote with Director Lonni Granlund being absent, to reelect Director Jay Bogh as President and Director Bruce Granlund as Vice President, and adopt Resolution No. 12-2010 confirming the election of officers of the Board of Directors.

DM 10-092
REORGANIZATION OF THE
MEMBERS OF THE BOARD
OF DIRECTORS
MOTION NO. 2

RESOLUTION No. 12-2010

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YUCAIPA VALLEY WATER DISTRICT CONFIRMING
THE ELECTION OF OFFICERS

(For full text, see Resolution Book.)

Director Bruce Granlund moved and Director Ian Cuthbertson seconded a motion that carried by a 4-0 vote with Director Lonni Granlund absent, to defer to a later date the Adoption of Resolution No. 13-2010 Implementing the Last, Best and Final Proposal for the International Brotherhood of Electrical Workers Local Union 1436 - Yucaipa Valley Water District Unit / General Bargaining Group.

DM 10-093
ADOPTION OF
RESOLUTION 13-2010
IMPLEMENTING THE LAST,
BEST AND FINAL
PROPOSAL FOR THE IBEW
LOCAL UNION 1436 -
YVWD UNIT / GENERAL
EMPLOYEE BARGAINING
GROUP
MOTION NO. 3

Controller Elisalda provided an overview of Director Memorandum 10-094 - Unaudited Financial Report for November 2010. There being no questions, Director Bruce Granlund moved, Director Ian Cuthbertson seconded a motion that carried by a 4-0 vote with Director Lonni Granlund absent, to receive and file the Unaudited Report for November 2010 as presented.

DM 10-094
UNAUDITED FINANCIAL
REPORT FOR NOVEMBER
2010
MOTION NO. 4

General Manager Zoba provided an overview of Director Memorandum 10-095 - Change Order No. 1 Related to the Repair of the Surface Lining of the Equalization Basins at the Wochholz Regional Water Recycling Facility. There being no questions, Director Hank Wochholz moved, Director Ian Cuthbertson seconded a motion that carried by a 4-0 vote with Director Lonni Granlund absent, to authorize District staff to execute Change Order No. 1 for a sum not to exceed \$4,078 as presented.

DM 10-095
CHANGE ORDER NO. 1
RELATED TO THE REPAIR
OF THE SURFACE LINING
OF THE EQUALIZATION
BASINS AT THE WRWRF
MOTION NO. 5

There were no comments by directors.

DIRECTOR COMMENTS

General Manager Zoba read the announcements listed on the agenda

ANNOUNCEMENTS

There being no further business, the meeting was adjourned at 7:18 p.m. ADJOURNMENT

Respectfully submitted,

Joseph B. Zoba, Secretary

(Seal)

BOARD REPORTS

STAFF REPORT

DISCUSSION ITEMS



Date: January 5, 2011 **Job:** Not Applicable
Prepared By: Joseph Zoba, General Manager **G/L:** Not Applicable
Subject: Reimbursement Policy and Compensation Paid to Members of the Board of Directors Pursuant to Assembly Bill No. 1234

Recommendation: That the Board either: (1) takes no action which would provide for a five percent increase; or (2) adopts the attached resolution to defer increased compensation in accordance with Ordinance No. 53-2007.

On March 21, 2007, the Board adopted Resolution No. 10-2007 and Ordinance No. 53-2007. These actions updated the policy of reimbursement and compensation paid to the members of the Board of Directors in a manner consistent with Assembly Bill No. 1234. Both documents are attached for your review.

In January of each year, District staff presents Ordinance No. 53-2007 and Resolution No. 10-2007 for review by the Board to determine if any changes are required. Additionally, the Board is requested to make a decision regarding the current rate of compensation for attending board related meetings. Based on the reimbursement and compensation policy, the Board has two alternatives to address the current rate of compensation.

Alternative 1 – No Director Fee Increase. Attached is Resolution No. 01-2011 which, if adopted by the Board, would maintain the current rate of the compensation paid to board members at the current rate of \$121.56 per day for each day's attendance at meetings as defined in Section 1(d) of Ordinance No. 53-2007.

Alternative 2 – Automatic Director Fee Increase. By not taking action (procedurally this is accomplished by no motion for action being made at the board meeting), the provision of Section 2 of Ordinance No. 53-2007 will apply which states, "...each calendar year following the adoption of this Ordinance, the compensation which may be received by members of the Board of Directors shall automatically be increased by 5% per calendar year beginning in January 2008, unless the Board of Directors by resolution elects not to receive an increase. Action by the Board of Directors to make such an election not to receive an increase in any one year will not affect the automatic increase the following calendar year". Therefore, by taking no action compensation paid to Board members will be increased from \$121.56 to \$127.64 per day for each day's attendance at meetings as defined in Section 1(d) of Ordinance No. 53-2007.

Financial Implications

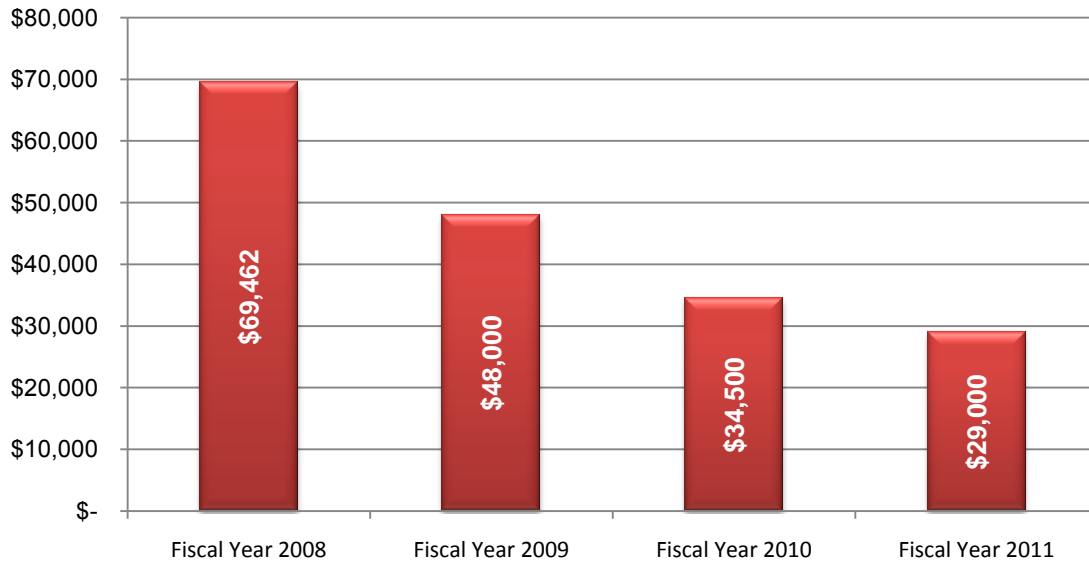
As provided in the Unaudited Financial Report dated December 15, 2010 [DM 10-094], the combined budget line items for Director Fees [xx-5-06-50012] in the water, sewer and non-potable water budgets is \$29,000, a decrease of 16% from the prior year combined budget of \$34,500. The current budget allocation for Director Fees is 60% less than the combined budget allocation of \$48,000 two years ago.

Of the \$29,000 budgeted this year, \$10,212, or 35.2% has been expended during the first five months (37%) of this fiscal year.

If the current year expense was increased by 5%, the expense to date would be \$10,723, or 37.0% of the budget allocation after the first five months (37%) of the fiscal year.

The budget line item for Directors Fees is consistently under budget year after year. As discussed above, the total budget for director related fees has been significantly reduced from \$69,462 in Fiscal Year 2008, to \$48,000 in Fiscal Year 2009, to \$34,500 in Fiscal year 2010, to \$29,000 this year. In future years, the District staff will most likely maintain the current level of funding which provides for an average of less than five of the ten authorized meetings per month per director.

Total Director Fee Budget Allocation



RESOLUTION NO. 10-2007**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YUCAIPA VALLEY WATER DISTRICT
UPDATING THE POLICY FOR REIMBURSEMENT OF ACTUAL
AND NECESSARY EXPENSES OF THE BOARD OF DIRECTORS**

WHEREAS, the Yucaipa Valley Water District (the "District") is a public agency of the State of California organized and existing pursuant to the County Water District Law of this State (Section 30000, et seq., of the Water Code); and

WHEREAS, as authorized by Water Code, Sections 30507 and 71255 the District has previously authorized reimbursement to its Board members of their actual, necessary and reasonable expenses incurred in the performance of their official duties in attending Board meetings, committee meetings, workshops, educational special district workshops and related occurrences; and

WHEREAS, the Legislature has enacted effective January 1, 2006, AB 1234 amending existing statutes and adding additional statutes requiring that local public agencies adopt a written policy concerning the District's reimbursement of the actual and necessary expenses of Board members in the performance of their official duties for the District; and

WHEREAS, AB 1234 also requires a written policy for the payment of per day compensation to Board members for meetings other than those of the Board, its Board workshop, Board committees, an advisory body of the Board and conferences and educational activities; and

WHEREAS, AB 1234 also requires that any Board member who receives any form of compensation from the District is required to attend at least two (2) hours of ethics training every two (2) years.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Yucaipa Valley Water District as follows:

1. Additional Compensable Meetings. As permitted by Government Code, Section 53232.1(d) the per day compensation authorized by Ordinance No. 53-2007 shall also be paid for a Board member's attendance at a meeting of South Mesa Mutual Water Company or Western Heights Mutual Water Company, an association or organization related to the services provided by the District, any meeting or hearing of any joint powers authority, local, state or federal agency or any board, commission, committee or department thereof, and any tours, field trips or informal business meetings with District staff in the performance of the official duties of the Board of Directors; provided, however, that the total number of compensable days in any calendar month for all meetings attended by a Board member shall not exceed the maximum set forth in the District's Ordinance No. 53-2007.

2. Reimbursable Expenses of Board Members. As authorized by Government Code, Section 53232.2 the following actual and necessary expenses incurred by Board members in the performance of their official duties shall be reimbursed by the District:

(a) Mileage at the rate established by the Internal Revenue Service to and from all Meetings as defined by the District's Ordinance No. 53-2007 and this Resolution;

(b) Other actual, necessary and reasonable travel and meal expenses incurred by a Board member in attending such Meetings with detailed receipts;

(c) Lodging costs, in connection with a conference or organized educational activity conducted in compliance with the Brown Act, including but not limited to the ethics training in Section 4 below, shall not exceed the maximum group rate published by the conference or activity sponsor or if no group rate is provided then the lodging cost shall not exceed the government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.

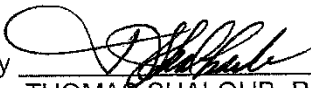
3. Expense Report Requirements. The District shall provide written expense report forms to be filed by the District's Board members for reimbursement of actual and necessary expenses incurred on behalf of the District in performance of official duties. Such filings shall include all receipts for such expenses. Reimbursable expenses to be reported shall include, but not be limited to, mileage, meals, lodging and other travel-related expenses. All such expense reports shall constitute public records under the California Public Records Act. The District Board member shall provide brief oral reports on meetings attended at the expense of the District at the next regular meeting of the District's Board of Directors.

4. Ethics Training. Pursuant to Government Code, Section 53234 each Board member shall attend at least two (2) hours of ethics training every two (2) years at the expense of the District. Such ethics training must be approved or authorized by the California Attorney General's Office and the Fair Political Practices Commission. Written proof of such ethics training must be filed by each Board member with the District and the District shall retain records of such ethics training for at least five (5) years after the Board member receives such training.

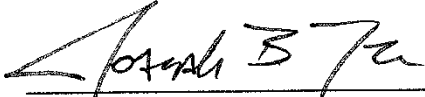
5. Effective Date. This Resolution shall be effective March 21, 2007, and hereby supersedes Resolution No. 36-2005.

Adopted this 21st day of March 2007.

YUCAIPA VALLEY WATER DISTRICT

By 
THOMAS SHALOUB, President of the Board of Directors

ATTESTED:


Secretary of the Board

ORDINANCE NO. 53-2007**AN ORDINANCE OF THE YUCAIPA VALLEY WATER DISTRICT
UPDATING THE REIMBURSEMENT POLICY AND COMPENSATION PAID
TO MEMBERS OF THE BOARD OF DIRECTORS PER ASSEMBLY BILL 1234**

WHEREAS, Yucaipa Valley Water District (the "District") is a public agency of the State of California organized and existing pursuant to the County Water District Law of this State (Section 30000 et seq. of the Water Code); and

WHEREAS, by Resolution No. 3-1978 adopted on January 25, 1978, the Board of Directors authorized compensation to be paid to each Director of the Board of Directors for each day's attendance at meetings of the Board of Directors and for each day's service rendered as a Director at the request of the Board of Directors; and

WHEREAS, by minute action on June 23, 1982, consistent with Water Code, Section 30507, the Board of Directors increased that per day compensation to \$100.00 per day; and

WHEREAS, as authorized by Water Code, Sections 30507 and 71255 the District has previously authorized reimbursement to its Board members of their actual, necessary and reasonable expenses incurred in the performance of their official duties in attending Board meetings, committee meetings, workshops, educational special district workshops and related occurrences; and

WHEREAS, by Ordinance No. 51-2005 adopted on December 21, 2005, the Board of Directors increased the per day compensation for each of the Directors to \$105.00 per day and also updated the reimbursement and compensation policy consistent with AB 1234 enacted effective January 1, 2006; and

WHEREAS, the Board of Directors desires to increase the per day compensation by 5% to \$110.25 and to provide for automatic annual compensation increases of no more than 5% per year beginning in January of each year following the adoption of this Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Yucaipa Valley Water District, as follows:

Section 1. Definitions:

- (a) "Day's attendance" shall mean attendance at any Meeting as defined in Section 1(d) below.
- (b) "Day's service" shall mean service rendered by a Director without regard to the length of time of such service.
- (c) "Expenses" shall mean those actual and necessary out-of-pocket expenses incurred by a Director incident to or arising from a day's attendance at meetings or a day's service rendered.
- (d) "Meeting" shall mean a meeting of the Board of Directors, including Board workshops and Board-created Committee meetings, advisory body or a conference or

organized educational activity all of which are authorized "meetings" under Government Code, Section 53232.1(a), and any other meeting or occurrence authorized by a written resolution adopted by the Board of Directors in a public meeting.

Section 2. Compensation and Annual Increases: Each Director shall receive compensation in the amount of \$110.25 per day for each day's attendance at Meetings as defined in Section 1(d) above not to exceed a total of ten (10) days in any calendar month, together with any expenses authorized by a resolution establishing the policy for the reimbursement of such actual and necessary expenses incurred in the performance of the official duties of the Board of Directors. Each calendar year following the adoption of this Ordinance, the compensation which may be received by members of the Board of Directors shall automatically be increased by 5% per calendar year beginning in January 2008, unless the Board of Directors by resolution elects not to receive such an increase. Action by the Board of Directors to make such an election not to receive an increase in any one year will not affect the automatic increase the following calendar year.

Section 3. Effective Date: In accordance with Section 20204 of the Water Code, this Ordinance shall become effective sixty (60) days from the date of its passage. This Ordinance hereby supersedes Ordinance No. 51-2005.

Adopted and enacted this 21st day of March, 2007.

YUCAIPA VALLEY WATER DISTRICT

By 
THOMAS SHALOUB, President of the
Board of Directors

ATTESTED:


Secretary of the Board

RESOLUTION NO. 01-2011

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YUCAIPA VALLEY WATER DISTRICT
ELECTING TO NOT INCREASE COMPENSATION
FOR DIRECTORS IN CALENDAR YEAR 2011

WHEREAS, on March 21, 2007, the Board of Directors adopted Ordinance No. 53, 2007 which updated the reimbursement policy and compensation paid to members of the Board of Directors pursuant to Assembly Bill No. 1234; and

WHEREAS, each member of the Board of Directors is currently compensated at a rate of \$121.56 per day for each day's attendance at meetings as defined in Section 1(d) of Ordinance No. 53-2007.

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDERED, that the Board of Directors of the Yucaipa Valley Water District does hereby determine that the rate of compensation shall remain at \$121.56 per day for each day's attendance at meetings for calendar year 2011.

PASSED AND ADOPTED this 5th day of January 2011.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager



Date: January 5, 2011

Job: P-65-221

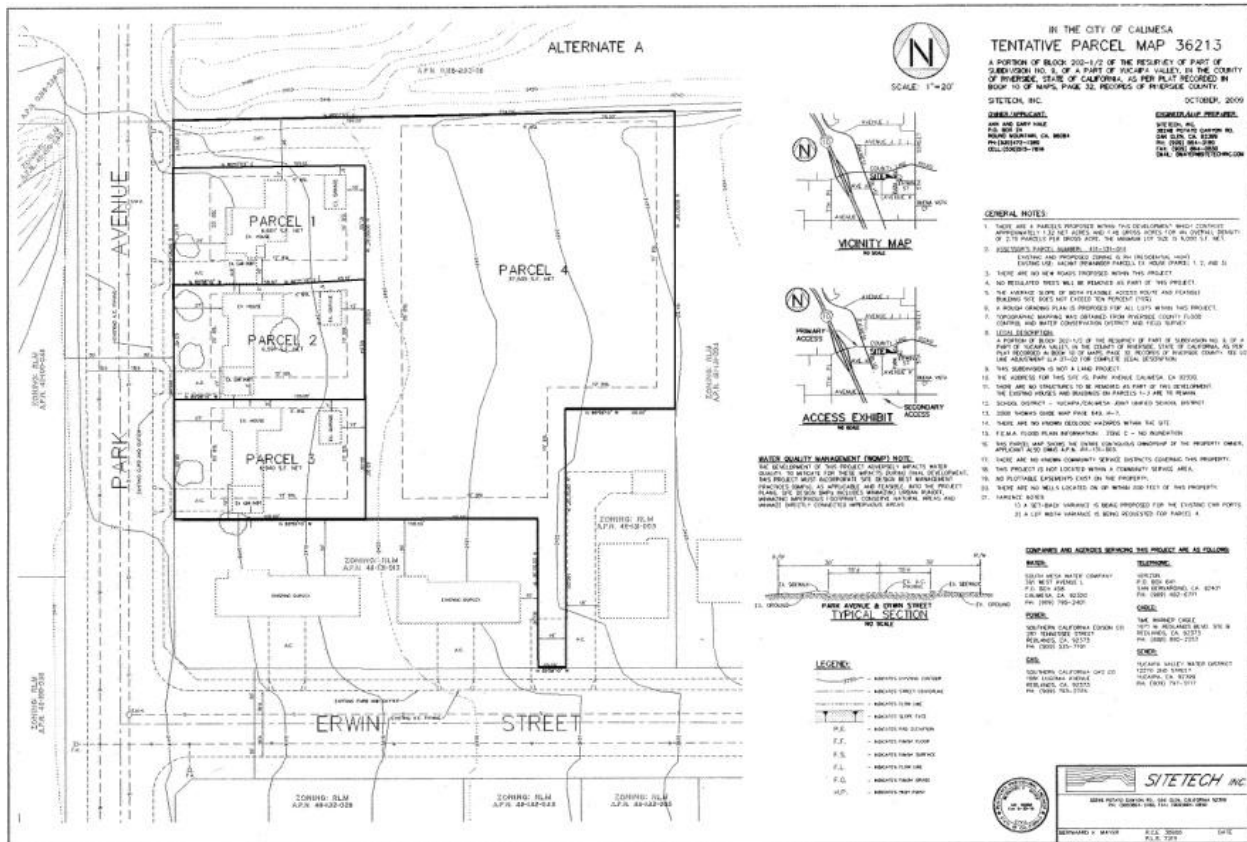
Prepared By: Brent Anton, Engineering Project Integrator
Jeremy Costello, Engineering Technician I

G/L: 03-14500

Subject: Approval of Development Agreement No. 01-2011 related to Parcel Map No. 36213 (APN: 0411-131-14), Calimesa

Recommendation: That the Board approves Development Agreement No. 01-2011 with Ann and Gary Hale and Lynette and Malcolm Weaver for Parcel Map Number 36213.

The proposed project is located near the southwest corner of Park Avenue and Erwin Street in the City of Calimesa, and consists of 4 new parcels on approximately 1.33 acres (APN 0411-131-14). The attached development agreement was prepared by the District and has been signed by both parties; Ann and Gary Hale, and Lynette and Malcolm Weaver.



AGREEMENT NO. 01-2011

AGREEMENT TO PROVIDE WATER AND SEWER SERVICE TO THE PRIVATE DEVELOPMENT OF PARCEL MAP 36213

This Agreement is made and effective this 5th Day of January, 2011, by and between the YUCAIPA VALLEY WATER DISTRICT, a public agency ("DISTRICT") and ANN and GARY HALE, and LYNETTE and MALCOLM WEAVER ("DEVELOPER"). Each is sometimes referred to herein as a "Party" and jointly as the "Parties".

Contact information for the parties is as follows:

DISTRICT:

Yucaipa Valley Water District
 12770 Second Street
 Post Office Box 730
 Yucaipa, California 92399-0730
 Attn: Joseph B. Zoba, General Manager
 Telephone: (909) 797-5119
 Facsimile: (909) 797-6381

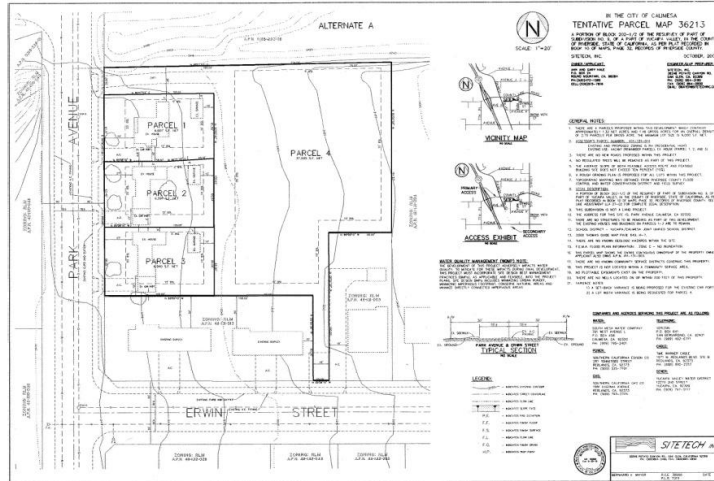
DEVELOPER:

Ann and Gary Hale,
 Lynette and Malcolm Weaver
 Post Office Box 24
 Round Mountain, California,
 Attn: Ann Hale
 Telephone: (530) 605-5287

PROJECT OVERVIEW

This project involves the subdivision of 1.33 acres into four (4) parcels located at the north east corner of Park Avenue and Erwin Street (APN 411-131-014). This project is located in the City of Calimesa, Riverside County.

The Yucaipa Valley Water District has been involved in the review process for this project and has established a parcel map file PM 36213.



AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the DEVELOPER and the DISTRICT agree as follows:

1. During the course of construction, all construction work of the Facilities to be conveyed to, and owned and operated by the DISTRICT ("Facilities"), will be inspected by DISTRICT personnel and/or by DISTRICT's consultants at the sole cost of the DEVELOPER. The DEVELOPER acknowledges that the DISTRICT's inspector(s) shall have the authority to require

that any and all unacceptable materials, workmanship, construction and/or installation not in conformance with standard practices, qualities and standards in the industry, as reasonably determined by the DISTRICT, shall be replaced, repaired or corrected at DEVELOPER's sole cost and expense.

2. The DEVELOPER hereby agrees that Facilities shall be planned, designed and constructed, at its sole cost and expense, in accordance with all applicable laws, rules, regulations and policies, including the DISTRICT's Design Manual and Construction Guidelines, in effect at the time of construction. The DEVELOPER shall strictly comply with all applicable law, rules and regulations, concerning the provision of services, materials and the payment of wages. The DEVELOPER shall keep fully informed of and obey all laws, rules and regulations, and shall indemnify the DISTRICT against any liability arising from DEVELOPER's violation of any such law, rule or regulation.

a. There are currently three (3) homes on the parent parcel of which all three (3) have individual sewer laterals already installed at the public right-of-way. The DEVELOPER shall ensure that all three (3) laterals remain within the new property lines that are being created by the recording of parcel map 36213 for each home that they are intended to serve. Should a lateral fall outside the new property lines for the property it is intended to serve, the DEVELOPER shall be fully responsible for all costs associated with relocating the laterals to acceptable locations to comply with DISTRICT rules and regulations including but not limited to all necessary permits and inspection fees.

3. Prior to proceeding with any construction, the DEVELOPER shall schedule and conduct a preconstruction conference with the DISTRICT's Engineer and/or designees or agents.

4. Ownership; Operation and Maintenance: Once constructed and accepted by the DISTRICT, title to the Facilities (and associated right-of-way) shall be conveyed by the DEVELOPER to the DISTRICT, and the DISTRICT will operate and maintain the Facilities and will provide service to the DEVELOPER's Property in accordance with the DISTRICT's rules and regulations and the provisions of this Agreement.

5. The DEVELOPER shall be solely responsible for the payment to the DISTRICT of all fees, charges, costs and expenses related to this development. In the event of a change in the DISTRICT's schedule of fees and charges, such change shall automatically be incorporated into this Agreement as though set forth in full.

6. The DEVELOPER and the DISTRICT agree that the DISTRICT, its employees, agents and officials, shall be fully protected and indemnified from any loss, injury, damage, claim, fine, penalty, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance by DEVELOPER of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the DISTRICT. DEVELOPER acknowledges that the DISTRICT would not enter into this Agreement in the absence of this commitment from the DEVELOPER to indemnify and protect the DISTRICT as set forth herein.

7. Unless extended by mutual agreement of the parties in writing, this Agreement shall terminate at 5:00 p.m., on the day before the sixth (6th) anniversary date of this Agreement; provided, however, that this Agreement shall automatically terminate, as follows:

- a. Upon expiration of the recorded map regardless of the decision to extend the expiration date by the land use authority; or
- b. Immediately, upon abandonment by the DEVELOPER of the DEVELOPER's project and/or the work hereunder; or
- c. Within 45 days of the date of the issuance of a Notice of Default by the DISTRICT to the DEVELOPER in the event the DEVELOPER fails or refuses to perform, keep or observe any of the terms, conditions or covenants set forth in this Agreement.

In the event of termination, and in order to counteract any threat to the public's health, safety or welfare, the DISTRICT shall have the right, without liability to the DEVELOPER, to complete, at the DEVELOPER's non-reimbursable expense, all or a portion of the Facilities constructed pursuant to this Agreement.

Notwithstanding the foregoing, the Indemnification clauses contained herein shall survive the termination of this Agreement.

8. This Agreement may be amended in writing signed by both parties.
9. However, this Agreement shall not be assignable except by the written consent of both parties.
10. This Agreement is not intended to create, and nothing herein contained shall be construed to create, an association, a trust, a joint venture, a partnership or other entity of any kind, and either party is intended to be the agent, employee or partner of the other. This Agreement is only for the benefit of the parties to this Agreement, their successors and assigns. No other person or entity shall be entitled to rely on any matter set forth in this Agreement.
11. All disputes related to this Agreement shall first be submitted to non-binding mediation.

IN WITNESS WHEREOF, the parties have executed is Agreement to be effective on the day and year first above written.

DEVELOPER

YUCAIPA VALLEY WATER DISTRICT

By _____

By _____

Ann and Gary Hale

Print Name

Print Name

Owners

Title

Board President

Title

Yucaipa Valley Water District

Agency

By _____

Lynette and Malcolm Weaver

Print Name

Owners

Title



Date: January 5, 2011

Job: P-65-65

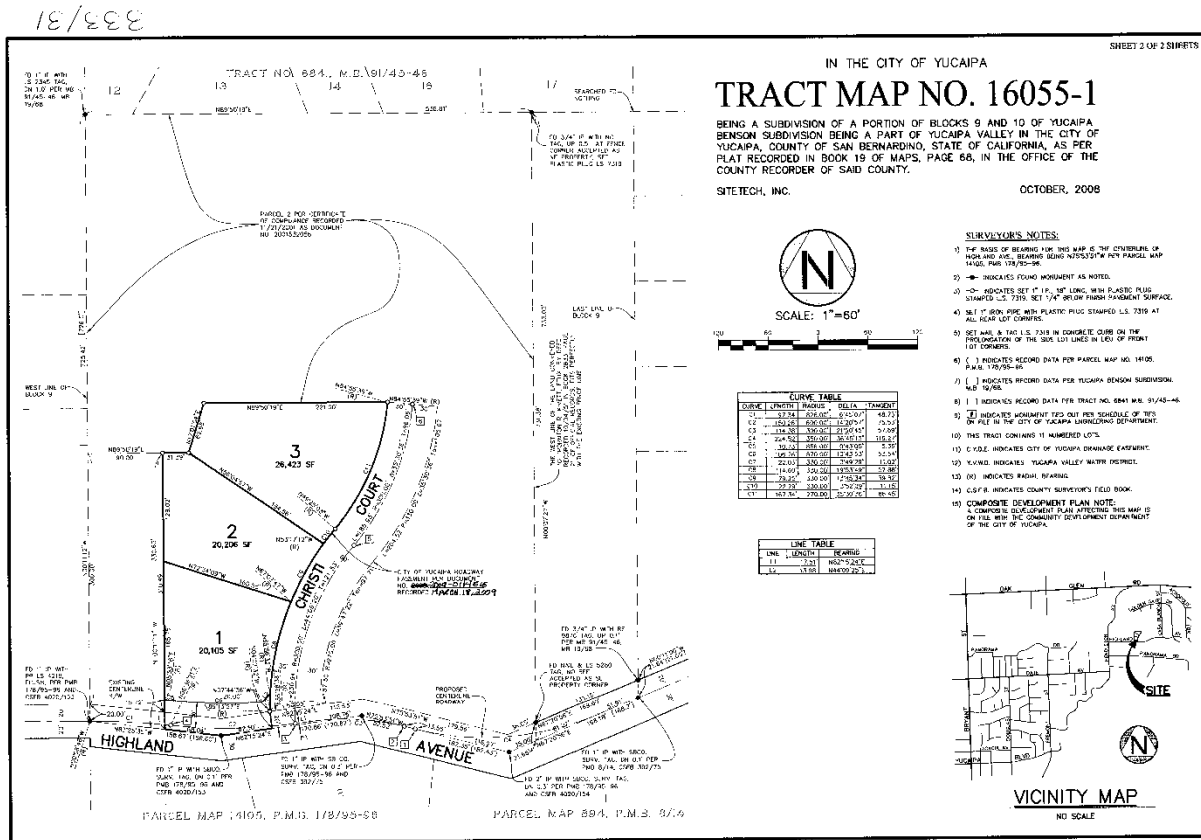
Prepared By: Brent Anton, Engineering Project Integrator
Jeremy Costello, Engineering Technician I

G/L: 03-14500

Subject: Approval of Development Agreement No. 03-2011 related to Tract Map No. 16055-1, Lot 2 (APN: 321-181-33), Yucaipa

Recommendation: That the Board approves Development Agreement No. 03-2011 with Vernon Large for Tract Map Number 16055-1, Lot 2.

The proposed project is located on the north side of Highland Avenue, between Pendleton Avenue and Casa Blanca Avenue in the City of Yucaipa. This project consists of 1 existing parcel on approximately 0.5 acres. The attached development agreement was prepared by the District and has been signed by Vernon Large.



YVWD AGREEMENT NO. 03-2011

AGREEMENT TO PROVIDE WATER, SEWER AND RECYCLED WATER FACILITIES AND SERVICE TO THE PRIVATE DEVELOPMENT OF TRACT MAP 16055-1, LOT 2

This Agreement is made and effective this 5th day of January, 2011, by and between the YUCAIPA VALLEY WATER DISTRICT, a public agency ("DISTRICT") and VERNON LARGE ("DEVELOPER"). Each is sometimes referred to herein as a "Party" and jointly as the "Parties".

Contact information for the parties is as follows:

DISTRICT:
 Yucaipa Valley Water District
 12770 Second Street
 Post Office Box 730
 Yucaipa, California 92399-0730
 Attn: Joseph B. Zoba, General Manager
 Telephone: (909) 797-5119
 Facsimile (909) 797-6381

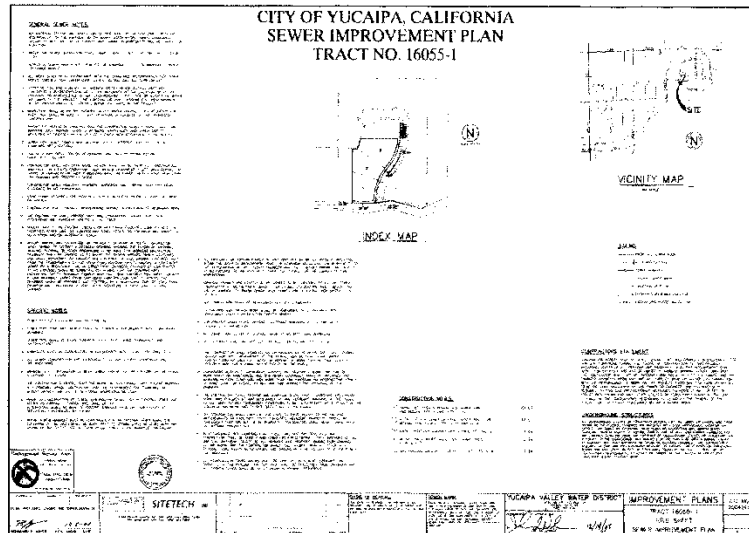
DEVELOPER:
 Vernon Large

 Post Office Box 925
 Yucaipa, California 92399
 Attn: Vernon Large
 Telephone: (951) 833-5253
 Facsimile:

PROJECT OVERVIEW

Tract Map No. 16055-1, Lot No. 2, consists of (1) single family residence on approximately one half acres. The project consists of APN's 321-181-33 which is located on the north side of Highland Avenue, between Pendleton Avenue and Casa Blanca Avenue in the City of Yucaipa, San Bernardino County.

The Yucaipa Valley Water District has been involved in the review process for this project and has established the following development related project files:
 P-65-65/Work Order #65-213



RECITALS

WHEREAS, DEVELOPER desires to develop its property situated within the service area of the DISTRICT, and

WHEREAS, DEVELOPER proposes to develop the DEVELOPER's Property in the manner generally proposed and in accordance with the currently approved maps and construction drawings reviewed by the Yucaipa Valley Water District at this time, and

WHEREAS, DEVELOPER desires to obtain water (as used herein, "water" includes recycled water where applicable) and sewer service from the DISTRICT for its development in accordance with the DISTRICT's Rules, Regulations and Policies; and

WHEREAS, it is the purpose of this Agreement to set forth the terms and conditions by which the DISTRICT will provide water and sewer service to the DEVELOPER's Property.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the DEVELOPER and the DISTRICT agree as follows:

PART A: THE FACILITIES

1. General Description.

a. The DEVELOPER proposes to develop its Property as provided on the approved development construction drawings approved by the DISTRICT which includes potable water and sewer facilities necessary to serve the development.

b. Ownership; Operation and Maintenance: Once constructed and accepted by the DISTRICT, title to the facilities (and associated right-of-way) shall be conveyed by the DEVELOPER to the DISTRICT, and the DISTRICT shall operate and maintain the facilities and shall provide water and sewer service to the DEVELOPER's Property in accordance with the DISTRICT's rules and regulations and the provisions of this Agreement.

PART B: DESIGN AND CONSTRUCTION

2. Licensed Professionals. All work, labor and services performed and provided in connection with (for example) the preparation of real property and right-of-way surveys and descriptions, the preparation of construction specifications, plans and drawings, and the construction of all facilities, shall be performed by, or under the direction of, professionals appropriately licensed by the State of California and in good standing. In the event the DISTRICT reasonably determines, in its sole discretion, that additional licensed professionals are

required in order to satisfy the obligations of the DEVELOPER hereunder, the DEVELOPER shall promptly retain such professionals at its sole cost and expense.

3. Plan Acceptance; Facility Acceptance.

a. The DISTRICT shall promptly review and respond to all plans and specifications ("Plans") related to the construction of the facilities. Upon its final review and approval of the plans, the DISTRICT shall sign the construction drawings ("Plan Acceptance") indicating such approval. Plans are subject to an annual review by the District and modifications may be made by the DISTRICT to conform to revised and/or improved construction standards.

b. The DEVELOPER shall not permit, or suffer to permit, the construction of any Facility without having first obtained Plan Acceptance. In the event the DEVELOPER fails or refuses to obtain the DISTRICT's Plan Acceptance, the DISTRICT may refuse, in its sole discretion and without liability to the DEVELOPER, to issue its Facility Acceptance (as that term is defined below) as to such Facility when completed.

c. The DEVELOPER shall not deviate from any approved plans and/or specifications without the DISTRICT's prior written approval.

d. All construction work shall be inspected on a timely basis by DISTRICT personnel and/or by DISTRICT's consultants at the sole cost of the DEVELOPER. The DEVELOPER acknowledges that the inspector(s) shall have the authority to require that any and all unacceptable materials, workmanship, construction and/or installation not in conformance with either (i) the Plans subject to a Plan Acceptance (as modified by any later Plan Acceptances), or (ii) standard practices, qualities and standards in the industry, as reasonably determined by the DISTRICT, shall be replaced, repaired or corrected at DEVELOPER's sole cost and expense.

e. In the event the DEVELOPER's contractor proposes to work overtime and beyond normal business hours, the DEVELOPER shall obtain the DISTRICT's approval at least 24 hours in advance so that inspection services may be appropriately scheduled. The DEVELOPER shall be solely responsible for paying all costs and expenses associated with such inspection services.

f. The DISTRICT shall promptly upon request of DEVELOPER, cause the final inspection of a Facility which DEVELOPER indicates is completed. If the DISTRICT finds such Facilities to have been completed in conformance with the Plans for which a Plan Acceptance has been issued, then DISTRICT shall promptly issue to DEVELOPER its letter ("Facility Acceptance") indicating satisfactory completion of the Facility and DISTRICT's acceptance thereof. Neither inspection nor issuance of the Facility Acceptance shall constitute a waiver by DISTRICT of any claims it might have against DEVELOPER for any defects in the work performed, the materials provided, or the Facility constructed, to the extent such represents a deviation from the Plans approved by the DISTRICT pursuant to the Plan Acceptance.

4. Project Coordination and Designation of DEVELOPER's Representative.

a. The DEVELOPER shall be solely responsible for coordinating the provision of all work, labor, material and services associated with the planning, design and construction of the water and sewer Facilities required for the DEVELOPER's project. The DEVELOPER shall be solely responsible for compliance with all applicable federal, state and local safety rules and regulations, and shall conduct periodic safety conferences as required by law and common sense.

b. Prior to proceeding with any Facility construction, the DEVELOPER shall schedule and conduct a preconstruction conference with the DISTRICT's General Manager and the DISTRICT Engineer and/or their designees or agents. In the event the DEVELOPER fails or refuses to conduct any such conference, the DISTRICT may refuse, in its sole discretion, to accept the Facilities constructed by the DEVELOPER.

c. The DISTRICT and the DEVELOPER hereby designate the individual identified on page 1 of this Agreement as the person who shall have the authority to represent the DISTRICT and DEVELOPER in matters concerning this Agreement. In order to ensure maximum continuity and coordination, the DISTRICT and DEVELOPER agree not to arbitrarily remove or replace the authorized representative, but in the event of a substitution, the substituting Party shall promptly advise the other Party of such substitution, in writing.

5. DISTRICT's Right to Complete Facilities. The DISTRICT is hereby granted the unqualified right to complete, at DEVELOPER's sole cost and expense, all or any portion of the water and sewer Facilities constructed hereunder in the event the work is abandoned (as defined herein) and such abandonment constitutes a threat to the public's health, safety or welfare.

6. Construction of Connections to DISTRICT Facilities. Unless otherwise agreed to in writing by the DISTRICT, the DISTRICT shall furnish all labor, materials and equipment necessary to construct and install connections between the DEVELOPER's Facilities and the DISTRICT's water, recycled water, and sewer systems. All costs and expenses associated therewith shall be paid by the DEVELOPER.

7. Compliance With Law and DISTRICT Regulations. The DEVELOPER hereby agrees that all Facilities shall be planned, designed and constructed in accordance with all applicable laws, rules, regulations and policies in effect at the time of construction. The DEVELOPER shall strictly comply with all applicable law, rules and regulations, concerning the provision of services, materials and the payment of wages. The DEVELOPER shall keep fully informed of and obey all laws, rules and regulations, and shall indemnify the DISTRICT against any liability arising from DEVELOPER's violation of any such law, rule or regulation.

8. DEVELOPER's Warranties. The DEVELOPER shall unconditionally guaranty, for a period of one year following the DISTRICT's Facility Acceptance thereof, any and all materials and workmanship, at the DEVELOPER's sole cost and expense. The provision of temporary water service through any of the DEVELOPER's Facilities, prior to DISTRICT's acceptance of same, shall not nullify nor diminish the DEVELOPER's warranty obligation, nor

shall the DEVELOPER's warranty obligation be voided if the DISTRICT determines, in its sole discretion, to make any emergency repairs necessary to protect the public's health, safety or welfare or to ensure continuity of water or sewer service. The DISTRICT shall notify DEVELOPER of such emergency repairs.

9. Testing and Disinfection. Upon approval by the DISTRICT, the DEVELOPER, at its sole cost and expense, shall undertake and satisfactorily complete a testing program for all Facilities prior to acceptance by the DISTRICT, and to disinfect all water Facilities in accordance with the DISTRICT's procedures and other applicable laws, rules and regulations.

10. Bond Requirements. The DEVELOPER shall provide to the DISTRICT, in a form satisfactory to the DISTRICT, the following bonds:

a. A Performance and Warranty Bond. A performance bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount not less than one hundred percent (100%) of any and all construction work to be conducted or performed under this Agreement. A warranty bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount not less than one hundred percent (100%) of the total cost of any and all construction performed hereunder, insuring against any and all defects in the Facilities constructed hereunder, for a period of not less than one full year after the date of acceptance thereof by the DISTRICT.

b. A Labor and Materials Payment Bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount not less than one hundred percent (100%) of the total cost of any and all construction performed hereunder per California Civil Code Sections 3247 and 3248(a).

c. Miscellaneous Bond Requirements. All bonds required by this Section 10 shall be provided to the DISTRICT within sixty (60) days of the date that this Agreement was approved by the DISTRICT's Board of Directors. All bonds required by this section are subject to the approval as to form and content by the General Manager and DISTRICT's Legal Counsel. All bonds required by this section shall be provided by a surety that is an "admitted" surety insurer authorized to transact surety insurance in California, with assets exceeding its liabilities in the amount equal to or in excess of the amount of the bonds, and each bond shall not be in excess of ten percent (10%) of the surety insurer's assets. The bond shall be duly executed and shall meet all of the requirements of Section 995.660 of the Code of Civil Procedure.

PART C: TITLE TO FACILITIES; OPERATION

11. Title to Facilities and Right-of-Way.

a. Provided that the DEVELOPER's Facilities are designed and constructed as required hereunder and the DISTRICT proposes to issue its Facility Acceptance, the DEVELOPER shall, concurrently with the DISTRICT's Facility Acceptance, convey ownership

title to all Facilities (and right-of-way, if applicable) to the DISTRICT, free and clear of any and all liens and encumbrances except those that are expressly agreed to by the DISTRICT. The DISTRICT may require fee title or an easement, depending upon the location of the Facility through action by the Board of Directors. Upon conveyance of title, the DISTRICT shall assume the responsibility of operating and maintaining the Facilities, subject to the DEVELOPER's warranty as provided herein. The DEVELOPER acknowledges and agrees that the DISTRICT shall not be obligated to operate and maintain the Facilities and to provide service to and through them until all applicable conditions hereunder are satisfied and title to the Facilities has been conveyed and delivered to the DISTRICT in recordable form.

b. A form for the *Grant of Easement and Rights-of-Way and Bill of Sale of the Facilities* is available from the District upon request.

12. Risk of Loss. Until such time as acceptance thereof by the DISTRICT, and until good and marketable title to the easements, rights-of-way and Facilities are conveyed and delivered to the DISTRICT in recordable form, the DEVELOPER shall be solely and completely responsible for any and all losses and/or damage of every kind or nature to the easements, rights-of-way and Facilities.

13. Conditions Precedent to the Provision of Water and Sewer Service. Unless the DISTRICT otherwise agrees in writing, the DISTRICT shall not be obligated to provide any water and/or sewer service to the DEVELOPER's project or any part thereof, including model homes, until after all of the appropriate obligations imposed upon the DEVELOPER have been fulfilled including, without limitation, conveyance to the DISTRICT of the right-of-way and Facilities associated with the requested service. Upon acceptance of the right-of-way and appurtenant Facilities and upon such other terms and conditions as may be reasonable, the DISTRICT shall provide the service requested and assume the responsibility for operating and maintaining the affected Facilities. Service provided by the DISTRICT shall be in accordance with its rules and regulations and shall be comparable in quality of service to that provided all similarly situated customers.

PART D: FEES AND CREDITS

14. DEVELOPER's Fees, Charges, Costs and Expenses. The DEVELOPER shall be solely responsible for the payment to the DISTRICT of all fees, charges, costs and expenses related to this development.

a. DEVELOPER Trust Account Deposit: The DEVELOPER shall deposit with the DISTRICT, to be held in a trust account administered by the DISTRICT, the sum of 10% of the construction costs as an initial deposit prior to receiving grading/building permits for the Project. The DEVELOPER acknowledges and hereby agrees that the DISTRICT is authorized, from time-to-time, to reimburse itself from the funds on deposit. The District shall provide a monthly accounting of how funds were disbursed. The DEVELOPER further agrees to periodically and promptly replenish, upon a billing issued therefore by the DISTRICT, the trust fund in order to maintain a minimum amount as specified by the DISTRICT. Should any

unexpended funds remain in the trust account upon termination of this Agreement, then such funds shall be reimbursed to the DEVELOPER.

b. Current Fees and Charges: In the event of a change in the DISTRICT's schedule of fees and charges, such change shall automatically be incorporated into this Agreement as though set forth in full. Unless otherwise agreed to in writing by the DISTRICT, the DEVELOPER shall pay, when due, the then-current amount of the applicable fee or charge.

15. DISTRICT Financial Participation; Credits. The DISTRICT may agree to participate in certain facilities for this Project. Any participation or financial contribution to construct the water and wastewater infrastructure associated with this project is contained in Part G - Special Conditions of this Agreement.

PART E: PERMITS AND DOCUMENTATION

16. Permits, Licenses and CEQA Documentation. The DEVELOPER shall be solely responsible for securing and paying for all permits and licenses necessary to develop its project. The DEVELOPER shall be solely responsible for complying with the California Environmental Quality Act under the auspices of the City and/or County within which the Property is situated. However, upon request, the DEVELOPER shall furnish to the DISTRICT all relevant environmental documentation and information. The DEVELOPER, at its sole cost and expense, shall be solely responsible for defending against any and all legal challenges to the DEVELOPER'S entitlements including permits, licenses and CEQA documents.

17. Documents Furnished by the DEVELOPER. The DEVELOPER shall furnish to the DISTRICT project documentation as required by the District specified below, within the time periods specified. Each and every document submittal shall consist of a fully executed original or certified copy (in recordable form, if applicable) and four copies.

Document(s)	Due Date
Certification of Streets to Rough Grade	Prior to Construction
Field Engineering Surveys ("Cut Sheets")	Prior to Construction
Liability Insurance Certificate(s)	Prior to Construction
Performance Bond	Prior to Construction
Labor and Materials Bond	Prior to Construction
Warranty Bond	Prior to Construction
City/County Encroachment Permits and Conditions	Prior to Construction
Soil Compaction Tests	Prior to Acceptance
Grant of Easements and Rights-of-Way	Prior to Acceptance
Bill of Sale	Prior to Acceptance
List of Approved Street Addresses and Assessor Parcel Numbers	Prior to Setting Meter
Notice of High/Low Water Pressure	Prior to Setting Meter
Notice of Water Pumping Facility	Prior to Construction
Mechanic's Lien Releases	Upon Request of District

NOTE: The DEVELOPER hereby acknowledges and agrees that the foregoing list is not intended to be exclusive; therefore, the DISTRICT reserves the right to request, from time-to-time, additional documents or documentation.

PART F: INSURANCE AND INDEMNIFICATION

18. Indemnification and Hold Harmless. The DEVELOPER and the DISTRICT agree that the DISTRICT should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance by DEVELOPER of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the DISTRICT, except for liability attributable to the DISTRICT's active negligence. DEVELOPER acknowledges that the DISTRICT would not enter into this Agreement in the absence of this commitment from the DEVELOPER to indemnify and protect the DISTRICT as set forth here.

Therefore, the DEVELOPER shall defend, indemnify and hold harmless the DISTRICT, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by the DISTRICT, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part in the performance by DEVELOPER of this Agreement. All obligations under this provision are to be paid by the DEVELOPER as incurred by the DISTRICT.

19. Insurance. The DEVELOPER agrees to provide insurance in accordance with the requirements set forth here throughout the term of this Agreement. If the DEVELOPER uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, the DEVELOPER agrees to amend, supplement or endorse the existing coverage to do so. The following coverages will be provided by the DEVELOPER and maintained on behalf of the DISTRICT and in accordance with the requirements set forth herein.

a. Commercial General Liability Insurance (Primary) shall be provided on ISO-CGL Form No. CG 00 01 10 93. Policy limits shall be no less than \$1,000,000 per occurrence for all coverages and \$2,000,000 general aggregate. The DISTRICT and its officials, employees and agents shall be added as additional insureds using ISO Form CG 20 10 10 93. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the DISTRICT or any employee or agent of the DISTRICT. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

b. Umbrella Liability Insurance (over Primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage. Coverage shall be provided on a

"pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than \$2,000,000 per occurrence and in the aggregate, above any limits required in the underlying policies. The policy shall have starting and ending dates concurrent with the underlying coverages.

c. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than \$1,000,000 per accident or disease. Employer's liability coverage shall be scheduled under any umbrella policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects the DISTRICT, its employees or agents.

d. The DEVELOPER and the DISTRICT further agree as follows:

i. All insurance coverage provided pursuant to this Agreement shall not prohibit the DEVELOPER, and the DEVELOPER's employees or agents, from waiving the right of subrogation prior to a loss. The DEVELOPER waives its right of subrogation against the DISTRICT.

ii. Unless otherwise approved by the DISTRICT in writing, the DEVELOPER's insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of "A:VII". Self-insurance will not be considered to comply with these insurance specifications.

iii. The DEVELOPER agrees to provide evidence of the insurance required herein, satisfactory to the DISTRICT, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to the DEVELOPER's general liability and umbrella liability policies. Certificate(s) are to reflect that the insurer will provide 30 days notice of any cancellation of coverage. The DEVELOPER agrees to require its insurer to modify such certificate(s) to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions. The DEVELOPER agrees to provide complete certified copies of policies to the DISTRICT within 10 days of the DISTRICT's request for such copies.

iv. In the event of any loss that is not insured due to the failure of the DEVELOPER to comply with these requirements, the DEVELOPER agrees to be responsible for any all losses, claims, suits, damages, defense obligations and liability of any kind attributed to the DISTRICT, or the DISTRICT's officials, employees and agents as a result of such failure.

v. The DEVELOPER agrees not to attempt to avoid its defense and indemnity obligations to the DISTRICT and its employees, agents and officials by using as defense the DEVELOPER's statutory immunity under workers' compensation and similar statutes.

PART G: SPECIAL CONDITIONS

20. The following conditions, being contained herein, will be required by the District in order to receive water, recycled water and sewer service for the Project.

a. Potable Water Related Facilities: The nearest potable water source point for Lot 2 is located in Highland Avenue. Pursuant to District Ordinance No. 48-1998, Section 7.07 "Length of Main Extension"; a potable water main line shall be extended from Highland Avenue, northerly across the entire frontage of Lot 2, to a point that will provide adequate service to Lot 3 within the proposed future street of Tract 16055-1. This new water mainline shall be connected to the DISTRICT's pressure zone 16.2, 12-inch low pressure main and be a minimum 8-inch ductile iron pipe. The new potable water mainline shall be designed and constructed to be in compliance with all current and applicable District standards.

i. A domestic water service shall be installed from the new potable water mainline to serve Lot 2. This service shall be constructed pursuant to all current and applicable DISTRICT standards.

ii. The existing service for Lot 3 is currently located on Highland Avenue on the western property line of Lot 1. At the DEVELOPER's expense, the water service shall be abandoned, relocated to the new main in the proposed future street of Tract 16055-1, and the on-site plumbing shall be reconnected to the new water service.

b. Wastewater Related Facilities: – The nearest wastewater collection system for Lot 2 is located in Highland Avenue. Pursuant to DISTRICT Ordinance No. 49-1998, Section 4.01.01 "Public Sewer Extension Required"; a wastewater collection main line shall be extended from Highland Avenue, northerly to point that will provide adequate service to Lot 2 within the proposed future street of Tract 16055-1. This main shall not be required to extend the full length of the property frontage as there are no other lots which would directly benefit from such an extension. This new main shall be a minimum 8-inch extra strength vitrified clay pipe. The wastewater collection main shall be designed and constructed to be in compliance with all current and applicable District standards.

i. A domestic sewer lateral shall be installed from the new wastewater collection mainline to serve Lot 2. This lateral shall be constructed pursuant to all current and applicable DISTRICT standards.

ii. The sewer lateral for Lot 3 is currently located within Tract 16055 and shall be realigned and vacated through the development of Tract 16055. The existing service to Lot 3 will be required to be addressed through the development of Tract 16055.

c. Recycled Water Related Facilities: The DEVELOPER will not be required to extend a recycled water main at this time.

i. An irrigation water service shall be installed on the new potable water mainline to serve Lot 2. This water service shall be constructed pursuant to all current and

applicable DISTRICT standards for recycled water facilities.

ii. At such a time as recycled water becomes available, the service to Lot 2 shall be disconnected from the potable water main, and reconnected to the recycled water main.

iii. Prior to obtaining final approval and signatures for approval on the building cards, the Owner of Lot 2 shall enter into a Recycled Water Use Agreement for the onsite irrigation and landscaping requirements.

d. Part B.10.A, B, and C of this Agreement do not apply to this project excepting the portion of Part B.10.A regarding the requirement for a "Warranty Bond" for both the Potable Water and the Wastewater Facilities that are to be constructed and deeded to the DISTRICT after completion and acceptance. The Warranty Bond shall be in effect for a period of (1) one year after the completion and acceptance of the facilities by the DISTRICT.

e. The DEVELOPER shall pay all water, wastewater, and recycled water development impact fees based on the fee in effect at the time prior to receiving building permits.

f. The DISTRICT shall require all outstanding invoices related to the Project to be paid prior to releasing each lot for occupancy.

PART H: MISCELLANEOUS

21. Term and Termination of Agreement.

a. Unless extended by mutual agreement of the parties in writing, this Agreement shall terminate at 5:00 p.m., on the day before the sixth (6th) anniversary date of this Agreement; provided, however, that this Agreement shall automatically terminate, without further liability to either party, as follows:

i. Within 10 business days of the effective date of this Agreement if the DEVELOPER fails or refuses to make the trust account deposit; or

ii. Within 12 months of the effective date of this Agreement, if the initial construction contemplated hereunder has not commenced within such time; or

iii. Immediately, upon abandonment by the DEVELOPER of the DEVELOPER's project and/or the work hereunder. "Abandonment" is defined as the actual act of relinquishment accompanied with the intent and purpose of giving up a claim and right of property; and/or

iv. Within 45 days of the date of the issuance of a Notice of Default by the DISTRICT to the DEVELOPER in the event the DEVELOPER fails or refuses to perform, keep or observe any of the terms, conditions or covenants set forth in this Agreement.

b. Any termination of this Agreement shall not be construed as a waiver of any claim the DISTRICT may have against the DEVELOPER or that the DEVELOPER may have against the DISTRICT.

c. In the event of termination, and in order to counteract any threat to the public's health, safety or welfare, the DISTRICT shall have the right, without liability to the DEVELOPER, to complete, at the DEVELOPER's non-reimbursable expense, all or a portion of the Facilities constructed pursuant to this Agreement.

d. Notwithstanding the foregoing, the Indemnification clauses contained herein shall survive the termination of this Agreement:

22. Status of the Parties. This Agreement is not intended to create, and nothing herein contained shall be construed to create, an association, a trust, a joint venture, a partnership or other entity of any kind, or to constitute either party as the agent, employee or partner of the other.

23. Amendment; Assignment.

a. Amendment. This Agreement may be amended, from time-to-time, by mutual agreement of the DISTRICT and the DEVELOPER, in writing signed by both parties. The DISTRICT and the DEVELOPER further agree that to the extent this Agreement does not address all aspects of the DEVELOPER's phased Project, the parties shall meet and confer and negotiate in good faith, and execute a written amendment or supplement to this Agreement.

b. Assignment. This Agreement shall not be assigned, whether in whole or in part, by the DEVELOPER without the prior written consent of the DISTRICT, which consent may be withheld in the event that the DISTRICT determines, in its sole discretion, that the assignee is not financially capable of assuming the obligations of the assignor under this Agreement. This Agreement shall bind the parties hereto and their respective successors and assigns.

24. Force Majeure. If either the DISTRICT or the DEVELOPER is delayed, hindered or prevented from performing any term of this Agreement by any cause beyond either party's control including, without limitation, any strike, walkout, prohibitions imposed by law, rules or regulations, riot, war, act of God or the default of the other party, then such performance may be excused or the time of performance tolled during the period of delay.

25. Incorporation of Prior Agreements. This Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned in this Agreement, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

26. Waiver. No waiver by either party of any provisions of this Agreement shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provisions.

27. Severance. If any provision of this Agreement is determined to be void by any court of competent jurisdiction then such determination shall not affect any other provision of this Agreement provided that the purpose of this Agreement is not frustrated.

28. DISTRICT's Disclaimer. Utilizing fees and Facilities provided to the DISTRICT by the DEVELOPER, the DISTRICT will supply potable water, recycled (non-potable) water, and wastewater collection and treatment services to the DEVELOPER's Property and development thereon. However, the DISTRICT shall not be obligated to utilize public funds to subsidize the DEVELOPER's Project. The DISTRICT shall not be obligated to provide water or recycled water service in the event supplies are inadequate or nonexistent, except in accordance with its rules and regulations. Thus, for example, in the event of a drought, the DISTRICT shall not be obligated to provide water service notwithstanding the payment of fees and provision of Facilities by the DEVELOPER.

29. Preparation of This Agreement. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it.

30. Arbitration.

a. Any dispute as to the construction, interpretation or implementation of this Agreement, or any rights or obligations hereunder, shall be submitted to binding arbitration. Arbitration shall be conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, or its successor, or any other neutral, impartial arbitration service that the parties mutually agree upon in accordance with its rules in effect at the time of the commencement of the arbitration proceeding, and as set forth in this Paragraph. The arbitrator chosen must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. The arbitrator's decision and award are subject to judicial review by a Superior Court of competent venue and jurisdiction for material errors of fact or law. Upon a showing of good cause the arbitrator may permit limited discovery in the arbitration proceeding. Unless the parties enter into a written stipulation to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation, conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, or its successor, or any other neutral, impartial mediation service that the parties mutually agree upon in accordance with its rules for such mediation.

b. Provided, however, that after first commencing binding arbitration under subparagraph a., if a Party desires a temporary or permanent remedy which JAMS is not legally capable of providing and a state court of general jurisdiction is so capable, then that Party may elect to pursue such remedy through the state court system, but such election shall result in the entire matter being transferred to such court for all purposes and the arbitration action terminated.

IN WITNESS WHEREOF, the parties have executed is Agreement to be effective on the day and year first above written.

YUCAIPA VALLEY WATER DISTRICT

Dated: _____

By: _____

Print Name

Print Title

DEVELOPER

Dated: _____

By: Vernon Large

Vernon Large

Print Name

OWNER

Print Title



Date: December 1, 2010 **Job:** Not Applicable
Prepared By: Joseph Zoba, General Manager **G/L:** Not Applicable
Subject: Approval of a Memorandum of Agreement with the General Employees of the Yucaipa Valley Water District
Recommendation: That the Board approves the Memorandum of Agreement for the bargaining group as presented.

The Memorandum of Agreement for the General Employee bargaining group is attached for your review and consideration.

**IBEW Local 1436-Yucaipa Unit
December 22, 2010**

The following are the terms and conditions of employment for General Employees of the Yucaipa Valley Water District ("District" or "YVWD").
Effective January 5, 2011 through June 30, 2011.

Application

These Terms and Conditions of Employment ("Terms and Conditions") apply to the IBEW Local Union 1436 - YVWD Unit ("General Employees") of the District pursuant to Resolution No. 04-2007 adopted on January 17, 2007

Term

This Memorandum of Agreement (MOA) is entered into between the YVWD and the General Employees, pursuant to the provisions of the Meyer-Milias-Brown Act and thereafter shall continue in effect fiscal year by fiscal year unless either one of the parties appropriately notifies the other in writing of its request to modify, amend or terminate the MOA. Requests to modify the MOA shall be submitted to the other party during the forty-five (45) calendar day period commencing **January 5, 2011**

Salary Placement - The salary of General Employees shall **remain as placed on July 1, 2010**, for the duration of these Terms and Conditions, exclusive of payroll changes not related to the merit pay for performance system (e.g., promotions)

Merit Salary- Temporary Suspension of merit salary increases.

Zero, percent (0%) merit pay for the contract period, ending June 30, 2011.

Medical Insurance Provisions

Effective **January 5, 2011**, the District shall pay \$756.00 dollars (**additional 36.00 dollars**) per General Employee for medical coverage for General Employees within the bargaining unit.

Effective **April 1, 2011**, the District shall pay \$791.00 dollars (**additional \$35.00 dollars**) per General Employee for medical coverage for General Employees within the bargaining unit.

Computer Purchase - Employees to have option for purchase of computer/computer related items through YVWD at vendor price.

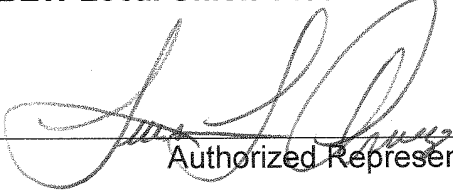
Employees have an option to prepay and purchase computer hardware at the Yucaipa Valley Water District costs provided by districts vendors.


Update General Employee Personnel Manual
Represented Employees.

Implementation

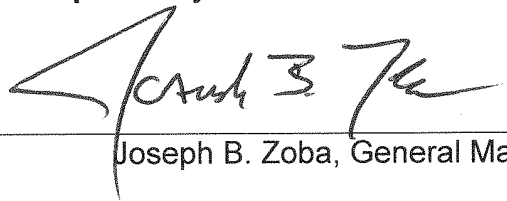
All provisions within this Agreement will become effective based on the approval date by the Yucaipa Valley Water District Board of Directors.

IBEW Local Union 1436 - YVWD Unit:

 _____	_____
Authorized Representative	Date

 _____	12/22/2010 _____
Authorized Representative	Date

Yucaipa Valley Water District:

 _____	12/22/10 _____
Joseph B. Zoba, General Manager	Date



Date: January 5, 2011 **Job:** Not Applicable

Prepared By: Joseph Zoba, General Manager **G/L:** Not Applicable

Subject: Overview of Winter Storm Issues - December 2010

Recommendation: This agenda item will be used for a presentation of storm related issues. While the Board of Directors may take action related to this agenda item, no recommendations are provided at this time.

The District has experienced several issues related to the recent storm events. This agenda item will be used to provide a brief overview of storm related issues and activities.

DIRECTOR COMMENTS

ANNOUNCEMENTS