



Yucaipa Valley Water District

Notice and Agenda of a Board Workshop Tuesday, May 22, 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. Overview of Routine Rehabilitation Work Performed on Groundwater Production Wells [[Workshop Memorandum No. 12-102 - Page 3 of 77](#)]
 - V. **Development Issues**
 - A. Development Agreement for a Proposed Commercial Project Located on 15th Street and Yucaipa Boulevard [[Workshop Memorandum No. 12-103 - Page 4 of 77](#)]
 - B. Development Agreement for Tract No. 15160 and Tract No. 18830 Located on Carter Street and Ramona Street, Yucaipa [[Workshop Memorandum No. 12-104 - Page 20 of 77](#)]
 - VI. **Capital Improvement Projects**
 - A. Status Report on the Construction of the Yucaipa Valley Regional Brineline [[Workshop Memorandum No. 12-105 - Page 31 of 77](#)]
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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

- B. Status Report on the Construction of the R-10 Recycled Water Reservoir and Booster Complex [[Workshop Memorandum No. 12-106 - Page 36 of 77](#)]
- C. Status Report on the Construction of the Crow Street Pipeline Facilities [[Workshop Memorandum No. 12-107 - Page 40 of 77](#)]
- D. Status Report on the Construction of the Recycled Water Booster Facility at the Reservoir R-12.1 Complex [[Workshop Memorandum No. 12-108 - Page 41 of 77](#)]
- E. Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project [[Workshop Memorandum No. 12-109 - Page 42 of 77](#)]

VII. Administrative Issues

- A. Project Management Support Services by RMC Water & Environment [[Workshop Memorandum No. 12-110 - Page 44 of 77](#)]
- B. WISE Project Final Design Amendment Request for Electrical Enhancements [[Workshop Memorandum No. 12-111 - Page 51 of 77](#)]
- C. Water and Sewer Facility Capacity Charges for 10949 Hawkridge Road, Yucaipa [[Workshop Memorandum No. 12-112 - Page 73 of 77](#)]
- D. Task Order No. 11 to Krieger & Stewart for Construction Management Services Related to the Crow Street Pipeline Project [[Workshop Memorandum No. 12-113 - Page 76 of 77](#)]
- E. Task Order No. 10 to Krieger & Stewart for Construction Management Services Related to the Recycled Water 12.1 Booster Station [[Workshop Memorandum No. 12-114 - Page 77 of 77](#)]

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

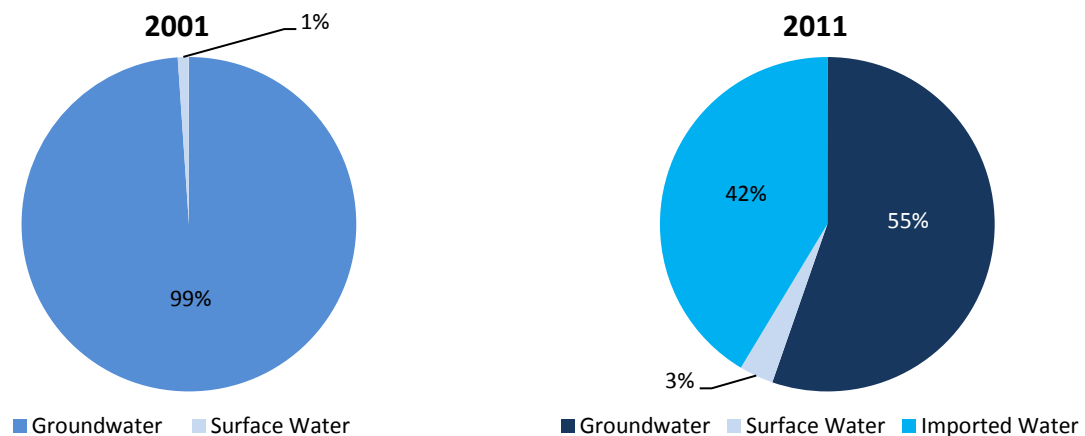
X. Adjournment

Date: May 22, 2012

Subject: Overview of Routine Rehabilitation Work Performed on Groundwater Production Wells

In 2001, the Yucaipa Valley Water District produced 10,415.85 acre feet of drinking water for consumption by our customers. Over the past decade, the District has invested in the construction of recycled water facilities to convert irrigation customers from the drinking water system to the recycled water system. To further reduce the demands on limited local water supplies, the District also constructed a water filtration facility. With these improvements in place, even with the increased water demands from growth over the past ten years, the amount of drinking water served to our customers in 2011 increased to 11,325.15 acre feet, which represents an increase of 8.7% over the past decade.

The diagram below illustrates the change in our drinking water sources over the past decade and excludes the amount of imported water used to recharge our groundwater basins and recycled water demands.



The District performs routine maintenance on the water filtration facility and the water production and distribution facilities. The purpose of the workshop item is to provide an overview of the well rehabilitation work that is necessary to maximize the efficiency of our groundwater production wells.



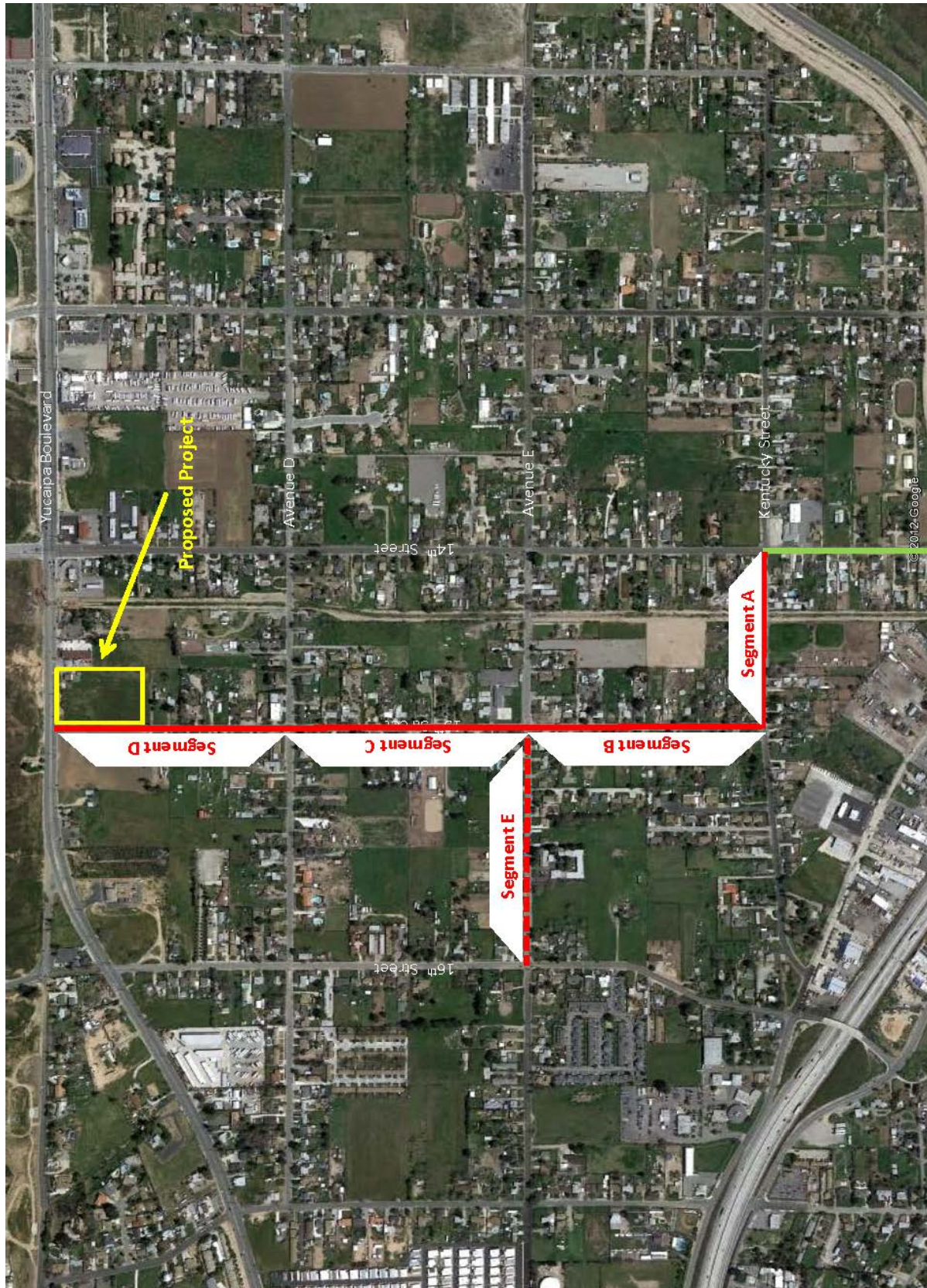
Date: May 22, 2012

Subject: Development Agreement for a Proposed Commercial Project Located on 15th Street and Yucaipa Boulevard

The attached development agreement has been prepared for a commercial project to be located on the southeast corner of Yucaipa Boulevard and 15th Street. Water service to the proposed project will be provided by Western Heights Mutual Water Company and sewer service will be provided by Yucaipa Valley Water District.

In order to provide sewer service to the proposed project a sewer mainline extension will be required from the intersection of 14th Street and Kentucky Street to the intersection of Yucaipa Boulevard and 15th Street as shown on the attached map (page 2 of 16). The costs associated with this infrastructure will be shared by the District and the developer. Essentially, the District will be financially responsible for the design and construction of Segment A, Segment B and an optional Segment E. The developer will be financially responsible for the design and construction of Segment C and Segment D. The design and construction of these facilities will be administered by the District.

The purpose of this workshop agenda item is to review and discuss the overall project concept and financial contributions proposed by the District staff.



**AGREEMENT TO PROVIDE WATER, SEWER AND RECYCLED WATER FACILITIES AND
SERVICE TO THE PROPOSED COMMERCIAL DEVELOPMENT LOCATED AT THE
INTERSECTION OF 15TH STREET AND YUCAIPA BOULEVARD, YUCAIPA
(ASSESSORS PARCEL NUMBER 0301-041-23)**

This Agreement is made and effective this ____ day of _____, 2012, by and between the YUCAIPA VALLEY WATER DISTRICT, a public agency ("District") and SOVEREIGN PROPERTIES, LLC, a California Limited Liability Corporation ("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:

Sovereign Properties, LLC
414 Lorraine Boulevard, Suite 1000
Los Angeles, California 90020-4730
Attn: Clyde Lane
Telephone: (323) 954-8855
Facsimile: (323) 954-8866

PROJECT OVERVIEW

The proposed project consists of a proposed commercial development located on approximately 5.89 acres (Assessor's Parcel Number 0301-041-23) at the south east corner of 15th Street and Yucaipa Boulevard in the City of Yucaipa, hereinafter referred to as the "Property". Specifically, the project consists of

[add information about the proposed project]

hereinafter referred to as the "Project".

The Yucaipa Valley Water District has assigned the following development related project files - P-65-238 and Work Order #65-12356 - Sovereign Properties.

RECITALS

WHEREAS, Developer desires to develop its property situated within the service area of the Yucaipa Valley Water District, and

WHEREAS, Developer proposes to develop the 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 sewer service from the Yucaipa Valley Water District for its development in accordance with the District's Rules, Regulations and Policies; and

WHEREAS, the Developer and District desire to extend a sewer mainline to serve the proposed Project; and

WHEREAS, it is the purpose of this Agreement to set forth the terms and conditions by which the District will provide sewer service to the Developer's Property and proposed Project.

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. Facilities. The Developer proposes to develop its Property as provided on the approved development construction drawings approved by the District. The proposed Project will require the construction of approximately 5,000 linear feet of sewer mainline facilities from the existing sewer mainline at the intersection of Kentucky Street and 14th Street to the intersection of 15th Street and Yucaipa Boulevard to serve the Project ("Facilities"). The proposed sewer mainline improvements ("Facilities") are illustrated in Exhibit "A".

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 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 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.

3. Plan Acceptance; Facilities 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. Any revisions to the Plans following Plan Acceptance shall be subject to review and approval by the District. The District acknowledges that the construction of the facilities has been scheduled for completion in accordance with the project schedule attached hereto as

Exhibit "B" ("Schedule") and shall use reasonable efforts to complete the Plan review and approval process within 15 days of submissions of the Plans. In the event that the facilities are not completed within one (1) year of Plan Acceptance, then the 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 Facilities 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 Facilities Acceptance (as that term is defined below) as to such Facilities when completed.

c. The Developer shall not deviate from any approved Plans and/or specifications included within the approved Plans 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 the Plans and Plan Acceptance (as modified by any revised Plan and Plan Acceptance), 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 and such work requires inspection by the District, 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 the Facilities which Developer indicates are 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 ("Facilities Acceptance") indicating satisfactory completion of the Facilities and District's acceptance thereof. Neither inspection nor issuance of the Facilities 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 Facilities 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 Facilities. 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 construction of the Facilities, the Developer shall schedule and conduct a preconstruction conference between the Developer's engineer and general contractor and the District Engineering Manager and his 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 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. All labor, materials and equipment necessary to construct and install connections between the Developer's Facilities and the existing sewer facilities shall be included in the Plan and all costs and expenses associated therewith shall be paid pursuant to the allocation set forth in Section 20.

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 bid documents for the facilities shall require all contractors to strictly comply with all applicable law, rules and regulations, concerning the provision of services, materials and the payment of wages. The bid documents shall further require all contractors to keep fully informed of and obey all laws, rules and regulations. The agreement with each contractor shall provide a contractual indemnity of the District against any liability arising from the contractor's violation of any such law, rule or regulation and shall specifically name the District as a third party beneficiary of such contract.

8. Developer's Warranties. The bid documents shall require each contractor which works on the Facilities to unconditionally guarantee, for a period of one year following the District's Facilities Acceptance thereof, any and all materials and workmanship, at the contractor's sole cost and expense. Developer shall be responsible for enforcing such guarantees. The provision of temporary service through any of the Developer's Facilities, prior to District's acceptance of same, shall not nullify nor diminish the warranty obligation of such contractors, nor shall the contractor's warranty obligations 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 service. The District shall notify Developer of such emergency repairs and Developer shall notify the appropriate contractor.

9. Testing. 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 in accordance with the District's written 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. 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 reasonable 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 Facilities Acceptance, the Developer shall, concurrently with the District's Facilities 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 Facilities 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 Sewer Service. Unless the District otherwise agrees in writing, the District shall not be obligated to provide any 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 Segments C and D of the Facilities as described in Section 20 below ("Segments C and D").. All fees, charges costs, and expenses, including reimbursable expenses in connection with Segments A and B of the Facilities as described in Section 20 below shall be the responsibility of the District.

a. Developer Trust Account Deposit: The Developer shall deposit with the District, to be held in a trust account administered by the District, the sum of 10% of the construction costs for Segments C and D 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 for expenses related to Segments C and D. The District shall provide a monthly accounting of how funds were disbursed. The Developer further agrees to periodically and replenish the trust fund (within 30 days after an invoice is sent by the District) 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 has agreed to participate in the cost of the Facilities and the terms of such financial contribution to construct the Facilities are 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. The District, at Developer's expense, shall reasonably cooperate with Developer in obtaining such permits and licenses for the Facilities.

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

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

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

PART F: INSURANCE AND INDEMNIFICATION

18. Indemnification and Hold Harmless. The Developer and the District agree that the District should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the construction of the facilities as required by 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 herein.

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

construction of the facilities pursuant to 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 provide sewer service for the Project.

a. Sewer Mainline Construction: As illustrated in Exhibit A, the Facilities for the proposed Project will require the construction of approximately 5,000 linear feet of sewer mainline facilities. The sewer mainline facilities have been identified as follows:

Sewer Mainline Segment	Approximate Length	Description
A	1,000 Feet	Kentucky Street from 14 th Street to 15 th Street
B	1,350 Feet	15 th Street from Kentucky Street to Avenue E
C	1,350 Feet	15 th Street from Avenue E to Avenue D
D	1,300 Feet	15 th Street from Avenue D to Yucaipa Boulevard

The Parties have agreed to jointly participate in the construction of the offsite sewer mainlines identified above. Following the execution of this Agreement by the Parties and compliance by developer with its "Prior to Construction" obligations as described in Section 17 above, Developer may concurrently proceed with construction of the proposed Project, based upon building permits issued with respect thereto. District will, subject to compliance by Developer, cooperate in the issuance of such permits by the City of Yucaipa.

The Yucaipa Valley Water District will provide the administration required to complete the design, construction and construction management of the required sewer mainline identified above. However, the total and complete costs for each segment of the sewer mainline have been designated to each Party as follows:

Sewer Mainline Segment	Segment Description	Party Responsible for Financial Obligation
A	Kentucky Street from 14 th Street to 15 th Street	District
B	15 th Street from Kentucky Street to Avenue E	District
C	15 th Street from Avenue E to Avenue D	Developer
D	15 th Street from Avenue D to Yucaipa Boulevard	Developer

Prior to the District initiating any design of the sewer mainline (Segments A, B, C, and D), the Developer shall deposit with the District an amount equal to 1.15 times the engineer's estimate of the design proposal for the required sewer mainline consisting of Segments C and D. Any additional design expenses for the Developer's segments shall be reconciled between the Parties prior to depositing funds and soliciting construction bids for the Facilities.

Prior to the District soliciting construction bids for the Facilities (Segments A, B, C, and D), the Developer shall deposit with the District an amount equal to 1.15 times the engineer's estimate for Segments C and D, which will include the initial deposit for construction of the Developer's portion of the sewer mainline facilities plus inspection services and construction management costs. The District shall not be obligated to solicit construction bids until sufficient construction funds have been deposited by the Developer. Upon receiving the construction fund deposit, the District shall solicit construction bids and, if sufficient funds exist based on the engineer's estimate, the District shall award the construction project to the lowest responsible bidder. All construction bid and award decisions shall be at the sole authority and discretion of the District's Board of Directors.

In the event the funds deposited by the Developer are insufficient to fully cover the total design and construction related costs for Segments C and D of the proposed sewer mainline facilities, the Developer shall immediately deposit additional funds with the District. In the event the funds deposited by the District are insufficient to fully cover the total design and construction related costs for Segments A and B, the District shall immediately deposit additional funds into the trust account. The District reserves the sole discretion to cease design or construction activity of the Facilities of any Segment A - D for lack of funding by the Developer of Segments C and D as required herein.

b. Sewer Lateral Costs. The District reserves the right to fund the installation of sewer laterals to properties within any segment of the proposed sewer mainline project.

c. Reimbursement. There shall be no future reimbursement of fees or other costs to the Developer related to the construction of the sewer mainline project. There shall be no future reimbursement of fees or other costs to the Developer related to the proposed Project on the Property owned by the Developer.

d. The Developer shall pay all facility capacity charges based on the fee in effect at the time when building permits are issued by the City of Yucaipa. The Developer acknowledges that facility capacity charges are non-refundable.

- e. The District shall require all unpaid invoices related to the Project be paid prior to the Developer receiving occupancy by the City of Yucaipa.

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. If the trust account maintains a negative fund balance for more than 60 days, or if the Developer fails to make a trust account deposit sufficient to cure a negative account balance; or

ii. Within 6 months of the effective date of this Agreement, if the initial construction contemplated hereunder has not commenced or failed to continue; 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 15 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.

v. Immediately upon receipt of a bankruptcy notice for the developer or owner of the property.

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 provide sewer collection and treatment services to the Developer's Property and Project thereon. However, the District shall not be obligated to utilize public funds to subsidize the Developer's Project.

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

Date: _____

By: _____

Jay Bogh

Print Name

Board President

Title

SOVEREIGN PROPERTIES, LLC

Date: _____

By: _____

Print Name

Title





Date: May 22, 2012

**Subject: Development Agreement for Tract No. 15160 and Tract No. 18830
Located on Carter Street and Ramona Street, Yucaipa**

The attached development agreement has been prepared for the construction of two contiguous Tracts, Tract No. 15160 consisting of 14 residential lots and Tract No. 18830 consisting of 5 residential lots. A copy of the attached development agreement has been provided to the developer for review.

Most of the agreement is standard language used for projects with individual lot sales. Section 19 of the draft agreement contains the special conditions related to this specific project. It might be prudent to add specific conditions in the event the project is not developed for individual lot sales.

**AGREEMENT TO PROVIDE WATER AND SEWER SERVICE
TO THE PRIVATE DEVELOPMENT OF TRACT NO. 15160 AND
TRACT NO. 18830 FOR THE PURPOSE OF INDIVIDUAL LOT SALES**

This Agreement is made and effective on June __, 2012, by and between the Yucaipa Valley Water District, a public agency ("District") and Walter Ferguson, ("Developer"). Each is sometimes referred to herein as a "Party" and jointly as the "Parties".

Contact information for the parties is as follows:

DISTRICT:

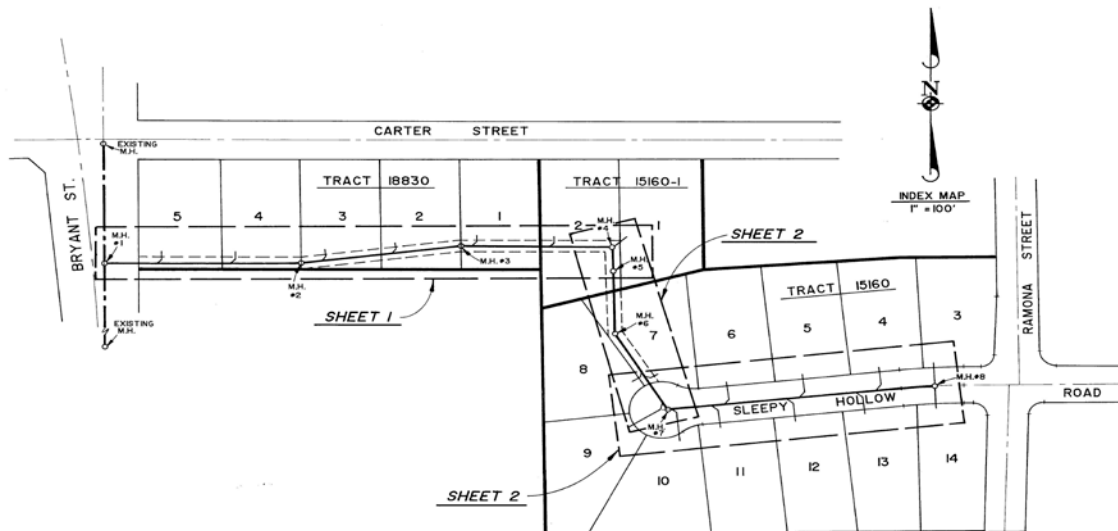
Yucaipa Valley Water District
12770 Second Street
Post Office Box 730
Yucaipa, California 92399-0730
Attn: Joseph B. Zoba, General Manager
Telephone: (909) 797-5119
Facsimile: (909) 797-6381

DEVELOPER:

Walter Ferguson
571 East Redlands Boulevard
San Bernardino, California 92408
Attn: Richard Siegmund
Telephone: (951) 538-1525

PROJECT DESCRIPTION

This Project involves the development of two contiguous Tracts, Tract No. 15160 consisting of 14 residential lots and Tract No. 18830 consisting of 5 residential lots ("Project"). All lots within the proposed Project are greater than 20,000 square feet in size. The Parties agree that Tract No. 15160 and Tract No. 18830 will only be recorded following the issuance of a written release by the Yucaipa Valley Water District indicating the completion of all water (potable and recycled) and sewer facilities, execution of all easements, and payment of applicable fees as identified within this Agreement. Only after the Yucaipa Valley Water District approves and accepts all water and sewer infrastructure within the Project Tracts No. 15160 and No. 18830 and the Tract Maps are recorded by the City of Yucaipa, will the Developer conduct a transaction with another party to sell any portion, part, or individual lot within this development.



RECITALS

WHEREAS, Developer desires to develop its property situated within the service area of the District as described above, herein referred to as the "Project"; and

WHEREAS, Developer proposes to develop the Property in the manner generally proposed and in accordance with the currently approved maps and construction drawings reviewed and approved by the Yucaipa Valley Water District; 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 Project.

AGREEMENT

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

1. General Description. The Developer proposes to develop its Property as provided on the development construction drawings as approved by the District which includes Facilities (the "Facilities") necessary for the District to provide drinking water, sewer service and recycled water to the Project, which Facilities are described in Section 19. Once constructed by the Developer and accepted by the District, title to the Facilities (and associated right-of-way) shall be conveyed by the Developer to the District, and the District shall operate and maintain the Facilities and shall provide water and sewer service to the Developer's Project in accordance with the District's rules and regulations and the provisions of this Agreement.

2. Licensed Professionals. All work, labor and services performed and provided in connection with 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.

3. Plan Acceptance. The District shall review and approve all construction drawings and specifications ("Plans") related to the construction of the facilities necessary to serve the Project. 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 construction standards.

The Developer shall not permit, or suffer to permit, the construction of the Facilities without having first obtained Plan Acceptance. In the event the Developer fails or refuses to obtain the Plan Acceptance, the District may refuse, in its sole discretion and without liability to the Developer, to issue its Facility Acceptance when the Facilities are completed.

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

4. Construction of Facilities. Prior to proceeding with the construction of the Facilities, 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.

All construction work shall be inspected 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, 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.

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 to coordinate inspection services. The Developer shall be solely responsible for paying all costs and expenses associated with such inspection services.

5. Facility Acceptance. After the testing and disinfection required in Section 9 below, the District shall, 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 the District shall promptly issue to Developer a 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 Facilities constructed.

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 Facilities and the District's drinking 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.

9. Testing and Disinfection. Prior to Facility Acceptance, the Developer, at its sole cost and expense, shall undertake and satisfactorily complete a testing program for all Facilities and shall disinfect all 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. **Warranty Bond.** 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 Facility Acceptance.

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 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.

11. Title to Facilities and Right-of-Way. 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 (including right-of-way) 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 Facilities. 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.

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 completed 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 the 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.

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 the Facilities. 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 a deposit 30 days prior to the start of any construction at 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.

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 Project 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. 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 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.

18. 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 coverage's 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.

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

a. Potable Water Related Facilities. A potable water pipeline exists at the intersection of Ramona Street and Sleepy Hollow Lane at the easterly boundary of Tract No. 15160. An 8-inch water pipeline shall be connected to this point and extended westerly in Sleepy Hollow Lane within Tract No. 15160 to serve lots 3 through 14. Lots 1 and 2 will require new water service installations from the existing water pipeline in Carter Street.

Tract No. 18830 will be required to install new water services from the existing water pipeline in Carter Street. All water pipelines and water service connections shall be designed and constructed pursuant to Yucaipa Valley Water District rules and regulations as well as all current applicable standards for dual plumbed homes and fire sprinkler service.

b. Sewer Related Facilities. A sewer mainline currently exists in Bryant Street at the westerly boundary of Tract No. 18830 which will be extended easterly in an exclusive 20-foot wide paved sewer easement to Manhole #4, per the District discretion, and dedicated to the District prior to recordation of either tract. The sewer mainline shall be extended from Manhole #4 to Manhole #7, per the District discretion, and dedicated to the District prior to the recordation of either tract. The District will not accept the sewer mainline facilities for operation or maintenance prior to the full execution of sewer easements and the recordation of both tract maps. All sewer mainlines and laterals shall be designed and constructed pursuant to Yucaipa Valley Water District rules and regulations.

c. Recycled Water Related Facilities. A 4-inch recycled water pipeline shall be installed within Tract No. 15160 from the intersection of Ramona Street and Sleepy Hollow Road to the westerly terminus of Sleep Hollow Road with recycled water services to adequately serve Lots 3 through 14. The recycled water pipeline will be temporarily connected to the potable water pipelines and converted to recycled water in the future by the District.

Lots 1 and 2 of Tract No. 15160 and all lots within Tract No. 18830 will be required to install an irrigation water meter and dedicated for the use of recycled water. The recycled water service lines will be temporarily connected to the potable water pipeline in Carter Street and converted to recycled water in the future by the District.

All recycled water facilities including meters, sprinklers, meter boxes, meters, etc., shall be identified in accordance with local and state laws.

d. Individual Lot Sale Requirements. This Project involves the development of nineteen residential lots within Tract No. 15160 and No. 18830, each lot being greater than 20,000 square feet in size. Water and sewer infrastructure will be constructed by the Developer to provide service to each of the 7 lots on Carter Street and 12 lots on Sleepy Hollow. The Parties agree that Tract No. 15160 and No. 18830 will only be recorded by the City of Yucaipa following the issuance of a written release and approval by the Yucaipa Valley Water District indicating the completion of all water and sewer facilities, execution of all easements, and payment of fees. Only after the Yucaipa Valley Water District approves and accepts all water and sewer infrastructure and easements within the Project (Tract No. 15160 and Tract No. 18830) and the Tract Map is recorded by the City of Yucaipa, will the Developer conduct a transaction with a third party to sell any part, portions or individual lots within this Project or obtain a building permit for the construction of a home on any lot identified in this Agreement.

e. Irrigation with Recycled Water. The Developer shall provide written notification to all buyers, with copies to the District, identifying: (1) the securitization of water supplies in advance of construction pursuant to the District's latest sustainability requirements; (2) facility capacity charges required prior to building permits; and (3) the anticipated use of recycled water for irrigation purposes.

f. The Developer shall be responsible for the payment of all invoices related to the Project. Any outstanding invoice amount is required to be paid prior to starting service to any lot within the Project.

20. Term and Termination of Agreement. 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:

a. If the Project related trust account maintains a negative fund balance for more than 60 days, or if the Developer fails to make a trust account deposit sufficient to cure a negative account balance;

b. Within 6 months of the effective date of this Agreement, if the initial construction contemplated hereunder has not commenced within such time;

c. Immediately, upon abandonment of the work herein, or receipt of bankruptcy notice;

d. Within 15 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.

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.

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

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

21. 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.

22. 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 Project, the Parties shall meet, 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. District's Disclaimer. Utilizing fees and facilities provided to the District by the Developer, the District will supply potable water, recycled 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 service to the Project prior to the purchase of

sustainability sources in a manner consistent with the latest rules and regulations as set forth by the District.

28. 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.

29. Dispute Resolution. Unless the parties enter into a written stipulation to the contrary, 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.

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

YUCAIPA VALLEY WATER DISTRICT

Dated: _____

By: _____

Print Name

Print Title

DEVELOPER

Dated: _____

By: _____

Print Name

Print Title

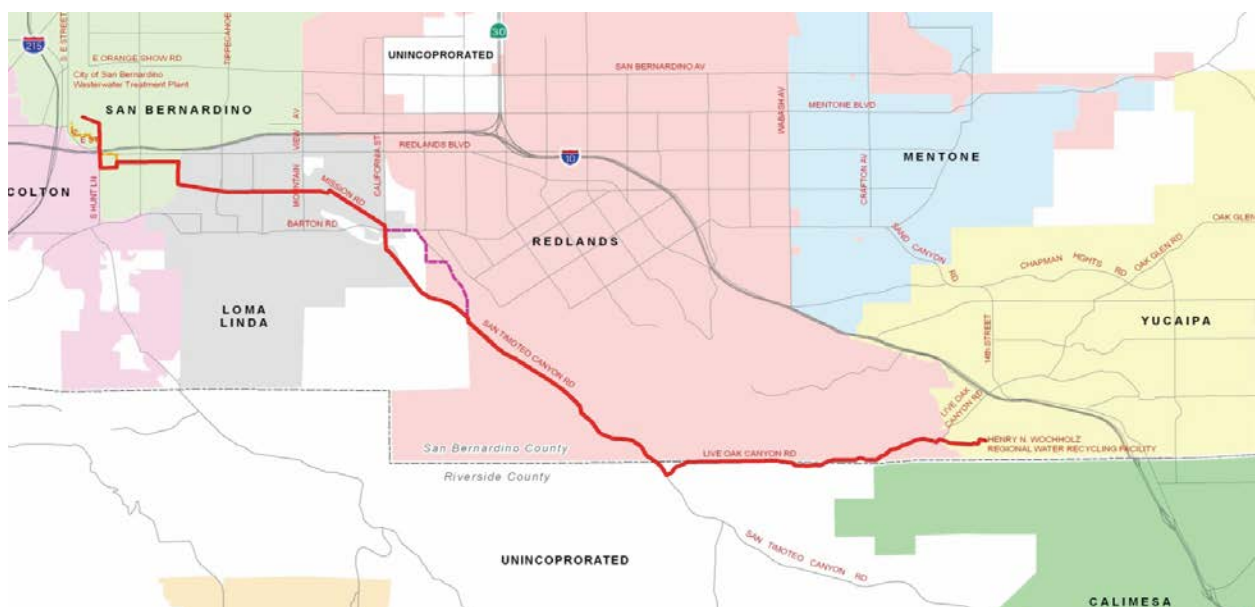
Date: May 22, 2012

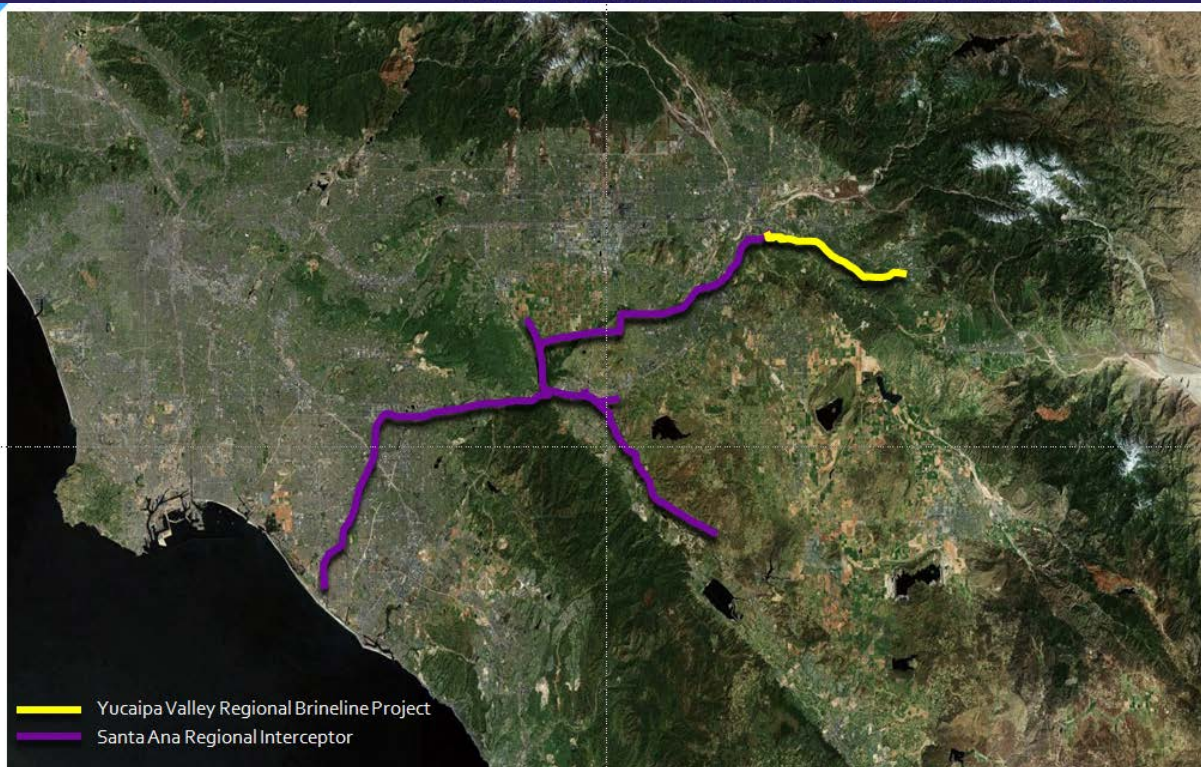
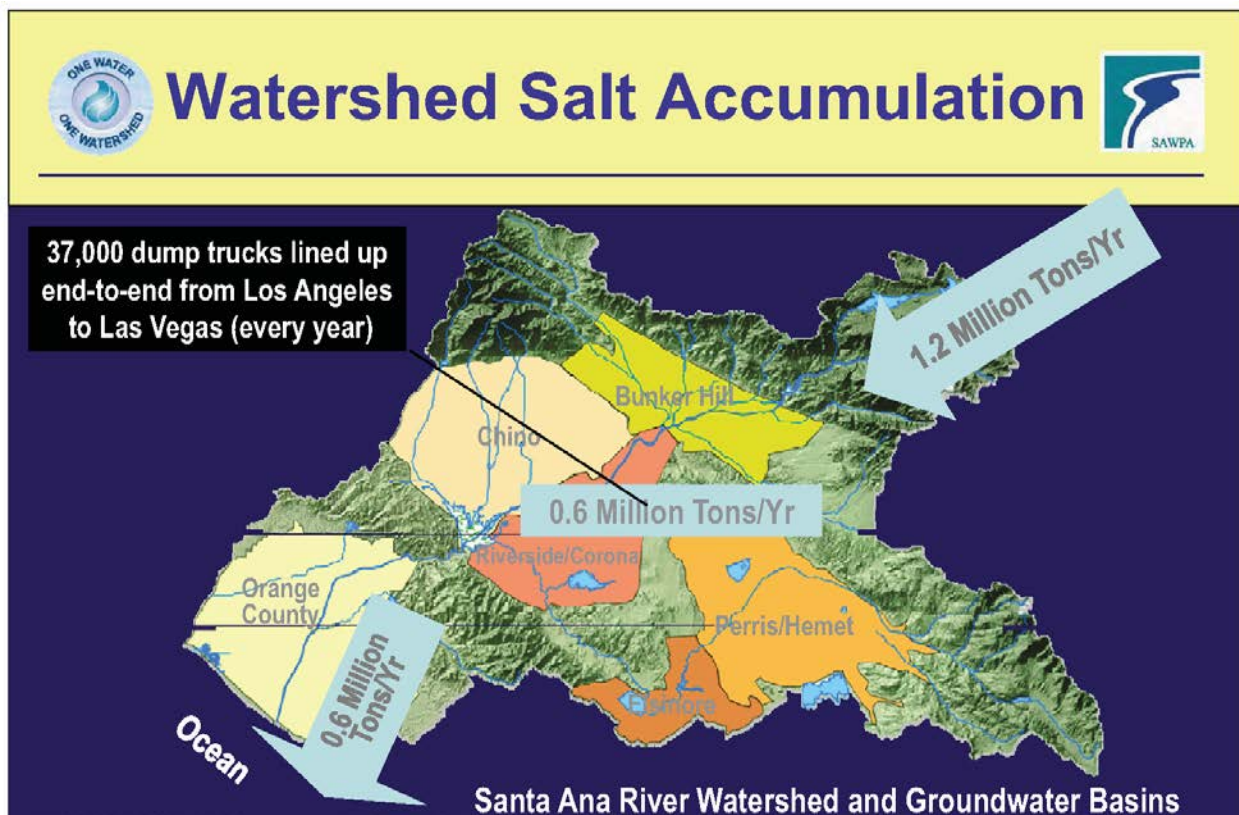
Subject: Status Report on the Construction of the Yucaipa Valley Regional Brinline

Yucaipa Valley Water District is in the process of constructing the Yucaipa Valley Regional Brinline 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.

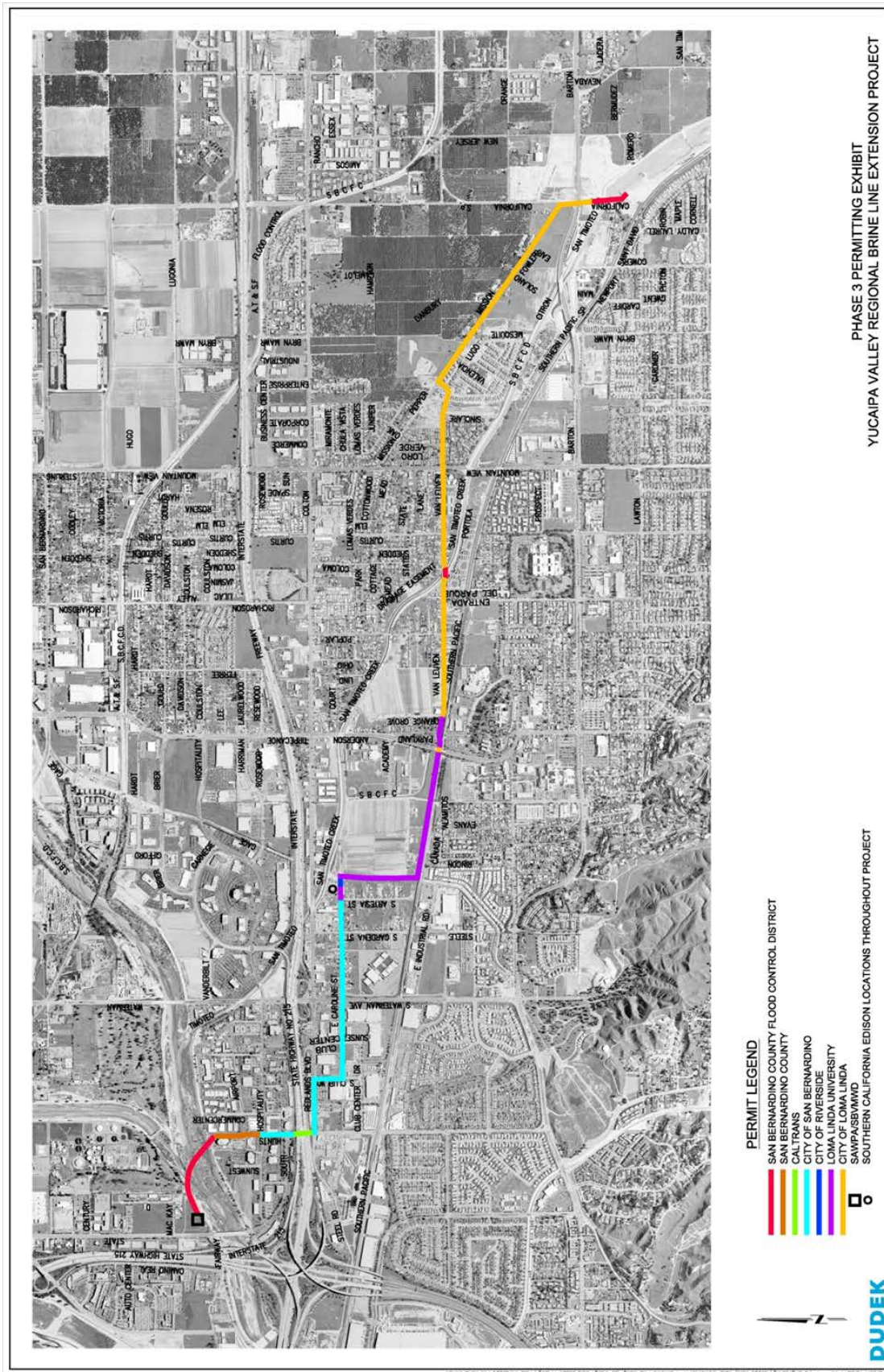
The Yucaipa Valley Regional Brinline Project consists of a 15-mile pipeline through which the District can safely and effectively dispose of the salt water produced. This pipeline will commence at the Wochholz Regional Water Recycling Facility and terminate at an existing brine disposal pipeline near the I-215 and I-10 Interchange. At this point the existing brinline 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 Brinline Project.

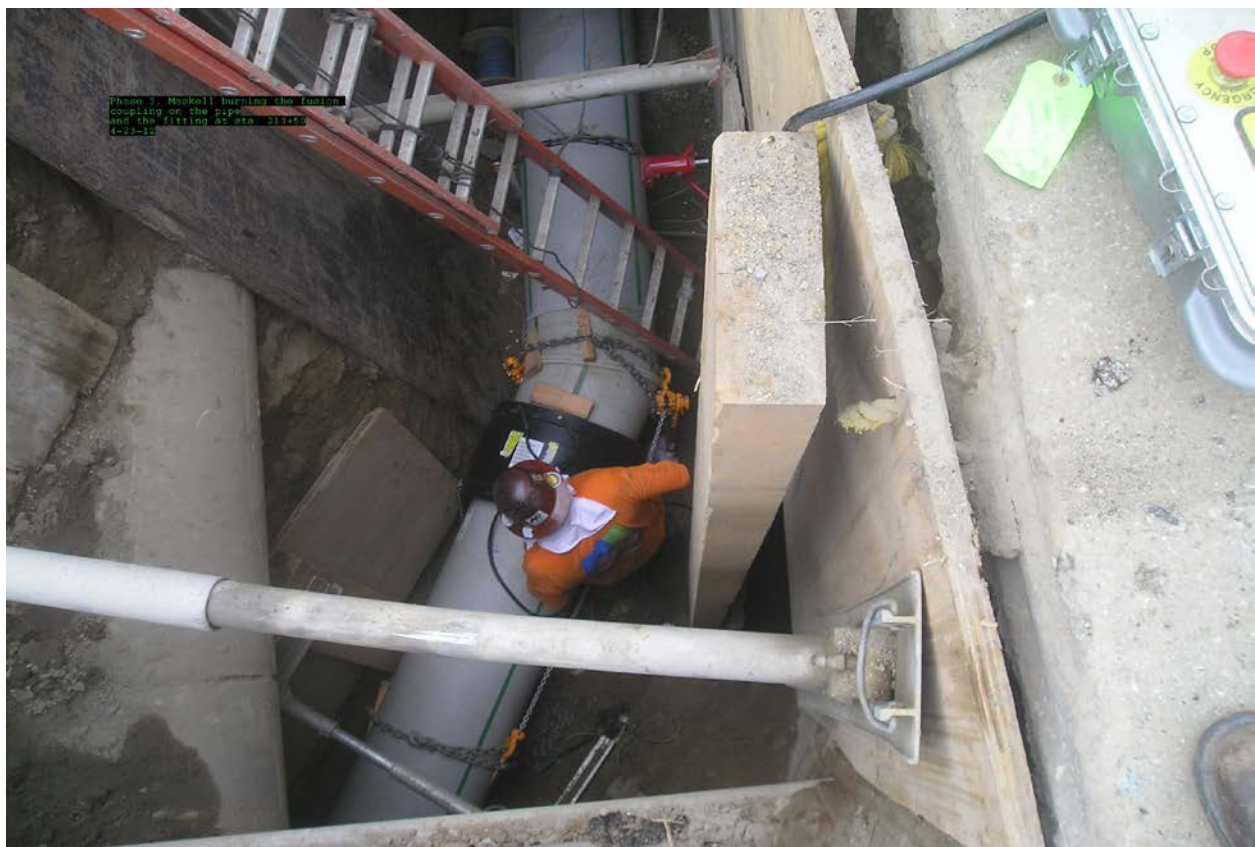




Yucaipa Valley Regional Water Supply Renewal Project







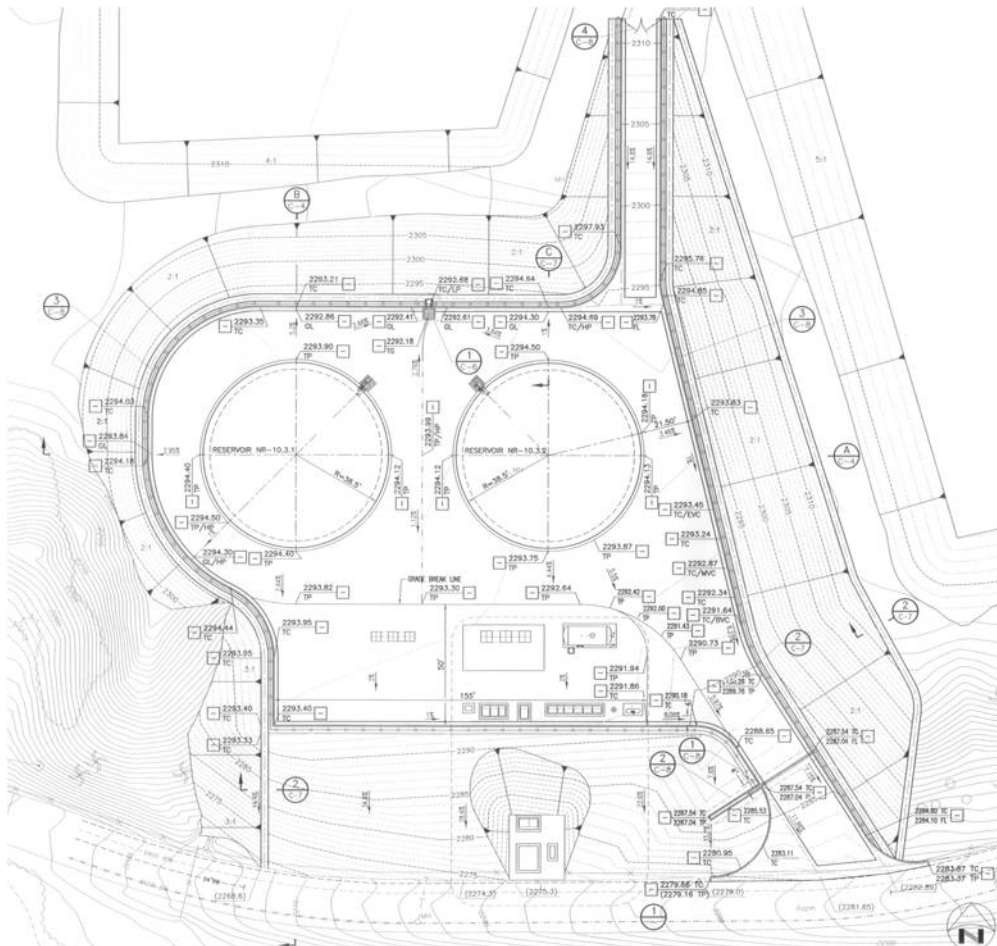


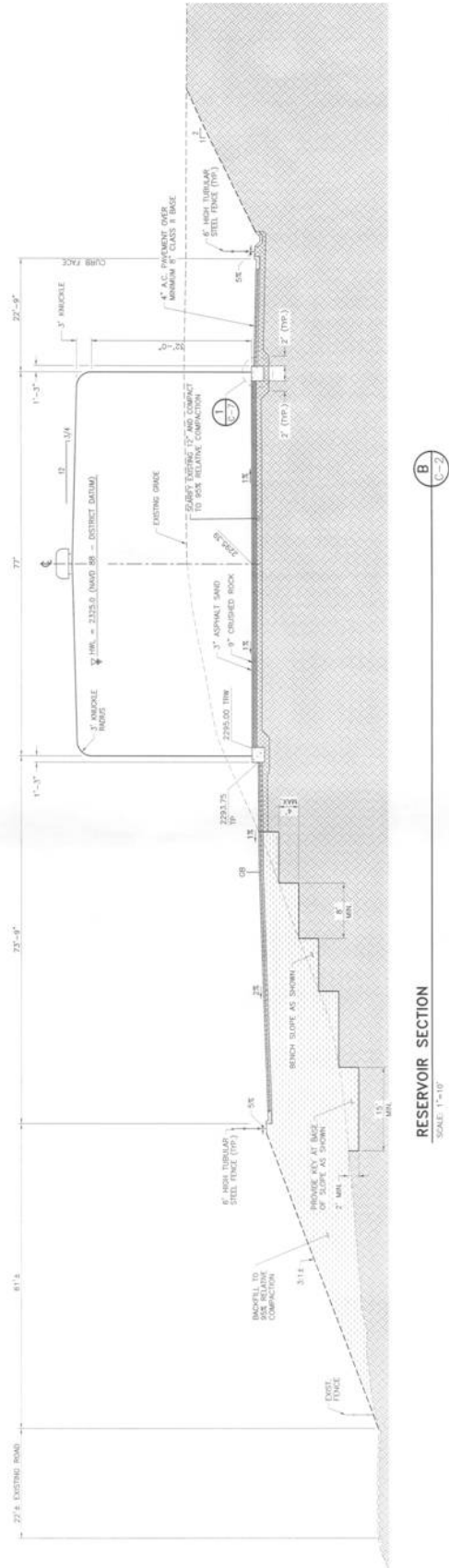
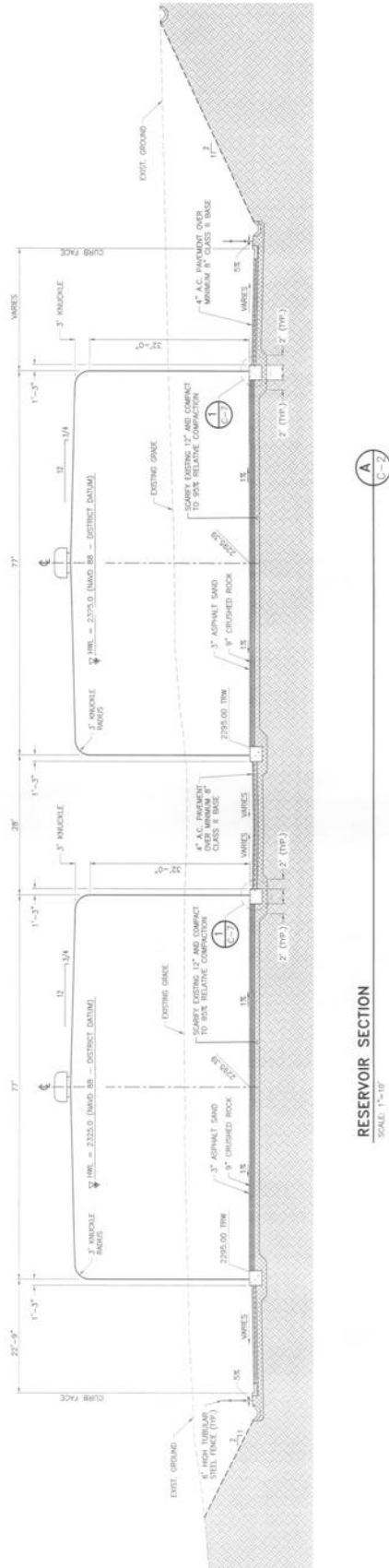
Date: May 22, 2012

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.









Date: May 22, 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: May 22, 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.

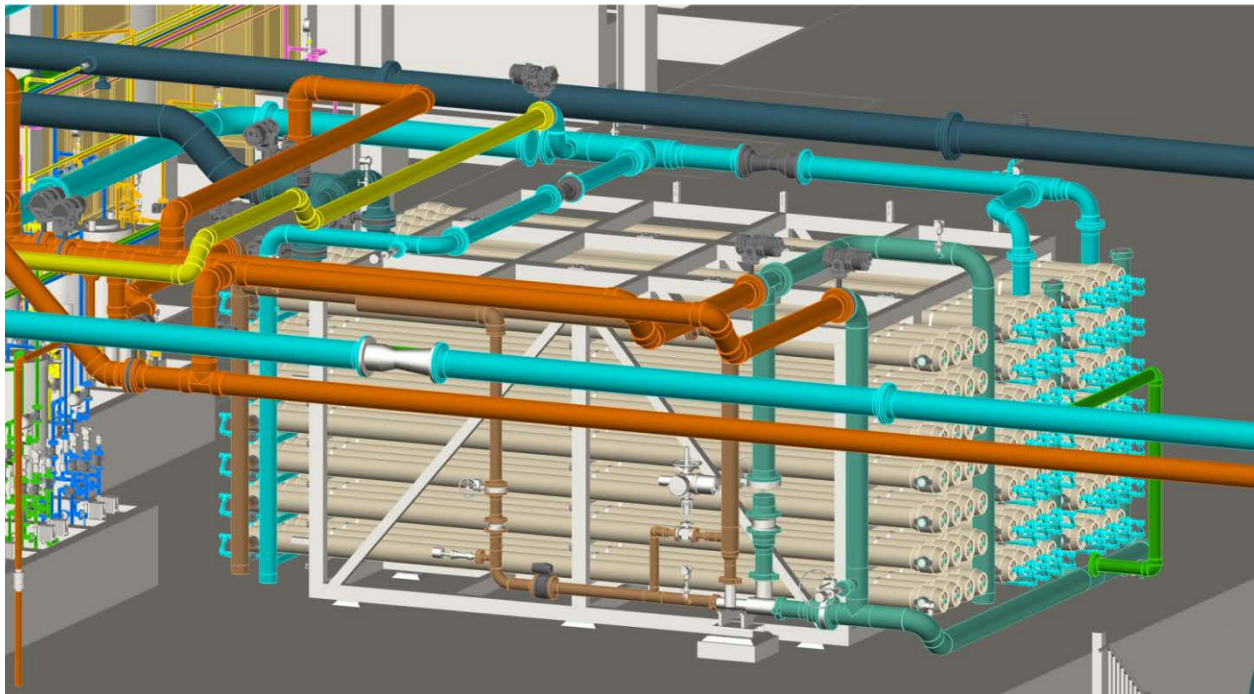


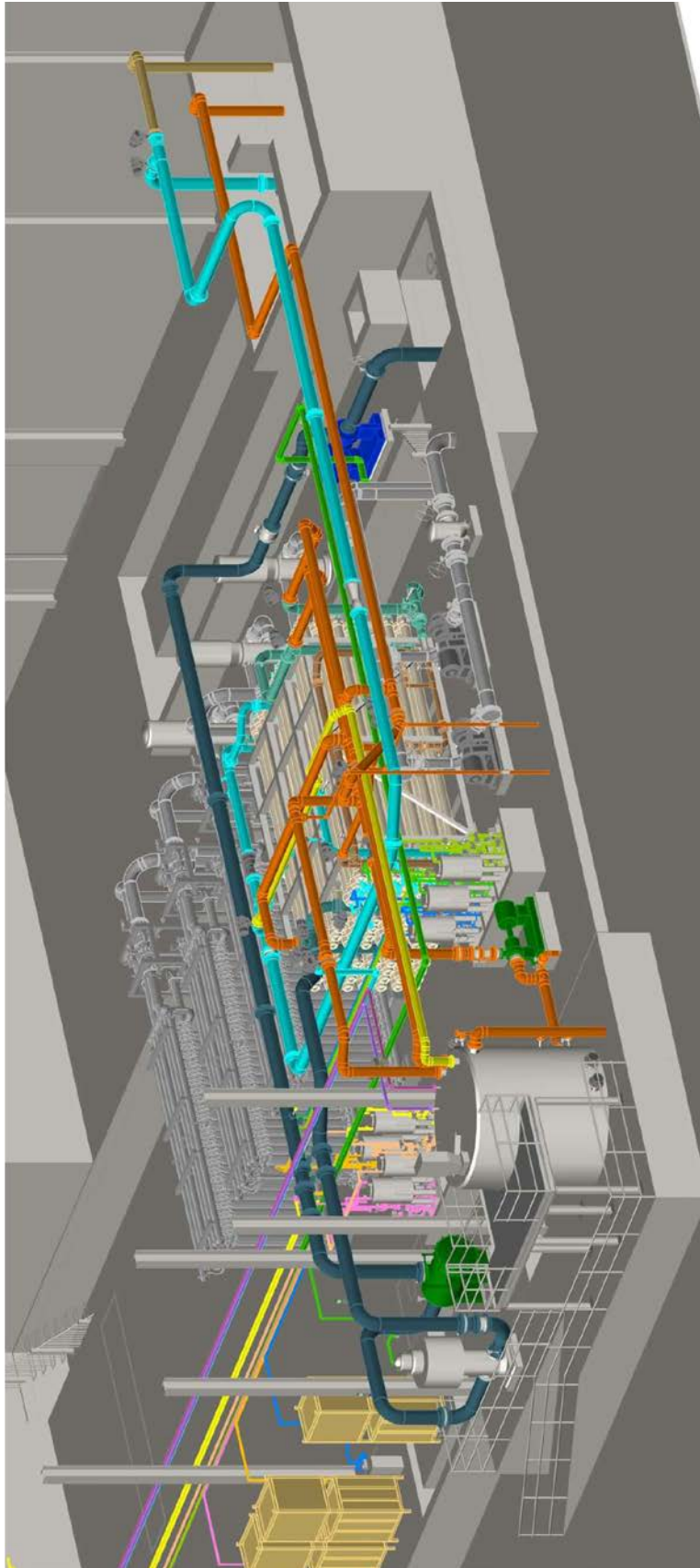
Date: May 22, 2012

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 12-110

Date: May 22, 2012

Subject: Project Management Support Services by RMC Water & Environment

The Yucaipa Valley Water District continues to rely upon the services of RMC Water & Environment to augment the District staff resources for project management and administrative assistance related to our grant and loan funding contracts.

As the District nears completion of our grant funded facilities, we have requested a proposal to continue the project management services for the completion of the projects. The assistance provided by RMC Water and Environment continues to be important to meet our financial grant commitments, reporting and filing requirements.



**INDEPENDENT CONTRACTOR'S
TASK ORDER AMENDMENT ISSUED TO
RMC WATER 7 ENVIRONMENT**

**ORIGINAL TASK ORDER NO. 24
AMENDMENT NO. 2**

Project Title: Project Management Services

YVWD Project Number(s): 03-7387, 03-7388, and 04-7386

Task Order Authorization Date: May 5, 2010 as Director Memorandum No. 10-031

Contractor Name: RMC Water & Environment
Contact: Scott Goldman
Address: 15510-C Rockfield Boulevard, Suite 200
 Irvine, California 92618
Telephone: (949) 420-5314
E-mail: (949) 587-1300
Fed. Tax ID #: 94-3295096

Summary of Task Order History

Description	Amount	Reference
Original Contract Amount:	\$90,000	Director Memorandum No. 10-031
Task Order Amendment No. 1:	\$89,960	Director Memorandum No. 11-110
Proposed Amendment No. 2	\$149,600	Director Memorandum No. 12-044
Total Revised Contract Amount:	<u>\$239,650</u>	

This Amendment No. 1 to Task Order No. 24 is issued pursuant to that certain Agreement for Services by Independent Contractor between the Yucaipa Valley Water District ("Owner") and RMC Water & Environment ("Contractor") dated February 7, 2001 (the "Agreement").

The Owner and Contractor have entered into this Task Order Amendment as specifically set forth herein below, and except as specifically provided herein, the Agreement shall remain in full force and effect as originally stated.

1. Approval of the Task Order Amendment shall extend the term of the Agreement for Services by Independent Contractor until March 31, 2013.

2. Tasks to be Performed & Compensation. Contractor shall provide all labor, materials and equipment to perform the following task (check one):

 X See Exhibit "A", attached hereto

IN WITNESS WHEREOF, the parties have executed this Task Order No. 14 on the date indicated below.

Yucaipa Valley Water District**RMC Water & Environment**

By: _____

By: _____

Name: Jay Bogh, Board President

Name: _____

Dated: February 1, 2012

Dated: _____

**YUCAIPA VALLEY WATER DISTRICT
BRINELINE EXTENSION AND
PHASE II RECYCLED WATER SYSTEM EXPANSION**

**CONTINUATION OF PROJECT MANAGEMENT
SCOPE OF SERVICES**

**RMC Water and Environment
March 2012**

BACKGROUND

In the last several years the District constructed an extensive recycled water distribution system to help satisfy increasing demands and to reduce the growing overdraft of local groundwater supplies. The sources of non-potable water distributed through the system is intended to be a mixture of advanced tertiary treated wastewater (recycled water) generated at the Henry N. Wochholz Wastewater Treatment Plant (WWTP), untreated imported water from the State Water Project, and to a lesser degree non-potable groundwater pumped from the Beaumont, San Timoteo and Yucaipa Management Zone Groundwater Basins. Currently only SWP water is delivered.

The District and the Region realizes multiple benefits from the non-potable water distribution system:

- Reduces capacity and operating cost of the new Yucaipa Regional Water Filtration Facility (YRWFF)
- Provides method for disposal of NF membrane concentrate, which allows continued use of free chlorine for disinfection of potable water
- Opportunity to eliminate NPDES permit for discharges of treated effluent from the existing WWTP
- Reduces overdraft and preserves groundwater for periods of drought
- Minimizes quantity of water imported from Northern California
- Reduces energy using raw imported water available in higher pressure zones rather than pumping groundwater from lower elevations.

The District's Non-Potable Water Distribution System is being constructed in phases with State and Federal Grant funding assistance.

Phase I System - The Phase I system was completed in 2005 and provides nonpotable water to approximately 18 irrigation sites with an average annual water demand of approximately 1,200 afy. The Phase I system consists of approximately 53,000 linear feet of pipeline, two storage reservoirs and one booster pump station.

Phase II System - Phase II will expand the system to serve additional irrigation sites and will connect to the Wochholz Water Recycling Facility (WRF). Facilities identified for the Phase II expansion include the 24-inch Crow Street Pipeline (approximately 4,400 lf), 24-

inch Beaumont Cherry Valley Pipeline (approximately 14,000 lf), Non-Potable Booster Station 10.3 (NB-10.3) with a capacity of about 2,100 gpm, and two 1 million gallon Non-potable Reservoirs 10.3 (NR-10.3) at the end of Crow Street.

PREVIOUS PROJECT MANAGEMENT SERVICES

Since January 2006 Water 3 Engineering (now RMC Water and Environment) has worked as an extension of District staff on expansion of the Recycled Water System and extension of the SARI brineline. Specific services provided include the following:

- Assistance with environmental compliance process
- Assistance with procurement of design consultants for the project.
- Assistance with consultant negotiations for the project.
- Technical review of design submittals
- Coordination of District Staff comments on technical submittals and consolidation for transmittal back to design consultants.
- Assistance with Prop 13 funding for the Phase I system and coordination with SAWPA.
- Assistance with Prop 50 funding for brineline
- Assistance with SWRCB for State Revolving Fund Loans
- Assistance with SWRCB Grant
- Assistance with Federal funding and coordination with EPA and USBR.

In addition, the Scope of Services for RMC included coordination with the anticipated recycled water customers.

SCOPE OF SERVICES FOR CONTINUED ASSISTANCE

This Scope of Services is to continue to provide the District with Program Management Assistance for completion of the Phase II expansion of the Recycled Water System and Brineline Extension. Program Management tasks includes funding assistance, additional planning assistance, assistance with coordination of environmental compliance activities and meetings and overall coordination. RMC proposes to continue to act as an extension of District staff with regard to the Board and consultants. Close coordination with existing District staff will be maintained to ensure the level of effort being provided is adequate and appropriate. The following describes the specific tasks to be performed in support of the Phase II Recycled Water Expansion and Brineline Extension Projects.

Task 1 – Continued Assistance with Funding Activities

This task involves continuation of the coordination with outside funding agencies. The District is anticipating funding these projects with a combination of Federal Grants, State Grants and State Loans. Sources of funding are as follows:

- EPA Grant for Recycled Water System Expansion
- Title XVI Grant from the USBR for Brineline extension

- Prop 50 Grant from State administered through the Santa Ana Watershed Project Authority (SAWPA) for Brineline Extension and WISE project
- State Revolving Fund (SRF) Loans from the SWRCB for Brineline Extension and Recycled Water System Expansion
- State Grant and Revolving Fund Loan from SWRCB for Recycled Water System Expansion

Each funding agency has its own method and frequency of reporting and requesting reimbursement for design and construction expenses. RMC has been providing this assistance for several years and is familiar with the requirements and staff at each of the funding agencies.

Task 2 – Engineering Assistance with Brine Capacity Issues

This task involves assisting the District with issues related to brine capacity. This involves both capacity issues related to treatment capacity at Orange County Sanitation Districts (OCSD), as well as assistance with structuring an agreement with Mountain View Power Plant (MVPP) for capacity in the District's brineline. Capacity issues related to OCSD will involve working with SAWPA staff to negotiate treatment capacity, and estimating the timing for brine discharges to maintain compliance with RWQCB Max Benefit commitments. Assistance related to structuring an agreement with MVPP for brineline capacity involves developing a methodology for determining a fair cost for pipeline capacity. It is anticipated that several options will be analyzed before the final methodology is developed. Negotiations with MVPP may also involve seasonal use of available treatment capacity at OCSD owned by MVPP that could help to reduce the cost for purchase of treatment capacity by YVWD.

Task 3 – Meetings and Coordination

This task involves meetings and coordination with District staff and others as may be necessary during the project. Monthly status reports will be provided with invoices to document the activities of RMC relative to implementation of the Phase II Recycled Water System Expansion and Brineline Extension projects. This task also includes attendance monthly at construction meetings for the WISE project to ensure funding requirements are being satisfied regarding technical issues and schedule.

**YUCAIPA VALLEY WATER DISTRICT
PROGRAM MANAGEMENT SERVICES RELATED TO BRINELINE EXTENSION and
PHASE II EXPANSION OF THE RECYCLED WATER SYSTEM**

Exhibit A

RMC WATER AND ENVIRONMENT - ESTIMATED LEVEL OF EFFORT

Item Task	Hourly rate	Principal		Project Engineer		Clerical		Total Labor Hrs	Total Cost
		Hrs	\$	Hrs	\$	Hrs	\$		
1 Funding Assistance USBR Title IX Grant Prop 50 Grant EPA Grant SWRCB Grant and SRF Loans		24	\$ 5,400	60	\$ 11,100	8	\$ 720	92	\$ 17,220
		24	\$ 5,400	60	\$ 11,100	8	\$ 720	92	\$ 17,220
		36	\$ 8,100	100	\$ 18,500	16	\$ 1,440	152	\$ 28,040
		60	\$ 13,500	120	\$ 22,200	16	\$ 1,440	196	\$ 37,140
Subtotal		144	\$ 32,400	340	\$ 62,900	48	\$ 4,320	532	\$ 99,620
2 Engineering Assistance with Brine Capacity Assistance with treatment Capacity at OCSD Assistance with MVPP capacity in brineline		40	\$ 9,000	24	\$ 4,440	8	\$ 720	72	\$ 14,160
		40	\$ 9,000	24	\$ 4,440	8	\$ 720	72	\$ 14,160
Subtotal		80	\$ 18,000	48	\$ 8,880	16	\$ 1,440	144	\$ 28,320
3 Meetings and Coordination Meetings with staff Monthly construction meetings at Wochholz (10) Preparation of monthly status reports		12	\$ 2,700	0	\$ -	0	\$ -	12	\$ 2,700
		60	\$ 13,500	0	\$ -	4	\$ 360	64	\$ 13,860
		16	\$ 3,600	0	\$ -	0	\$ -	16	\$ 3,600
Subtotal		88	\$ 19,800	0	\$ -	4	\$ 360	92	\$ 20,160
Direct Costs									\$ 1,500
Total		312	\$ 70,200	388	\$ 71,780	68	\$ 6,120	768	\$ 149,600



Workshop Memorandum 12-111

Date: May 22, 2012

Subject: WISE Project Final Design Amendment Request for Electrical Enhancements

On September 21, 2011, the Yucaipa Valley Water District authorized Separation Processes, Inc. to complete the final design work associated with the reverse osmosis equipment at the Wochholz Regional Water Recycling Facility. The reverse osmosis equipment is referred to as the Wochholz Improved Salinity Effluent (WISE) Project.

For the final design, Separation Processes, Inc. relied upon the assistance of TJC and Associates (TJCAA) for structural engineering and electrical engineering services. One of the assumptions included in the original proposal was that the recently completed electrical service capacity available for the future microfiltration units would be sufficient to operate the reverse osmosis equipment. During the final design process and with consultation from Southern California Edison, it was determined that a secondary electrical feed would be necessary to provide sufficient electrical power to operate the reverse osmosis equipment.

Based on a review of the original contract and several detailed discussions with Jim Vickers, the District staff recommends the approval of the requested contract amendment in the amount of \$10,000.



Separation Processes, Inc.
3156 Lionshead Ave., Suite #2
Carlsbad, CA 92010
Tel: 760-400-3660
Fax: 760-400-3661
www.spi-engineering.com

May 7, 2012

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

Subject: Yucaipa Valley Water District
Wochholz Regional Water Reclamation Facility
WISE Project
Letter of Justification
TJCAA Amendment Request

Dear Mr. Zoba:

On February 10, 2012, Separation Processes, Inc. received an amendment request from TJC and Associates (TJCAA) in the amount of \$10,000 to address changes and on-going coordination issues with Southern California Edison (SCE). This letter is provided to the District to discuss in further detail the nature of this request.

In the project development, there were uncertainties associated with the existing electrical supply in the MF/UV building. As such, the project was scoped with the assumption that the electrical service would be adequate for the additional RO equipment. Although we contacted SCE early in the process, and provided a load analysis, we were unable to obtain a definitive approach that could be used as the basis of electrical design. The design team met with SCE and attempted to obtain direction. As the design developed, it soon became apparent that a secondary electrical feed would be required by SCE. Because of the design schedule, we developed and investigated three alternatives and developed a design including a secondary feed around an alternative that we believed would be acceptable to SCE. This work was performed as additional out-of-scope services necessary to meet the bid schedule for the project.

We obtained a response from SCE after the bidding documents were issued. The solution required by SCE was not the same as we had originally developed, and necessitated changes to the secondary feed as well as a transformer change. Changes to the completed bid documents were required to satisfy SCE's requirements and issued as an addendum. These changes were not foreseen as part of the original design effort, and we could not have anticipated in the development of the project.

May 7, 2012
Yucaipa Valley Water District
Subject: TJCAA Amendment Request.
Page 2



We have been in contact with SCE trying to gain final approval for the changes that were outlined by SCE. At this point in time, we do not have approval for the approach recommended by SCE. As indicated in the letter from TJCAA, we are still incurring effort necessary to obtain these approvals.

SPI has confirmed that the \$10,000 amount will represent the final resolution of this issue, assuming that SCE does not have an additional change. SPI believes this amount is justified based upon the additional effort required.

Please contact me if you have any questions.

Sincerely,

James C. Vickers

James C. Vickers, PE
Vice President



Structural
Engineering

SCADA

Electrical
Engineering

Instrumentation

Controls

February 10, 2012

Mr. James Vickers
Separation Processes Inc
3156 Lionshead Avenue, Suite 2
Carlsbad, CA 92010

Subject: 109065, Yucaipa Water District, Wochholz Wastewater Treatment Plant,
Improved Salinity Effluent Project: Justification for Contract Amendment

Dear Jim:

Per our discussion earlier this week, TJC and Associates (TJCAA) is providing you this justification for an amendment to increase our Contract upper limit for the subject project. The amendment request is based on additional design services related to increasing the capacity of the Wochholz Wastewater Treatment Plant's (Plant's) SCE service and electrical distribution system to support the Project's process improvements.

Based on our understanding of plant conditions during preparation of our original design estimate, we had assumed that the existing distribution system and SCE service were adequate for serving the new process loads proposed for the Project. To address this condition, TJCAA's original scope of services to SPI, included the following:

"Design does not include work for the design of a second service at the Membrane Building for the addition of the new equipment loads. Until Task 1 is completed and available capacity is confirmed, it is assumed that the existing service is suitable and adequate for the new loads. If upon the field visit and analysis it is determined that another service will be required for the new equipment at the Membrane Building, a Task 3 will be created and fee negotiated for this extra work."

and

"It is assumed that a new utility service is not required therefore design of new service entrance equipment is not included."

During Task 1 (preliminary design), TJCAA and SPI determined that the existing electrical system capacity and SCE service were not adequate for serving the new equipment. As a result TJCAA performed additional work as follows:

1. Prepared detailed load analysis to verify load requirements and determine if alternatives to a new service were feasible
2. Developed three alternative service expansion approaches when it was determined that the existing service was inadequate for the new loads

The Cathedral
Building
1615 Broadway
4th Floor
Oakland,
California 94612

p 510.251.8980
f 510.251.8981

www.tjcaa.com

P:\TJCAA - 2009 PROJECTS\109065 - SPI, WOCHHOLZ WRF RWR0\2.0 - SCOPE AND BUDGET\109065, AMENDMENT REQUEST TO SPI 120210.DOCX
02/10/12
Page 1 of 3



3. Designed plans, conduit, and wiring layouts for incorporating the new service on the Contract Drawings
4. Developed specifications for service switchboard and other equipment
5. Made initial contacts with Southern California Edison for coordinating required changes to the SCE distribution system

To date, TJCAA has spent a total of \$6,650 on this additional effort. In addition, coordination with SCE during construction was not included in our scope of work for Engineering Services During Construction. Therefore, we are requesting a total amendment of \$10,000 to address work already completed and additional work required during construction for the new SCE service.

We really appreciate you working with us on this issue. Please review and let me know if you have any questions, comments, or need any other information from us regarding the additional work performed. I can be reached at 510-251-8980 or e-mail at paul@tjcaa.com.

Sincerely,

A handwritten signature in blue ink that reads "Paul J. Giorsetto".

Paul J. Giorsetto, P.E.
Principal
TJC and Associates, Inc.

cc: Terry Cavanagh, Elaine Tee
file: 109065-2.08



Yucaipa Valley Water District

**INDEPENDENT CONTRACTOR'S TASK ORDER
ISSUED TO SEPARATION PROCESSES, INC.**
AMENDMENT NO. 3 to TASK ORDER NO. 13

Project Title: Wochholz Improved Salinity Effluent (WISE) Project

YVWD Project Number: 88-197 – WISE at the WRWRF (WO 88-5396)

Task Order Authorization Date: August 5, 2009 Director Memorandum No. 09-086
Amendment No. 1 July 7, 2010 - Director Memorandum No. 10-050
Amendment No. 2 May 18, 2011 - Director Memorandum No. 11-046
Amendment No. 3 September 21, 2011 - Director Memorandum No. 11-090

Contractor Name: Separation Processes, Inc.
Contact: Mr. Jim Vickers
Address: 3156 Lionshead Ave. Suite 2
 Carlsbad, California 92010
Telephone: (760) 400-3660
E-mail: jvickers@spi-engineering.com
Fed. Tax ID #: 33-0283288

SUMMARY OF TASK ORDER:

Description	Amount	Reference
Original Contract Amount	\$32,500	Director Memorandum No. 09-086
Amendment No. 1	\$78,132	Director Memorandum No. 10-050
Amendment No. 2	\$50,000	Director Memorandum No. 11-046
Amendment No. 3	\$218,371	Director Memorandum No. 11-046
Task Order Total	\$379,003	

This AMENDMENT NO. 3 to TASK ORDER No. 13 is issued pursuant to that certain Agreement for Services by Independent Contractor between the YUCAIPA VALLEY WATER DISTRICT ("OWNER") and Separation Processes, INC. (CONTRACTOR") dated February 7, 2001 (the "AGREEMENT"). The OWNER and CONTRACTOR have entered into this TASK ORDER as specifically set forth herein below, and except as specifically provided herein, the AGREEMENT shall remain in full force and effect as originally stated.

1. Tasks to be Performed & Compensation. CONTRACTOR shall provide all labor, materials and equipment to perform the following task (check one):

X See the attached Proposal for Engineering Services dated August 25, 2011.

IN WITNESS WHEREOF, the parties have executed this Amendment to Task Order No. 13 on the date indicated below.

Yucaipa Valley Water District**Separation Processes, Inc.**

By: _____

By: _____

Dated: September 21, 2011

Dated: _____

Name: Jay Bogh, Board President

Name: _____



Separation Processes, Inc.
3156 Lionshead Ave., Suite #2
Carlsbad, CA 92010
Tel: 760-400-3660
Fax: 760-400-3661
www.spi-engineering.com

August 25, 2011

Joseph B. Zoba
General Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

Subject: Proposal for Engineering Services
Wochholz Regional Water Reclamation Facility
WISE RO Design Effort – Design Completion

Dear Mr. Zoba:

At this time, Separation Processes, Inc. (SPI) would like to request an amendment to Task 13 in the amount of 218,371 dollars in order to allow us to finalize the engineering drawings and specifications for the project.

First, a brief review of the project history is as follows:

- SPI submitted a proposal of \$347,590 to complete the WISE Project in October 2009
- The District authorized work in the amount of \$78,132 in July 2010.
- The District authorized \$50,000 in June of 2010

Because of the 2 year distance in time, SPI requested revised quotations in order to obtain current pricing based on our project understanding and development of drawings and specifications associated with the facility.

Since the original quote was provided, Jared Rogers is no longer available to perform electrical engineering services. SPI has arranged to provide electrical services through TJCAA, and the proposed budget for electrical services is higher, which one would have anticipated because of project understanding and the differences in the organizations used to perform the work.

The budget will also reflect changes in the overall design as a result of District approved concepts, such as canopies and sunscreens to protect the chemicals from sunlight, as these areas are exposed to sunlight.

Despite these changes, the original project budget is approximately the same, with most of the savings coming from the collaborative agreement for CAD services.

August 25, 2011
Joseph B. Zoba
Subject: WISE RO Design Completion
Page 2



The pricing includes all activities through bidding of the project. The budget for construction support will be provided under separate cover.

PROJECT STAFF

For this Project, I will be the project manager, with incidental assistance from other SPI staff. TJCAA will provide structural and electrical services, and Burks Toma will provide architectural services.

TERMS OF PROPOSAL

The terms of our proposal are as follows:

- The Proposal would be a Task Order extension of the existing Master Services Agreement.
- The Proposal is valid for a period of 30 days.
- Subconsultant invoices will be marked up by 5 percent.
- The work follows District and SPI engineering, specification and CAD standards.
- The majority of the design work would be completed within calendar year 2011.
- The District provides timely review of intermediate deliverables.
- The District participates in Design review and progress meetings.
- Payment within 30 days after invoicing is appreciated.

Sincerely,

James C. Vickers, PE

Vice President

EXHIBIT A
Yucaipa Valley Water District
Wochholz WISE Design
Proposed Scope of Services

		Rate									
		\$175	\$150	\$130	\$115	\$85	\$39	\$65			
		PM2	PM1	ENG2	ENG1	CAD2	CAD1	ADMIN	TMH	Labor	ODC
Task 100 Project Management											
110	Project Administration	16							16	\$2,800	\$220
120	Project Meetings (Regulatory)								0	\$0	\$0
	TOTALS	16	0	0	0	0	0	0	16	\$2,800	\$220
											\$3,020
Task 200 - Design Phase											
210	Project Meetings	8							8	\$1,400	\$110
220	Design Submittal 1	16			40	240			296	\$27,800	\$2,220
230	Design Submittal 2	16			40	160			216	\$21,000	\$1,680
260	Cost Estimates	8							8	\$1,400	\$110
270	QA/QC	16				40			56	\$6,200	\$500
280	Bid Period Services	8			8	16			32	\$3,680	\$290
	TOTALS	72	0	0	88	456	0	0	616	\$61,480	\$4,910
											\$66,390
Task 300 - Subcontractors											
310	Electrical (TJCAA)								0	\$0	\$86,816
320	Structural (TJCAA)								0	\$0	\$50,228
330	Architectural (Burks Toma)								0	\$0	\$11,918
	TOTALS	0	0	0	0	0	0	0	0	\$0	\$148,961
											\$148,961
		Labor		ODC		Total					
		\$64,280		\$154,091		\$218,371					

Structural
Engineering

SCADA

Electrical
Engineering

Instrumentation

Controls

The Cathedral
Building
1615 Broadway
4th Floor
Oakland,
California 94612

p 510.251.8980
f 510.251.8981

www.tjcaa.com

Exhibit A

Scope of Work

Between

Separation Processes, Inc

and

TJC and Associates, Inc

For

**Yucaipa Valley Water District – Wochholz WTP Improved Salinity Effluent
Project (WISE)**

Structural Engineering Design Support Professional Services

Introduction

Yucaipa Valley Water District (YVWD) has contracted with Separation Processes, Inc (SPI) for services to support the addition of RO Equipment at the Wochholz WRF in Yucaipa, CA. SPI has requested Engineering Services from TJC and Associates (TJCAA) for Structural design related to the foundation and canopy system at the facility.

TJCAA will be compensated for engineering services on a time and materials basis based on our standard billing rates at the time services are rendered. Please refer to TJCAA's current billing rate schedule which is attached to this document. Upper limits for compensation to TJCAA will be as follows:

Task 1 - The upper limit for the scoped services shall be **\$47,836**.

Task 2 - The upper limit for the scoped services shall be **\$1,600**.

Scope of Work—TJC and Associates, Inc (TJCAA)

The scope of work is as follows:

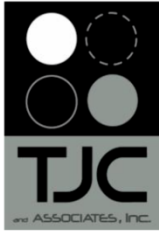
Task 1 – Structural Design Services – TJCAA will provide structural design and drafting services for the loading dock extension of the existing WRF building and interior modifications depicted in the attached schematic drawing for said project. Services will include:

- Structural design of a concrete loading dock extension to support the proposed chemical storage tanks.
- Structural design of an extension of the existing metal canopy over the loading dock. As an alternative, a performance specification may be provided from which a metal building manufacturer can bid the project to construct said canopy.
- Investigation of the existing concrete slab to determine if it can support the proposed equipment. If it's found that the existing slab cannot support the proposed equipment, TJCAA will design modifications to the existing slab to support said equipment.
- Structural design of the restroom facility.
- Performance specification for metal canopy over chemical storage tanks with drop sunscreens.
- Group of four on-slab concrete day tank containment structures.
- Group of three on-slab concrete day tank containment structures.

109065 – SPI, Wochholz WRF RWRO

Print Date: August 23, 2011

Page 1 of 3



- Concrete slabs on grade and secondary containment areas for three chemical storage tanks.
- Containment modifications for 2 totes.

Task 2 – Bid Services – TJCAA will provide support during the bidding of the project to answer contractor questions and develop any addenda which may be necessary to clarify the above referenced scope.

Approach

Task 1 – Structural Design Services:

TJCAA will develop and provide the structural design drawings and calculations for the loading dock extension, loading dock canopy (possible performance specification), existing concrete slab, restroom facility, and chemical storage concrete containment areas.

Task 2 – Bid Services:

TJCAA will respond to questions from contractors on an as-needed basis. Services will be billed on a time and materials basis based on our standard billing rates at the time services are rendered.

Assumptions

The following assumptions have been used during the development of TJCAA's scope and budget for this project:

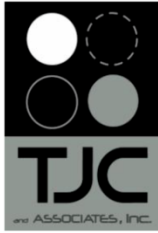
Task 1 – Structural Design Services

1. Design elements for the project will be completed by February 1, 2012.
2. Interior modifications consist of:
 - a. Addition of a restroom in the East side of the building.
 - b. Minor trenching for small conduits and piping.
 - c. Addition of 1 RO Train.
 - d. Addition of 3 50 HP pumps
 - e. Addition of 1 15 HP pump
 - f. Addition of 7 chemical day tanks and metering pumps.
3. Exterior modifications consist of:
 - a. Extension of the concrete loading dock to accommodate chemical storage, cartridge filter, 1 250 HP pump and 1 RO CIP Tank.
 - b. Extension of the existing canopy system to cover the above mentioned loading dock extension.
 - c. Containment modifications for 2 totes.
 - d. Three chemical storage containment areas.
4. TJCAA will provide a specification section with wind design parameters for various project elements to be submitted by the Contractor.
5. TJCAA will provide a specification section with seismic design parameters for various project elements to be submitted by the Contractor.
6. Canopy will be similar to the current canopy.
7. Seismic anchorage calculations of the equipment will be provided by

109065 – SPI, Wochholz WRF RWRO

Print Date: August 23, 2011

Page 2 of 3



- the equipment manufacturer.
8. Applicable versions of structural specifications, based on "Traditional" CSI format, located within Divisions 3 and 5 will be developed.
 9. Structural design shall comply with the 2010 California Building Code.
 10. Project submittals will consist of 50%, 90%, and Bid documents.
 11. Design submittals will be provided in electronic (pdf) format.
 12. TJCAA CADD standards shall be used.
 13. Estimation of construction costs is NOT included within the scope.
 14. An allowance for one site meeting is included in the structural scope.
 15. Formal calculation package is not required to be submitted to agency for review. Responding to plan check comments is not included within the scope of this project.
 16. Special foundations systems (e.g. piles/piers) are not required and are not included within the fees quoted.
 17. Structural support for miscellaneous civil and piping work is not included within the fees quoted.
 18. Civil and Architectural design is not included.
 19. Coordination of the specifications with other work in this project is assumed to be by others.
 20. SPI will be responsible for front end (Division 0 and 1) specification edits.
 21. Site specific Geotechnical information is available.
 22. Existing building drawings are available for use during the design.
 23. SPI will provide suitable civil/mechanical background drawings for use by TJCAA as reference drawings.

Task 2 – Bid Services

1. Once the upper limit of our fees for this task is reached, TJCAA will no longer be required to provide services.
2. Questions from contractors will be reviewed for appropriateness by SPI prior to forwarding to TJCAA.
3. TJCAA will not be required to respond to questions that come to TJCAA directly from the contractor. All questions will go through SPI.

Deliverables

Task 1 – Structural Design Services

- Drawings for the two (2) "Draft" submittals will be delivered in PDF format for 11x17 printing. Draft specifications will be provided at the 90% submittal.
- Drawings for the final submittal will be delivered in PDF format for both 11x17 and 22x34 printing. The final submittal will be biddable documents (drawings and specifications) and will be stamped and signed by a professional engineer licensed in the State of California.

Task 2 – Bid Services

- Addendum documents on an as-needed basis delivered in PDF format for 11x17 and 22x34 printing.

109065 – SPI, Wochholz WRF RWRO

Print Date: August 23, 2011

Page 3 of 3

Estimated Total Fee: **\$47,836**

SPI, Wochholz WRF Recycled Water RO System

Date: 8/23/11 TJCAA Project No: 109065

By: DWY Prepared for: Jim Vickers (SPI)

Proposal (File 1.03) Contract (File 2.04)

SHEET LISTING/WORK ITEM															HOURS/LABOR (2011 RATES)										Summary		Percent of Project																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Structural															E10	E8	E6	E5	E4	E3	C6/C4	C2	A6	TOTAL HRS	TOTAL \$	Engineer		Drafting	VP	Combined																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
General Sheets	G5	1	General Notes, Legend and Abbreviations																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																

Structural
Engineering

SCADA

Electrical
Engineering

Instrumentation

Controls

Exhibit A**Scope of Work**

Between

Separation Processes, Inc

and

TJC and Associates, Inc

For

**Yucaipa Valley Water District – Wochholz WWTP Improved Salinity
Effluent Project (WISE)****Electrical Engineering Design Support
Professional Services****GENERAL**

Separation Processes, Inc. (SPI) has requested that TJC and Associates (TJCAA) provide electrical engineering services to provide the electrical design for the Wochholz WWTP Improved Salinity Effluent Project. This work includes the addition of a new RO Train and ancillary equipment including chemical systems as part of the process to reduce salinity levels in the effluent water from the plant. The new equipment will be located at the District's existing Membrane Building at the WWTP.

Instrumentation and controls design will be provided by SPI, however, TJCAA shall provide electrical engineering services to include power, conduit and signal cables for connecting the instrumentation to their respective control panels and power sources. In addition, TJCAA will provide services for providing calculations and analysis of the existing power distribution system at the Membrane Building to determine available power for connection of the new equipment. Additional details of the scope of work and assumptions are outlined below:

SCOPE OF WORK

The scope of work is divided into the following tasks for execution:

Task 1 – Field Investigation

Task 2 – Design

Task 2.1 – Control Valve Devicenet Design (Optional)

Task 3 – Bid Services

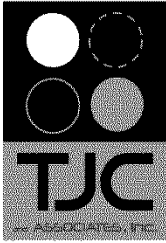
Task 1 – Field Investigation

Approach: Site visit to determine available capacity of existing service entrance switchboard at the Membrane Building at the WWTP for connection of new equipment expected to add approximately 500A connected load to the existing switchboard. Field visit shall also include examination of potential conflicts with existing conduit routings, light fixtures, etc. in the Membrane Building when

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Oakland,
California 94612

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installing the new RO unit and equipment. Data will be collected to include in demolition drawings including photos.

Deliverables: One page memo with summary of site visit results.

Assumptions:

1. As-built electrical single line diagrams and plan drawings are available from the District and are accurate with respect to existing loads and equipment ratings.
2. District electrician or technician will be available to open electrical panels including switchboard, switchgear and lighting panelboards.
3. Fee includes travel time and per diem expenses.

Task 1 fee not to exceed limit of: **\$4800**

Task 2 – Design

Approach: Design shall include the sizing and layout of conduit routing and circuitry for all new equipment and instruments associated with the new RO unit including the chemical systems installed at the Membrane Building as shown on the mechanical plans as provided by SPI. Power to all the devices shall be included and coordinated with the building's existing power distribution system. The design shall also include coordination and design for motor control involving variable frequency drives and motor control centers. Conduit and circuit schedules shall be developed including panelboard schedules and control schematics. Single line diagrams will be based on the building's existing main switchboard and indicate where modifications are necessary for the addition of new circuit breakers for the new equipment loads.

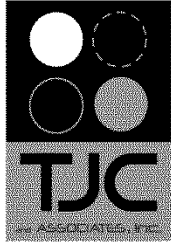
Chemical storage tanks and metering pump areas will include electrical equipment suitable for use in corrosive areas. New canopies installed over the new chemical tanks and equipment will include lighting.

Design does not include work for the design of a second service at the Membrane Building for the addition of the new equipment loads. Until Task 1 is completed and available capacity is confirmed, it is assumed that the existing service is suitable and adequate for the new loads. If upon the field visit and analysis it is determined that another service will be required for the new equipment at the Membrane Building, a Task 3 will be created and fee negotiated for this extra work.

Deliverables: 50% Drawings, 11x17 PDF Format
 90% Drawings, 11x17 PDF Format
 90% Draft Specifications, PDF Format
 Final (Bid Set) Stamped/Signed Drawings, 11x17 PDF
 Format and Specifications in PDF Format

Assumptions:

1. SPI to provide background plan drawings in AutoCAD MEP 2010 format with location of all instruments, motors and control panels.
2. SPI to provide title block.
3. Specifications shall follow format provided by SPI.



4. SPI to provide all Division 13 design and specifications, this includes P&IDs, SCADA architecture diagrams and SCADA programming requirements. All control devices and field instrumentation shall be specified by SPI.
5. SPI to provide all pertinent data (equipment data sheets, cut sheets, etc.) to TJCAA for coordination of power, control and data circuits for new instrumentation and mechanical equipment requiring power.
6. It is assumed that a new utility service is not required therefore design of new service entrance equipment is not included.
7. Diesel engine generator for standby power is assumed not required and that the RO unit is not required to have any flush pumps in operation during power outage to maintain the RO membranes.
8. It is assumed that SPI will provide design and specifications for UPS systems for the new control panels and instruments.
9. Three submittals are assumed: 50%, 90% and Final Stamped/Signed documents. 11x17 PDF format for drawings and specifications.
10. Lighting where required will be provided. Title 24 not required.
11. Opinion of probable cost is not included.
12. Construction support services are not included.
13. Demolition is assumed to impact the Membrane Building only. Photos will be used to the extent possible to show where demolition or relocation of equipment is required.
14. Chemical system pumps, motors and controllers are assumed to be specified in Division 11 by SPI.
15. Special systems including fire alarms, communications, security, fiber optic backbones, etc. are not required.

Task 2 fee not to exceed limit of: **\$ 73,205**

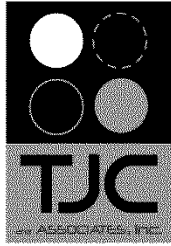
Task 2.1 – Control Valve Devicenet Design (Option)

Approach: DeviceNet segment diagram drawings are included in the design for the control valves as a design option; this portion of work can be removed from the scope of work at the discretion of SPI. If segment layouts are to be performed by others. Final conduit routing plans shall be based on the developed segment diagrams. Design includes calculation of the number of Devicenet modules on a segment (or node) and the number of power supplies required for network operation.

Assumptions:

1. Development of DeviceNet segment drawings are required for layout of the associated conduit system. DeviceNet segment design and drawings by TJCAA are included as an option as part of this scope of work.
2. DeviceNet segment drawing count based on 14 control valves at approx 4 network modules and power supply per drawing.
3. Motorized control valves and DeviceNet modules are assumed to be specified by SPI.

Deliverables: Drawings as required (Total of 6)



Task 2.1 fee not to exceed limit of: **\$ 13,460**

Task 3 – Bid Services

Approach: Provide engineering assistance during the bid period to address a maximum of 10 RFI's including formal response memos. Assistance also includes a maximum of 3 Addendum items including modifications to drawings for incorporating the Addendums.

Assumptions:

1. Attendance at pre bid meeting not required.
2. RFI response on TJCAA letterhead.
3. Conformed drawings and specifications not included.

Deliverables: RFI Response memos.
Addendum Drawings as required.

Task 3 fee not to exceed limit of: **\$ 4,680**

Total Engineering fee billed for time and materials not to exceed limit including Task 2.1 Option: **\$ 96,145**

Client and Project Name: SPI, Wochholz WWTP Salinity Imprvmt Project

Date: 8/23/11 TJCAA Project No: 109065

Estimated Total Fee: \$82,683

By: DLR/PJG

Prepared for: Jim Vickers

Proposal (File 1.03) ☐Contract (File 2.04) ☐

		SHEET LISTING/WORK ITEM		HOURS/LABOR (2011 RATES)										TOTAL HRS	TOTAL \$
				E10	E8	E6	E5	E4	E3	C6/C4	C2	A6			
		Instrumentation & Controls, Electrical (ICE)		189	166	159	152	145	131	114	75	88			
Predesign (Task 1)		Site Visits (1 Total)											0	\$0	
		Review Existing Documents (Single Lines)		2	12				6				12	\$1,992	
		Site Visit - Summary Memo			2								2	\$332	
Design (Task 2)	Sht #	Sheet Name											0	\$0	
	GE 1	Electrical Legend and Abbreviations							1	2			3	\$359	
	GE 2	Electrical Standard Details							2	2			4	\$490	
	E 1	Single Line Diagram and Elevations			4				16	8			28	\$3,672	
	E 2	Membrane Building Demolition Overview			2				8	8			18	\$2,292	
	E 3	Membrane Building Demolition Photos			1				8	8			17	\$2,126	
	E 4	RO System - Membrane Building Electrical Plan		1	4				16	16			37	\$4,773	
	E 5	RO Cartridge Filter and Feed Pump Enlarged Electrical Plan			3				12	12			27	\$3,438	
	E 6	RO Train - Enlarged Electrical Plan			4				16	16			36	\$4,584	
	E 7	RO Transfer Pump - Enlarged Electrical Plan			2				8	8			18	\$2,292	
	E 8	Bulk Storage Chemicals - Enlarged Elect Plan			4				16	16			36	\$4,584	
	E 9	Bulk Storage Chemicals - Canopy Lighting Plan			1				8	6			15	\$1,898	
	E 10	Membrane Building - Lighting Modifications			1				8	6			15	\$1,898	
	E 11	Open/Close-Control-Valve-Schematic-and-Interconnect-Diag											0	\$0	
	E 12	Modulating-Control-Valve-Schematic-and-Interconnect-Diag											0	\$0	
	E 11	Control Valve Schematics			2				8	6			16	\$2,064	
	E 12	VFD Control Schematic		1	4				16	6			27	\$3,633	
	E 13	Chemical System Interconnection Diagrams		1	4				16	6			27	\$3,633	
	E 14	Circuit and Conduit Schedules			2				12	3			17	\$2,246	
	E 15	Circuit and Conduit Schedules			2				12	3			17	\$2,246	
	E 16	Panelboard Schedules			1				6	2			9	\$1,180	
	E 17	Fixture Schedules			1				6	2			9	\$1,180	
	E X	DeviceNet-Segment-Diagram-I-(Opt)											0	\$0	
	E X	DeviceNet-Segment-Diagram-II-(Opt)											0	\$0	
	E X	DeviceNet-Segment-Diagram-III-(Opt)											0	\$0	
	E X	DeviceNet-Segment-Diagram-IV-(Opt)											0	\$0	
Design QA/QC	Specs	Specifications and Formatting		2	8				21			8	39	\$5,161	
		Loop and Control Descriptions (NIC)											0	\$0	
	Design QA/QC	RYG		2			8						10	\$1,594	
		PE Review		2	4							6	\$1,042		
		Calculation Check		2			2					4	\$682		
General		Respond to Comments (50% and 90% Review)			4				6	4			14	\$1,906	
		Design Workshops (NIC)											0	\$0	
		Coordination with Utilities for Service Changes (NIC)											0	\$0	
		Electrical Calculations: Loadstudies, Short Circuit, SKM		2	4				6				12	\$1,828	
		Opinion of Probable Costs (NIC)											0	\$0	
													0	\$0	
		Non-TJCAA Standards (CADD and Specifications)			1					8		8	17	\$1,782	
		Submittal preparation (50%, 90%, final)			3				4	6		3	16	\$1,970	
		Project Specific Coordination (Div 13 Items)		4	8				16	4			32	\$4,636	
		Project Management (schedule, budgets, invoicing, filing)		6	8							4	18	\$2,814	
Bid Period (Task 3)		Prebid Meetings (NIC)											0	\$0	
		Respond to RFIs (Limited to 10)		1	4				12				17	\$2,425	
		Addenda Development (Limited to 3)		1	2				8	6			17	\$2,253	
		Conformed Dwg's and Specifications (NIC)											0	\$0	
Construction Services (NIC)		Shop Drawing Reviews (XX Sections Div 13)											0	\$0	
		Shop Drawing Reviews (XX Sections Div 16)											0	\$0	
		Construction Coord Mtgs and Site Observation (XX Total)											0	\$0	
		RFI Responses (XX Assumed)											0	\$0	
		Witness Testing (Factory and Site)											0	\$0	
		Site Inspections/Specialty Inspections											0	\$0	
		Assistance During Startup											0	\$0	
		ICE O&M Manual Assistance											0	\$0	
		As Built/Record Drawings and Documentation											0	\$0	
Labor Totals		ICE - TOTAL (HOURS)		27	106	0	10	0	274	164	0	23	604		
		ICE - TOTAL LABOR (DOLLARS)		\$5,103	\$17,596	\$0	\$1,520	\$0	\$35,894	\$18,696	\$0	\$2,024		\$80,833	
Expenses		Plots: Number of Drawings		19										\$0	
		Number of Bond Sub's		0	50% & 90%, Final			\$10	\$/sht						
		Number of Mylar Sub's		0	Final			\$50	\$/sht						
		Copies, Prints, Tele,Fed-X, Etc.		1.0%	Percent of Labor									\$808	
		Misc.		1.0%	Percent of Labor									\$289	
		Travel: Number of Trips		1	Trips										
		Airfare		\$400	\$/Trip									\$400	
		Per diem, Rental car, etc		\$185	\$/Trip									\$185	
Expenses Total		ICE - TOTAL ODC'S												\$1,682	

Assumptions:
Refer to Scope of Work.

Costs	Multipliers		Totals	Total Engineering Fees
	Labor	ODC's		
Raw	1.00	1.10	\$80,833	\$82,515
Burdened	\$80,833	\$1,850	\$82,683	
Hours per Sheet		Eng/Clar	Draft	Tot Labor
\$/Sheet (Burdened)		\$3,270	\$984	\$4,254
				ODC's
				\$97



23 August 2011

Terry Cavanaugh
TJC and Associates
3206 Luyung Drive
Rancho Cordova, CA 95742

RE: Wochholz WRF Improvements - Architectural Services

Dear Terry:

The following is an outline of a scope of work and estimated hours for the Wochholz WRF Improvements - Architectural Services based on the information provided to date.

Final Design Services

Restroom

Prepare detail drawings and specifications for a new restroom to be constructed within the existing microfiltration building. The restroom is to be single occupancy, accessible, with urinal, wc and sink. Drawings will include a location plan, a detail plan, interior elevations, and details (wall/ceiling, door, signage). BTA will prepare architectural specification sections in format provided by Engineer.

Roof Canopy Extension

Prepare architectural elevations and section for the extension of the roof canopy to cover the CIP tank and Pump. These drawings will show the configuration of the roof canopy extension relative to the existing roof, walls and structure, the dimensions of the new metal roof and soffit/wall panels, the relocation/location of any gutters and downspouts and coordinate any new exterior wall mounted lighting, equipment and/or signage. Specifications to be prepared by others.

Roof Canopy Sunshades

Include details and specifications for exterior roll-down fabric sunshades at Roof Canopy.

Final Design

- 2.1 Project Management
- 2.2 Prepare restroom plans, interior elevations and architectural details.
Coordinate architectural drawings with civil, structural, mechanical and electrical drawings.
- 2.3 Prepare architectural specifications
- 2.4 Prepare canopy elevations and sections; prepare sunshade details.

814 Camelia Street Berkeley, CA 94710
510 524 4255 Fax 510 528 3009

Wochholz WRF Improvements – Architectural Services
page 2

23 August 2011

- 2.5 Prepare 50% & 90% submittals for review
- 2.6 Revise drawings & specifications and submit Final Bid Documents

Preliminary list of drawings:

- A1 Details - Restroom
- A2 Restroom Floor Plan, Detail Plan, Reflected Ceiling Plan, Interior Elevations
- A3 Canopy Elevations, Section, Shade Details

Drawings will be 22" x 34" format, conformed to District and Engineer's standards. We will provide PDF files of the architectural documents for all submittals. AutoCAD electronic "record" drawing files will be provided if requested.

Preliminary list of architectural specification sections:

Division 6

06100 Rough Carpentry

Division 7

07210 Building Insulation

07920 Sealants And Caulking

Division 8

08110 Steel Doors and Frames

08310 Access Doors & Panels

08710 Door Hardware

Division 9

09100 *Metal Support Systems (coord. With TJC)*

09250 Gypsum Board

09300 Tile Work

09910 Paints

Division 10

10400 Signage

10800 Toilet and Bath Accessories

Division 12

12495 Sun Control Shades

Fees required for the scope of work described above will be billed at an hourly rate to a not to exceed limit as follows:

Hourly Rates

Principals	\$170.00
Project Architect	\$140.00
Staff	\$115.00

Fee Summary

Architectural Tasks	Fee
Restroom addition	
1.5 Drawings @ \$3,700/drawing	\$5,550.00
13 specifications sections (est.)	2,100.00
Awning extension	
1 Drawing @ \$3,700/drawing	\$3,700.00
Total	\$11,350.00

Reimbursable Expenses

Standard Reimbursable Expenses such as printing, plotting, travel and CAD time shall be billed at 1.1x cost. (See attached Fee and Reimbursable Schedule.)

Wochholz WRF Improvements – Architectural Services
page 3

23 August 2011

Reimbursable Expenses (est)

200.00

This is an estimated fee of **\$11,550** for the scope of services described above, based on the scope described to date, the estimated hours and hourly rates. Estimated fees may be revised pending clarification of scope. Services will be billed on an hourly Not-to-Exceed basis. Services not described above will be provided upon request and will be billed as Additional Services. The following are considered additional services:

- Making revisions to drawings, specifications or other documents when such revisions are inconsistent with instructions previously given and are due to causes not within our control;
- Attending design meetings or process meetings;
- Preparation of color renderings, computer generated renderings or models
- Preparing materials or applications for any Planning, Design or other Review process
- Preparing an estimate of probable cost;

We look forward to working with you again.

Sincerely,

Karen Burks RA LEED AP
Principal

Marc Toma AIA LEED AP
Principal

Date: May 22, 2012

Subject: Water and Sewer Facility Capacity Charges for 10949 Hawkrigde Road, Yucaipa

On December 7, 2006, the Yucaipa Valley Water District received payment for water and sewer facility capacity charges, meter-set-in fees, and sewer permit/inspection fees for Tract No. 15967-2, Lot 31 located at 10949 Hawkrigde Road, Yucaipa. A building permit was issued by the City of Yucaipa and construction started, but the property was foreclosed and the building permit expired prior to the home being completed.



On May 16, 2012, Mr. Jose Huizar paid additional fees of \$27,449.60 which represent the difference in the facility capacity charges since they were first paid when the original building permit was issued in 2006.

Resolution No. 07-2007, Section 2.6 states, “all development related rates, fees and charges shall be fixed at the amounts in effect when the developer or property owner has been issued a building permit for the construction of buildings. In the event the event that facility capacity charges are prepaid to the District prior to the issuance of the building permit and the amount prepaid or deposited is less than the actual amount in effect at the time that the building permit has been issued, then the developer or property owner shall pay the difference between the prepaid amount or deposit and the actual amount of the facility capacity charges in effect on the date the building permit is issued”. While the fees paid in 2006 are in compliance with this

language, the issuance of a second building permit for the same project creates an ambiguity in the policy adopted by the Board of Directors.

However, Resolution No. 07-2007, Section 2.6.2 resolves this ambiguity by setting a ceiling on the amount of additional fees owed to the District.

Section 2.6.2 Expiration of Facilities Capacity Charges. Facility capacity charges paid to the District in excess of 900 calendar days without receiving occupancy or project completion shall be charged the facility capacity charges in effect on the 901st calendar day following original payment of the facility capacity charges.

This language would require the property owner to pay the facility capacity charges in effect on March 26, 2009 [December 7, 2006 plus 901 days].

The District staff is continuing to research this issue, but would like to reserve a workshop agenda item in the event future board action is required.



Yucaipa Valley Water District
Attn. Jack Nelson
12770 2nd St.
Yucaipa, CA

May 17, 2012

Re: Jose Huizar Residence
10948 Hawkridge Rd.
Yucaipa, CA 92399

Mr. Nelson,

Thank you for the time you gave me and my client Mr. Huizar today.
As I explained, I was out of town till late yesterday, before leaving I asked Mr. Huizar to get everything permit ready so Omni Builders could start construction upon our return.
Mr. Huizar consulted with me prior to purchasing his property and I assured him that with an expired building permit, sewer/water to property there would not be any sewer/water impact fees.
After being brought up to speed by Mr. Huizar this morning Omni Builders would like to better understand what exactly Mr. Huizar paid for in the amount of \$27,449.60?
Please include Omni Builders and Mr. Huizar in the next round table meeting as mentioned today to review the charges mentioned.
Please provide us a date to attend said meeting with a response to our concerns being reviewed.

Respectfully submitted,

Gary Fisher
Owner



Workshop Memorandum 12-113

Date: May 22, 2012

Subject: Task Order No. 11 to Krieger & Stewart for Construction Management Services Related to the Crow Street Pipeline Project

At the Board meeting on April 7, 2010, the Board approved Krieger & Stewart to provide construction management services for the Regional Brineline Extension and Phase II Non-Potable Water Distribution System Expansion Project [DM 10-022].

At the regular meeting on August 3, 2011, the Board approved a contract for Dudek to complete the design of the recycled water pipeline in Crow Street [DM11-073]. Dudek has essentially completed the design and bid specifications to construct the pipeline and the connection of the recycled water source of supply at the Wochholz Regional Water Recycling Facility.

The District staff is preparing Task Order No. 11 to request authorization for Krieger & Stewart to provide construction management services for the recycled water pipeline in Crow Street.

Date: May 22, 2012

Subject: Task Order No. 10 to Krieger & Stewart for Construction Management Services Related to the Recycled Water 12.1 Booster Station

At the Board meeting on April 7, 2010, the Board approved Krieger & Stewart to provide construction management services for the Regional Brineline Extension and Phase II Non-Potable Water Distribution System Expansion Project [DM 10-022].

At the Board meeting on April 4, 2012, the Board awarded a contract to Doty Bros. Equipment Company for the construction of the recycled water 12.1 booster pump station at the R-12.1 reservoir complex to facilitate the delivery of recycled water [DM 12-033].

The District staff is preparing Task Order No. 10 to request authorization for Krieger & Stewart to provide construction management services for the recycled water booster station project at the Pressure Zone 12.1 Reservoir Complex.

