



Yucaipa Valley Water District

Notice and Agenda of a Board Workshop Tuesday, April 24, 2012 at 4:00 p.m.

MEETING LOCATION: District Administration Building
12770 Second Street, Yucaipa

MEMBERS OF THE BOARD: Director Ian Cuthbertson, Division 1
Director Bruce Granlund, Division 2
Director Jay Bogh, Division 3
Director Lonni Granlund, Division 4
Director Hank Wochholz, Division 5

- I. **Call to Order**
 - II. **Public Comments** At this time, members of the public may address the Board of Directors on matters within its jurisdiction; however, no action or significant discussion may take place on any item not on the meeting agenda.
 - III. **Staff Report**
 - IV. **Presentations**
 - A. Review of Draft Resolution 07-2012 Related to the Implementation of Maximum Benefit Commitments for the Beaumont Management Zone [[Workshop Memorandum No. 12-081 - Page 3 of 110](#)]
 - V. **Capital Improvement Projects**
 - A. Status Report on the Construction of the Yucaipa Valley Regional Brineline [[Workshop Memorandum No. 12-082 - Page 63 of 110](#)]
 - B. Status Report on the Construction of the R-10 Recycled Water Reservoir and Booster Complex [[Workshop Memorandum No. 12-083 - Page 68 of 110](#)]
 - C. Status Report on the Construction of the Crow Street Pipeline Facilities [[Workshop Memorandum No. 12-084 - Page 72 of 110](#)]
 - D. Status Report on the Construction of the Recycled Water Booster Facility at the Reservoir R-12.1 Complex [[Workshop Memorandum No. 12-085 - Page 73 of 110](#)]
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Any person with a disability who requires accommodation in order to participate in this meeting should telephone Erin Anton at (909) 797-5117, 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 workshop packet are available for public inspection during normal business hours at the District office located at 12770 Second Street, Yucaipa. Meeting material is also be available on the District's website at www.yvwd.dst.ca.us

- E. Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project [[Workshop Memorandum No. 12-086 - Page 74 of 110](#)]

VI. Development Related Issues

- A. Review of a Conceptual Development Agreement for Tract No. 30386 [[Workshop Memorandum No. 12-087 - Page 76 of 110](#)]

VII. Administrative Issues

- A. Ratification of Amendment No. 1 to State Revolving Fund Project No. C-06-7476-110 - Yucaipa Valley Brineline [[Workshop Memorandum No. 12-088 - Page 96 of 110](#)]

VIII. Director Comments

IX. Closed Session

- A. Conference with Real Property negotiator(s) (Government Code 54956.8)
Property: Assessor's Parcel Number: 301-201-29
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Palmer General Corporation
Under Negotiation: Terms of Payment and Price
- B. Conference with Labor Negotiator (Government Code 54957.6)
District Negotiator: Joseph Zoba, General Manager
Employee Organization: IBEW Local Union 14356 - YVWD Employees Association
- C. Conference with Labor Negotiator (Government Code 54957.6)
District Negotiator: Joseph Zoba, General Manager
Employee Organization: Supervisor Bargaining Unit
- D. Conference with Labor Negotiator (Government Code 54957.6)
District Negotiator: Joseph Zoba, General Manager
Employee Organization: Confidential Employee Bargaining Unit
- E. Conference with Labor Negotiator (Government Code 54957.6)
District Negotiator: Joseph Zoba, General Manager
Employee Organization: Exempt Employee Bargaining Unit

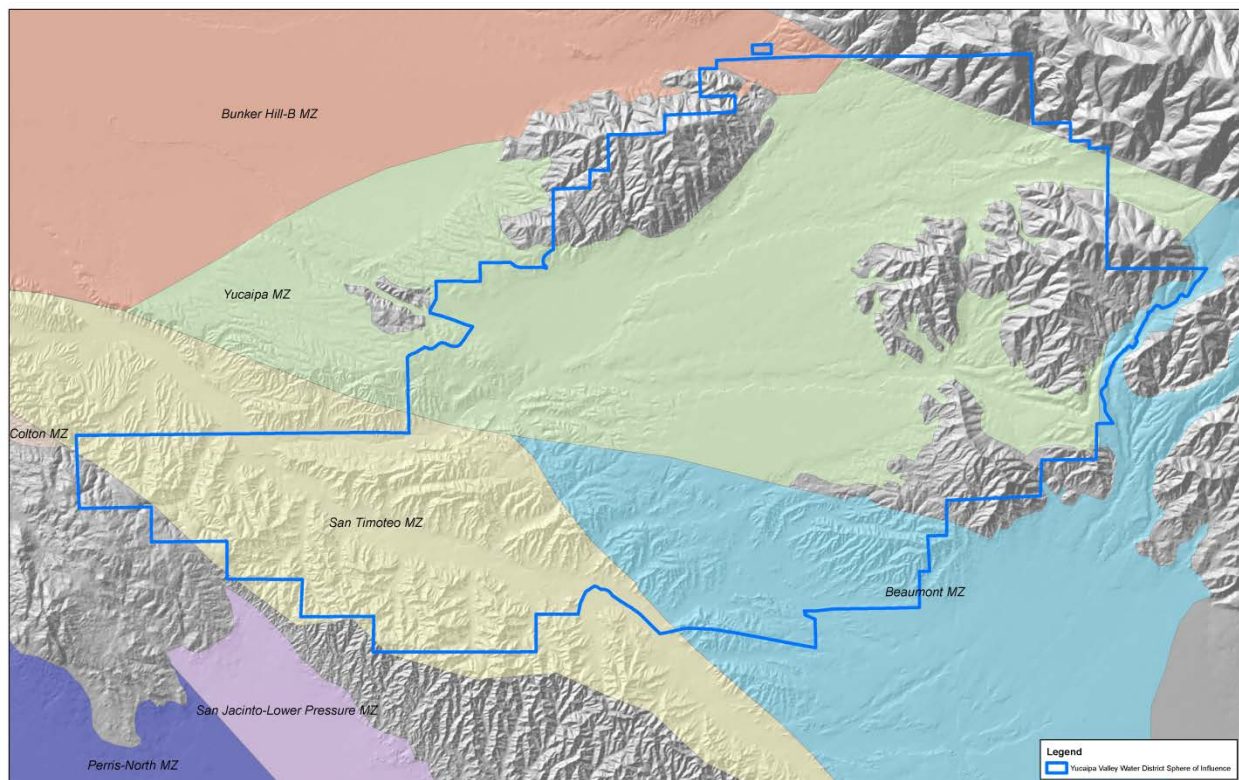
X. Adjournment

Date: April 24, 2012

Subject: Review of Draft Resolution 07-2012 Related to the Implementation of Maximum Benefit Commitments for the Beaumont Management Zone

On September 15, 2010, the Board of Directors approved a contract with DDB Engineering to assist the District staff with preparing the waste discharge application for the Wochholz Regional Water Recycling Facility. Our current recycled water waste discharge permit ([RWQCB Order No. R8-2007-0012](#)) is being updated following its recent expiration of the permit on February 2, 2012.

One of the delays in receiving an updated discharge permit has been related to the issues pertaining to the Beaumont Management Zone. On September 13, 2010, the Regional Water Quality Control Board sent a letter requiring a technical report be produced to support the Salt Management Plan for the Santa Ana Region (see page 3 of 57). After reviewing this correspondence from the Regional Board, it was clear that long-term water management in the region would be significantly enhanced if all agencies actively participated in dialogue and associated studies to ensure each future water supply plan was evaluated for potential water quality impacts.



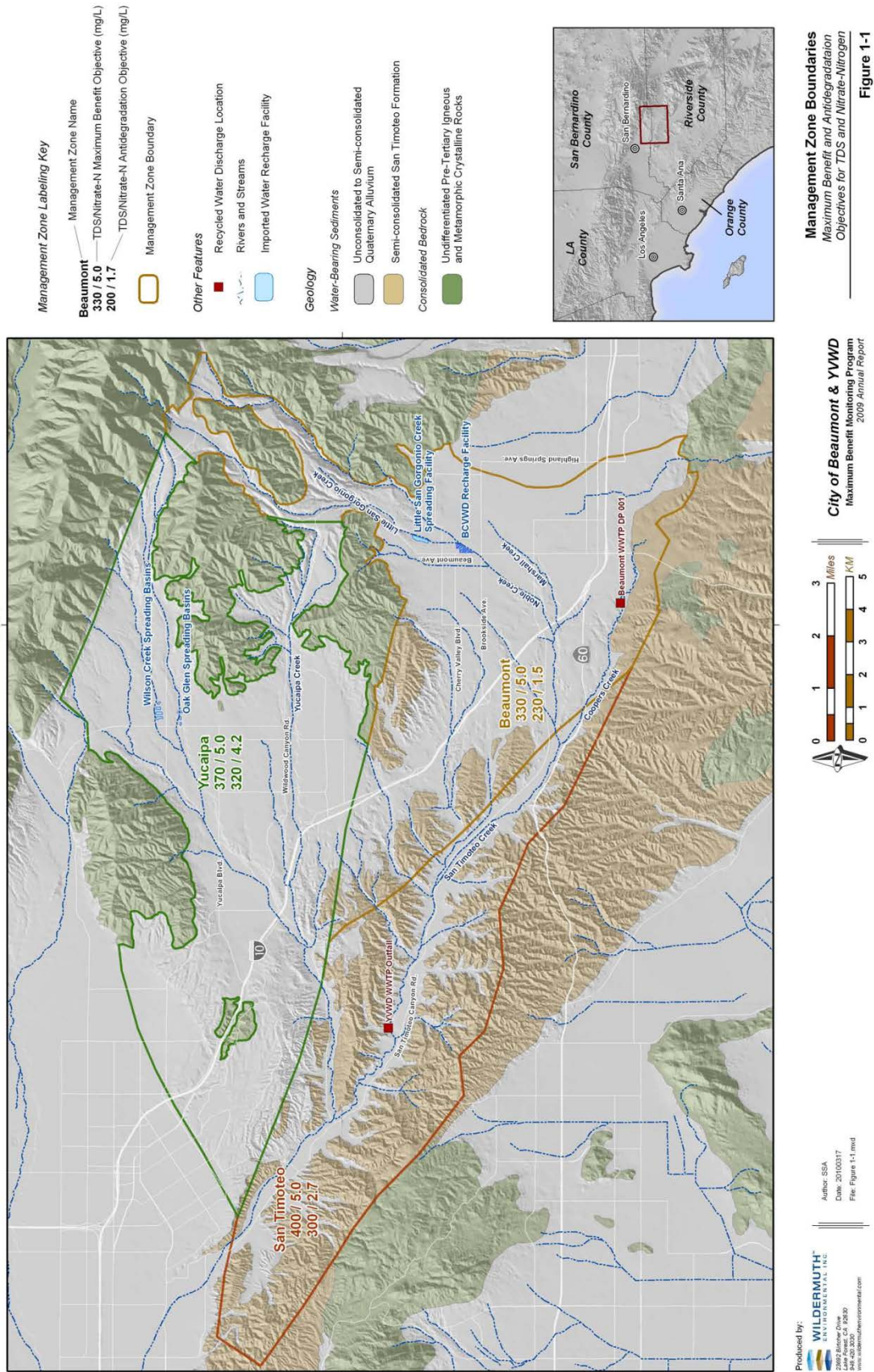
On October 6, 2010, the Board of Directors approved a proposal from Wildermuth Environmental that was designed to satisfy the requirements imposed by the Regional Water Quality Control Board [Director Memorandum 10-077].

On January 25, 2012, the District received confirmation from the Regional Water Quality Control Board accepting the multi-party implementation plan for protecting the maximum benefit commitments for the Beaumont Management Zone.

While maintaining the maximum benefit commitments are a costly endeavor, the benefit to our customers/ratepayers is significant compared to the restrictions, limitations and additional treatment required for the more restrictive antidegradation limitations of the Yucaipa, San Timoteo and Beaumont Management Zones. For example, the maximum benefit objectives for total dissolved solids for the Yucaipa, San Timoteo, and Beaumont Management Zones are 370 mg/l, 400 mg/l, and 330 mg/l respectively. The more restrictive antidegradation objectives would be 320 mg/l, 300 mg/l and 230 mg/l, as shown in the table below and the illustration on the following page.

	Beaumont Management Zone	San Timoteo Management Zone	Yucaipa Management Zone
Objectives for Total Dissolved Solids (mg/l)			
Maximum Benefit Objective	330	400	370
Antidegradation Objective	230	300	320
Objectives for Total Dissolved Solids (mg/l)			
Maximum Benefit Objective	5.0	5.0	5.0
Antidegradation Objective	1.5	2.7	4.2

The purpose of this workshop item is to discuss a draft resolution confirming the commitments made by the Yucaipa Valley Water District for maintaining the maximum benefit objectives in the Beaumont Management Zone.



RESOLUTION NO. 07-2012**A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT
AUTHORIZING THE IMPLEMENTATION OF THE REGIONAL MAXIMUM BENEFIT
COMMITMENTS FOR THE BEAUMONT MANAGEMENT ZONE**

WHEREAS, on January 22, 2004, the Santa Ana Regional Water Quality Control Board amended the Basin Plan with regard to total dissolved solids and nitrogen management in the Santa Ana River Watershed; and

WHEREAS, the Santa Ana Regional Water Quality Control Board found that appropriate beneficial use protection and maximum benefit demonstrations were made by the Yucaipa Valley Water District and the San Timoteo Watershed Management Authority based upon specific Maximum Benefit Commitments which justified "maximum benefit" objectives for the Beaumont, San Timoteo and Yucaipa Groundwater Management Zones; and

WHEREAS, with the dissolution of the San Timoteo Watershed Management Authority, it has become necessary to reevaluate the Maximum Benefit Commitments and directly assign specific responsibilities to the City of Banning, City of Beaumont, Beaumont Cherry Valley Water District, the San Gorgonio Pass Water Agency, and the Yucaipa Valley Water District for water resource management activities within the Beaumont Management Zone; and

WHEREAS, the City of Banning, Beaumont Cherry Valley Water District, San Gorgonio Pass Water Agency and the Yucaipa Valley Water District prepared and submitted a draft plan entitled *Proposed Regional Implementation of Maximum Benefit Commitments for the Beaumont Management Zone* ("Regional Plan") to the Santa Ana Regional Water Quality Control Board detailing a regional delegation of the original Maximum Benefit Commitments; and

WHEREAS, on January 23, 2012, the Santa Ana Regional Water Quality Control Board sent correspondence confirming that the proposed Regional Plan provided reasonable assurances for the protection of water quality and beneficial use within the Beaumont Management Zone which will maintain maximum benefit water quality objectives of participating agencies pursuant to the Basin Plan adopted on January 22, 2004.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Yucaipa Valley Water District hereby determines that the protection of high quality local water resources is critical for the region and therefore supports the *Regional Implementation of Maximum Benefit Commitments for the Beaumont Management Zone* in order to maintain the maximum benefit water quality objectives for the Beaumont Management Zone.

BE IT FURTHER RESOLVED that the Board of Directors directs the General Manager to finalize and execute the Regional Plan with a copy of this Resolution attached thereto.

PASSED, APPROVED and ADOPTED this 2nd day of May 2012.

YUCAIPA VALLEY WATER DISTRICT

ATTEST:

Jay Bogh, President Board of Directors

Joseph B. Zoba, General Manager



Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board Santa Ana Region

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www.waterboards.ca.gov/santaana



Arnold Schwarzenegger
Governor

September 13, 2010

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Beaumont Cherry Valley Water District
Attention: Anthony Lara
Interim General Manager
560 Magnolia Avenue
Beaumont, CA 92223

City of Beaumont
Attention: David Dillon
Director of Economic Development
550 East 6th Street
Beaumont, CA 92223

Yucaipa Valley Water District
Attention: Joe Zoba
General Manager
12770 Second Street
Yucaipa, CA 92399

**ORDER PURSUANT TO WATER CODE SECTION 13267 FOR TECHNICAL REPORTS FOR A
TECHNICAL REPORT TO SUPPORT THE IMPLEMENTATION OF THE MAXIMUM BENEFIT
OBJECTIVES FOR TOTAL DISSOLVED SOLIDS AND NITRATE NITROGEN IN THE BEAUMONT
MANAGEMENT ZONE**

Gentlemen:

This Order, issued pursuant to California Water Code section 13267, requires that you submit certain plans and schedules (collectively, reports) to evaluate the impact of discharges of total dissolved solids (TDS) and nitrogen on the Beaumont Groundwater Management Zone (Beaumont MZ). This requirement is consistent with the Salt Management Plan for the Santa Ana Region, and in particular the maximum benefit implementation plan for the Beaumont MZ, adopted by the California Regional Water Quality Control Board, Santa Ana Region (Regional Water Board) in 2004 (Resolution No. R8-2004-0001) and approved by the State Water Resources Control Board and the Office of Administrative Law in 2005.

Background of the Maximum Benefit Implementation Plan for the Beaumont MZ

On June 26, 2002, the San Timoteo Watershed Management Authority (STWMA¹) submitted a proposal to establish maximum benefit objectives for TDS and nitrate-nitrogen for the Beaumont MZ to accommodate water resource management projects, including the recharge of stormwater,

¹ The San Timoteo Watershed Management Authority (STWMA) was formed in January 2001 by the Beaumont-Cherry Valley Water District (BCVWD), the City of Beaumont (Beaumont), the South Mesa Water Company and the Yucaipa Valley Water District (YVWD). The STWMA formed a stakeholder group to develop a watershed scale water resources management program that would provide a safe and reliable water supply for all water users in the watershed. In July 2010, STWMA disbanded.

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imported State Project Water (SPW), and recycled water. The maximum benefit objectives and commitments for Beaumont MZ were based on detailed model projections and analyses conducted by Wildermuth Environmental, Inc (WEI). The modeling analysis utilized a Constantly Stirred Reactor Model (CSRM), and simulated TDS groundwater quality through 2100 resulting from the implementation of several planned scenarios, including a no project alternative and the preferred maximum benefit alternative. The preferred maximum benefit alternative assumes that 10,000 acre-ft of replenishment water will be recharged into the Beaumont MZ with a 50/50 mix of recycled water and SPW. The preferred option also assumed that 5,100 acre-ft of non-potable supply of a 50 /50 mix of SPW and recycled water would be used within the Beaumont MZ. The TDS quality of recycled water, to be provided by the City of Beaumont Wastewater Treatment Plant (WWTP), was assumed to have an average TDS concentration of 550 mg/L, and the imported water was assumed to have a TDS concentration of 290 mg/L.

The Regional Board adopted the maximum benefit proposals in 2004 (Resolution No. R8-2004-0001), assigning STWMA and the City of Beaumont the responsibility for implementing the maximum benefit commitments in the Beaumont MZ. The commitments include building desalting facilities when either of the following occurs:

- When the five-year average TDS concentration in recycled water produced by the Beaumont WWTP is 10 mg/L less than its current TDS limit (490 mg/L), or
- When the volume-weighted TDS concentration in the Beaumont MZ rises to within 10 mg/L of the maximum benefit TDS objective of 330 mg/L.

Resolution No. R8-2004-0001 also specifies similar maximum benefit implementation programs for the Yucaipa and San Timoteo MZs. Yucaipa Valley Water District (YVWD) is responsible for implementation of the maximum benefit commitments for the Yucaipa MZ, and is jointly responsible for implementing the maximum benefit commitments for the San Timoteo MZ along with the City of Beaumont and STWMA.

Permitting Issues

Since 2009, the Beaumont Cherry Valley Water District (BCVWD) has been working with Regional Board staff to obtain a recycled water permit to utilize various sources of water for non-potable use and for recharge in the Beaumont MZ. BCVWD is proposing to use recycled water from both the Yucaipa Valley Water District (YVWD) and the City of Beaumont, local groundwater, and imported SWP water. The ranges of anticipated flow and water quality for the YVWD recycled water and local groundwater for the near term (2015) and long term (2035), are described in a June 2, 2010 letter report submitted by BCVWD, which is attached as Exhibit A. These "new" sources of water – the YVWD recycled water and local groundwater – were not considered in the original model projections and analyses conducted by WEI in 2002. Therefore, the water quality impact of these "new" sources on the Beaumont MZ is unknown.

The City of Beaumont is also working with Regional Board staff to renew and update their Waste Discharge Requirements (WDRs) to increase the discharge from 4 MGD (approximately 4,484 acre-ft/year) to 8 MGD (8,968 acre-ft/year). Concurrently, YVWD has requested revisions to their WDRs to correct an error in the TDS limit for recycled water used for irrigation, and to include a provision allowing for the recharge of recycled water into the Beaumont MZ. YVWD's proposed irrigation use and recharge of recycled water in the Beaumont MZ was not considered in the original analysis by WEI, and the impact of these discharges needs to be evaluated.

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Basin Plan Amendment Issues

As previously indicated, the Basin Plan specifies that STWMA and the City of Beaumont are responsible for implementing the maximum benefit commitments related to the Beaumont MZ. However, with the dissolution of STWMA, the responsibilities for carrying out the maximum benefit commitments in the Beaumont MZ need to be re-assessed. Some STWMA members, including BCVWD, the City of Beaumont and YVWD, continue to have and/or have expressed new interest in water management activities, including the use/increased use of recycled water, in the Beaumont MZ. Given this, it is necessary to reconsider the assigned responsibilities for implementing maximum benefit commitments for the Beaumont MZ. One STWMA member, South Mesa Water Company, has no interest in the Beaumont MZ, and should not be included in the maximum benefit program. In sum, the Basin Plan needs to be revised to incorporate changes in water resource and salt management, and maximum benefit implementation in the Beaumont MZ. To do so, an updated modeling analysis is necessary. It should be noted that this analysis is necessary in any case to support current permitting requests, described above. The analysis must include an assessment of salt liabilities by these agencies under the different management scenarios so that the responsibilities for maximum benefit implementation can be properly assigned.

Required Submittals

Consistent with the Salt Management Plan, you are hereby required to submit an updated analysis for the Beaumont MZ to the Regional Water Board as soon as possible, but **no later than November 30, 2010**. The analysis must include the following:

- 1) Updated planning information for the use of all sources of water by each agency in the Beaumont MZ. This updated information shall include flow, quality, and recharge or use location;
- 2) An update of the CSR model to create 30-year TDS and nitrogen projections for the Beaumont MZ based on the full range of recycled water planning scenarios that are being considered; and
- 3) An assessment of the individual and cumulative water quality impact as a result of each agency's water management activities and calculation of the salt liability of all recycled water users in Beaumont MZ

The model analysis that is conducted must be consistent with the model analysis that was performed as part of the 2002 maximum benefit proposal.

We recommend that BCVWD, YVWD and the City of Beaumont conduct a single joint analysis. However, if each agency chooses to submit a separate analysis, it must include an assessment of all planned water uses by all agencies and include all the elements identified above.

Need for Technical Report

The Regional Water Board is charged with the protection of water quality in this Region. Unless properly managed, the discharge of salt or nitrogen as a result of water management activities in Beaumont MZ has the potential to contribute to the degradation of water quality and adversely affect beneficial uses. The technical report required by this Order is needed to determine the contribution of

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salt and nitrogen from water use and water resource management activities. The data and information will assist efforts to carry out implementation of the maximum benefit program, as set forth in the Basin Plan, in the Beaumont MZ.

Evidence Supporting the Need for the Technical Reports

Monitoring and modeling conducted to develop the maximum benefit programs demonstrated that water management activities (e.g., irrigation use and recharge of recycled water) discharge salt and nitrogen to the Beaumont MZ. The evidence demonstrating that water management activities are sources of salt and nitrogen discharges is contained in letter report from STWMA "Revised San Timoteo Watershed Management Authority proposal for new total dissolved solids (TDS) and total inorganic nitrogen (TIN) water quality objectives for the Beaumont, San Timoteo, and Yucaipa management zones based on maximum beneficial use", and Exhibit A - TDS Budget Table, June 2002, and a letter report from BCVWD "Estimated Recycled Water and Imported Water Needs to Support Groundwater Quality Evaluation", June 2010. Based on these analyses, the three agencies have discharged, or are planning discharges that do and could potentially contribute salt and nitrogen loads in Beaumont MZ.

Burden and Cost of Technical Reports

The estimated cost of a single joint analysis is \$36,000 (as reflected in the proposal to BCVWD and the City of Beaumont by WEI dated August 12, 2010). The three agencies can choose to share the cost of a single analysis and report, or prepare separate analyses and reports on their own. Logically, the cost of three separate analyses and reports will be higher. Since the analysis requires data and information from all three agencies, if the analysis is conducted separately for each agency, Regional Board staff estimates the total cost could potentially be \$36,000 per agency for a total of \$108,000.

Regardless of whether a single or combined analytical approach is selected, the costs of the technical reports required by this Order are justified. Without this information, we will not be able issue WDRs in a timely fashion. The preparation of the above report is also necessary to provide for continued implementation of the maximum benefit objectives for the Beaumont Management Zone.

Penalties

Though we are confident you will make every effort to comply with this Order in a timely manner, please be advised that pursuant to section 13268 of the California Water Code, failure to submit the required information by the specified compliance date, or falsifying any information provided therein, is a misdemeanor and may result in civil liability. Noncompliance may subject you to administrative civil liability in the amount of up to \$1,000 for each day of violation. Compliance with this Order is not a substitute for compliance with other applicable laws and does not preclude action to enforce compliance with such other laws.

Appeal

Any person affected by this action of the Regional Water Board may petition the State Water Resources Control Board (State Water Board) to review the action in accordance with section 13320 of the California Water Code and Title 23, California Code of Regulations, section 2050. The petition must be received by the State Water Board within 30 days of the date of this Order. The State Board's website (<http://www.swrcb.ca.gov/wqpetitions/index.html>) contains detailed information regarding the petition process. Copies of the law and regulations applicable to filing petitions will be provided upon request. In addition to filing a petition with the State Water Board, any person affected

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by this Order may request the Regional Water Board to reconsider this Order. To be timely, such a request must be received within 30 days of the date of this Order. Note that even if reconsideration by the Regional Water Board is sought, filing a timely petition with the State Water Board is also necessary to preserve the petitioner's legal rights. If you choose to request reconsideration of this Order or file a petition with the State Water Board, be advised that you must comply with the Order while your request for reconsideration and/or petition is being considered.

If you have any questions regarding the Order, or wish to schedule a meeting to discuss, please contact, Dr. Cindy Li, Engineering Geologist, at (951) 782-4906 or cli@waterboards.ca.gov.

Sincerely,



Joanne E. Schneider
Division Chief

cc: Regional Board
David Rice, Office of Chief Counsel, SWRCB, DavidRice@waterboards.ca.gov

Attachment: Exhibit A - Estimate of Recycled Water and Imported Water Needs in support of Groundwater Quality Evaluation for Cherry Valley Water District Recycled Water Permit

Preliminary Documentation - Subject to Modification

**Proposed Regional Implementation of
Maximum Benefit Commitments for the
Beaumont Management Zone**

Preliminary Draft
September 20, 2011

Submitted to the Santa Ana Regional Water Quality Control Board

by

City of Banning
Beaumont Cherry Valley Water District
San Geronio Pass Water Agency
Yucaipa Valley Water District

Preliminary Document - Subject to Independent Modification
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"California highly values its water resources, which are significantly limited in quantity and quality. Recurring periods of drought have demonstrated the magnitude and severity of our water quantity limitations. Improper waste management practices and contaminated sites pose significant threats to the quality of California's useable groundwater and surface water sources."

- Adapted from the State Water Resources Control Board "A Compilation of Water Quality Goals", April 2011

Background

State Water Resources Control Board - Resolution No. 68-16

On October 24, 1968, the State Water Resources Control Board adopted Resolution No. 68-16 setting a policy for maintaining high quality water resources in California. This Resolution acknowledged that the "...California Legislature has declared that it is the policy of the State that the granting of permits and licenses for unappropriated water and the disposal of wastes into the water of the State shall be so regulated as to achieve highest water quality consistent with maximum benefit to the people of the State..."

This policy set the stage for protecting the high quality waters in the State of California by resolving that,

"any activity which produces or may produce a waste or increased volume or concentration of waste and which discharges or proposes to discharge to existing high quality waters will be required to meet waste discharge requirements which will result in the best practicable treatment or control of the discharge necessary to assure that (a) a pollution or nuisance will not occur and (b) the highest water quality consistent with the maximum benefit to the people of the State will be maintained."

Santa Ana Regional Water Quality Control Board - Resolution No. R8-2004-0001

On January 22, 2004, the California Regional Water Quality Control Board, Santa Ana Region adopted Resolution No. R8-2004-0001, amending the Water Quality Control Plan for the Santa Ana River Basin incorporating an updated Total Dissolved Solids (TDS) and Nitrogen Management Plan for the Santa Ana Region, updated groundwater subbasins, revised TDS and nitrogen wasteload allocations.

During the preparation of the updated Basin Plan, stakeholders and the Regional Water Quality Control Board staff recognized that the reuse of recycled water is critical to many agencies' plans to meet the increasing water demands in the region. In some areas of the watershed, there exists assimilative capacity for the addition of TDS and/or nitrogen where wastewaters

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with higher TDS/nitrogen concentrations than the receiving waters are diluted by natural rainfall or recharge so the TDS and nitrogen objectives of the receiving waters are met. In an area like the Beaumont Management Zone, assimilative capacity did not exist for the use of recycled water use or recharge until a “maximum benefit” objective was approved. The application of a “maximum benefit” objective is contingent on the implementation of certain projects and programs by specific dischargers as part of their maximum benefit demonstration.

Groundwater Management Zone	“Maximum Benefit” Water Quality Objective	Antidegradation Water Quality Objective
Beaumont Management Zone	330 mg/l	230 mg/l
Yucaipa Management Zone	370 mg/l	320 mg/l
San Timoteo Management Zone	400 mg/l	300 mg/l

Source: California Regional Water Quality Control Board Santa Ana Region, Resolution R8-2004-0001, Table 4-1.

State of California - Recycled Water Policy

On February 3, 2009, the California State Water Resources Control Board (SWRCB) adopted a Recycled Water Policy (the “Policy”) formally declaring their mission to “preserve, enhance and restore the quality of California’s water resources to the benefit of present and future generations.”

To achieve this mission, the SWRCB encourages every region in California to develop a salt/nutrient management plan by 2014 to serve as a foundation to provide California with clean, abundant and sustainable water supplies. This goal is only accomplished by properly implementing a water resource strategy that maximizes the use of recycled water, water conservation, and the use of storm water (including dry-weather urban runoff). These water resources are viewed as drought-proof and reliable, and will generally minimize carbon footprints over the long-term.

The Recycled Water Policy formally sets forth the following goals for the State of California:

- Increase the use of recycled water over 2002 levels by at least one million acre-feet per year by 2020 and by at least two million acre-feet per year by 2030.
- Increase the use of storm water over use in 2007 by at least 500,000 acre-feet per year by 2020 and by at least one million acre-feet per year by 2030.
- Increase the amount of water conserved in urban and industrial uses by comparison to 2007 by at least 20 percent by 2020.
- Included in these goals is the substitution of as much recycled water for potable water as possible by 2030.

The SWRCB recognizes that some groundwater basins have salts and nutrients that exceed or threaten to exceed water quality objectives established in the applicable Water Quality Control Plans (Basin Plans). Therefore, it has been determined that salts and nutrients from all sources be managed on a basin-wide or watershed-wide basis in a manner that ensures attainment of water quality objectives and protection of beneficial uses.

The representatives from the Beaumont Cherry Valley Water District, the City of Banning, the San Geronio Pass Water Agency, and the Yucaipa Valley Water District support the principles established in the Recycled Water Policy adopted by the State Water Resources Control Board

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and have agreed to jointly implement a salt management strategy to protect the water resources of the Beaumont Management Zone. These participating agencies agree with the State Water Board finding that the appropriate way to address salt management issues is through the development of a regional salt management strategy equally applied amongst all recycled water users and waste discharge permits in the Beaumont Management Zone.

San Timoteo Watershed Management Authority "Maximum Benefit" Commitments

On July 2, 1990, the State Water Resources Control Board issued an administrative procedure for antidegradation policy implementation. This policy requires an antidegradation analysis to be completed to "...support all regulatory actions that, in the Regional Board's judgment, will result in a significant increase in pollutant loadings".

When undertaking an antidegradation analysis, the Regional Board would proceed as follows:

1. Compare receiving water quality to the water quality objectives established to protect designated beneficial uses:
 - a. If baseline water quality is equal to or less than the quality as defined by the water quality objective, water quality shall be maintained or improved to a level that achieves the objectives.
 - b. If baseline water quality is better than the water quality as defined by the water quality objective, the baseline water quality shall be maintained unless poorer quality is necessary to accommodate important economic or social development and is considered to be of maximum benefit to the people of the State of California.

As part of the 2004 Basin Plan adopted by the Santa Ana Regional Water Quality Control Board, a number of the agencies participating in the preparation of this Salt Management Strategy were members of the San Timoteo Watershed Management Authority ("STWMA"). The STWMA identified to the Regional Water Quality Control Board in documentation dated October 30, 2002, that California Water Code section 13241 provides for a change of water quality objectives based on the following:

"Each regional board shall establish such water quality objectives in water quality control plans as in its judgment will ensure the reasonable protection of beneficial uses and the prevention of nuisance; however, it is recognized that it may be possible for the quality of water to be changed to some degree without unreasonably affecting beneficial uses. Factors to be considered by a regional board in establishing water quality objectives shall include, but not necessarily be limited to, all of the following:

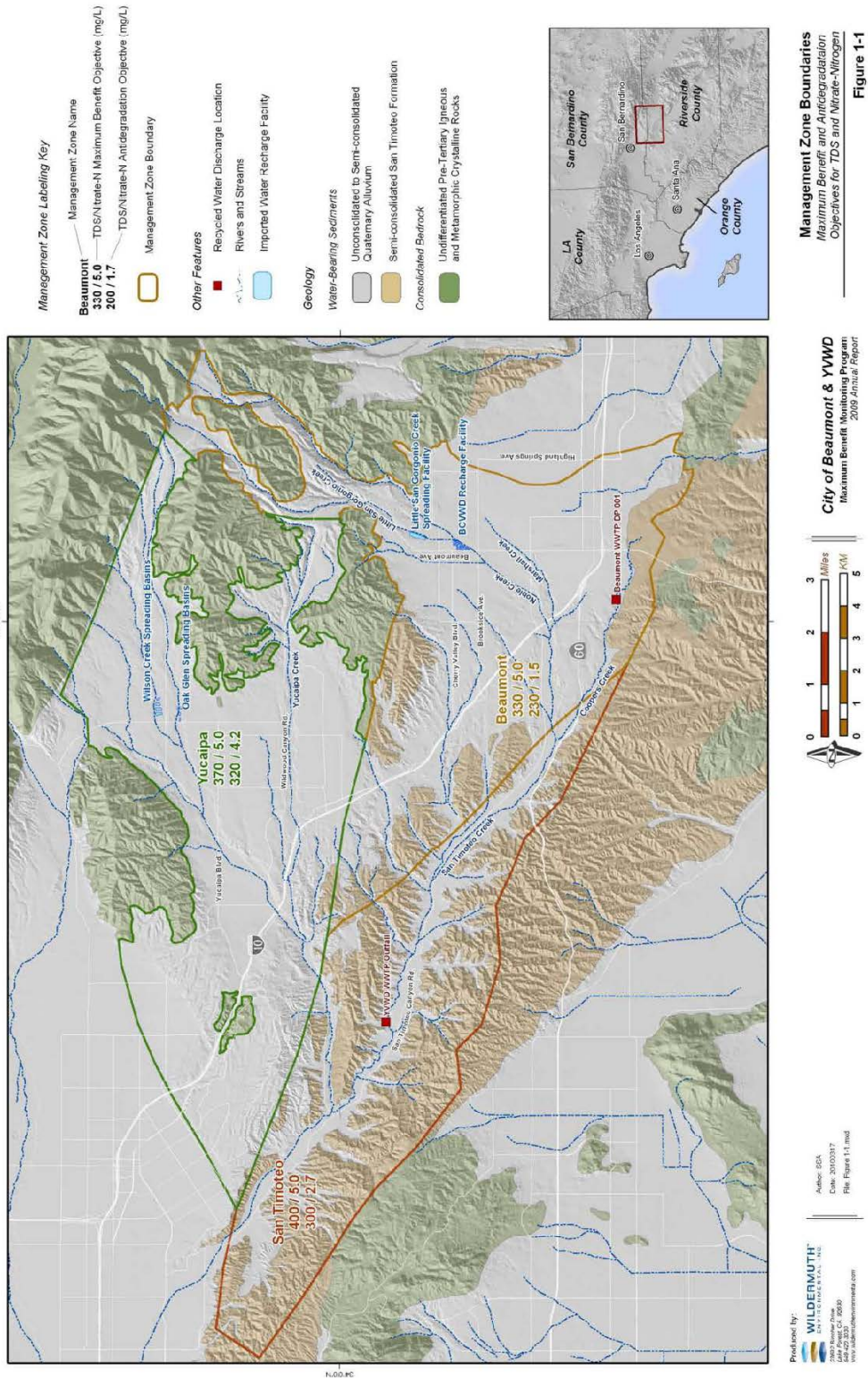
- a) Past, present, and probable future beneficial uses of water;
- b) Environmental characteristics of the hydrographic unit under consideration, including the quality of water available hereto;
- c) Water quality conditions that could reasonably be achieved through the coordinated control of all factors which affect water quality in the area;
- d) Economic considerations;
- e) The need for developing housing within the region;
- f) The need to develop and use recycled water."

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Based on this criterion, the STWMA member agencies and the Santa Ana Regional Water Quality Control Board agreed to establish maximum benefit water quality objectives for the Beaumont Management Zone as long as the irrevocable commitments made by the member agencies are fulfilled. These irrevocable commitments are specifically identified in Resolution No. R8-2004-0001 (pages 72-78).

The parties recognize that failure to fully implement the commitments will required mitigation of the adverse water quality effects, both on the immediate and downstream waters that resulted from the recycled water discharges. Furthermore, the "mitigation by groundwater extraction and desalting must be adjusted to address concentrations of salt and nitrogen in the basin, not simply salt load"

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Regional Salt Management Strategy

On September 13, 2010 the managers of the Beaumont Cherry Valley Water District, City of Beaumont and Yucaipa Valley Water District received an *Order Pursuant to Water Code Section 13267 for Technical Reports for a Technical Report to Support the Implementation of the Maximum Benefit Objectives for Total Dissolved Solids and Nitrate Nitrogen in the Beaumont Management Zone*. The Order required the preparation of a technical report that included the following elements:

1. Updated planning information for the use of all sources of water by each agency in the Beaumont Management Zone. This updated information needed to include flow, quality, and recharge or use location;
2. An update of the CSR model to create 30-year TDS and nitrogen projections for the Beaumont Management Zone based on the full range of recycled water planning scenarios that are being considered; and
- 3A. An assessment of the individual and cumulative water quality impact as a result of each agency's water management activities; and
- 3B. A calculation of the salt liability of all recycled water users in the Beaumont Management Zone.

The required elements identified above as 1., 2., and 3A. have been previously provided to the Santa Ana Regional Water Quality Control Board. This draft document has been prepared in compliance with the required element 3B. above.

Over the past several months, the agencies involved in the preparation of this document have strongly embraced the importance of maintaining high quality water resources in the Beaumont Management Zone. Since the Beaumont Management Zone does not have a large volumes of natural runoff like the Bunker Hill B Management Zone, it is important to protect the local water quality in a manner consistent with the policies of the State of California and the Basin Plan as approved by the Santa Ana Regional Water Quality Control Board.

For illustration purposes, the following graph represents the water quality objectives and 2009 current ambient water quality as water resources proceed downstream from the Beaumont Management Zone to the Orange County Management Zone.

Management Zone	Total Dissolved Solids (mg/l)		
	Water Quality Objective	Maximum Benefit Objective	2009 Current Ambient Water Quality
Beaumont	230	330	280
San Timoteo	300	400	420
Bunker Hill B	310	--	270
Colton	410	--	430
Riverside A	560	--	430
Chino - South	680	--	980
Orange County	580	--	600

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To maintain the high quality water resources of the Beaumont Management Zone, the undersigned agencies recognize the importance of fully implementing the commitments made by the San Timoteo Watershed Management Authority in order to maintain the maximum benefit objectives applied in the Beaumont Management Zone.

City of Banning:

Print Name	Signature	Date

Beaumont Cherry Valley Water District:

Print Name	Signature	Date

San Gorgonio Pass Water Agency:

Print Name	Signature	Date

Yucaipa Valley Water District:

Print Name	Signature	Date

- Surface Water Monitoring, Groundwater Monitoring and Ambient Groundwater Quality Determination.** (See Santa Ana Regional Water Quality Control Board Basin Plan, Table 5-10a, page 5-73 and 5-74, Items 1, 2, and 6)

The Beaumont Cherry Valley Water District, the City of Banning, the San Gorgonio Pass Water Agency, and the Yucaipa Valley Water District are committed to continue our active role in surface water monitoring, groundwater monitoring and the preparation of the ambient groundwater quality determinations.

To fully satisfy the maximum benefit commitment associated with surface water monitoring, groundwater monitoring and ambient groundwater quality determination, the Parties propose to jointly collect water quality samples and participate in the cost of data compilation and report preparation as provided in Exhibit C. The proposed water quality monitoring locations and tests performed will be reviewed and potential changes to the water quality protocol will be forwarded to the Regional Water Quality Control Board for review and approval every three years as part of the ambient water quality determination.

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2. **Desalter and Brineline Facilities.** (See Santa Ana Regional Water Quality Control Board Basin Plan, Table 5-10a, page 5-73, Item 3)

The Yucaipa Valley Water District is in the process of completing an extension of the Santa Ana Regional Interceptor from the San Bernardino Wastewater Treatment Plant to the Wochholz Regional Water Recycling Facility. This brineline extension (the "Yucaipa Valley Regional Brineline") and associated reverse osmosis equipment is scheduled to be completed and operational by the second quarter of 2014.

With the completion of the brineline and reverse osmosis, the "maximum benefit" objectives necessary to protect the water resources of the Beaumont Management Zone is achieved for the Yucaipa Valley Water District and users of the recycled water produced by the Wochholz Regional Water Recycling Facility.

As provided in greater detail below, compliance with this commitment will be demonstrated as follows:

- A. **Recycled Water for Irrigation Purposes** - Upon completion and operation of the Yucaipa Valley Regional Brineline and associated equipment, the Yucaipa Valley Water District will reduce the salinity of recycled water supplies to comply with a 10-year running average total dissolved solids ("TDS") concentration of 330 mg/l in the Beaumont Management Zone.

Compliance of this water quality objective will be measured in the recycled water system as a weighted average of recycled water within the management zone and will be achieved by blending imported water sources or desalting the recycled water supply. The ten-year compliance calculation would begin when recycled water from the Wochholz Regional Water Recycling Facility is first introduced into the recycled water system.

- B. **Recycled Water Recharge** - Recycled water recharge, whether it is direct or incidental, shall comply with the maximum benefit objectives of the Beaumont Management Zone. Upon completion and operation of the Yucaipa Valley Regional Brineline and associated equipment, the Yucaipa Valley Water District will reduce the salinity of our recycled water to comply with a 10-year running average total dissolved solids ("TDS") concentration of 330 mg/l in the Beaumont Management Zone.

Compliance of this water quality objective will be measured at the point of discharge and will be achieved by desalting the recycled water supply and/or blending the recycled water supply with other imported water resources.

3. **Recycled (Non-Potable) Water Supply.** (See Santa Ana Regional Water Quality Control Board Basin Plan, Table 5-10a, page 5-73, Item 4)

The Beaumont Cherry Valley Water District, the City of Banning, the San Gorgonio Pass Water Agency, and the Yucaipa Valley Water District will maintain a 10-year running average total dissolved solids concentration of 330 mg/l in the recycled (non-potable) water supplies used in the Beaumont Management Zone.

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Compliance of this water quality objective will be measured in the recycled water system as a weighted annual average concentration of all recycled water sources added to the recycled water system within the management zone. It is anticipated that an agency can comply with this "maximum benefit" commitment by blending the recycled water supply with water resources imported into the Beaumont Management Zone, imported water from the State Water Project, storm water added to the recycled water supply system, or by directly desalting the recycled water source.

4. **Recycled Water Recharge.** (See Santa Ana Regional Water Quality Control Board Basin Plan, Table 5-10a, page 5-73, Item 5)

The Beaumont Cherry Valley Water District, the City of Banning, the San Geronio Pass Water Agency, and the Yucaipa Valley Water District recognize the importance of maintaining the pure water resources in the Beaumont Management Zone. Therefore, the Parties will recharge recycled water, whether direct or incidental; in compliance with a 10-year running average of 330 mg/l total dissolved solids for the recharge of waters within the boundary of the Beaumont Management Zone.

Compliance of this water quality objective will be measured at the point of discharge to calculate the representative water quality and quantity recharged within the definitive recharge facility property/parcel boundary. The "maximum benefit" water quality objective at the recharge property/parcel is expected to be achieved by desalting the recycled water supply and/or blending recycled water with water resources added to the recharge facility such as imported water from outside the Beaumont Management Zone, imported water from the State Water Project, or storm water captured at the recharge facility. In all cases the quantity and quality of the water supplies recharged will be monitored and reported.

In cases whereby multiple Parties propose to recharge recycled water in the same recharge facility property/parcel boundary, each individual agency will separately demonstrate independent compliance with the maximum benefit objective. A comprehensive annual report will be compiled by the participating agencies demonstrating compliance with the maximum objective within the recharge facility property/parcel boundary by each agency.

The preparation of this document is based on a concept of consistent implementation of water quality objectives throughout the watershed. The Parties request permit language that provides an opportunity to ensure a consistent and uniform approach is applied to the implementation of waste discharge requirements in the region.

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Santa Ana Regional Water Quality Control Board Basin Plan

The 1995 Water Quality Control Plan for the Santa Ana River Basin (Region 8) was updated in February 2008 with minor, nonsubstantive editorial corrections made to Chapter 4 in June 2011. Attached for reference are pages 5-71 to 5-81.

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2. San Timoteo and Beaumont Management Zones – City of Beaumont and San Timoteo Watershed Management Authority (STWMA)

As shown in Chapter 4, two sets of TDS and nitrate-nitrogen objectives have been adopted for both the San Timoteo and Beaumont Management Zones: the “maximum benefit” objectives and objectives based on historic ambient quality (the “antidegradation” objectives). The application of the “maximum benefit” objectives for these Management Zones is contingent on the implementation of commitments by the City of Beaumont/STWMA (and, in the case of the San Timoteo Management Zone, by the Yucaipa Valley Water District (YVWD; see preceding discussion)) to implement a specific water and wastewater resources management program [Ref. 10E]. This program is part of a coordinated effort by the member agencies of STWMA to develop and implement projects that will assure reliable water supplies to meet rapidly increasing demands in this area. The San Timoteo Watershed Management Program (STWMP) developed by STWMA entails enhanced recharge of native and recycled water, maximizing the direct use of recycled water, optimizing the direct use of imported water, recharge and conjunctive use.

Wastewater collection and treatment services in the STWMA service area are provided by the City of Beaumont, as well as YVWD. Beaumont discharges tertiary treated wastewater to Coopers Creek, a tributary of San Timoteo Creek, Reach 3. This unlined reach of the Creek overlies and recharges the San Timoteo groundwater management zone.

Table 5-10a identifies the projects and requirements that must be implemented by Beaumont/STWMA to demonstrate that water quality consistent with maximum benefit to the people of the state will be maintained. STWMA, acting for all its member agencies, has committed to conduct the regional planning and monitoring activities necessary to implement these “maximum benefit” commitments, and the San Timoteo Watershed Management Program as a whole. Table 5-10a also specifies an implementation schedule. The Regional Board will revise the City of Beaumont’s waste discharge requirements and take other actions as necessary to require that these commitments be met. It is assumed that maximum benefit is demonstrated, and that the “maximum benefit” water quality TDS and nitrate-nitrogen objectives apply to the Beaumont and San Timoteo Management Zones, as long as the schedule is being met⁷. If the Regional Board determines that the maximum benefit program is not being implemented effectively in accordance with the schedule shown in Table 5-10a (and in the case of the San Timoteo Management Zone, the commitments and schedule shown in Table 5-9a (see preceding section)), then maximum benefit is not demonstrated, and the “antidegradation” TDS and nitrate-nitrogen objectives apply. In this situation, the Regional Board will require mitigation for TDS and nitrate-nitrogen discharges

⁷ Application of “maximum benefit” objectives for the San Timoteo Management Zone is also contingent on the timely implementation of the commitments by the Yucaipa Valley Water District which are discussed in the preceding section.

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affecting these management zones that took place in excess of limits based on the “antidegradation” objectives.

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Table 5-10a

City of Beaumont and San Timoteo Watershed Management Authority
Maximum Benefit Commitments

Description of Commitment	Compliance Date – as soon as possible, but no later than
<p>1. Surface Water Monitoring Program</p> <ul style="list-style-type: none"> a. Submit Draft Monitoring Program to Regional Board b. Implement Monitoring Program c. Quarterly data report submittal d. Annual data report submittal 	<ul style="list-style-type: none"> a. January 23, 2005 b. Within 30 days from Regional Board approval of monitoring plan c. April 15, July 15, October 15, January 15 d. February 15th
<p>2. Groundwater Monitoring Program</p> <ul style="list-style-type: none"> a. Submit Draft Monitoring Program to Regional Board b. Implement Monitoring Program c. Annual data report submittal 	<ul style="list-style-type: none"> a. January 23, 2005 b. Within 30 days from Regional Board approval of monitoring plan c. February 15th
<p>3. Desalter(s) and Brine Disposal Facilities</p> <p>Submit plan and schedule for construction of desalter(s) and brine disposal facilities. Facilities are to be operational as soon as possible but no later than 7 years from date of Regional Board approval of plan/schedule.</p> <ul style="list-style-type: none"> b. Implement the plan and schedule 	<ul style="list-style-type: none"> a. Within 6 months of either of the following: <ul style="list-style-type: none"> i. When Beaumont’s effluent 5-year running average TDS exceeds 480 mg/L; and/or ii. When volume weighted average concentration in the Yucaipa MZ of TDS exceeds 320 mg/L b. Within 30 days from Regional Board approval of monitoring plan
<p>4. Non-potable water supply</p> <p>Implement non-potable water supply system to serve water for irrigation purposes. The non-potable supply shall comply with a 10-year running average TDS concentration of 330 mg/L or less</p>	<p>December 23, 2014</p>

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Description of Commitment	Compliance Date – as soon as possible, but no later than
<p>5. Recycled water recharge</p> <p>The recharge of recycled water in the Beaumont or San Timoteo Management Zones shall be limited to the amount that can be blended with other recharge sources to achieve a 5-year running average equal to or less than the “maximum benefit” objectives for TDS and nitrate-nitrogen for the relevant Management Zone(s).</p> <ul style="list-style-type: none"> a. Submit baseline report of amount, locations, and TDS and nitrogen quality of stormwater/imported water recharge. b. Submit documentation of amount, TDS and nitrogen quality of all sources of recharge and recharge locations. For stormwater recharge used for blending, submit documentation that the recharge is the result of City of Beaumont/STWMA enhanced recharge facilities/programs 	<p>Compliance must be achieved by end of 5th year after initiation of recycled water use/recharge operations.</p> <ul style="list-style-type: none"> a. Prior to initiation of construction of basins/other facilities to support enhanced storm/water imported water recharge . b. Annually, by January 15th, after initiation construction of facilities/implementation of programs to support enhanced recharge.
<p>6. Ambient groundwater quality determination</p>	<p>July 1, 2005 and every 3 years thereafter</p>
<p>7. Replace denitrification facilities (if necessary to comply with TIN wasteload allocation specified in Table 5-5)</p>	<p>Compliance with 6 mg/L TIN limitation to be achieved by December 23, 2007</p>
<p>8. City of Beaumont recycled water quality Improvement plan and schedule</p> <ul style="list-style-type: none"> a. Submit plan and schedule b. Implement plan and schedule 	<ul style="list-style-type: none"> a. 60 days after the TDS 12-month running average effluent quality equals or exceeds 480 mg/L for 3 consecutive months and/or the 12-month running average TIN concentration equals or exceeds 6 mg/L in any month (once facility/operational changes needed to achieve 6 mg/L TIN are in place) b. Upon approval by Regional Board
<p>9. Remove/reduce the discharge of Beaumont Effluent From the unlined portion of San Timoteo Creek</p> <ul style="list-style-type: none"> a. Submit proposed plan/schedule b. Implement plan/schedule 	<ul style="list-style-type: none"> a. June 23, 2005 b. Upon Regional Board approval

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A. Description of City of Beaumont, San Timoteo Watershed Authority Commitments

1. Surface Water Monitoring Program (Table 5-10a, #1)

The City of Beaumont and the STWMA shall develop and submit for Regional Board approval a surface water monitoring program for San Timoteo, Little San Gorgonio and Noble Creeks at the locations listed in Table 5-10b. The monitoring program must be implemented within 30 days of Regional Board approval of the monitoring plan, and six months of data must be generated prior to the implementation of any changes to the effluent discharge points and before any recycled water is used in the Beaumont or San Timoteo Management Zones.

At a minimum, the surface water monitoring program shall include the collection of monthly measurements of TDS and nitrogen components at locations in San Timoteo, Little San Gorgonio and Noble Creeks (see Table 5-10b). Data reports shall be submitted to the Regional Board's Executive Officer by April 15, July 15, October 15 and January 15 each year. An annual report summarizing all data collected for the year and evaluating compliance with relevant surface water objectives shall be submitted February 15th of each year.

2. Groundwater Monitoring Program (Table 5-10a, #2)

The purpose of the groundwater monitoring program is to identify the effects of the implementation of the Beaumont and San Timoteo Management Zone maximum benefit TDS and nitrate-nitrogen water quality objectives on water levels and water quality within the Beaumont and San Timoteo Management Zones. Prior to discharge of recycled water to the Beaumont and/or San Timoteo Management Zone, the City of Beaumont and the STWMA shall submit to Regional Board for approval a groundwater monitoring program to determine ambient water quality in the Beaumont and San Timoteo Management Zones. The groundwater monitoring program must be implemented within 30 days of approval by the Regional Board.

An annual report, including all raw data and summarizing the results of the approved groundwater monitoring program, shall be submitted to the Regional Board by February 15th of each year.

3. Desalters and Brine Disposal (Table 5-10a, #3)

The City of Beaumont and the STWMA shall construct and operate desalting facilities and brine disposal facilities when:

- a. The 5-year running average TDS concentration in recycled water produced at the City of Beaumont wastewater treatment plant exceeds 480 mg/L, or
- b. The volume-weighted TDS concentration in the Beaumont Management Zone equals or exceeds 320 mg/L.

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The construction of these facilities will be in accordance with a plan and schedule submitted by Beaumont/STWMA and approved by the Regional Board. The schedule shall assure that these facilities are in place within 7 years of Regional Board approval. These facilities shall be designed to stabilize or reverse the degradation trend evidenced by effluent and/or management zone quality.

Table 5 – 10b

Surface Water Monitoring Sites for Monitoring Water Quality and Quantity
City of Beaumont & San Timoteo Watershed Management Authority

Site Name	Discharge	Owner	Type	Discharge Frequency	Monitoring Period	Water Quality Monitoring		
						Frequency	Period	Analyses
Above confluence With Coopers Cr.	San Timoteo Creek	Beaumont & STWMA	Total Discharge	Bi-weekly	Jan-Dec	Bi-weekly	Jan-Dec	TDS, TIN, Physical
Near Hinda Sec.35 T2S,R2W	San Timoteo Creek	Beaumont & STWMA	Total Discharge	Bi-weekly	Jan-Dec	Bi-weekly	Jan-Dec	TDS, TIN, Physical
Above confluence With San Timoteo Creek	Coopers Creek	Beaumont & STWMA	Total Discharge	Bi-weekly	Jan-Dec	Bi-weekly	Jan-Dec	TDS, TIN, Physical
At Freeway 10	Little San Gorgonio Cr.	Beaumont & STWMA	Total Discharge	Bi-weekly	Jan-Dec	Bi-weekly	Jan-Dec	TDS, TIN, Physical
At Freeway 10	Noble Creek	Beaumont & STWMA	Total Discharge	Bi-weekly	Jan-Dec	Bi-weekly	Jan-Dec	TDS, TIN, Physical
Recharged to Beaumont MZ	State Water Project	Beaumont & STWMA	Total Discharge	Bi-weekly	Jan-Dec	Monthly	Jan-Dec	TDS, Nitrate-N
Recharged to Beaumont MZ	Storm water	Beaumont & STWMA	Total Discharge	Bi-weekly	Jan-Dec	Monthly	Jan-Dec	TDS, Nitrate-N

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4. Non-potable water supply distribution system (Table 5-10a, #4)

Like YVWD, the City of Beaumont is constructing a non-potable water system that will convey untreated State Project water and recycled water for irrigation within its service area. The intent of blending these sources is to minimize the impact of recycled water use on groundwater quality in the proposed Beaumont and San Timoteo Management Zones. A higher proportion of State Project water will be used in wet, surplus years, while larger amounts of recycled water will be used in dry, deficit years.

5. Recycled Water Use (Table 5-10a, #5)

The use of recycled water within the Beaumont Management Zone is a critical component of the City of Beaumont and STWMA water management plan and is necessary to maximize the use of the water resources of the Beaumont area.

The demonstration of "maximum benefit" and the continued application of the "maximum benefit" objectives depends on the combined recharge (recycled water, imported water, storm water) to the Beaumont Management Zone of a 5-year annual average (running average) TDS concentration of 330 mg/L and a nitrate-nitrogen concentration of 5 mg/L. If recycled water recharge in the San Timoteo Management Zone is pursued, then the application of the "maximum benefit" objectives will depend on the combined recharge to that Zone of 5-year annual average (running average) concentrations of 400 mg/L or less TDS, and 5 mg/L or less nitrate-nitrogen.

To comply with this requirement, the STWMA member agencies are developing plans to recharge and store State Project water in the proposed Beaumont Management Zone. The Beaumont-Cherry Valley Water District (BCVWD) is developing a new 80-acre groundwater recharge project that will increase storm water recharge in the Beaumont Basin by 4,100 acre-ft/yr. This facility will also be used to recharge State Water project water. The City of Beaumont is also developing storm water recharge in facilities in newly developing areas, which is expected to result in the recharge of an additional 2,400 acre-ft/yr of stormwater runoff.

Accordingly, the use of recycled water for use or recharge in the Beaumont or San Timoteo Management Zone shall be limited to the amount that can be blended on a volume-weighted basis with other sources of recharge to achieve 5-year running average concentrations less than or equal to the "maximum benefit" objectives for the affected groundwater management zone. The 25% nitrogen loss coefficient will be applied in determining the amount of recharge of other water sources that must be achieved to meet the 5-year running average nitrogen concentrations.

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6. Ambient Groundwater Quality Determination (Table 5-10a, # 6)

By July 1, 2005, and every three years thereafter, the City of Beaumont and STWMA shall submit a determination of ambient TDS and nitrate-nitrogen quality in the Beaumont and San Timoteo Management Zones. This determination shall be accomplished using methodology consistent with the calculation (20-year running averages) used by the Nitrogen /TDS Task Force to develop the TDS and nitrate-nitrogen "antidegradation" water quality objectives for groundwater management zones within the region [Ref. 1].

7. Replacement/modification of denitrification facilities (Table 5-10a, #7)

The City of Beaumont has committed to produce recycled water with a 12-month average TIN concentration of 6 mg/L or less by 2008. This may be accomplished via operational changes, or may require the installation/modification of facilities. This TIN effluent quality is specified in the TIN wasteload allocation (see Table 5-5) and is necessary to assure compliance with the proposed "maximum benefit" nitrate-nitrogen objective for the Beaumont and San Timoteo Management Zones (5 mg/L). An appropriate schedule, not to exceed December 23, 2007 for compliance with this effluent limit will be specified in a revised NPDES permit for the City.

8. City of Beaumont Wastewater Management (Table 5-10a, #8)

Beaumont expects to limit the TDS concentration in its effluent to less than or equal to 490 mg/L by using a low TDS source water supply for potable uses, selective desalting of either source water and/or recycled waters, and minimizing the TDS waste increment.

Within 60 days after the Beaumont 12-month running average concentration for TDS equals or exceeds 480 mg/L for 3 consecutive months, or the 12-month running average TIN concentration equals or exceeds 6 mg/L in any month (once facility/operational changes needed to achieve 6 mg/L TIN are in place), the City of Beaumont shall submit to the Regional Board a plan and time schedule for implementation of measures to insure that the average agency wastewater effluent quality does not exceed 490 mg/L and 6 mg/L for TDS and TIN, respectively. The plan and schedule are to be implemented upon approval by the Regional Board.

9. Relocation of San Timoteo Creek Discharge (Table 5-10a, #9)

Like YVWD, Beaumont has established the goal of eliminating its discharge to the unlined reach of San Timoteo Creek by 2008 to minimize the impacts of these discharges on the San Timoteo Management Zone. The STWMP anticipates that Beaumont's recycled water will be almost completely reused within the Beaumont area for landscape irrigation, habitat enhancement, and potentially for groundwater recharge. Like YVWD, Beaumont and STWMA are also considering the export of a portion of Beaumont's surplus recycled water to the San Jacinto basin, where the

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TDS objectives are higher than those for the Beaumont Management Zone and recycled water demands are greater than supplies. Some limited recycled water discharge to Coopers Creek and thence /San Timoteo Creek may need to be continued to support existing riparian habitat.

Whole or partial removal of the discharge from the unlined reach of San Timoteo Creek would improve the quality of groundwater in the San Timoteo Management Zone and supplement recycled water supplies available for reuse elsewhere in the service area.

By June 23, 2005, Beaumont/STWMA shall submit a proposed plan and schedule to remove/reduce the discharge of recycled water to the unlined reach of San Timoteo Creek. The plan and schedule shall be implemented upon Regional Board approval.

B. Implementation by Regional Board

1. Revision of City of Beaumont NPDES Permit

To implement the "maximum benefit" objectives, the Regional Board will revise the NPDES permit for the City of Beaumont wastewater discharge to reflect the commitments described above, as appropriate. This includes the following.

The discharge limits for TDS and TIN will be specified as an annual volume-weighted average not to exceed 490 mg/L TDS and 6 mg/L TIN. These limits are based on the wasteload allocation shown in Table 5-5. A schedule not to exceed December 23, 2007 for compliance with this TIN limit shall be included in the permit. This schedule will enable Beaumont to make the necessary facility/operational changes. Alternative TDS and nitrate-nitrogen limitations based on the "antidegradation" objectives will also be specified and will apply should the Regional Board find that maximum benefit is not demonstrated. These alternative limits are also specified in Table 5-5. Compliance schedules for these alternative limits will be specified in Beaumont's waste discharge requirements, as necessary.

Beaumont will be required to implement measures to improve effluent quality when the 12-month running average effluent TDS quality equals or exceeds 480 mg/L for 3 consecutive months, and/or when the 12-month running average TIN concentration equals or exceeds 6 mg/L in any month (once the facility/operational changes necessary to assure compliance with the 6 mg/L limit are in place).

Beaumont's waste discharge requirements will require that recycled water used for recharge shall be limited to the amount that can be blended with other water sources, such as stormwater or imported water, to achieve 5-year running average concentrations equal to or less than the "maximum benefit" TDS and nitrate-nitrogen objectives for the affected management zone (Beaumont or San Timoteo).

The effluent limits for the City of Beaumont, which establish an upper limit on TDS and TIN concentrations of recycled water discharged in the management zones, are

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a key part of the maximum benefit demonstration. The cap on effluent TDS and TIN concentrations provides a controlling point for management of TDS and nitrogen water quality. The City of Beaumont has committed to initiate the building of a groundwater desalter and brine disposal line when the TDS in the City's effluent reaches 480 mg/L. Further, the City will immediately implement a salt management program to reduce the salts entering the City's wastewater treatment plant. This salt management program will include: 1) provision of incentives for the removal of on-site regenerative water softeners and the use of off-site regenerative systems; and 2) percolation of State Water Project water into the Beaumont Management Zone when State Water Project water has low TDS. Implementing these measures will assure that the groundwater quality remains at or below the Beaumont management zone objective of 330 mg/L TDS. Maintenance of this ambient groundwater quality is necessary, in turn, to assure that the City's wastewater treatment facility is able to meet the effluent TDS limits. Beaumont Management Zone groundwater is a component of the water supplied to the City and its quality thus has an important effect on the effluent quality. Poor ambient quality will preclude the City from meeting effluent limits without desalting.

Beaumont will be required to submit a proposed plan and schedule for the removal/reduction of its wastewater discharges from the unlined reach of San Timoteo Creek. Beaumont's revised permit will also reflect the surface and groundwater monitoring program requirements described above. This includes the determination of ambient quality in the San Timoteo and Beaumont Management Zones.

2. Review of Project Status

No later than 2005, and every three years thereafter (to coincide with the Regional Board's triennial review process), the Regional Board intends to review the status of the activities planned and executed by the City of Beaumont and STWMA to demonstrate maximum benefit and justify continued implementation of the "maximum benefit" water quality objectives. This review is intended to determine whether the commitments specified above and summarized in Table 5-10a are met. As indicated above, if, as a result of this review, the Regional Board finds that the City of Beaumont and STWMA commitments are not met and after consideration at a duly noticed Public Hearing, the Regional Board will make a finding that the lowering of water quality associated with TDS and nitrate-nitrogen water quality objectives that are higher than historical water quality (the "antidegradation" objectives) is not of maximum benefit to the people of the state. By default, the scientifically derived "antidegradation" objectives for the Beaumont and San Timoteo Management Zones would become effective (230 mg/L TDS and 1.5 mg/L nitrate-nitrogen for the Beaumont Management Zone; 300 mg/L TDS and 2.7 mg/L nitrate-nitrogen for the San Timoteo Management Zone (see Chapter 4).

Furthermore, in the event that the projects and actions specified in Table 5-10a are not implemented, the Regional Board will require that the City of Beaumont and STWMA mitigate the adverse water quality effects, both on the immediate and

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downstream waters, that resulted from the recycled water discharges based on the "maximum benefit" objectives. As for CBW/IEUA and YVWD, discharges in excess of the antidegradation objectives that must be considered for mitigation include both recycled water and imported water, at TDS concentrations in excess of the antidegradation objectives. Mitigation by groundwater extraction and desalting must be adjusted to address concentrations of salt and nitrogen in the basin, not simply salt load.

(End of Salt Management Plan Section) (End of Resolution R8-2004-0001)

NONPOINT SOURCE PROGRAM

Considerable improvements in water quality have been achieved in the nation through the control of point source discharges such as those from sewage treatment plants or industrial facilities. It is now recognized that in many areas, nonpoint source inputs, such as urban nuisance flows and stormwater runoff, are the principal sources of contaminant inputs to surface and groundwaters.

In contrast to point sources, which discharge wastewater of predictable quantity and quality at a discrete point (usually at the end of a pipe), nonpoint source inputs are diffuse in origin and variable in quality. Management of nonpoint source inputs is in many ways more difficult to achieve, since it requires an array of control techniques customized to local watershed conditions.

Nonpoint Source Management Plan

Section 319 of the 1987 amendments to the Clean Water Act (33 USC 466 *et seq.*), established the framework for nonpoint source activities. Section 319 requires each state to prepare a Nonpoint Source Management Plan and to conduct an assessment of the impact nonpoint sources have on the state's waterbodies. In response to these requirements, the State Board adopted the Nonpoint Source Management Plan (NPSMP) in 1988 and the Water Quality Assessment in 1990 (see Chapter 6 for a discussion of the Water Quality Assessment). The NPSMP establishes a statewide policy for managing nonpoint source inputs to California's waters and is part of this Basin Plan.

The State Board defined six objectives of the Nonpoint Source Management Plan, four of which apply to activities in the Santa Ana Region:

1. Initiate and institutionalize activities for control of nonpoint source pollution (drainage from urban activities, agriculture, silviculture, abandoned mines construction, grazing, hydrologic modification, and individual disposal systems). These activities include outreach, education, public participation, technical assistance, financial assistance, interagency coordination, and demonstration projects.

IMPLEMENTATION

5-81

January 24, 1995
Updated February 2008

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September 18, 2011

Exhibit B

**Order Pursuant to Water Code Section 13267 for Technical Reports
for a Technical Report to Support the Implementation of the
Maximum Benefit Objectives for Total Dissolved Solids and
Nitrate Nitrogen in the Beaumont Management Zone**

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September 18, 2011

Exhibit B



Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board Santa Ana Region

3737 Main Street, Suite 500, Riverside, California 92501-3348
Phone (951) 782-4130 • FAX (951) 781-6288 • TDD (951) 782-3221
www.waterboards.ca.gov/santaana



Arnold Schwarzenegger
Governor

September 13, 2010

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Beaumont Cherry Valley Water District
Attention: Anthony Lara
Interim General Manager
560 Magnolia Avenue
Beaumont, CA 92223

City of Beaumont
Attention: David Dillon
Director of Economic Development
550 East 6th Street
Beaumont, CA 92223

Yucaipa Valley Water District
Attention: Joe Zoba
General Manager
12770 Second Street
Yucaipa, CA 92399

**ORDER PURSUANT TO WATER CODE SECTION 13267 FOR TECHNICAL REPORTS FOR A
TECHNICAL REPORT TO SUPPORT THE IMPLEMENTATION OF THE MAXIMUM BENEFIT
OBJECTIVES FOR TOTAL DISSOLVED SOLIDS AND NITRATE NITROGEN IN THE BEAUMONT
MANAGEMENT ZONE**

Gentlemen:

This Order, issued pursuant to California Water Code section 13267, requires that you submit certain plans and schedules (collectively, reports) to evaluate the impact of discharges of total dissolved solids (TDS) and nitrogen on the Beaumont Groundwater Management Zone (Beaumont MZ). This requirement is consistent with the Salt Management Plan for the Santa Ana Region, and in particular the maximum benefit implementation plan for the Beaumont MZ, adopted by the California Regional Water Quality Control Board, Santa Ana Region (Regional Water Board) in 2004 (Resolution No. R8-2004-0001) and approved by the State Water Resources Control Board and the Office of Administrative Law in 2005.

Background of the Maximum Benefit Implementation Plan for the Beaumont MZ

On June 26, 2002, the San Timoteo Watershed Management Authority (STWMA¹) submitted a proposal to establish maximum benefit objectives for TDS and nitrate-nitrogen for the Beaumont MZ to accommodate water resource management projects, including the recharge of stormwater,

¹ The San Timoteo Watershed Management Authority (STWMA) was formed in January 2001 by the Beaumont-Cherry Valley Water District (BCVWD), the City of Beaumont (Beaumont), the South Mesa Water Company and the Yucaipa Valley Water District (YVWD). The STWMA formed a stakeholder group to develop a watershed scale water resources management program that would provide a safe and reliable water supply for all water users in the watershed. In July 2010, STWMA disbanded.

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imported State Project Water (SPW), and recycled water. The maximum benefit objectives and commitments for Beaumont MZ were based on detailed model projections and analyses conducted by Wildermuth Environmental, Inc (WEI). The modeling analysis utilized a Constantly Stirred Reactor Model (CSRModel), and simulated TDS groundwater quality through 2100 resulting from the implementation of several planned scenarios, including a no project alternative and the preferred maximum benefit alternative. The preferred maximum benefit alternative assumes that 10,000 acre-ft of replenishment water will be recharged into the Beaumont MZ with a 50/50 mix of recycled water and SPW. The preferred option also assumed that 5,100 acre-ft of non-potable supply of a 50 /50 mix of SPW and recycled water would be used within the Beaumont MZ. The TDS quality of recycled water, to be provided by the City of Beaumont Wastewater Treatment Plant (WWTP), was assumed to have an average TDS concentration of 550 mg/L, and the imported water was assumed to have a TDS concentration of 290 mg/L.

The Regional Board adopted the maximum benefit proposals in 2004 (Resolution No. R8-2004-0001), assigning STWMA and the City of Beaumont the responsibility for implementing the maximum benefit commitments in the Beaumont MZ. The commitments include building desalting facilities when either of the following occurs:

- When the five-year average TDS concentration in recycled water produced by the Beaumont WWTP is 10 mg/L less than its current TDS limit (490 mg/L), or
- When the volume-weighted TDS concentration in the Beaumont MZ rises to within 10 mg/L of the maximum benefit TDS objective of 330 mg/L.

Resolution No. R8-2004-0001 also specifies similar maximum benefit implementation programs for the Yucaipa and San Timoteo MZs. Yucaipa Valley Water District (YVWD) is responsible for implementation of the maximum benefit commitments for the Yucaipa MZ, and is jointly responsible for implementing the maximum benefit commitments for the San Timoteo MZ along with the City of Beaumont and STWMA.

Permitting Issues

Since 2009, the Beaumont Cherry Valley Water District (BCVWD) has been working with Regional Board staff to obtain a recycled water permit to utilize various sources of water for non-potable use and for recharge in the Beaumont MZ. BCVWD is proposing to use recycled water from both the Yucaipa Valley Water District (YVWD) and the City of Beaumont, local groundwater, and imported SWP water. The ranges of anticipated flow and water quality for the YVWD recycled water and local groundwater for the near term (2015) and long term (2035), are described in a June 2, 2010 letter report submitted by BCVWD, which is attached as Exhibit A. These "new" sources of water – the YVWD recycled water and local groundwater – were not considered in the original model projections and analyses conducted by WEI in 2002. Therefore, the water quality impact of these "new" sources on the Beaumont MZ is unknown.

The City of Beaumont is also working with Regional Board staff to renew and update their Waste Discharge Requirements (WDRs) to increase the discharge from 4 MGD (approximately 4,484 acre-ft/year) to 8 MGD (8,968 acre-ft/year). Concurrently, YVWD has requested revisions to their WDRs to correct an error in the TDS limit for recycled water used for irrigation, and to include a provision allowing for the recharge of recycled water into the Beaumont MZ. YVWD's proposed irrigation use and recharge of recycled water in the Beaumont MZ was not considered in the original analysis by WEI, and the impact of these discharges needs to be evaluated.

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Basin Plan Amendment Issues

As previously indicated, the Basin Plan specifies that STWMA and the City of Beaumont are responsible for implementing the maximum benefit commitments related to the Beaumont MZ. However, with the dissolution of STWMA, the responsibilities for carrying out the maximum benefit commitments in the Beaumont MZ need to be re-assessed. Some STWMA members, including BCVWD, the City of Beaumont and YVWD, continue to have and/or have expressed new interest in water management activities, including the use/increased use of recycled water, in the Beaumont MZ. Given this, it is necessary to reconsider the assigned responsibilities for implementing maximum benefit commitments for the Beaumont MZ. One STWMA member, South Mesa Water Company, has no interest in the Beaumont MZ, and should not be included in the maximum benefit program. In sum, the Basin Plan needs to be revised to incorporate changes in water resource and salt management, and maximum benefit implementation in the Beaumont MZ. To do so, an updated modeling analysis is necessary. It should be noted that this analysis is necessary in any case to support current permitting requests, described above. The analysis must include an assessment of salt liabilities by these agencies under the different management scenarios so that the responsibilities for maximum benefit implementation can be properly assigned.

Required Submittals

Consistent with the Salt Management Plan, you are hereby required to submit an updated analysis for the Beaumont MZ to the Regional Water Board as soon as possible, but **no later than November 30, 2010**. The analysis must include the following:

- 1) Updated planning information for the use of all sources of water by each agency in the Beaumont MZ. This updated information shall include flow, quality, and recharge or use location;
- 2) An update of the CSR model to create 30-year TDS and nitrogen projections for the Beaumont MZ based on the full range of recycled water planning scenarios that are being considered; and
- 3) An assessment of the individual and cumulative water quality impact as a result of each agency's water management activities and calculation of the salt liability of all recycled water users in Beaumont MZ

The model analysis that is conducted must be consistent with the model analysis that was performed as part of the 2002 maximum benefit proposal.

We recommend that BCVWD, YVWD and the City of Beaumont conduct a single joint analysis. However, if each agency chooses to submit a separate analysis, it must include an assessment of all planned water uses by all agencies and include all the elements identified above.

Need for Technical Report

The Regional Water Board is charged with the protection of water quality in this Region. Unless properly managed, the discharge of salt or nitrogen as a result of water management activities in Beaumont MZ has the potential to contribute to the degradation of water quality and adversely affect beneficial uses. The technical report required by this Order is needed to determine the contribution of

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salt and nitrogen from water use and water resource management activities. The data and information will assist efforts to carry out implementation of the maximum benefit program, as set forth in the Basin Plan, in the Beaumont MZ.

Evidence Supporting the Need for the Technical Reports

Monitoring and modeling conducted to develop the maximum benefit programs demonstrated that water management activities (e.g., irrigation use and recharge of recycled water) discharge salt and nitrogen to the Beaumont MZ. The evidence demonstrating that water management activities are sources of salt and nitrogen discharges is contained in letter report from STWMA "Revised San Timoteo Watershed Management Authority proposal for new total dissolved solids (TDS) and total inorganic nitrogen (TIN) water quality objectives for the Beaumont, San Timoteo, and Yucaipa management zones based on maximum beneficial use", and Exhibit A - TDS Budget Table, June 2002, and a letter report from BCVWD "Estimated Recycled Water and Imported Water Needs to Support Groundwater Quality Evaluation", June 2010. Based on these analyses, the three agencies have discharged, or are planning discharges that do and could potentially contribute salt and nitrogen loads in Beaumont MZ.

Burden and Cost of Technical Reports

The estimated cost of a single joint analysis is \$36,000 (as reflected in the proposal to BCVWD and the City of Beaumont by WEI dated August 12, 2010). The three agencies can choose to share the cost of a single analysis and report, or prepare separate analyses and reports on their own. Logically, the cost of three separate analyses and reports will be higher. Since the analysis requires data and information from all three agencies, if the analysis is conducted separately for each agency, Regional Board staff estimates the total cost could potentially be \$36,000 per agency for a total of \$108,000.

Regardless of whether a single or combined analytical approach is selected, the costs of the technical reports required by this Order are justified. Without this information, we will not be able issue WDRs in a timely fashion. The preparation of the above report is also necessary to provide for continued implementation of the maximum benefit objectives for the Beaumont Management Zone.

Penalties

Though we are confident you will make every effort to comply with this Order in a timely manner, please be advised that pursuant to section 13268 of the California Water Code, failure to submit the required information by the specified compliance date, or falsifying any information provided therein, is a misdemeanor and may result in civil liability. Noncompliance may subject you to administrative civil liability in the amount of up to \$1,000 for each day of violation. Compliance with this Order is not a substitute for compliance with other applicable laws and does not preclude action to enforce compliance with such other laws.

Appeal

Any person affected by this action of the Regional Water Board may petition the State Water Resources Control Board (State Water Board) to review the action in accordance with section 13320 of the California Water Code and Title 23, California Code of Regulations, section 2050. The petition must be received by the State Water Board within 30 days of the date of this Order. The State Board's website (<http://www.swrcb.ca.gov/wqpetitions/index.html>) contains detailed information regarding the petition process. Copies of the law and regulations applicable to filing petitions will be provided upon request. In addition to filing a petition with the State Water Board, any person affected

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by this Order may request the Regional Water Board to reconsider this Order. To be timely, such a request must be received within 30 days of the date of this Order. Note that even if reconsideration by the Regional Water Board is sought, filing a timely petition with the State Water Board is also necessary to preserve the petitioner's legal rights. If you choose to request reconsideration of this Order or file a petition with the State Water Board, be advised that you must comply with the Order while your request for reconsideration and/or petition is being considered.

If you have any questions regarding the Order, or wish to schedule a meeting to discuss, please contact, Dr. Cindy Li, Engineering Geologist, at (951) 782-4906 or cli@waterboards.ca.gov.

Sincerely,



Joanne E. Schneider
Division Chief

cc: Regional Board
David Rice, Office of Chief Counsel, SWRCB, DavidRice@waterboards.ca.gov

Attachment: Exhibit A - Estimate of Recycled Water and Imported Water Needs in support of Groundwater Quality Evaluation for Cherry Valley Water District Recycled Water Permit

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Exhibit C

Proposed Regional Groundwater and Surface Water Monitoring Program for the Beaumont Management Zone, the San Timoteo Management Zone and the Yucaipa Management Zone

The attached monitoring plan is currently being reviewed by the participating agencies. The document will be enhanced to include additional monitoring to demonstrate full compliance with the "maximum benefit" objectives based on the results of the meeting conducted on September 13, 2011.

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Exhibit C

DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION

**Maximum Benefit Surface and Groundwater Monitoring Program
for the Yucaipa, Beaumont and San Timoteo Management Zones**

On January 22, 2004, the Santa Ana Regional Water Quality Control Board amended the Basin Plan with regard to TDS/Nitrogen Management in the Santa Ana River Watershed. In the Basin Plan amendment the Regional Water Quality Control Board found that appropriate beneficial use protection/maximum benefit demonstrations were made by the Yucaipa Valley Water District and the San Timoteo Watershed Management Authority to justify establishing alternative "maximum benefit" objectives for the Beaumont, San Timoteo and Yucaipa Groundwater Management Zones.

As part of the maximum benefit commitments, the Yucaipa Valley Water District, the members of the San Timoteo Watershed Management Authority, and the City of Beaumont have agreed to administer extensive and ongoing surface and groundwater monitoring programs in the Beaumont, San Timoteo, and Yucaipa Management Zones. With the dissolution of the San Timoteo Watershed Management Authority, it has become necessary to fully reevaluate the groundwater and surface water monitoring program and directly assign monitoring responsibilities to the City of Banning, City of Beaumont, Beaumont Cherry Valley Water District, the San Gorgonio Pass Water Agency, and the Yucaipa Valley Water District.

The following monitoring program has been developed to provide a common sense approach to ongoing water resource monitoring currently performed by each agency.

**Beaumont, San Timoteo and Yucaipa Management Zone
Surface Water Monitoring and Sampling Program**

Surface water in the Yucaipa Management Zone is monitored for ground water recharge. Recharge by Yucaipa Valley Water District consists of State Project Water disbursement into either the Wilson Creek or Oak Glen spreading basins. Total recharge is determined by the amount of Imported State Water purchased and water quality samples are collected monthly for the duration of the discharge. The parameters for water quality are listed in Table 2. Storm water is monitored in a similar manner.

Pre-established surface water monitoring sites in the Beaumont, Yucaipa and San Timoteo Watershed are monitored bi-weekly for total discharge and field measurements (Table 2) consisting of temperature, pH, electrical conductivity, and dissolved oxygen content. Water quality samples are collected and analyzed for total inorganic nitrogen using ammonia, nitrate and nitrite as the dominant nitrogen species. Samples are also analyzed for total dissolved solids and turbidity. Additional alterations to current sites are provided in footnotes to Table 1.

Surface water monitoring in the San Timoteo Management Zone is performed on a bi-weekly schedule. Discharge and field measurements are taken at each location and a water quality sample is collected for analysis of the parameters listed in Table 2.

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Table 1: Surface Water Monitoring Sites in Beaumont, San Timoteo, and Yucaipa Management Zones			
Site ID	Site Name	Discharge Description	Monitoring Agency
San Timoteo Management Zone			
YVWD-A	Above YVWD Recycled Water Discharge	San Timoteo Creek	YVWD
YVWD WWTP	YVWD Wastewater Treatment Facility	Recycled Water Effluent	YVWD
YVWD-B	Above confluence with Yucaipa Creek	San Timoteo Creek	YVWD
YVWD-C	Above levy system and concrete channel	San Timoteo Creek	YVWD
YVWD-D†	Concrete Channel at Barton Road	San Timoteo Creek	YVWD
YVWD-E	11055700 Gage	San Timoteo Creek	YVWD
YVWD-F	Santa Ana River above confluence	Santa Ana River	YVWD
YVWD-G	11059300 Gage, below confluence	Santa Ana River	YVWD
STWMA-2	San Timoteo Canyon Rd's 1 st crossing w/ San Timoteo Creek	San Timoteo Creek & Ground water	Beaumont
Beaumont Management Zone			
BWWTP	Beaumont Wastewater TP #1	Recycled Water Effluent	Beaumont
STWMA-1*	Confluence of Noble and Marshal creeks	San Timoteo Creek	BCVWD
STWMA-3	Coopers Creek below BWWTP outfall	Coopers Creek	Beaumont
STWMA-4*	Above confluence w/ Noble Creek	Little San Gorgonio Creek	BCVWD
STWMA-5*	Above confluence w/ Marshal Creek at BCVWD recharge site	Noble Creek	BCVWD
STWMA-6/8	At Devil's Canyon	State Project Water	SGPWA
BMZ-5	Un-named creek behind Lowe's Distribution Center w/ mountain front runoff into BCVWD recharge facility	Un-named creek/stormwater runoff	BCVWD
STWMA-7	Oak Glen Road above entrance to BCVWD recharge facility	Stormwater/recharge	Beaumont
BMZ-6	At SGPWA recharge facility for State Project Water on Noble Creek	Noble Creek	BCVWD
BMZ-1	At Brookside Ave.	Mountain View Channel	BCVWD
BMZ-2	Stormwater detention pond @ Highland Springs & Eighth St	Stormwater/recharge	Beaumont
BMZ-3	Stormwater detention pond on Eighth St E/o Cherry Ave	Stormwater/recharge	Beaumont
BMZ-4	Where Smith Creek crosses Wilson St.	Smith Creek	Banning
Yucaipa Management Zone			
YMZ-1	Wilson and/or Oak Glen spreading basins	State Project Water for Groundwater recharge	YVWD
YMZ-2	Wilson and/or Oak Glen spreading basins	Stormwater runoff for Groundwater recharge	YVWD

*Previously monitored by City of Beaumont- BCVWD will assume responsibility pending approval by the Regional Board.

†Site has proven problematic for monitoring. Currently surface water entrance into concrete channel is covered with sediment. San Bernardino County Flood Control District estimates channel will be cleared by April 2012. Not recommending site for monitoring.

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Table 2: Surface Water Monitoring Program Parameters		
Field Measurements	Bi-weekly water quality samples	Groundwater recharge
Temperature	Total Dissolved Solids (TDS)	Total Dissolved Solids (TDS)
Conductivity	Turbidity	Nitrate-Nitrogen
pH	Ammonia-Nitrogen	
Dissolved Oxygen	Nitrate-Nitrogen	
	Nitrite-Nitrogen	
	Total Inorganic Nitrogen (TIN)	

In addition to these surface sites, results from YVWD's Wochholz Regional Water Recycling Facility (WRWRF) and the City of Beaumont's WWTP no. 1 final effluent monitoring for monthly NPDES reporting and daily discharge are reported (Table 3).

Table 3: Wochholz Regional Water Recycling Facility and Beaumont Wastewater Treatment Plant parameters reported for surface water monitoring program			
Monthly WWTP reporting		Quarterly WWTP reporting	
Ammonia-Nitrogen	Arsenic	Barium	Boron
Nitrate-Nitrogen	Cadmium	Calcium	Cobalt
Nitrite-Nitrogen	Copper	Carbonate	Bicarbonate
Total Inorganic Nitrogen (TIN)	Lead	Chloride	Fluoride
12-month Average TIN	Iron	Mercury	Magnesium
Total Dissolved Solids (TDS)	Nickel	Manganese	Selenium
12-month Average TDS	Sodium	Silver	Sulfate
Total Hardness	Aluminum	Total Chromium	
Free Cyanide	Total Organic Carbon, TOC		Zinc
Total Suspended Solids (TSS)	Benzene	Dibromochloromethane	
Bis(2-ethylhexyl)phthalate	Bromodichloromethane		Chloroform

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**Groundwater Monitoring and Sampling in the
Beaumont, San Timoteo and Yucaipa Management Zones**

Ground water level measurements are taken monthly for all monitored wells in Beaumont, San Timoteo and Yucaipa Management Zones with one exception. It is not possible to measure ground water level at San Timoteo Management Zone GW-3, a privately owned well. Ground water levels are assumed to be similar to Yucaipa Valley Water District owned well, MW-3, located approximately 50 feet from GW-3. Yucaipa Valley Water District gathers data on ground water level and quality for those wells located within YMZ but not under its direct jurisdiction on an annual basis for inclusion in the annual RWQCB report.

**Table 4: Groundwater Monitoring Sites in the
San Timoteo Management Zone**

Well ID	Description	Data type	Monitoring Agency
MW-1 (1221779)	San Timoteo Canyon Rd.	Level only	YVWD
MW-2 (1221780)	Alessandro St.	Level & Quality	YVWD
MW-3 (1221781)	Live Oak/San Timoteo Canyon	Level & Quality	YVWD
MW-4 (1221782)	above WWTP outfall pipe	Level & Quality	YVWD
MW-5A (1222103)	San Timoteo Canyon Rd.	Level & Quality	YVWD
MW-5B (1222104)	San Timoteo Canyon Rd.	Level & Quality	YVWD
MW-5C (1222105)	San Timoteo Canyon Rd.	Level & Quality	YVWD
GW-3 (1222106)	Live Oak/San Timoteo- Private well	Quality Only	YVWD
GL-8 (1201605)	San Timoteo Canyon Rd-orchard	Level only	YVWD
GL-6 (1003044)	O. Hudson property on Live Oak Canyon Rd	Level & Quality	YVWD
BH-9 (1220051)	1.25" pvc pipe-Live Oak Canyon	Level & Quality	YVWD
Heartland well (1208660)	Owned by City of Beaumont	Level & Quality	Beaumont
San Tim-1 (1222061)	Owned by City of Beaumont	Level & Quality	Beaumont
San Tim-2B/1 (1222079)	Owned by City of Beaumont	Level & Quality	Beaumont
San Tim-2B/2 (1222080)	Owned by City of Beaumont	Level & Quality	Beaumont
1207756	East Valley Golf Club: 335645117024201	Level only	Beaumont
Well 2 (1201582)	Fisherman's Retreat	Level & Quality	Beaumont
Well 1 (1003079)	Fisherman's Retreat	Quality Only	Beaumont
ONE (1003049)	El Casco Lake Ranch	Level & Quality	Beaumont
1003049 (1003048)	Chester Hildebrand property	Level only	Beaumont
BH-19 (1220052)	Metropolitan Water District well	Level & Quality	Beaumont
Well 1 (1201539)	MCM poultry	Level & Quality	Beaumont

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Table 5: Ground Water Monitoring Program Sites in the Yucaipa Management Zone			
Site ID	Monitoring Entity	Site ID	Monitoring Entity
Pendleton	YVWD	WHWC 02A	Western Heights WC
Wilson B	YVWD	WHWC 03	Western Heights WC
YVWD 02	YVWD	WHWC 06B	Western Heights WC
YVWD 05	YVWD	WHWC 09	Western Heights WC
YVWD 06	YVWD	WHWC 10	Western Heights WC
YVWD 07	YVWD	WHWC 11	Western Heights WC
YVWD 10	YVWD	WHWC 12	Western Heights WC
YVWD 12	YVWD	WHWC 14	Western Heights WC
YVWD 13	YVWD	5 th Ave 1	City of Redlands
YVWD 14	YVWD	CHICKNH4	City of Redlands
YVWD 16	YVWD	HOG CYN 2	City of Redlands
YVWD 18	YVWD	Redlands 10	City of Redlands
YVWD 24	YVWD	Redlands 11	City of Redlands
YVWD 25	YVWD	Redlands 12	City of Redlands
YVWD 26	YVWD	Redlands 13	City of Redlands
YVWD 27	YVWD	Redlands 14	City of Redlands
YVWD 27A	YVWD	Redlands 16	City of Redlands
YVWD 28	YVWD	Redlands 17	City of Redlands
YVWD 37	YVWD	Redlands 36	City of Redlands
YVWD 43	YVWD	Redland Hts	City of Redlands
YVWD 44	YVWD	Yucaipa Well	City of Redlands
YVWD 46	YVWD	Y-02	County of San Bernardino
YVWD 49	YVWD	Y-03	County of San Bernardino
YVWD 50	YVWD	Y-04	County of San Bernardino
YVWD 53	YVWD	Y-05	County of San Bernardino
YVWD 54	YVWD	Y-08	County of San Bernardino
YVWD 55	YVWD	Y-09A	County of San Bernardino
YVWD 56	YVWD	Y-09B	County of San Bernardino
GL-1	YVWD	Y-10A	County of San Bernardino
GL-2	YVWD	Y-10B	County of San Bernardino
GL-3	YVWD	Y-11A	County of San Bernardino
GL-4	YVWD	Y-11B	County of San Bernardino
GL-5	YVWD	Y-12	County of San Bernardino
		Y-13	County of San Bernardino
SMWC 01	South Mesa WC	Y-14	County of San Bernardino
SMWC 03	South Mesa WC	Y-15	County of San Bernardino
SMWC 05	South Mesa WC	Y-16	County of San Bernardino
SMWC 07	South Mesa WC	Y-17	County of San Bernardino
SMWC 09	South Mesa WC	Y-18	County of San Bernardino
SMWC 11	South Mesa WC	Y-19	County of San Bernardino
SMWC 12	South Mesa WC	Y-21	County of San Bernardino
SMWC 16	South Mesa WC	Y-22	County of San Bernardino

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Table 6: Beaumont Management Zone Ground Water Monitoring Sites.		
Well ID	Description	Monitoring Entity
1	Beaumont Basin Well	BCVWD
3	Beaumont Basin Well	BCVWD
16	Beaumont Basin Well	BCVWD
21	Beaumont Basin Well	BCVWD
22	Beaumont Basin Well	BCVWD
23	Beaumont Basin Well	BCVWD
24	Beaumont Basin Well	BCVWD
25	Beaumont Basin Well	BCVWD
26	Beaumont Basin Well	BCVWD
29	Beaumont Basin Well	BCVWD
4A	Edgar Canyon Well	BCVWD
5	Edgar Canyon Well	BCVWD
6	Edgar Canyon Well	BCVWD
12	Edgar Canyon Well	BCVWD
19	Edgar Canyon Well	BCVWD
MW-1	BMZ Monitoring Well	BCVWD
MW-2	BMZ Monitoring Well	BCVWD
MW-3 Deep	BMZ Monitoring Well	BCVWD
MW-3 Shallow	BMZ Monitoring Well	BCVWD
MW-4 Deep	BMZ Monitoring Well	BCVWD
MW-4 Shallow	BMZ Monitoring Well	BCVWD
MW-5 Deep	BMZ Monitoring Well	BCVWD
MW-5 Shallow	BMZ Monitoring Well	BCVWD
Well 48	YVWD Production Well	YVWD
C2A	City of Banning Source Well	City of Banning
C3	City of Banning Source Well	City of Banning
M3	City of Banning Source Well	City of Banning

Ground water quality (Table 7) is measured annually in San Timoteo Management Zone and according to Title 22 of the California Code of Regulations cycle sampling schedule for production wells in the Yucaipa Management Zone.

Wells are sampled annually until 3 consecutive years of qualifying data are gathered. At which point water quality samples need only be collected on a triennial basis for participation in the recalculation of ambient ground water quality stipulated by the Santa Ana River Basin Plan (2004).

Recharge to Yucaipa Management Zone is either storm water or State Project water and is monitored for total recharge (volume), nitrate and total dissolved solids.

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DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION

Table 7: Ground Water Monitoring Parameters in Beaumont, San Timoteo and Yucaipa Management Zones		
Field Measurements	Water Quality Parameters	
Temperature	Total Dissolved Solids (TDS)	Chloride
Conductivity	Nitrate-Nitrogen or Nitrate as nitrate	Fluoride
pH	Total Alkalinity (as CaCO ₃)	Potassium
	Carbonate and Bicarbonate	Sodium
	Silica (as SiO ₃)	Sulfate
	Total Hardness (includes Ca and Mg)	

Reporting Requirements

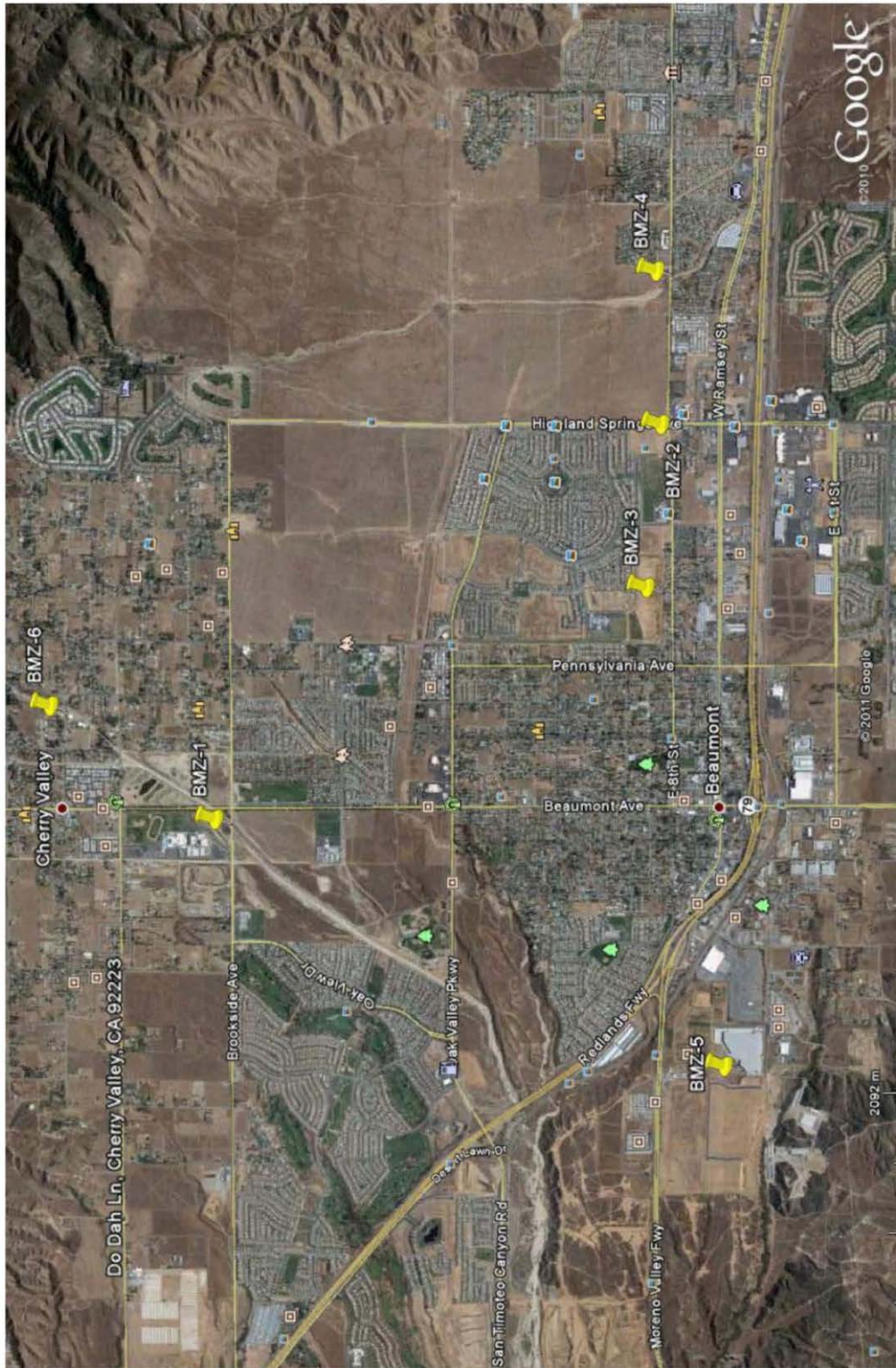
A summary of surface water monitoring activities within the San Timoteo Management Zone is provided to the Santa Ana Regional Water Quality Control Board quarterly. Ground water levels are measured on a monthly basis and reported annually along with ground water quality results.

A complete report of all San Timoteo and Yucaipa Management Zones is combined with the City of Beaumont's similar compilation of their efforts within the Beaumont Management Zone and STMZ; the results are interpreted and presented to RWQCB annually on or before April 15 of each year.

Preliminary Document - Subject to Independent Modification
September 18, 2011

Exhibit C

DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION



DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION**Maximum Benefit Surface and Groundwater Monitoring Program
for the Yucaipa, Beaumont and San Timoteo Management Zones**

On January 22, 2004, the Santa Ana Regional Water Quality Control Board amended the Basin Plan with regard to TDS/Nitrogen Management in the Santa Ana River Watershed. In the Basin Plan amendment the Regional Water Quality Control Board found that appropriate beneficial use protection/maximum benefit demonstrations were made by the Yucaipa Valley Water District and the San Timoteo Watershed Management Authority to justify establishing alternative "maximum benefit" objectives for the Beaumont, San Timoteo and Yucaipa Groundwater Management Zones.

As part of the maximum benefit commitments, the Yucaipa Valley Water District, the members of the San Timoteo Watershed Management Authority, and the City of Beaumont have agreed to administer extensive and ongoing surface and groundwater monitoring programs in the Beaumont, San Timoteo, and Yucaipa Management Zones. With the dissolution of the San Timoteo Watershed Management Authority, it has become necessary to fully reevaluate the groundwater and surface water monitoring program and directly assign monitoring responsibilities to the City of Banning, City of Beaumont, Beaumont Cherry Valley Water District, the San Gorgonio Pass Water Agency, and the Yucaipa Valley Water District.

The following monitoring program has been developed to provide a common sense approach to ongoing water resource monitoring currently performed by each agency.

**Beaumont, San Timoteo and Yucaipa Management Zone
Surface Water Monitoring and Sampling Program**

Surface water in the Yucaipa Management Zone is monitored for ground water recharge. Recharge by Yucaipa Valley Water District consists of State Project Water disbursement into either the Wilson Creek or Oak Glen spreading basins. Total recharge is determined by the amount of Imported State Water purchased and water quality samples are collected monthly for the duration of the discharge. The parameters for water quality are listed in Table 2. Storm water is monitored in a similar manner.

Pre-established surface water monitoring sites in the Beaumont, Yucaipa and San Timoteo Watershed are monitored bi-weekly for total discharge and field measurements (Table 2) consisting of temperature, pH, electrical conductivity, and dissolved oxygen content. Water quality samples are collected and analyzed for total inorganic nitrogen using ammonia, nitrate and nitrite as the dominant nitrogen species. Samples are also analyzed for total dissolved solids and turbidity. Additional alterations to current sites are provided in footnotes to Table 1.

Surface water monitoring in the San Timoteo Management Zone is performed on a bi-weekly schedule. Discharge and field measurements are taken at each location and a water quality sample is collected for analysis of the parameters listed in Table 2.

DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION

Table 1: Surface Water Monitoring Sites in Beaumont, San Timoteo, and Yucaipa Management Zones			
Site ID	Site Name	Discharge Description	Monitoring Agency
San Timoteo Management Zone			
YVWD-A	Above YVWD Recycled Water Discharge	San Timoteo Creek	YVWD
YVWD WWTP	YVWD Wastewater Treatment Facility	Recycled Water Effluent	YVWD
YVWD-B	Above confluence with Yucaipa Creek	San Timoteo Creek	YVWD
YVWD-C	Above levy system and concrete channel	San Timoteo Creek	YVWD
YVWD-D†	Concrete Channel at Barton Road	San Timoteo Creek	YVWD
YVWD-E	11055700 Gage	San Timoteo Creek	YVWD
YVWD-F	Santa Ana River above confluence	Santa Ana River	YVWD
YVWD-G	11059300 Gage, below confluence	Santa Ana River	YVWD
STWMA-2	San Timoteo Canyon Rd's 1 st crossing w/ San Timoteo Creek	San Timoteo Creek & Ground water	Beaumont
Beaumont Management Zone			
BWWTP	Beaumont Wastewater TP #1	Recycled Water Effluent	Beaumont
STWMA-1*	Confluence of Noble and Marshal creeks	San Timoteo Creek	BCVWD
STWMA-3	Coopers Creek below BWWTP outfall	Coopers Creek	Beaumont
STWMA-4*	Above confluence w/ Noble Creek	Little San Gorgonio Creek	BCVWD
STWMA-5*	Above confluence w/ Marshal Creek at BCVWD recharge site	Noble Creek	BCVWD
STWMA-6/8	At Devil's Canyon	State Project Water	SGPWA
BMZ-5	Un-named creek behind Lowe's Distribution Center w/ mountain front runoff into BCVWD recharge facility	Un-named creek/stormwater runoff	BCVWD
STWMA-7	Oak Glen Road above entrance to BCVWD recharge facility	Stormwater/recharge	Beaumont
BMZ-6	At SGPWA recharge facility for State Project Water on Noble Creek	Noble Creek	BCVWD
BMZ-1	At Brookside Ave.	Mountain View Channel	BCVWD
BMZ-2	Stormwater detention pond @ Highland Springs & Eighth St	Stormwater/recharge	Beaumont
BMZ-3	Stormwater detention pond on Eighth St E/o Cherry Ave	Stormwater/recharge	Beaumont
BMZ-4	Where Smith Creek crosses Wilson St.	Smith Creek	Banning
Yucaipa Management Zone			
YMZ-1	Wilson and/or Oak Glen spreading basins	State Project Water for Groundwater recharge	YVWD
YMZ-2	Wilson and/or Oak Glen spreading basins	Stormwater runoff for Groundwater recharge	YVWD

*Previously monitored by City of Beaumont- BCVWD will assume responsibility pending approval by the Regional Board.

†Site has proven problematic for monitoring. Currently surface water entrance into concrete channel is covered with sediment. San Bernardino County Flood Control District estimates channel will be cleared by April 2012. Not recommending site for monitoring.

DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION

Table 2: Surface Water Monitoring Program Parameters		
Field Measurements	Bi-weekly water quality samples	Groundwater recharge
Temperature	Total Dissolved Solids (TDS)	Total Dissolved Solids (TDS)
Conductivity	Turbidity	Nitrate-Nitrogen
pH	Ammonia-Nitrogen	
Dissolved Oxygen	Nitrate-Nitrogen	
	Nitrite-Nitrogen	
	Total Inorganic Nitrogen (TIN)	

In addition to these surface sites, results from YVWD’s Wochholz Regional Water Recycling Facility (WRWRF) and the City of Beaumont’s WWTP no. 1 final effluent monitoring for monthly NPDES reporting and daily discharge are reported (Table 3).

Table 3: Wochholz Regional Water Recycling Facility and Beaumont Wastewater Treatment Plant parameters reported for surface water monitoring program			
Monthly WWTP reporting		Quarterly WWTP reporting	
Ammonia-Nitrogen	Arsenic	Barium	Boron
Nitrate-Nitrogen	Cadmium	Calcium	Cobalt
Nitrite-Nitrogen	Copper	Carbonate	Bicarbonate
Total Inorganic Nitrogen (TIN)	Lead	Chloride	Fluoride
12-month Average TIN	Iron	Mercury	Magnesium
Total Dissolved Solids (TDS)	Nickel	Manganese	Selenium
12-month Average TDS	Sodium	Silver	Sulfate
Total Hardness	Aluminum	Total Chromium	
Free Cyanide	Total Organic Carbon, TOC		Zinc
Total Suspended Solids (TSS)	Benzene	Dibromochloromethane	
Bis(2-ethylhexyl)phthalate	Bromodichloromethane		Chloroform

DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION**Groundwater Monitoring and Sampling in the
Beaumont, San Timoteo and Yucaipa Management Zones**

Ground water level measurements are taken monthly for all monitored wells in Beaumont, San Timoteo and Yucaipa Management Zones with one exception. It is not possible to measure ground water level at San Timoteo Management Zone GW-3, a privately owned well. Ground water levels are assumed to be similar to Yucaipa Valley Water District owned well, MW-3, located approximately 50 feet from GW-3. Yucaipa Valley Water District gathers data on ground water level and quality for those wells located within YMZ but not under its direct jurisdiction on an annual basis for inclusion in the annual RWQCB report.

**Table 4: Groundwater Monitoring Sites in the
San Timoteo Management Zone**

Well ID	Description	Data type	Monitoring Agency
MW-1 (1221779)	San Timoteo Canyon Rd.	Level only	YVWD
MW-2 (1221780)	Alessandro St.	Level & Quality	YVWD
MW-3 (1221781)	Live Oak/San Timoteo Canyon	Level & Quality	YVWD
MW-4 (1221782)	above WWTP outfall pipe	Level & Quality	YVWD
MW-5A (1222103)	San Timoteo Canyon Rd.	Level & Quality	YVWD
MW-5B (1222104)	San Timoteo Canyon Rd.	Level & Quality	YVWD
MW-5C (1222105)	San Timoteo Canyon Rd.	Level & Quality	YVWD
GW-3 (1222106)	Live Oak/San Timoteo- Private well	Quality Only	YVWD
GL-8 (1201605)	San Timoteo Canyon Rd-orchard	Level only	YVWD
GL-6 (1003044)	O. Hudson property on Live Oak Canyon Rd	Level & Quality	YVWD
BH-9 (1220051)	1.25" pvc pipe-Live Oak Canyon	Level & Quality	YVWD
Heartland well (1208660)	Owned by City of Beaumont	Level & Quality	Beaumont
San Tim-1 (1222061)	Owned by City of Beaumont	Level & Quality	Beaumont
San Tim-2B/1 (1222079)	Owned by City of Beaumont	Level & Quality	Beaumont
San Tim-2B/2 (1222080)	Owned by City of Beaumont	Level & Quality	Beaumont
1207756	East Valley Golf Club: 335645117024201	Level only	Beaumont
Well 2 (1201582)	Fisherman's Retreat	Level & Quality	Beaumont
Well 1 (1003079)	Fisherman's Retreat	Quality Only	Beaumont
ONE (1003049)	El Casco Lake Ranch	Level & Quality	Beaumont
1003049 (1003048)	Chester Hildebrand property	Level only	Beaumont
BH-19 (1220052)	Metropolitan Water District well	Level & Quality	Beaumont
Well 1 (1201539)	MCM poultry	Level & Quality	Beaumont

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Table 5: Ground Water Monitoring Program Sites in the Yucaipa Management Zone			
Site ID	Monitoring Entity	Site ID	Monitoring Entity
Pendleton	YVWD	WHWC 02A	Western Heights WC
Wilson B	YVWD	WHWC 03	Western Heights WC
YVWD 02	YVWD	WHWC 06B	Western Heights WC
YVWD 05	YVWD	WHWC 09	Western Heights WC
YVWD 06	YVWD	WHWC 10	Western Heights WC
YVWD 07	YVWD	WHWC 11	Western Heights WC
YVWD 10	YVWD	WHWC 12	Western Heights WC
YVWD 12	YVWD	WHWC 14	Western Heights WC
YVWD 13	YVWD	5 th Ave 1	City of Redlands
YVWD 14	YVWD	CHICKNH4	City of Redlands
YVWD 16	YVWD	HOG CYN 2	City of Redlands
YVWD 18	YVWD	Redlands 10	City of Redlands
YVWD 24	YVWD	Redlands 11	City of Redlands
YVWD 25	YVWD	Redlands 12	City of Redlands
YVWD 26	YVWD	Redlands 13	City of Redlands
YVWD 27	YVWD	Redlands 14	City of Redlands
YVWD 27A	YVWD	Redlands 16	City of Redlands
YVWD 28	YVWD	Redlands 17	City of Redlands
YVWD 37	YVWD	Redlands 36	City of Redlands
YVWD 43	YVWD	Redland Hts	City of Redlands
YVWD 44	YVWD	Yucaipa Well	City of Redlands
YVWD 46	YVWD	Y-02	County of San Bernardino
YVWD 49	YVWD	Y-03	County of San Bernardino
YVWD 50	YVWD	Y-04	County of San Bernardino
YVWD 53	YVWD	Y-05	County of San Bernardino
YVWD 54	YVWD	Y-08	County of San Bernardino
YVWD 55	YVWD	Y-09A	County of San Bernardino
YVWD 56	YVWD	Y-09B	County of San Bernardino
GL-1	YVWD	Y-10A	County of San Bernardino
GL-2	YVWD	Y-10B	County of San Bernardino
GL-3	YVWD	Y-11A	County of San Bernardino
GL-4	YVWD	Y-11B	County of San Bernardino
GL-5	YVWD	Y-12	County of San Bernardino
		Y-13	County of San Bernardino
SMWC 01	South Mesa WC	Y-14	County of San Bernardino
SMWC 03	South Mesa WC	Y-15	County of San Bernardino
SMWC 05	South Mesa WC	Y-16	County of San Bernardino
SMWC 07	South Mesa WC	Y-17	County of San Bernardino
SMWC 09	South Mesa WC	Y-18	County of San Bernardino
SMWC 11	South Mesa WC	Y-19	County of San Bernardino
SMWC 12	South Mesa WC	Y-21	County of San Bernardino
SMWC 16	South Mesa WC	Y-22	County of San Bernardino

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Table 6: Beaumont Management Zone Ground Water Monitoring Sites.		
Well ID	Description	Monitoring Entity
1	Beaumont Basin Well	BCVWD
3	Beaumont Basin Well	BCVWD
16	Beaumont Basin Well	BCVWD
21	Beaumont Basin Well	BCVWD
22	Beaumont Basin Well	BCVWD
23	Beaumont Basin Well	BCVWD
24	Beaumont Basin Well	BCVWD
25	Beaumont Basin Well	BCVWD
26	Beaumont Basin Well	BCVWD
29	Beaumont Basin Well	BCVWD
4A	Edgar Canyon Well	BCVWD
5	Edgar Canyon Well	BCVWD
6	Edgar Canyon Well	BCVWD
12	Edgar Canyon Well	BCVWD
19	Edgar Canyon Well	BCVWD
MW-1	BMZ Monitoring Well	BCVWD
MW-2	BMZ Monitoring Well	BCVWD
MW-3 Deep	BMZ Monitoring Well	BCVWD
MW-3 Shallow	BMZ Monitoring Well	BCVWD
MW-4 Deep	BMZ Monitoring Well	BCVWD
MW-4 Shallow	BMZ Monitoring Well	BCVWD
MW-5 Deep	BMZ Monitoring Well	BCVWD
MW-5 Shallow	BMZ Monitoring Well	BCVWD
Well 48	YVWD Production Well	YVWD
C2A	City of Banning Source Well	City of Banning
C3	City of Banning Source Well	City of Banning
M3	City of Banning Source Well	City of Banning

Ground water quality (Table 7) is measured annually in San Timoteo Management Zone and according to Title 22 of the California Code of Regulations cycle sampling schedule for production wells in the Yucaipa Management Zone.

Wells are sampled annually until 3 consecutive years of qualifying data are gathered. At which point water quality samples need only be collected on a triennial basis for participation in the recalculation of ambient ground water quality stipulated by the Santa Ana River Basin Plan (2004).

Recharge to Yucaipa Management Zone is either storm water or State Project water and is monitored for total recharge (volume), nitrate and total dissolved solids.

DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION

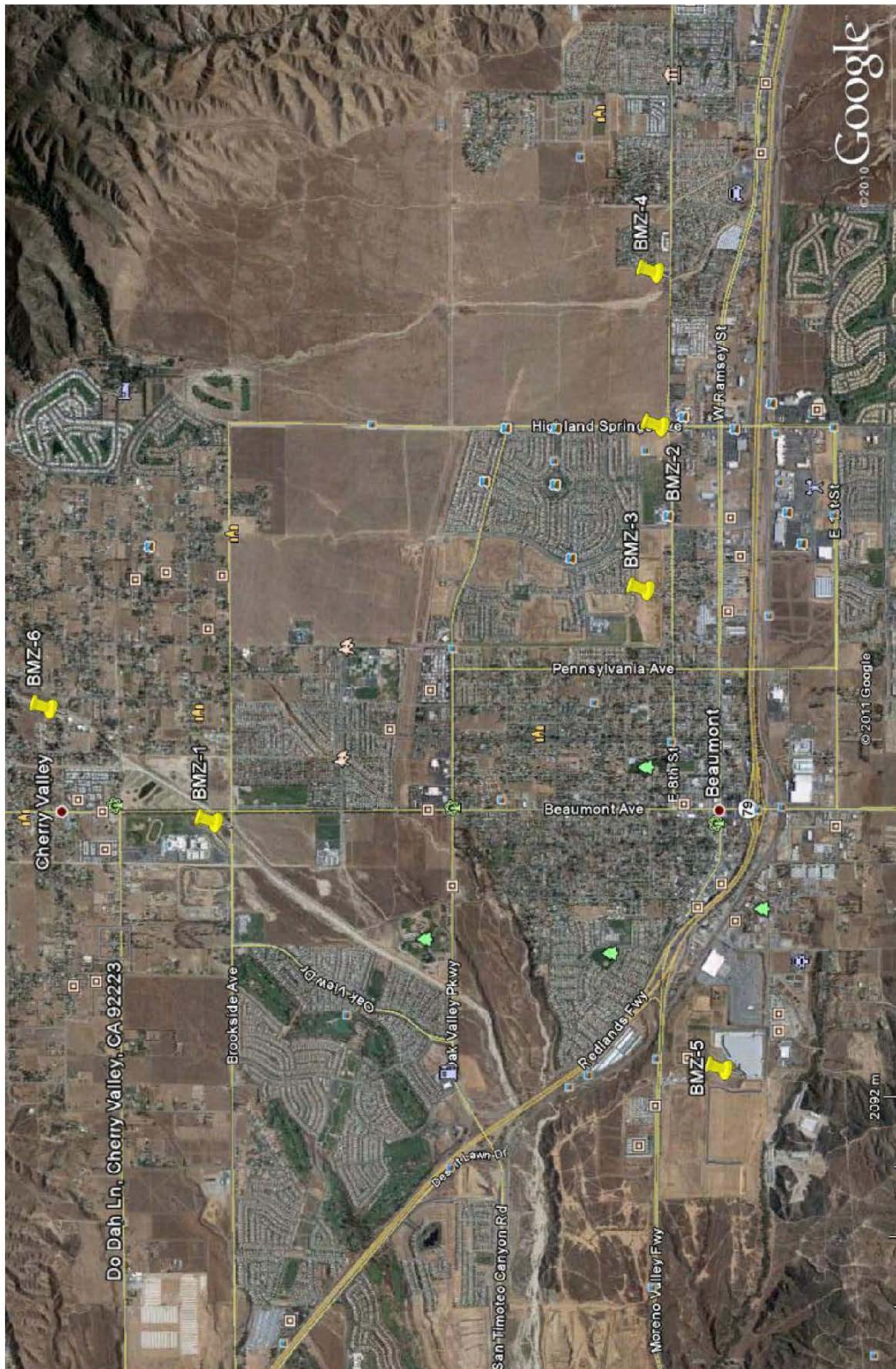
Field Measurements	Water Quality Parameters	
Temperature	Total Dissolved Solids (TDS)	Chloride
Conductivity	Nitrate-Nitrogen or Nitrate as nitrate	Fluoride
pH	Total Alkalinity (as CaCO ₃)	Potassium
	Carbonate and Bicarbonate	Sodium
	Silica (as SiO ₃)	Sulfate
	Total Hardness (includes Ca and Mg)	

Reporting Requirements

A summary of surface water monitoring activities within the San Timoteo Management Zone is provided to the Santa Ana Regional Water Quality Control Board quarterly. Ground water levels are measured on a monthly basis and reported annually along with ground water quality results.

A complete report of all San Timoteo and Yucaipa Management Zones is combined with the City of Beaumont's similar compilation of their efforts within the Beaumont Management Zone and STMZ; the results are interpreted and presented to RWQCB annually on or before April 15 of each year.

DRAFT MONITORING PROGRAM - SUBJECT TO MODIFICATION





Matthew Rodriguez
Secretary for
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California Regional Water Quality Control Board Santa Ana Region

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Edmund G. Brown Jr.
Governor

RECEIVED

JAN 25 2012

January 23, 2012

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Yucaipa, CA 92399

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WATER DISTRICT**

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COMMENTS ON THE PROPOSALS TO IMPLEMENT MAXIMUM BENEFIT COMMITMENTS FOR THE BEAUMONT GROUNDWATER MANAGEMENT ZONE

Gentlemen:

We have reviewed the *Proposed Regional Implementation of Maximum Benefit Commitments for the Beaumont Management Zone (Preliminary Draft)* submitted by the City of Banning, Beaumont Cherry Valley Water District, San Geronio Pass Water Agency and Yucaipa Valley Water District (hereinafter, the YVWD *et al* proposal) dated September 20, 2011, and the City of Beaumont's comment letter and proposal for a maximum benefit program (hereinafter, the Beaumont proposal) dated November 23, 2011. Both the YVWD *et al* and Beaumont proposals were prepared as a final element in compliance with the California Water Code Section 13267 Order issued in September 2010, to support permit application and revision for new discharge and recharge

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projects in the Beaumont groundwater management zone (GMZ), and to address changes in stakeholder responsibilities for carrying out the maximum benefit commitments that were identified in the 2004 Basin Plan Amendment. Both the YVWD *et al* and Beaumont proposals were submitted after the completion of a modeling analysis conducted by Wildermuth Environmental Inc. on behalf of all the agencies named in this letter (May 2011). The model considered the new water planning data provided by the agencies to generate 30-year projections of the ambient total dissolved solids (TDS) and nitrate-nitrogen concentrations for the Beaumont GMZ under 6 scenarios and 8 sub-scenarios. The projections show that the ambient TDS concentration for the Beaumont GMZ will increase over time, with the worst-case scenario (when all agencies use recycled water without compliance with Basin Plan objectives or compliance with the recycled water recharge regulations by the California Department of Public Health) resulting in the TDS concentration exceeding the maximum benefit objective of 330 mg/L in approximately 2027. Under the best case scenario, *i.e.*, when recycled water is desalted to the maximum benefit TDS objective of 330 mg/L beginning in 2020, the ambient TDS concentration of the Beaumont GMZ is projected to exceed the objective in 2032.

We have the following comments on the submitted proposals:

The YVWD *et al* Proposal

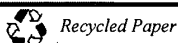
The YVWD *et al* proposal consists of a regional approach with multi-agency participation. Specifically, the proposal recommends that the 10-year running average TDS quality of recycled water, used for irrigation, surface discharge or recharge (planned or incidental), be better than or at the maximum benefit objectives of the particular GMZ where the recycled water is used or applied, *i.e.*,

- 370 mg/L for Yucaipa GMZ,
- 400 mg/L for San Timoteo GMZ,
- 330 mg/L for Beaumont GMZ.

This proposal relies on the fact that the reverse osmosis system at the Wochholz Regional Water Recycling Facility will be operational in **January 2014**. Compliance would be measured in the recycled water system for irrigation use and/or at the point of discharge for discharge and recharge activities. The proposal proponents expect to achieve compliance by blending or desalting the recycled water supply.

All agencies that have signed onto the YVWD *et al* proposal (City of Banning, Beaumont Cherry Valley Water District, San Gorgonio Pass Water Agency and Yucaipa Valley Water District) have agreed to continue implementing the commitments made by the now dissolved San Timoteo Watershed Management Authority in order to maintain the maximum benefit objectives in the Beaumont GMZ. The commitments include surface and groundwater monitoring and reporting, building a desalter and brineline facility, providing recycled water for non-potable water supply, recharging recycled water and determining ambient groundwater quality. These commitments are the same as those

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specified in the Basin Plan Table 5-10a; however, the YVWD *et al* proposal does not address the commitments specific to the City of Beaumont's recycled water as specified in Table 5-10a.

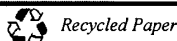
We believe the YVWD *et al* proposal is viable and provides reasonable assurance for protection of the water quality and beneficial uses of the Beaumont GMZ for a reasonable time period (*e.g.*, 20 years). We encourage all agencies that have signed on to this proposal to formalize the agreement and to submit a signed agreement to the Regional Board by June 30, 2012, demonstrating how these agencies intend to share the responsibility and financial burden to implement these commitments.

The Beaumont Proposal

As indicated in the Beaumont proposal, the City of Beaumont has complied with some of the maximum benefit commitments, such as surface and groundwater monitoring and reporting, ambient groundwater quality determination, denitrification facilities upgrade, and reducing the discharge of effluent to the unlined portion of San Timoteo Creek. However, the City of Beaumont has not made progress toward compliance with other commitments, such as providing water for non-potable water supply, increasing recycled water recharge and planning for recycled water quality improvement, nor does the Beaumont proposal include these commitments. The Beaumont proposal also includes a plan by the City to address the discharge of recycled water in San Timoteo Creek that impacts the underlying San Timoteo GMZ (which has no assimilative capacity) by pumping water from San Timoteo GMZ and discharging/recharging that water into the Beaumont GMZ without obtaining authorization from the Regional Board and the California Department of Public Health. The pumped water would have a TDS concentration that exceeds the maximum benefit objective of the Beaumont GMZ and the proposal thus relies on Beaumont's use of assimilative capacity in this GMZ based, evidently, on its implementation of maximum benefit commitments to date. However, the Regional Board has not made a decision regarding allocation of the available assimilative capacity in the Beaumont GMZ to this operation, and, as discussed below, Regional Board staff will not recommend it.

Significant opportunities have been provided over the past year for meaningful participation by the City in modeling work and discussions with the other parties regarding the development of a new maximum benefit program for the Beaumont GMZ. Board staff believes that the City has failed to avail itself of these opportunities. For example, the City did not provide meaningful comments on the modeling effort until the model report was finalized. Further, the City's representatives were not authorized to make decisions necessary to forward progress and resolution of this matter. The Beaumont proposal seems mainly to benefit the City of Beaumont, *i.e.*, to accommodate its discharge of effluent from the wastewater treatment plant, without other affirmative actions needed to address GMZ/water supply quality and reliability in the San Geronio Pass region. These actions include providing a source of non-potable supply and enhancing stormwater capture, neither of which is incorporated in the Beaumont proposal. (We realize that the proposal incorporates a plan for recycled water use that

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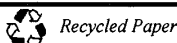
relies on past agreements with other parties. However, we understand that the other parties contend that the terms of these agreements have not been satisfied.) On behalf of the City, Mark Wildermuth indicated at one of the multi-agency meetings that the City's discharge of water pumped from the San Timoteo GMZ into the Beaumont GMZ would reduce the City's obligation to import State Water Project water to address over-pumping in the Beaumont GMZ, and that this should be considered to provide maximum benefit to the people of the state. Once again, however, this proposal relies on the use of assimilative capacity which has not been allocated to the City. Furthermore, it ignores the model projections that show that even with recycled water at maximum benefit objective quality, the TDS quality of the GMZ is expected to exceed the objectives. In light of this evidence, we believe that the YVWD *et al* proposal, which employs desalting and blending, is a more prudent approach to the long-term protection of groundwater quality and supply reliability. In contrast, the City's proposal merely authorizes continued wastewater disposal and reduces the City's obligations related to over-pumping, but postpones any meaningful action to improve quality and reliability.

Regional Board staff believes that the Beaumont proposal does not satisfy the goals of a maximum benefit program and, absent substantive improvement, will recommend that the antidegradation objectives be applied to regulation of the City's discharges. In light of the City's participation in implementing some of the maximum benefit commitments to date, Board staff will not recommend that the City be required to mitigate past discharges in excess of limitations based on the antidegradation objectives. We strongly encourage the City of Beaumont to join with the other water resource management agencies to implement a truly regional water and salt management plan that recognizes recent water supply planning activities.

Comments on the Wasteload Allocation in the Beaumont GMZ

Table 5-5 of the Basin Plan specifies the TDS and nitrate-nitrogen wasteload allocation for all POTWs that discharge to the Santa Ana River and its tributaries in order to assure the protection of the municipal supply beneficial use for the Santa Ana River and underlying GMZs and to assure that the water quality objectives for these receiving waterbodies are met. Currently, the City of Beaumont is authorized to discharge to surface waters (Noble Creek (Discharge Point #008), unnamed tributary to Marsh Creek (Discharge Point #007) and Cooper's Creek (Discharge Point #001)) with effluent limits equal to the wasteload allocation (Orders No. R8-2009-0002 and No. R8-2006-0003). Cooper's Creek flows into San Timoteo Creek while the other tributaries are dry, and during most of the year, the effluent flows never reach San Timoteo Creek or leave the Beaumont GMZ. Instead, the recycled water discharged at Discharge Points #007 and #008 recharges the Beaumont GMZ and rarely reaches San Timoteo Creek or the Santa Ana River. Therefore, the available evidence indicates that for the discharges from the City of Beaumont, the TDS and TIN limits associated with the wasteload allocation should not apply, and the effluent limits for Discharge Points #007 and #008 should be revised to be the same as the TDS objective of the Beaumont GMZ. As noted above, because the City of Beaumont has not proposed an acceptable maximum benefit program nor chosen to be an active participant in the YVWD *et al* proposal,

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Beaumont GMZ Maximum Benefit Program

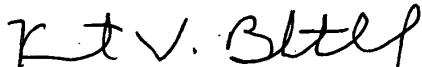
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Board staff will recommend to the Regional Board that the City's discharges be regulated pursuant to antidegradation objectives. Further, Regional Board staff is in the process of finalizing the wasteload allocation Basin Plan Amendment. Board staff proposes that Beaumont (as well as YVWD) be removed from the wasteload allocation and that instead, compliance and permit limits be based strictly on the underlying groundwater objectives and assimilative capacity findings.

To summarize, Board staff intends to prepare a Basin Plan amendment to implement the findings of the modeling studies and updated Maximum Benefit proposal as submitted by YVWD and cooperating agencies (the YVWD *et al* proposal). Revised waste discharge requirements for YVWD and the City of Banning will be developed that are consistent with the proposal. The recommended, revised wasteload allocation will also be updated to reflect these findings. Unless and until the City of Beaumont elects to implement or participate in an acceptable maximum benefit program, the proposed Basin Plan amendment will reflect the City's discharge obligations pursuant to antidegradation objectives, and Board staff will recommend waste discharge requirements for the City accordingly.

If you have questions on these comments, please feel free to contact me at (951)782-3286 or you may contact Dr. Cindy Li of my staff at (951) 782-4906.

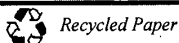
Sincerely,



Kurt V. Berchtold
Executive Officer

cc: Regional Board
David Rice, Office of Chief Counsel, SWRCB

California Environmental Protection Agency





Workshop Memorandum 12-082

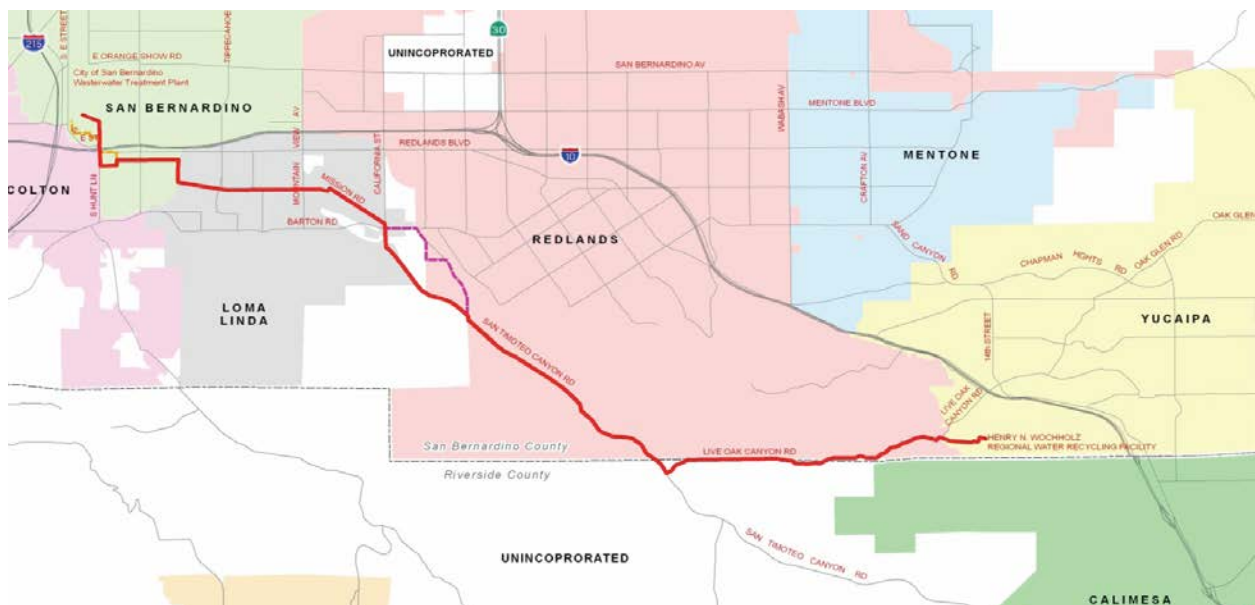
Date: April 24, 2012

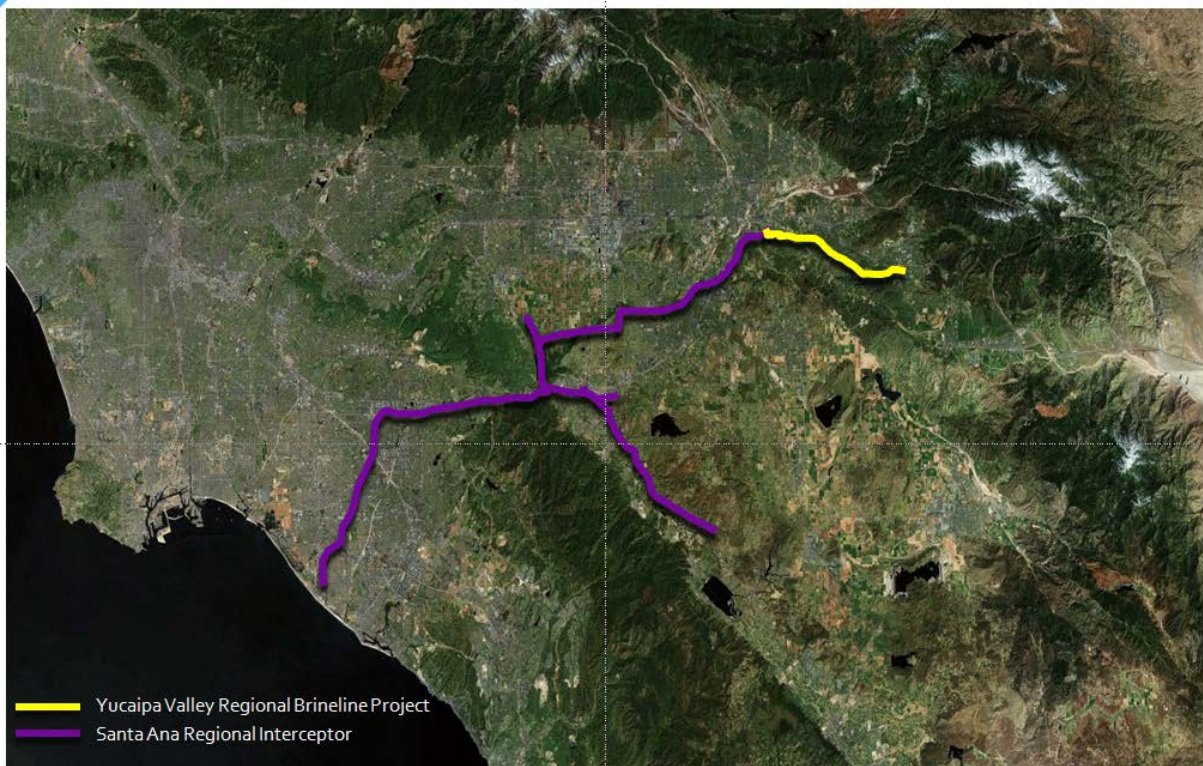
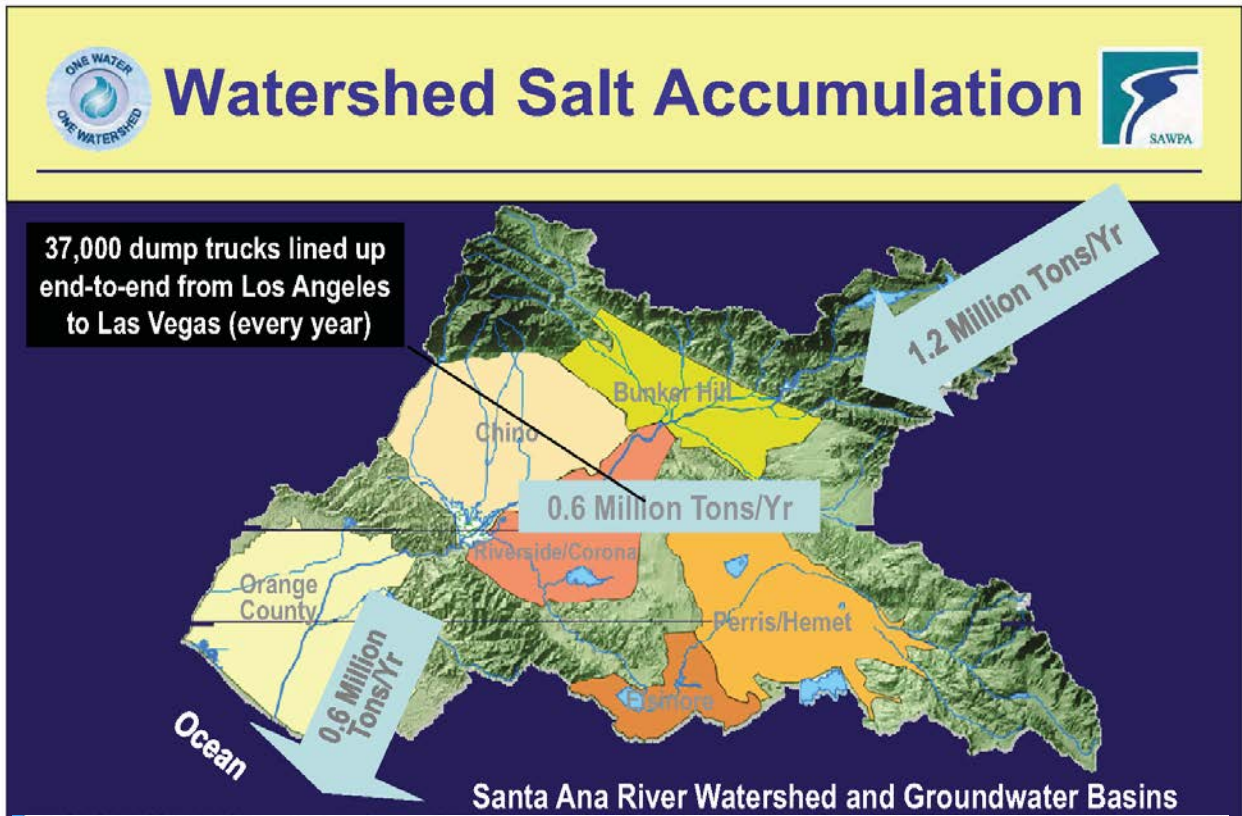
Subject: Status Report on the Construction of the Yucaipa Valley Regional Brineline

Yucaipa Valley Water District is in the process of constructing the Yucaipa Valley Regional Brineline in order to produce recycled water that complies with groundwater basin objectives as established by the Regional Water Quality Control Board. In order to comply with these limits, the District is required to add a reverse osmosis process to the wastewater treatment plant. This will enable the District to remove salts and minerals from depositing in to the groundwater basin. The proposed reverse osmosis system will produce salt water, referred to as "brine", that must be sent to the Pacific Ocean so it does not impact any fresh water supplies downstream of the Yucaipa Valley.

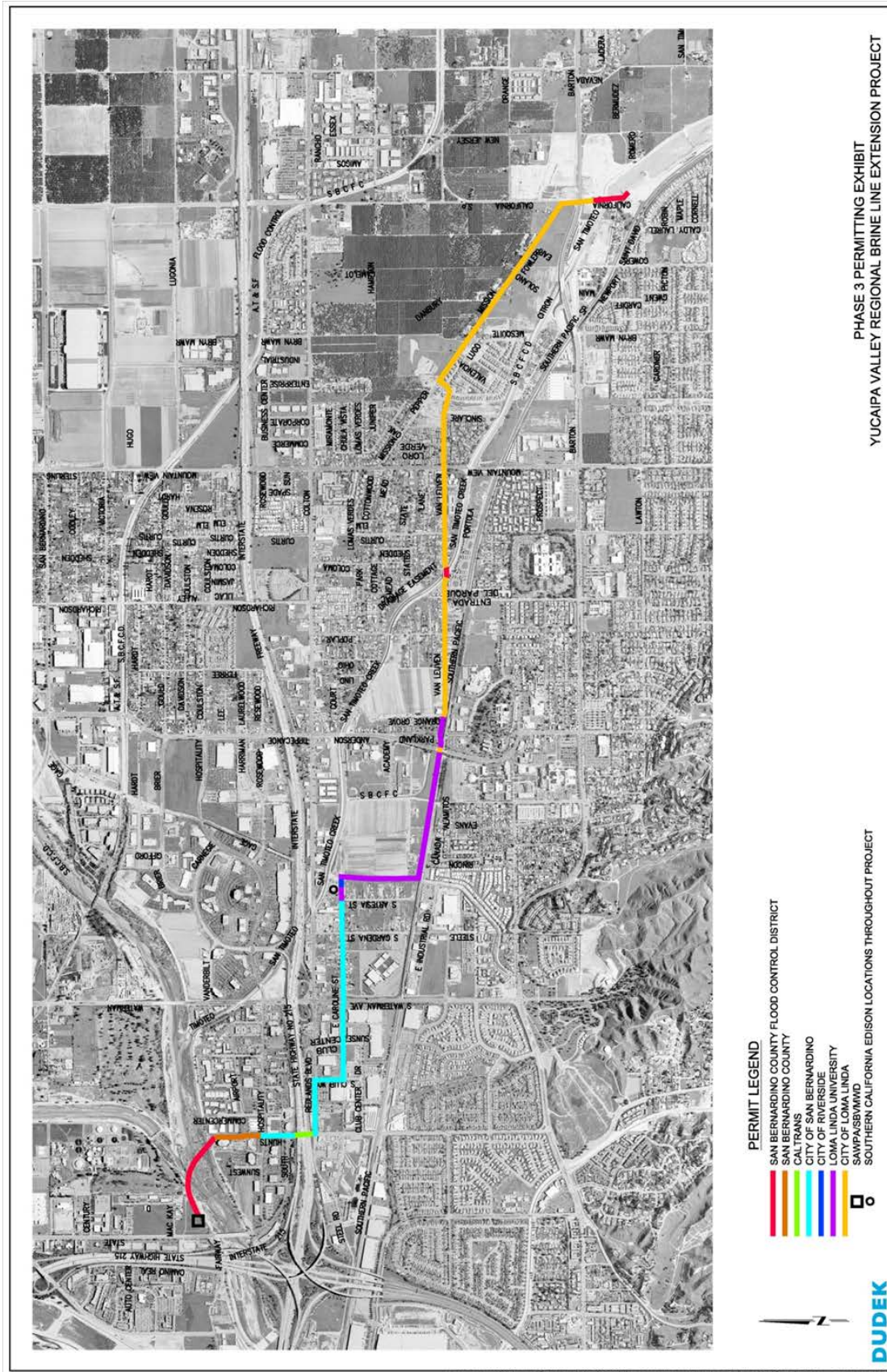
The Yucaipa Valley Regional Brineline Project consists of a 15-mile pipeline through which the District can safely and effectively dispose of the salt water produced. This pipeline will commence at the Wochholz Regional Water Recycling Facility and terminate at an existing brineline near the I-215 and I-10 Interchange. At this point the existing brineline extends another 73 miles traversing San Bernardino, Riverside and Orange counties to Orange County Sanitation District Wastewater Treatment Plant No. 2 in Huntington Beach, where the salt water is treated with domestic sewage and then sent to the ocean or reclaimed by Orange County Water District.

During this agenda item, the District staff will be providing an update of the construction status of the Yucaipa Valley Regional Brineline Project.





Yucaipa Valley Regional Water Supply Renewal Project







Where to install the pipe
with the manhole for
the 16x10 and the 16x12
change at sta 16+10
4-4-12



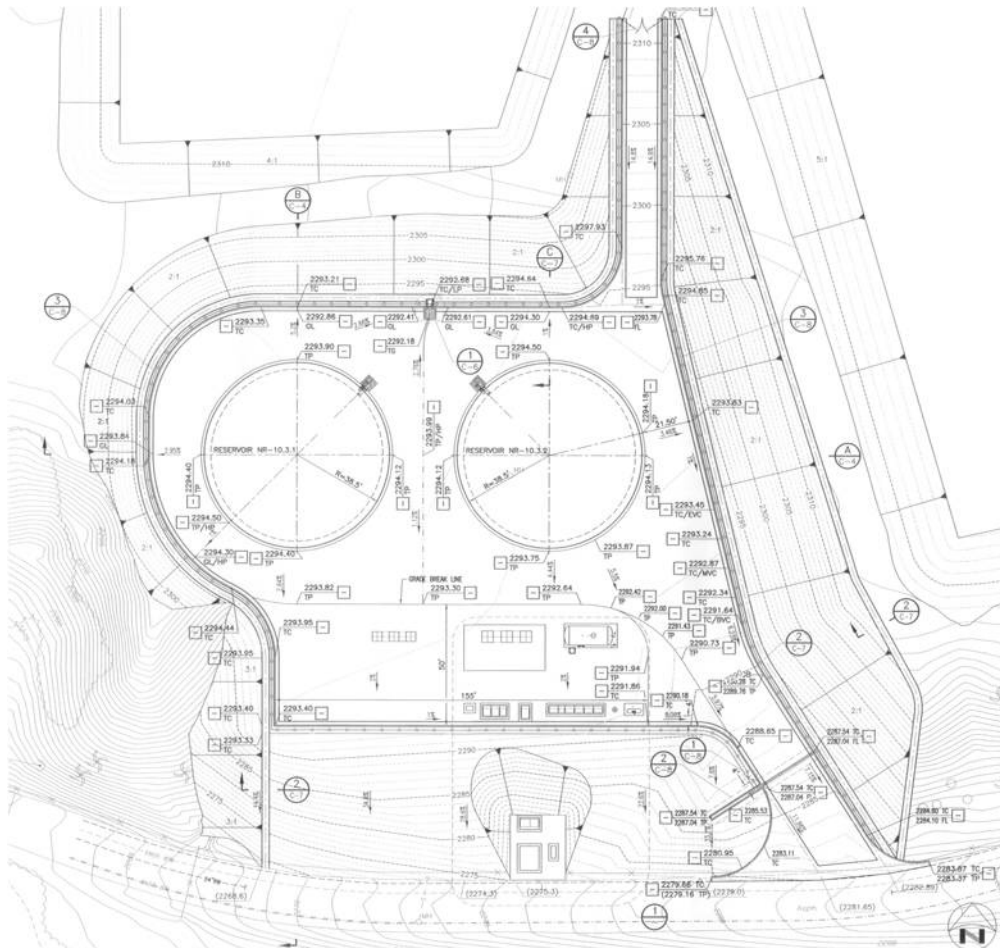


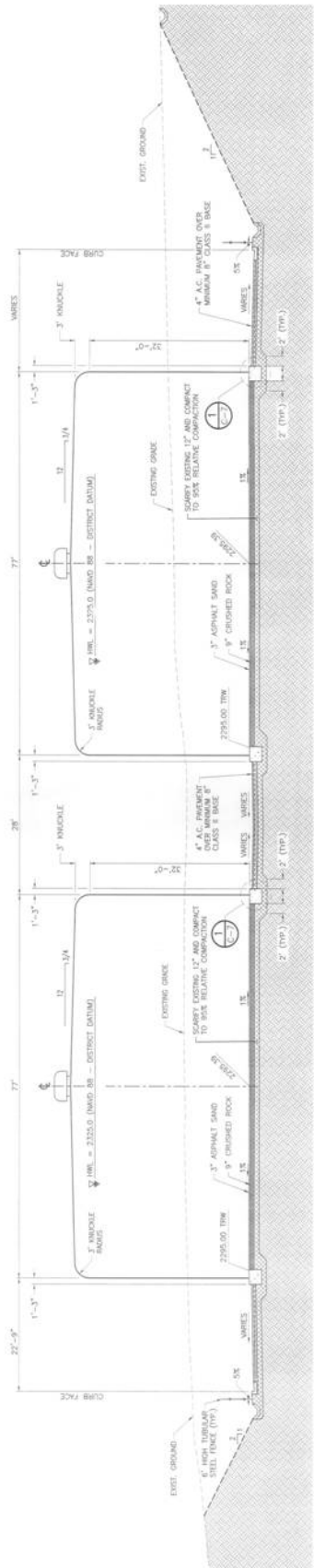
Date: April 24, 2012

Subject: Status Report on the Construction of the R-10 Recycled Water Reservoir and Booster Complex

Yucaipa Valley Water District is in the process of constructing several recycled water facilities to prepare the community for the next drought cycle. By connecting the available recycled water supply at the Wochholz Regional Water Recycling Facility to the existing recycled water system, the District will be able to immediately reduce our dependency on imported water by more than 1,000 acre feet per year. Overall, the aggressive use of recycled water is an important element in our water resource planning.

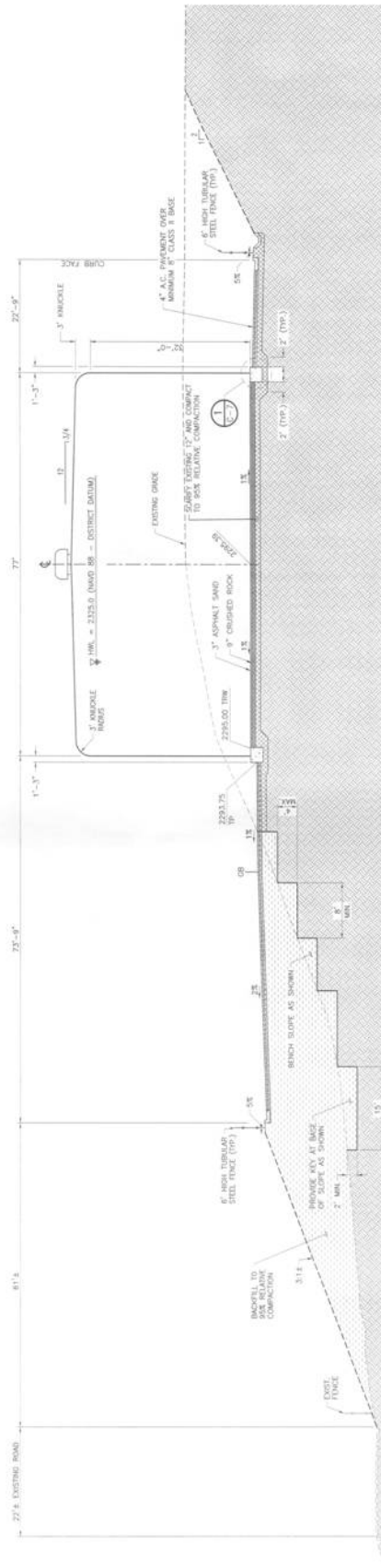
One of the projects planned for completion over the next year is the R-10 Reservoir Complex. This facility is located at the western end of County Line Road in the City of Calimesa. During this agenda item, the District staff will be providing an update of the status of this important project.





A
C-2

RESERVOIR SECTION
SCALE: 1"=10'



B
C-2

RESERVOIR SECTION
SCALE: 1"=10'





Date: April 24, 2012

Subject: Status Report on the Construction of the Crow Street Pipeline

The Yucaipa Valley Water District is in the process of constructing several recycled water facilities to prepare the community for the next drought cycle. By connecting the available recycled water supply at the Wochholz Regional Water Recycling Facility to the existing recycled water system, the District will be able to immediately reduce our dependency on imported water by more than 1,000 acre feet per year. Overall, the aggressive use of recycled water is an important element in our water resource planning.

One of the projects planned for completion over the next year is the Crow Street Pipeline. During this agenda item, the District staff will be providing an update of the status of this important project.



Date: April 24, 2012

Subject: Status Report on the Construction of the Recycled Water Booster Facility at the Reservoir R-12.1 Complex

The Yucaipa Valley Water District is in the process of constructing several recycled water facilities to prepare the community for the next drought cycle. By connecting the available recycled water supply at the Wochholz Regional Water Recycling Facility to the existing recycled water system, the District will be able to immediately reduce our dependency on imported water by more than 1,000 acre feet per year. Overall, the aggressive use of recycled water is an important element in our water resource planning.

One of the projects planned for completion over the next year is the Recycled Water Booster Facility located at the Reservoir R-12.1 Complex. During this agenda item, the District staff will be providing an update of the status of this important project.

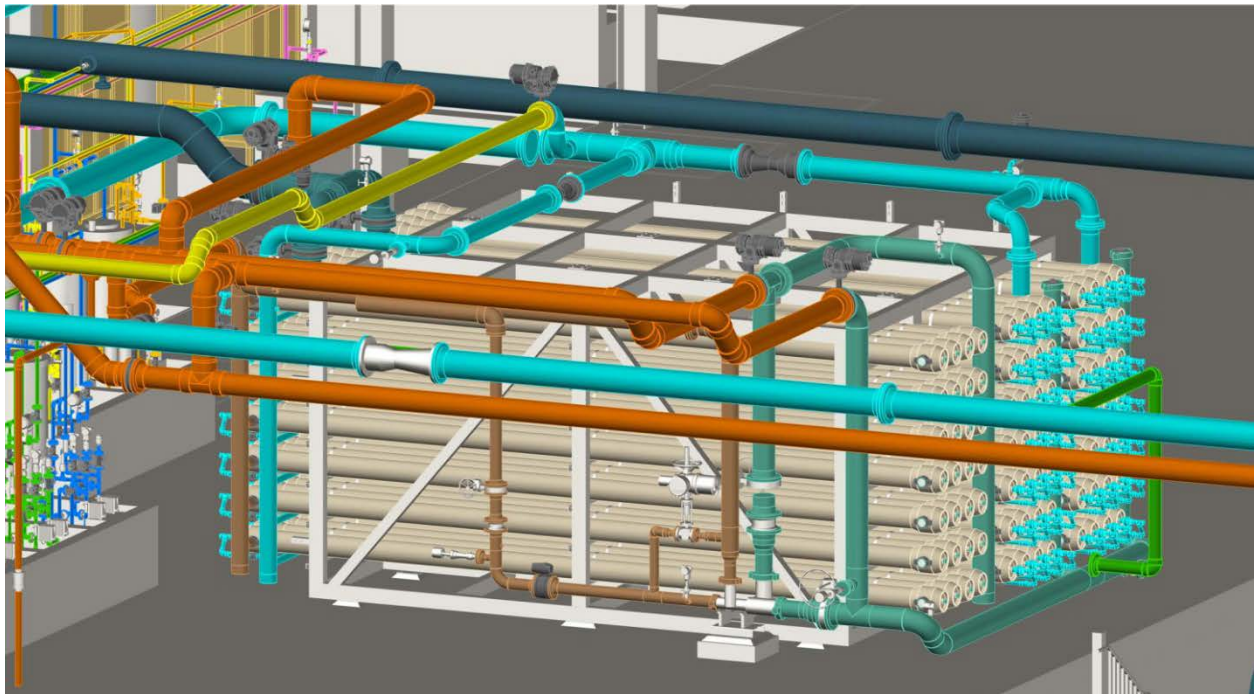


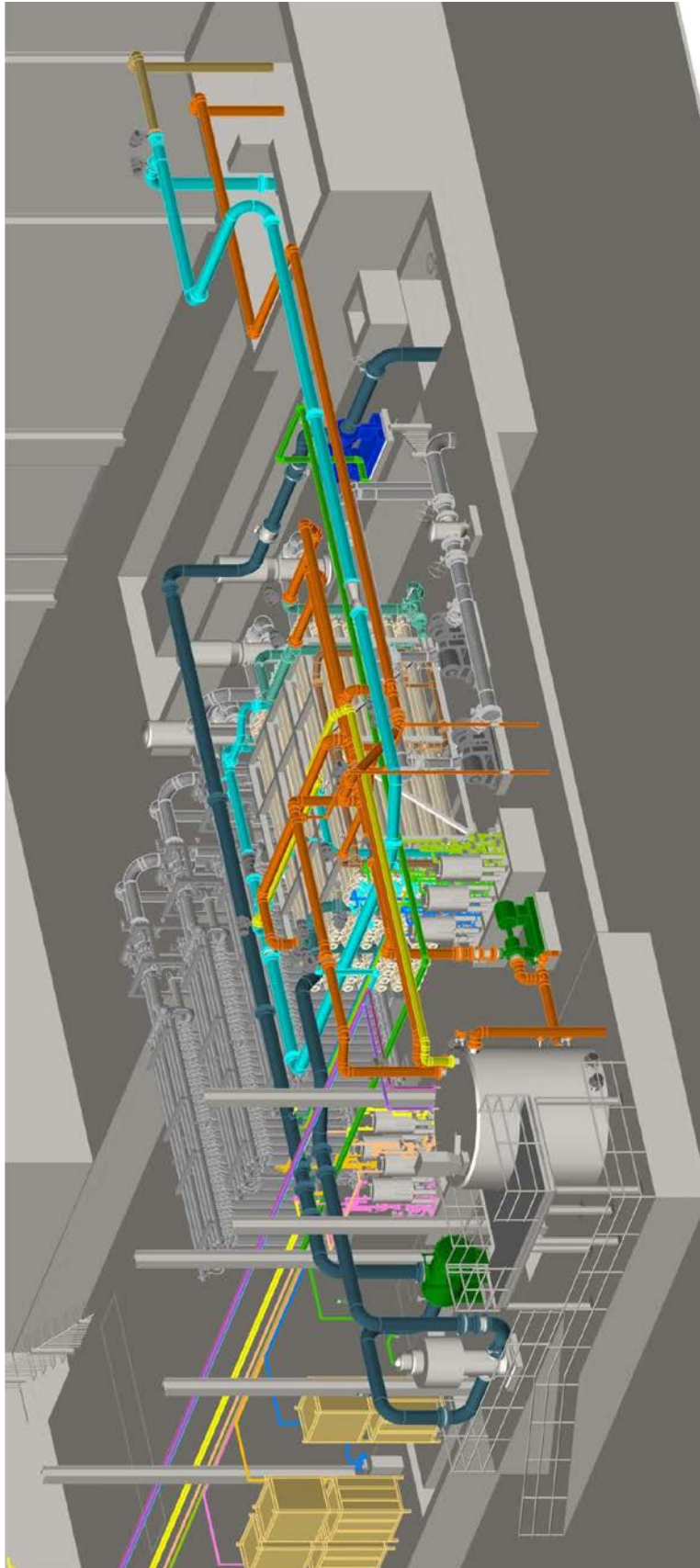
Date: April 24, 2012

Subject: Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project

Yucaipa Valley Water District is in the process of constructing the Yucaipa Valley Regional Brineline in order to produce recycled water that complies with groundwater basin objectives as established by the Regional Water Quality Control Board. In order to comply with these limits, the District is required to add a reverse osmosis process to the wastewater treatment plant. This will enable the District to remove salts and minerals from depositing in to the groundwater basin. The proposed reverse osmosis system will produce salt water, referred to as “brine”, that must be sent to the Pacific Ocean so it does not impact any fresh water supplies downstream of the Yucaipa Valley.

The first phase of the reverse osmosis equipment is being designed as part of the Wochholz Improved Salinity Effluent (WISE) Project. This project is currently scheduled for the completion of the construction phase by November 2012.







Workshop Memorandum 12-087



Date: April 24, 2012

Subject: Review of a Conceptual Development Agreement for Tract No. 30386

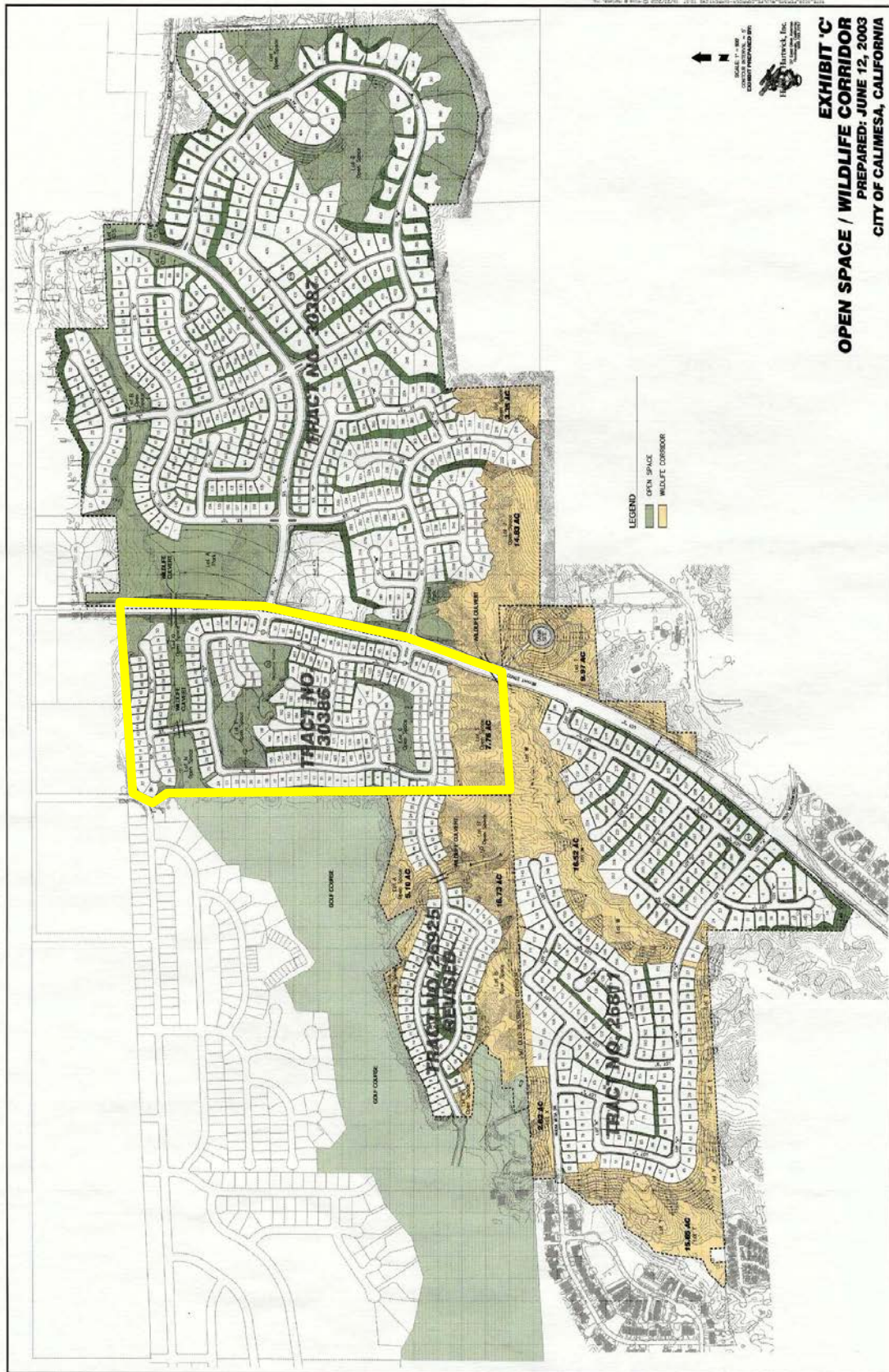
On July 20, 2005, the Board of Directors approved Development Agreement No. 07-2005 for Tract Nos. 30386 and 30387 (attached).

The District staff has been informed that Tract No. 30386 is currently in the process of transferring ownership. The sale of this property requires the District to revise the attached development agreement to provide specific conditions for the orderly development of Tract No. 30386.

For discussion purposes, Part G (page 12 of 20) of the original development agreement has been modified with the following color-coded annotations to represent the revisions anticipated by District staff:

-  Proposed Text Deletions
-  Proposed Text Additions

Other portions of the development agreement may be modified accordingly based on future discussions with the new property owner.



DEVELOPMENT AGREEMENT TO PROVIDE WATER, SEWER AND RECYCLED WATER FACILITIES AND SERVICE TO THE PRIVATE DEVELOPMENT OF TRACT 30386 & 30387

This Agreement is made and effective this ____ day of _____ 2012, by and between the YUCAIPA VALLEY WATER District, a public agency ("District") and _____, a California _____ ("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

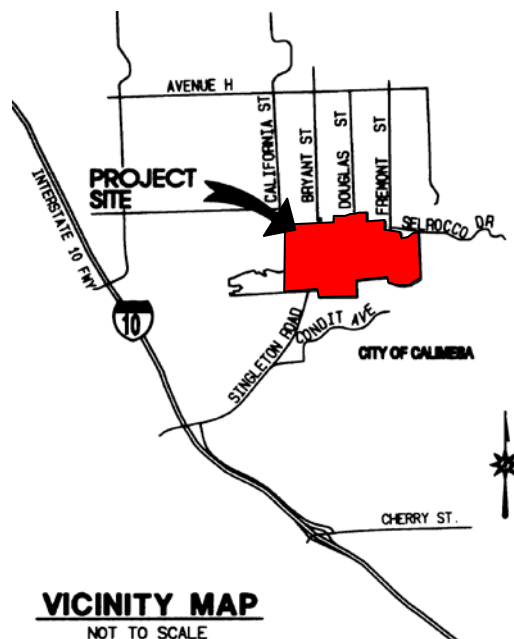
Developer:
 Attn: _____
 Telephone: (____) _____
 Facsimile: (____) _____

PROJECT OVERVIEW

Tract No. 30386 and 30387 are adjoining tracts generally located south of Avenue L with Tract No. 30386 on the west side of Bryant Street and Tract No. 30387 on the east side of Bryant Street. An overview of the proposed project size and location is provided as Exhibit "A".

Tract No. 30386 consists of 216 residential lots plus one recreation center. Tract No. 30387 consists of 478 residential lots, a community commercial center, three parks and an equestrian staging area.

The development agreement for Tract No. 26925 immediately west of Tract 30386 was approved by the Board on September 1, 2004 [DM 04-127] as Development Agreement No. 11-2004. This development agreement discussed the dependency Tract No. 26925 has on adjoining Tract Nos. 30386 and 30387 for water service.



On December 18, 2002, the District presented a detailed review of the water supply availability for this project consistent with the requirements of Senate Bill 221 (SB 221) and Senate Bill 610 (SB 610). The Board approved the water supply assessment as Resolution No. 42-2002 [DM 02-155].

The District's active involvement in the review process for this project is detailed in the following project files:

- 2003156 – Tract No. 30386 (water);
- 2003157 – Tract No. 30386 (sewer);
- 2003158 – Tract No. 30387 (water);
- 2003159 – Tract No. 30387 (sewer).
- 2004201 – Tract No. 26925 (water); and
- 2004202 – Tract No. 26925 (sewer).

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, sewer, and recycled water 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, recycled 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 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.

<u>Document(s)</u>	<u>Due Date</u>
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 Acceptance
Letter of Credit	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 (if applicable), and sewer service for the Project.

a. The special conditions of Development Agreement No. 11-2004 for Tract No. 26925 relevant to this Project are hereby included as a requirement of this Agreement unless explicitly excluded below.

b. Wastewater Related Facilities: The following requirements are established for the wastewater related facilities associated with this project.

i. The Developer shall install a parallel 12" sewer mainline through the Calimesa Country Club Golf Course prior to receiving a building permit for the 151st EDU constructed as part of Tract 26925, Tract 30386 and/or Tract 30387 as shown in Exhibit "B".. It is anticipated that this parallel mainline will be within the existing District sewer easements. However, if the proposed parallel pipeline is unable to be located in the existing sewer easement, or the existing sewer easement is unable to be realigned in a manner acceptable to the District, then the Developer shall acquire in the name of the District, a permanent right-of-way necessary for the installation of the parallel sewer mainline at the Developer's sole cost and expense. The newly acquired right-of-way shall be fully deeded to the District prior to acceptance of the sewer mainline.

ii. The District is currently proposing to construct the Oak Valley Wastewater Treatment Facility west of the proposed Project which will provide wastewater treatment to the homes within Tracts 26925, 30386 and 30387. The construction timing associated with the Oak Valley WWTF may alleviate the requirements for the Developer to complete extensive wastewater improvements in and around Calimesa Boulevard downstream of the proposed development Project. However, the District is fully reliant on the developer of the Oak Valley Project to construct the necessary infrastructure to allow the Oak Valley WWTF to be utilized. Therefore, the following schedule of improvements shall apply to this project:

i. The District has identified sewer mainline deficiencies downstream of the Project in the City of Calimesa. To secure the appropriate funding for the upgrade of these sewer mainline facilities, the Developer will contribute an amount of \$1,500 per Equivalent Dwelling Unit for the construction of upgraded sewer mainline facilities. This fee shall be paid prior to the issuance of building permits.

A. Prior to the construction of receiving the 150th building permit for homes within Tract Nos. 26925, 30386 and 30387; the Developer shall install approximately 450 lf of a parallel wastewater interceptor in Calimesa Boulevard north of Avenue L. This facility will be designed and approved by the District to make the parallel interceptor: (1) fully functional as a phase I improvement; and (2) allow for future phased construction of this facility by others.

c. Water Related Facilities: The following requirements are established for the

water related facilities associated with this project.

i. This Project will be ultimately served potable water by the District's Pressure Zones 13 and 15, with a pressure reducer simulating the pressure of Pressure Zone 14 from Pressure Zone 15. The water service for Tract No. 26925 is in Pressure Zone 13 and therefore dependent on the construction of the R-13.4 Reservoir and on-site tract improvements within Tract Nos. 30386 and 30387.

ii. The Developer is responsible for the design and construction of the potable water storage reservoir R-13.4, the non-potable water storage reservoir H-2; and booster station B-13.4. Both reservoirs shall be designed, constructed and accepted by the District prior to the issuance of the 250th building permit for Tract Nos. 26925, 30386 and 30387. Upon execution of this agreement and receipt of the design cost in the amount of \$79,000, the District will proceed with the design of these reservoirs. The District will authorize construction of these facilities upon receipt of construction funds from the Developer.

iii. Prior to the issuance of a building permit in Pressure Zones 14 or 15, the Developer shall construct off-site 16" and 20" water conveyance pipelines from the intersection of Wildwood Canyon Road and Mesa Grande Drive to the pad of the booster station located at the R-13.4 site as shown is Exhibit "C".

iv. Booster Station B-13.4 shall be accepted by the District prior to the issuance of the 50th building permit in Pressure Zone 15. The B-13.4 booster station shall be designed to also provide security and enclosure for a pressure reducing station required to provide service for service to Pressure Zone 14. Therefore, the booster station will be required prior to issuance of building permits in Pressure Zone 14.

v. The Project requires an additional water source of supply sufficient to provide an average daily demand of 400 gpm (0.6 million gallons per day). The requirement for an additional source of supply shall be achieved by establishing a District approved offset equal to the required water demands and/or participation in the equipping and pipeline facilities necessary to activate the existing Dairy Barn Well, or any District approved combination thereof.

i. The Project shall pay for the purchase a quantity of imported water pursuant to the Sustainability policy adopted by the Board of Directors as Resolution No. 11-2008. The imported water rate shall be the rate in effect at the time water is secured from the San Gorgonio Pass Water Agency.

vi.ii. The use of recycled water to serve Reservoir H-2 shall be provided by a recycled water booster facility connected to the existing YVWD recycled water facilities. The location and size of this booster facility shall be coordinated and approved by the District to meet the demands of the Project. Should the District or the Developer decide to pursue a connection to the East Branch Extension for not-potable water service, the District will reduce the requirements of this recycled water booster station to act as a redundant supply rather than the primary source of recycled water.

vii. The District has incurred the cost of installing potable water pipelines in Avenue L which would have been designed and constructed by the Developer for this Project. In exchange for the costs associated with the design and construction of this pipeline improvement, the Developer shall oversize the non-potable water storage reservoir from 0.66 MG to 1.0 MG and increase the non-potable water distribution pipeline diameter from 12" to 16" from the H-2 Reservoir to Singleton Road.

iii. [Add connection and sequencing language based on the anticipated construction of Bryant Street].

iv. [Add language regarding the reinforcement of the north-eastern potable water pipeline connection.]

d. Fee Credits: Based on the improvements required in this Agreement, the District will provide the following credits to development impact fee as described below.

i. Reservoir R-13.4: Based on the requirement of the Developer to be solely responsible for the costs associated with the design and construction of Reservoir R-13.4, the District will not collect the *Development Impact Fee - Water Storage Reservoir* fee component in effect at the time building permits are issued for potable water meters within Pressure Zone 13 of Tract Nos. 26925, 30386 and 30387. This fee credit is only available if sufficient storage has been calculated for potable water meters within the pressure zone of the defined project area.

ii. Reservoir H-2: Based on the requirement of the Developer to be solely responsible for the costs associated with the design and construction of Recycled Water Reservoir H-2, the District will not collect the *Development Impact Fee – Recycled Water Storage Reservoir* fee component for recycled water meters installed within Pressure Zone 13 of Tract Nos. 26925, 30386 and 30387. This fee credit is only available if sufficient storage has been calculated for recycled water meters within the pressure zone of the defined project area.

ii. Booster B-13.4: Based on the requirement of the Developer to be solely responsible for the costs associated with the design and construction of Water Booster Station B-13.4, the District will not collect the *Development Impact Fee – Booster Pumping Plants* fee component for potable water meters installed within Pressure Zones 14 and 15 of Tract Nos. 26925, 30386 and 30387. This fee credit is only available if sufficient pumping capacity has been calculated for potable water meters within the pressure zones of the defined project area.

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, except for those fees identified as credits above.

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

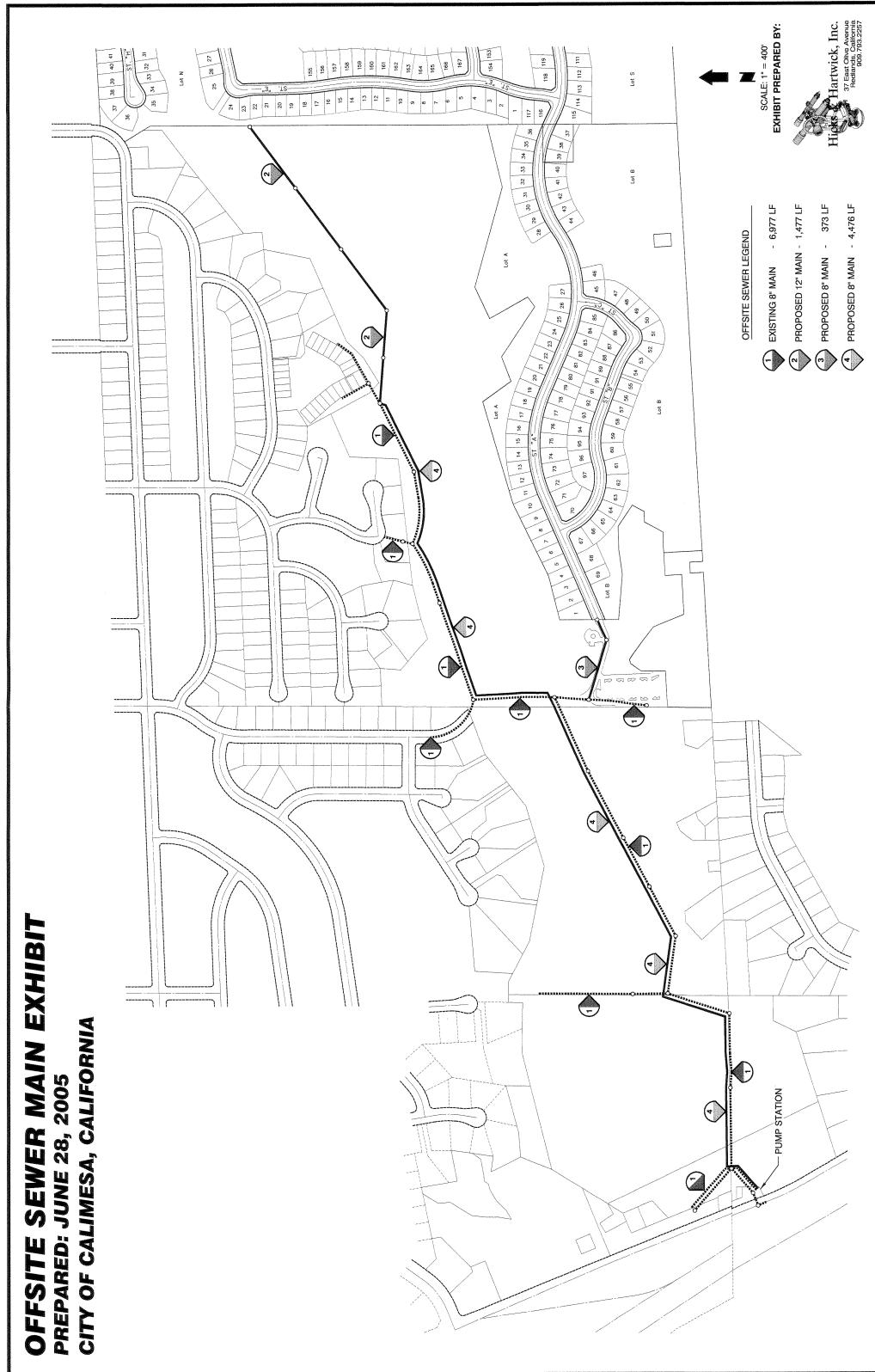
Dated: _____

By: _____

Print Name

Print Title







Date: April 24, 2012

Subject: Ratification of Amendment No. 1 to State Revolving Fund Project No. C-06-7476-110

On April 6, 2012, the Yucaipa Valley Water District received the attached Amendment No. 1 to State Water Resources Agreement No. 09-864-550, Project No. C-06-7476-110 related to the construction of the Yucaipa Valley Brineline. The proposed amendment:

- Revises the construction completion date to December 31, 2012;
- Revises the project completion date to January 31, 2013;
- Revises the end term date to December 31, 2032;
- Adds Exhibit A.1;
- Includes additional Special Condition in Exhibit D; and
- Revises Exhibits A, B, & C.

The District staff has reviewed the proposed changes and recommends the ratification of the Amendment No. 1 at the regular board meeting on May 2, 2012.



State Water Resources Control Board

April 6, 2012

Mr. Joseph Zoba
General Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399-0730

Agreement Number: **09-864-550-1**; Project Number: **C-06-7476-110**

Enclosed is Amendment No. 1 to your Finance Agreement for your approval and signature. This Amendment cannot be considered binding by either party until approved by the State Water Resources Control Board. The State is not obligated to make any payments for services performed prior to final approval of any Agreement.

If the District is in agreement with all terms and conditions, please sign and date the two (2) copies of the signature pages and return to:

US Mail

**Ms. Eva Kawada
Program Analyst
State Water Resources Control Board
Division of Financial Assistance
P.O. Box 944212
Sacramento, CA 94244**

Overnight Mail

**Ms. Eva Kawada
Program Analyst
State Water Resources Control Board
Division of Financial Assistance
1001 I Street, 17th Floor
Sacramento, CA 95814**

Expeditious handling of this Amendment is appreciated. If you have any questions, please contact Ms. Kawada at (916) 341-5715 or ekawada@waterboards.ca.gov.

Once final approval is obtained, we will forward you an executed copy for your records.

Enclosure

CHARLES R. HOPPIN, CHAIRMAN | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov





YUCAIPA VALLEY WATER DISTRICT
AND
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

PROJECT FINANCE AGREEMENT
STATE REVOLVING FUND PROJECT NO. C-06-7476-110
AGREEMENT NO. 09-864-550

AMENDMENT NO. 1

AMOUNT: \$9,752,100

TERM DATES: MAY 4, 2010 — ~~JUNE 30, 2032~~ December 31, 2032

The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement, originally executed on June 28, 2010 and incorporated herein:

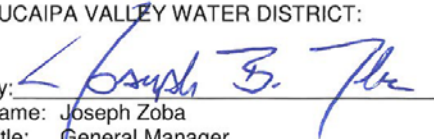
Changes made in this amendment are shown as follows in the attached Exhibits:

- Exhibit A – Scope of Work & Incorporated Documents (1 page attached)*
- Exhibit A.1 – Approval of Award/Eligibility Determination Approval/Final Budget (6 page attached)**
- Exhibit B – Project Financing Amount (1 page attached)*
- Exhibit C – CWSRF Payment Schedule (2 pages attached)*
- Exhibit D – Special Conditions (2 page attached)*

* Except as otherwise noted, text deletions are displayed as strike through text (i.e., strike out)
** Entire Exhibit added.

All other terms and conditions shall remain the same.

YUCAIPA VALLEY WATER DISTRICT:

By: 
Name: Joseph Zoba
Title: General Manager

Date: _____

STATE WATER RESOURCES CONTROL BOARD:

By: _____
Name: Elizabeth L. Haven
Title: Director, Division of Financial Assistance

Date: _____

Yucaipa Valley Water District
Agreement No.: 09-864-550-1
Project No.: C-06-7476-110

EXHIBIT A – SCOPE OF WORK & INCORPORATED DOCUMENTS

1. The Recipient agrees to start construction for Phases 1 and 2 no later than May 15, 2010 and Phase 3 no later than April 30, 2011.
2. Completion of Construction date is hereby established as ~~June 30, 2012~~ **December 31, 2012**.
3. The Project Completion date is hereby established as ~~July 30, 2012~~ **January 31, 2013**.
4. The Project, commonly known as Regional Brineline Extension Project generally consists of constructing a brine disposal pipeline to comply with regional groundwater basin objectives, as more particularly described in the financial assistance application of the Agency and the accepted plans and specifications for the Project, if any.
5. Incorporated by reference into this Agreement are the following documents:
 - (a) the Facilities Plan Approval Letter of April 13, 2010;
 - (b) the Preliminary Funding Commitment of May 4, 2010;
 - (c) the Final Plans & Specification **for Phase 1 and 2 Project, dated August 11, 2009, and for Phase 3 Project, dated August 22, 2011, and Phases 1 and 2 Addendum Nos. 1 and 2, issued December 7, 2009 and January 6, 2010, respectively, and Phase 3 Addendum Nos. 1 through 4, issued June 30, 2011, July 20, 2011, July 25, 2011, and July 26, 2011, respectively**, which are the basis for the construction Contract to be awarded by the Recipient **Sukut Construction, Inc. and W. A. Rasic Construction** (~~Agreement will be amendment to incorporate such document~~); and
 - (d) the California Regional Water Quality Control Board, Santa Ana Region, Resolution No. R8-2004-0001.

Yucaipa Valley Water District
 Agreement No.: 09-864-550-1
 Project No.: C-06-7476-110

EXHIBIT A.1 – APPROVAL OF AWARD (AOA)/ELIGIBILITY DETERMINATION APPROVAL/
 FINAL BUDGET

Table 1: Approved Construction Bid Amount:

CONTRACTOR	AMOUNT BID	APPROVED COSTS
Sukut Construction, Inc.	\$5,322,295	\$1,557,067
W.A. Rasic Construction Co., Inc.	\$9,350,000	\$5,527,158

1 - CONSTRUCTION BUDGET

Table 2: Approved Construction Budget:

PROJECT COST TABLE	
Applicant:	Yucaipa Valley Water District (Recipient)
Project Number:	C-06-7476-110
Project Name:	Regional Brineline Extension Project (Project)
TYPE OF WORK	APPROVED CONSTRUCTION BUDGET
	Total Costs
A. Construction	
1. Sukut Construction, Inc.	\$5,322,295
USBR Title XVI Grant	(\$1,330,570)
Prop. 50 IRWM Grant	(\$2,434,658)
Sukut Subtotal	\$1,557,067
2. W.A. Rasic Construction	\$9,350,000
USBR Title XVI Grant	(\$2,337,500)
Prop. 50 IRWM Grant	(\$1,485,342)
W.A. Rasic Subtotal	\$5,527,158
Construction Subtotal	\$7,084,225
B. Allowances (Soft Costs)	
1. Planning	\$492,449
USBR Title XVI Grant	(\$19,627)
Agency Cash	(\$338,991)
Subtotal	\$133,831
2. Design	\$1,405,175
USBR Title XVI Grant	(\$6,611)
Subtotal	\$1,398,564
3. Construction Management	\$2,911,232
USBR Title XVI Grant	(\$450,921)
Agency Cash	(\$1,324,831)
Subtotal	\$1,135,480
Allowances Subtotal	\$2,667,875
TOTAL (Subtotal A + Subtotal B)	\$9,752,100

Note: Adjustments may be made between line items on the Final Disbursement.

Yucaipa Valley Water District
 Agreement No.: 09-864-550-1
 Project No.: C-06-7476-110

EXHIBIT A.1 – APPROVAL OF AWARD (AOA)/ELIGIBILITY DETERMINATION APPROVAL/
 FINAL BUDGET

2 - PROJECT ELIGIBILITY DETERMINATION

The Eligibility Determination and Conditions of Approval identified below are based on the review of:

- Facilities Plan Approval (FPA) letter dated April 8, 2010;
- Stamped and Signed Final Plan and Specifications (P&S) for the Phase 1 & 2 Project received May 11, 2010, dated August 11, 2009; and P&S for the Phase 3 Project received November 9, 2011, dated August 22, 2011, and;
- Phases 1 & 2 Addendum Nos. 1 and 2, issued December 7, 2009 and January 6, 2010, respectively, and Phase 3 Addendum Nos. 1 through 4, issued June 30, 2011, July 20, 2011, July 25, 2011, and July 26, 2011, respectively.

The Eligibility Determination for the Bid Items shown in the Schedule of Values provided by the Recipient are as follows:

Table 3: Eligibility Determination Agreement:

Bid Item	Description	Percent Eligibility
Phases 1 & 2		
1.A.1	Ph 1 - General Requirements	100%
1.A.2	Ph 1 - Mobilization/Demobilization	100%
1.A.3	Ph 1 - Excavation Safety Measures	100%
1.A.4	Ph 1 - 12" HDPE	100%
1.A.5	Ph 1 - 16" HDPE	100%
1.A.6	Ph 1 - 16" DIP at Live Oak Cyn Bridge	100%
1.A.7	Ph 1 - 16" DIP at San Timoteo Bridge	100%
1.A.8	Ph 1 - Jack & Bore - 30" casing - 16" HDPE	100%
1.A.9	Ph 1 - Brineline Maintenance Hole	100%
1.A.10	Ph 1 - Brineline Air Vent Valves	100%
1.A.11	Ph 1 - Brineline Drains	100%
1.A.12	Ph 1 - Brineline Transition Manholes	100%
1.A.13	Ph 1 - Remove existing AC Paving & Base	100%
1.A.14	Ph 1 - T-Trench AC & CAB over main	100%
1.A.15	Ph 1 - 0.25' of AC & CAB over mainline	100%
1.A.16	Ph 1 - Geotextile fabric (owner direct)	100%
1.A.17	Ph 1 - Mobilization/Demobilization (owner direct)	100%
1.A.18	Ph 1 - Pipeline depth at 1.1' (owner direct)	100%
1.A.19	Ph 1 - Pipeline depth at 2.1' (owner direct)	100%
1.A.20	Ph 1 - 0.10' AC grind and overlay	100%
1.A.21	Ph 1 - Traffic Control	100%
1.A.22	Ph 1 - Cutoff Walls	100%
1.A.23	Ph 1 - Overexcavation (owner direct)	100%
1.B.1	Ph 2 - General Requirements	100%
1.B.2	Ph 2 - Mobilization/Demobilization	100%
1.B.3	Ph 2 - Excavation Safety Measures	100%
1.B.4	Ph 2 - 16" HDPE	100%
1.B.5	Ph 2 - Jack & Bore 30" casing with 20" HDPE	100%
1.B.6	Ph 2 - Brineline Maintenance Hole	100%
1.B.7	Ph 2 - Brineline Air Vent Valves	100%
1.B.8	Ph 2 - Brineline Drains	100%

A.1-2

bases27v10

Yucaipa Valley Water District
 Agreement No.: 09-864-550-1
 Project No.: C-06-7476-110

EXHIBIT A.1 – APPROVAL OF AWARD (AOA)/ELIGIBILITY DETERMINATION APPROVAL/
 FINAL BUDGET

Bid Item	Description	Percent Eligibility
1.B.9	Ph 2 - Remove existing AC Paving & Base	100%
1.B.10	Ph 2- 0.25' of AC & CAB over mainline	100%
1.B.11	Ph 2 - Geotextile fabric (owner direct)	100%
1.B.12	Ph 2 - Brineline Transition Manholes	100%
1.B.13	Ph 2 - Mobilization/Demobilization (owner direct)	100%
1.B.14	Ph 2 - Pipeline depth at 1.1' (owner direct)	100%
1.B.15	Ph 2 - Pipeline depth at 2.1' (owner direct)	100%
1.B.16	Ph 2 - 0.10' AC grind and overlay	100%
1.B.17	Ph 2 - Cutoff Walls	100%
1.B.18	Ph 2 - Concrete Encasement	100%
1.B.19	Ph 2 - Traffic Control	100%
1.B.20	Ph 2 - Overexcavation (owner direct)	100%
Phase 3		
1	Ph 3 - General Requirements	100%
2	Ph 3 - Mobilization/Demobilization	100%
3	*Ph 3 - Excavation Safety Measures	100%
4	Ph 3 - 20" HDPE	100%
5	Ph 3 - Horizontal Directional Drill under Santa Ana River, installing 1,574LF of 20" HDPE	100%
6	Ph 3 - Horizontal Directional Drill under San Timeteo Creek, installing 729LF of 20" HDPE	100%
7	Ph 3 - Flow Metering Facility, Discharge Manhole, & connect 20" HDPE	100%
8	Ph 3 - Jack & Bore under Barton Rd. and California St. - 30" casing - 20" HDPE	100%
9	Ph 3 - Jack & Bore under Gage Canal - 30" casing - 20" HDPE	100%
10	Ph 3 - Jack & Bore under San Timeteo Channel - 30" casing - 20" HDPE	100%
11	Ph 3 - Jack & Bore under I-10 Freeway - 30" casing - 20" HDPE	100%
12	Ph 3 - Jack & Bore under Hospitality Lane - 30" casing - 20" HDPE	100%
13	Ph 3 - Jack & Bore under Orange Grove Rd. - 30" casing - 20" HDPE	100%
14	Ph 3 - Brineline Maintenance Hole	100%
15	Ph 3 - Brineline Air Vent Valves	100%
16	Ph 3 - Brineline Drains	100%
17	Ph 3 - Brineline Transition Manholes	100%
18	Ph 3 - Remove existing AC Paving & Base	100%
19	Ph 3 - AC Base Pavement & Crushed Aggregate Base	100%
20	Ph 3 - Remove 15" Reinforced Concrete Road Bed	100%
21	Ph 3 - Geotextile Fabric Wrap	100%
22	Ph 3 - Demobilization/ Mobilization (owner direct)	100%
23	Ph 3 - Traffic Control	100%
24	Ph 3 - Overexcavation (owner direct)	100%
25	Ph 3 - Pipeline depth at 1.1' (owner direct)	100%
26	Ph 3 - Pipeline depth at 2.1' (owner direct)	100%
27	Ph 3 - Relocation of Existing Sewer Laterals (Recipient direct)	100%

A.1-3

base27v10

Yucaipa Valley Water District
 Agreement No.: 09-864-550-1
 Project No.: C-06-7476-110

EXHIBIT A.1 – APPROVAL OF AWARD (AOA)/ELIGIBILITY DETERMINATION APPROVAL/
 FINAL BUDGET

Bid Item	Description	Percent Eligibility
28	Ph 3 - Remove and Repave Cracked Paving and Base	100%
29	Ph 3 - 1-1/4" Single Duct Conduit in Trench	100%
30	Ph 3 - 1-1/4" Quad Duct Conduit in Trench	100%
31	Ph 3 - Pressure Testing Bulkhead Setup	100%
32	Ph 3 - Grind & AC Cap Streets (City of Loma Linda Details)	100%
33	Ph 3 - Grind & AC Cap Streets (City of San Bernardino Details)	100%
34	Ph 3 - Slurry Seal	100%
35	Ph 3 - Additional 20" HDPE	100%
36	Ph 3 - Field Orders (as authorized by Recipient)	100%
37	Ph 3 - Permit Fee	100%
38	*Ph 3 - Last Minute Reduction	100%

* Bid adjustment of \$16,500 will be applied to Phase 3, Item 3, per contractors' Schedule of Values.

Eligibility Determination Conditions of Approval

1. Necessary insurance directly related to the Construction Contract and extending throughout the period of the Construction Contract will be eligible for CWSRF financing. This includes builder risk insurance, public liability insurance, fire, and Project specific insurance.
2. Earthquake insurance and "Act of God" insurance are ineligible for funding.
3. Asphalt pavement, corresponding improvements, and excavation and refill materials due to trenching are limited to replacement of the trench width plus one foot on each side of the trench disturbed due to the construction work of the subject contract only. Full lane width paving or slurry seal is eligible only if required by ordinance or code.
4. The cost of local permits and licenses other than those issued by the Recipient are eligible for CWSRF financing.
5. The Division may approve Change Orders provided that such changes do not: (1) increase the maximum amount of the Financing Agreement based on Table 2: Approved Construction Budget, (2) increase the Term of the Financing Agreement, or (3) result in a substantial change in the Project scope.
6. Contingencies are not eligible.
7. Review of the P&S by the Division is conducted to determine eligibility and administrative compliance with the Policy. Issuance of the AOA does not relieve the Recipient and the design engineer of their legal liability for the adequacy of the design.
8. The review of the P&S is for eligibility and administrative purposes as well as to assess conformance with the Project Report and FPA.

3 - PROJECT PERFORMANCE STANDARDS

Project Objectives

1. The Project must meet the intended goals and objectives. All components of the Project shall meet the material, workmanship, and performance standards identified in the contract P&S and shall be operational at the time of Project Performance Certification.

Yucaipa Valley Water District
 Agreement No.: 09-864-550-1
 Project No.: C-06-7476-110

EXHIBIT A.1 – APPROVAL OF AWARD (AOA)/ELIGIBILITY DETERMINATION APPROVAL/
 FINAL BUDGET

2. The Project must have a level of staffing sufficient to properly operate and maintain the facilities. The Recipient must ensure that the funded facilities will be properly operated and maintained for the estimated life of the Project.
3. The Recipient's Project shall meet all conditions and requirements contained in the Waste Discharge Requirements (WDR) and National Pollution Elimination Discharge System (NPDES), if applicable.

Project Performance Standards during Certification Period

4. Major mechanical components and process units shall be tested for the maximum design flow rates and wastewater concentrations, where feasible, to determine that the project performance objectives are met.

Data Collected for the Project

5. The existing Operation and Maintenance Tracking System must be updated or a new Operation and Maintenance Tracking System must be established to include all new mechanical and electrical equipment, spare parts, and a record of preventative and corrective maintenance tasks scheduled and performed.

Individual Component Process Data

The Regional Brineline Extension Project will have meters at the entrance and exit of the new pipeline. Therefore, the total amount of water that enters the brineline from the Wochholz Regional Water Recycling Facility (WRWRF) and that enters the downstream Santa Ana River Interceptor (SARI) brineline can be measured. The Recipient will likely also be able to measure the total dissolved solids (TDS) of the waste brine entering the brineline and can therefore show the salt reduction that is occurring in the local groundwater basins due to the construction of the brineline.

6. Recorded data shall be collected and used to compare actual performance with project objectives and the WDR/NPDES Permit. The Project Performance Report (PPR) shall include the following:
 - a. Flow records of effluent brine discharge from the Wochholz RWRF and brine discharged from the brineline into the main SARI line in million gallons per day;
 - b. Record of preventive and corrective maintenance from all mechanical and electrical equipment (primarily flow meters);
 - c. Flow meter calibration records;
 - d. An operation and maintenance (O&M) log; and
 - e. Any additional information required by the WDR and NPDES, such as TDS and nitrate results.

Project Performance Report (PPR) and Certification

7. One year after the Initiation of Operation, the Recipient shall prepare a PPR that includes the Individual Component Process Data and certify whether the Project meets the Project Performance Standards. The PPR must include a description of the test conditions, comparison of the actual performance of the funded Project with expected performance, and the Project's ability to meet objectives. The PPR should assess individual unit processes for possible operational adjustments to optimize plant reliability.
8. If at the end of the Project Performance Certification period the Recipient is unable to certify the Project, the Recipient must submit a Corrective Action Report (CAR). For components of the Project not meeting the material, workmanship or performance standards in the construction contract P&S,

A.1-5

issued 7/1/10

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the Recipient must provide a discussion of probable cause and recommended corrective measures. The CAR shall provide estimates of the nature, scope, cost, and schedule to implement the necessary corrective measures. The Recipient understands that the cost of corrective measures is not eligible for CWSRF financial assistance.

9. If the Recipient does not submit a PPR and the signed Certificate of Performance, or a CAR, within fifteen (15) months of the Initiation of Operation date, the Division will stop processing any pending or future applications for new CWSRF funding or bond funded grants, and withhold payments on any existing financing assistance that the Recipient may have with the State Water Board, until the PPR and Certification, or CAR, are submitted. The Division may use any other legal means to obtain the PPR and Certificate of Performance, or CAR, from the Recipient.

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EXHIBIT A.1 – APPROVAL OF AWARD (AOA)/ELIGIBILITY DETERMINATION APPROVAL/
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EXHIBIT B – PROJECT FINANCING AMOUNT

1. Estimated Reasonable Cost. The estimated reasonable cost of the total Project, including associated planning and design costs, is ~~fourteen million, eighty five thousand, one hundred~~ **nineteen million, seven hundred six thousand, one hundred fifty six** dollars and no cents (~~\$14,085,100.00~~) **(\$19,706,156.00)**.
2. Project Funding. Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds in the amount of nine million, seven hundred fifty two thousand, one hundred dollars and no cents (\$9,752,100.00).
3. Repayment and Interest Rate. The Recipient agrees to repay all Project Funds according to the schedule in Exhibit C at an interest rate of two and seven tenths percent (2.7%) per annum and an Administrative Service Charge of zero percent (0%) per annum.
4. The term of this agreement is from May 4, 2010 to ~~June 30, 2032~~ **December 31, 2032**.
5. Budget costs are contained in the Project Cost Table, which is part of the Eligibility Determination Approval or Approval of Award Letter(s) in Exhibit A.1. (~~This Agreement will be amended to incorporate such document.~~)
6. Preliminary budget costs are as follows:

Allowances (soft costs):	Planning	\$ 255,000
	Design	\$1,300,000
	Total	\$1,555,000

~~Construction costs and disbursements are not available until after this Agreement has been amended to incorporate the Approval of Award/Eligibility Determination Approval.~~

~~Any construction expenses incurred by the Recipient prior to such amendment of this Agreement are at the Recipient's risk. Failure to begin construction according to the timelines set forth in Exhibit A will require the Recipient to repay to the State Water Board all disbursed Project Funds, including Allowances.~~

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EXHIBIT C - CWSRF PAYMENT SCHEDULE

See the attached preliminary CWSRF Payment Schedule dated ~~May 19, 2010~~ **April 3, 2012**. The final CWSRF Payment Schedule will be forwarded to the Recipient after all disbursements have been paid and construction of the Project has been completed.

Principal is paid over: 20 Years
Interest rate: 2.70000%

Payment Schedule
Project No. 7476-110 - Yucaipa Valley Water District
Agreement: 09864 - based on Projected Disbursements
Regional Water Supply Renewal Project Part I Regional Brineline

Ref Num	Due Date	Date Received	Principal Payment	Interest Rate %	Interest Payment	Total P and I Payment	Total Payment	Ending Balance	CPI Interest
1	12/31/2013		156,395.35	2.7	495,854.04	652,249.39	652,249.39	9,595,704.65	0.00
2	12/31/2014		393,165.36	2.7	259,084.03	652,249.39	652,249.39	9,202,539.29	0.00
3	12/31/2015		403,780.83	2.7	248,468.56	652,249.39	652,249.39	8,798,758.46	0.00
4	12/31/2016		414,682.91	2.7	237,566.48	652,249.39	652,249.39	8,384,075.55	0.00
5	12/31/2017		425,879.35	2.7	226,370.04	652,249.39	652,249.39	7,958,196.20	0.00
6	12/31/2018		437,378.09	2.7	214,871.30	652,249.39	652,249.39	7,520,818.11	0.00
7	12/31/2019		449,187.50	2.7	203,062.09	652,249.39	652,249.39	7,071,630.81	0.00
8	12/31/2020		461,315.36	2.7	190,934.03	652,249.39	652,249.39	6,610,315.45	0.00
9	12/31/2021		473,770.87	2.7	178,478.52	652,249.39	652,249.39	6,136,544.58	0.00
10	12/31/2022		486,562.69	2.7	165,686.70	652,249.39	652,249.39	5,649,981.89	0.00
11	12/31/2023		499,699.88	2.7	152,549.51	652,249.39	652,249.39	5,150,282.01	0.00
12	12/31/2024		513,191.78	2.7	139,057.61	652,249.39	652,249.39	4,637,090.23	0.00
13	12/31/2025		527,047.95	2.7	125,201.44	652,249.39	652,249.39	4,110,042.28	0.00
14	12/31/2026		541,278.25	2.7	110,971.14	652,249.39	652,249.39	3,568,764.03	0.00
15	12/31/2027		555,892.76	2.7	96,356.63	652,249.39	652,249.39	3,012,871.27	0.00
16	12/31/2028		570,901.87	2.7	81,347.52	652,249.39	652,249.39	2,441,969.40	0.00
17	12/31/2029		586,316.22	2.7	65,933.17	652,249.39	652,249.39	1,855,653.18	0.00
18	12/31/2030		602,146.75	2.7	50,102.64	652,249.39	652,249.39	1,253,506.43	0.00
19	12/31/2031		618,404.72	2.7	33,844.67	652,249.39	652,249.39	635,101.71	0.00
20	12/31/2032		635,101.71	2.7	17,147.75	652,249.46	652,249.46	0.00	0.00
			9,752,100.00		3,292,887.87	13,044,987.87	13,044,987.87		0.00

4/3/2012

Yucaipa Valley Water District
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EXHIBIT D — SPECIAL CONDITIONS

Special Environmental Conditions are as follows:

The District shall implement the following mitigation measures:

1. Immediate containment and/or clean up of inadvertent returns associated with directional drilling shall occur, as well as monitoring and quantification of impact by a qualified biologist. Depending on the amount of material, the inadvertent returns may be removed. If the inadvertent returns need to be removed, the material shall be removed by hand tools. The area shall be accessed by whatever means where feasible (i.e., on foot, by boat, etc.).
2. A preconstruction survey shall be conducted by a qualified biologist within one week of intended construction. The survey shall include a single morning and evening visit to the Project limits and an additional 500-foot buffer around the Project limits (where legal access is provided). The survey shall include a 100 percent walk over survey within the Project limits to search all potential burrows for burrowing owl sign (i.e., feathers, white-wash, pellets, insect or small animal remains). The remaining areas may be methodically surveyed by 10 meter transects. All burrows detected shall be physically inspected for burrowing owl signs. In areas where legal access is not available, visual/audio survey methods are recommended to get as close to complete coverage as possible. Area buffered from the construction by buildings or topography need not be surveyed. If found to be occupied, construction will not occur during the breeding season (February 1 through August 31), particularly if burrows are located within the construction zone.
3. Potential temporary indirect impacts to Santa Ana sucker due to inadvertent returns associated with directional drilling proposed at the Santa Ana River shall be avoided by having a qualified biologist monitor all directional drilling activities in the river if flowing water is present during construction. If inadvertent returns occur where flowing water is present, all directional drilling activities shall be immediately halted and adjustments made to the drilling process to prevent additional hydrofracture from occurring.
4. Potential indirect impacts to special-status wildlife that could occur adjacent to the Project due to construction-related noise shall be avoided by restricting construction activities during the breeding season (February 15 through August 31 for coastal California gnatcatcher, April 10 through July 31 for least Bell's vireo, and May 15 through July 15 for the southwest willow flycatcher) where suitable habitat areas are located within 500 feet. If construction adjacent to suitable habitat areas cannot be avoided during the breeding season, focused surveys shall be required prior to construction to determine if adjacent habitat is occupied. If construction adjacent to occupied habitat during the breeding season is proposed, potential indirect impacts shall be avoided by implementing noise attenuation measures to ensure that noise levels within 500 feet of occupied habitat do not exceed an hourly average of 60 decibels A-weighted.

REPORTING TO THE STATE WATER BOARD

The District shall report to the State Water Board annually on March 31, starting March 31, 2011, and provide a status on the District's compliance with each measure identified in this Exhibit D.

Any changes in the construction area, Project, or special conditions, shall require prior approval by the State Water Board.

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EXHIBIT D — SPECIAL CONDITIONS

Special Financial Conditions are as follows:

1. The District must covenant to establish rates and charges in amounts sufficient to generate net revenues equal to at least 1.10 times the total debt service. The District must adopt a rate schedule to meet debt service requirements, in accordance with Proposition 218 prior to disbursements of construction funds.
2. The District shall establish a Reserve Fund equal to one year's debt service from available cash prior to the construction completion date.
3. **The Recipient agrees to adhere to the provisions of section 2.11(b) of this Agreement for a minimum of thirty-six (36) years after Project Completion. In the event of an inconsistency between this requirement and the term of this Agreement, the Recipient agrees that this requirement survives the term of this Agreement.**