Yucaipa Valley Water District

Notice and Agenda of a Board Workshop

Tuesday, September 11, 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. Capital Improvement Projects

A. Status Report on the Construction of the Yucaipa Valley Regional Brineline [Workshop Memorandum No. 12-155 - Page 5 of 101]

B. Status Report on the Construction of the R-10 Recycled Water Reservoir and Booster Complex [Workshop Memorandum No. 12-156 - Page 10 of 101]

C. Status Report on the Construction of the Crow Street Pipeline Facilities [Workshop Memorandum No. 12-157 - Page 17 of 101]

D. Status Report on the Construction of the Recycled Water Booster Facility at the Reservoir R-12.1 Complex [Workshop Memorandum No. 12-158 - Page 18 of 101]

E. Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project [Workshop Memorandum No. 12-159 - Page 22 of 101]

V. Development Related Issues

A. Development Agreement for Tract No. 30386 - Calimesa [Workshop Memorandum No. 12-160 - Page 27 of 101]

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. Development Agreement for Tract No. 26925 - Calimesa [Workshop Memorandum No. 12-161 - Page 29 of 101]

C. Amendment No. 1 to Development Agreement for Tract No. 25811 - Calimesa [Workshop Memorandum No. 12-162 - Page 31 of 101]

VI. Administrative Issues

A. Unaudited Financial Report for the Period Ending on August 31, 2012 [Workshop Memorandum No. 12-163 - Page 35 of 101]

B. Supervisory Control and Data Acquisition (SCADA) System Improvements for the Recycled Water System [Workshop Memorandum No. 12-164 - Page 66 of 101]

C. First Amendment to the Santa Ana Regional Interceptor Agreement between Yucaipa Valley Water District and the San Bernardino Valley Municipal Water District [Workshop Memorandum No. 12-165 - Page 83 of 101]

VII. Director Comments

VIII. 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

IX. Adjournment

STAFF REPORT

CAPITAL IMPROVEMENT PROJECTS

Yucaipa Valley Water District

Workshop Memorandum 12-155

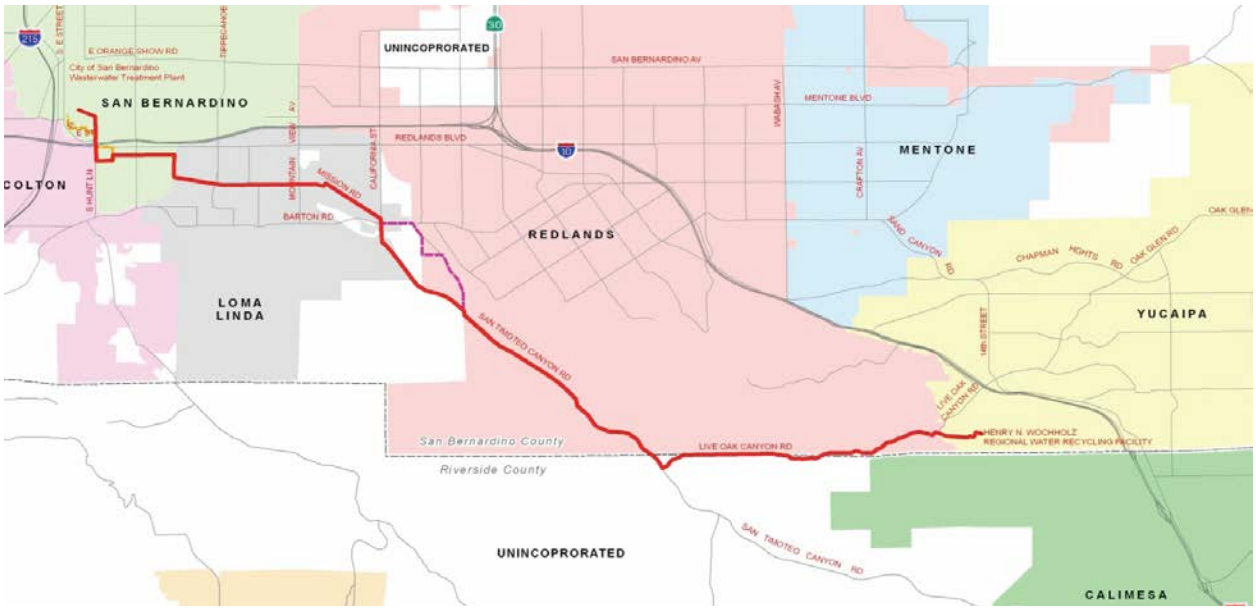
Date: **September 11, 2012**

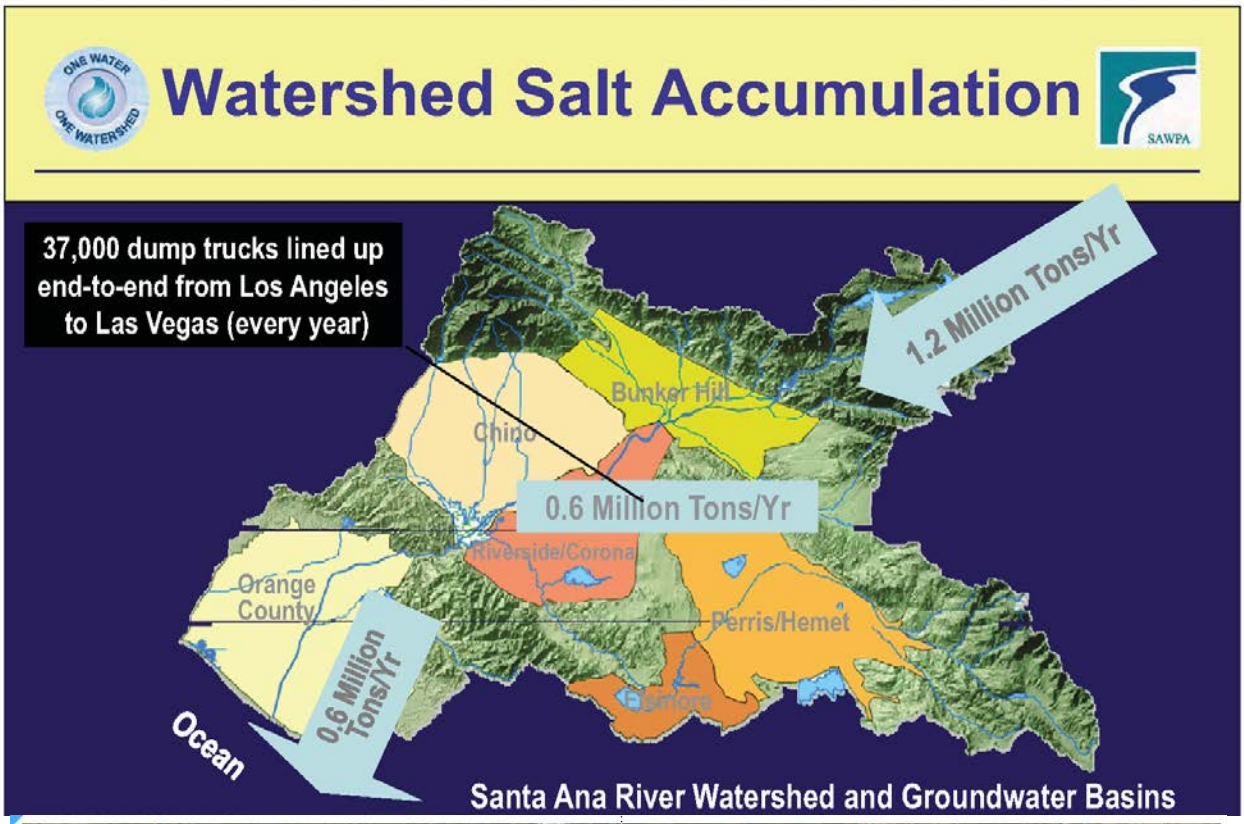
Subject: **Status Report on the Construction of the Yucaipa Valley Regional Brineline**

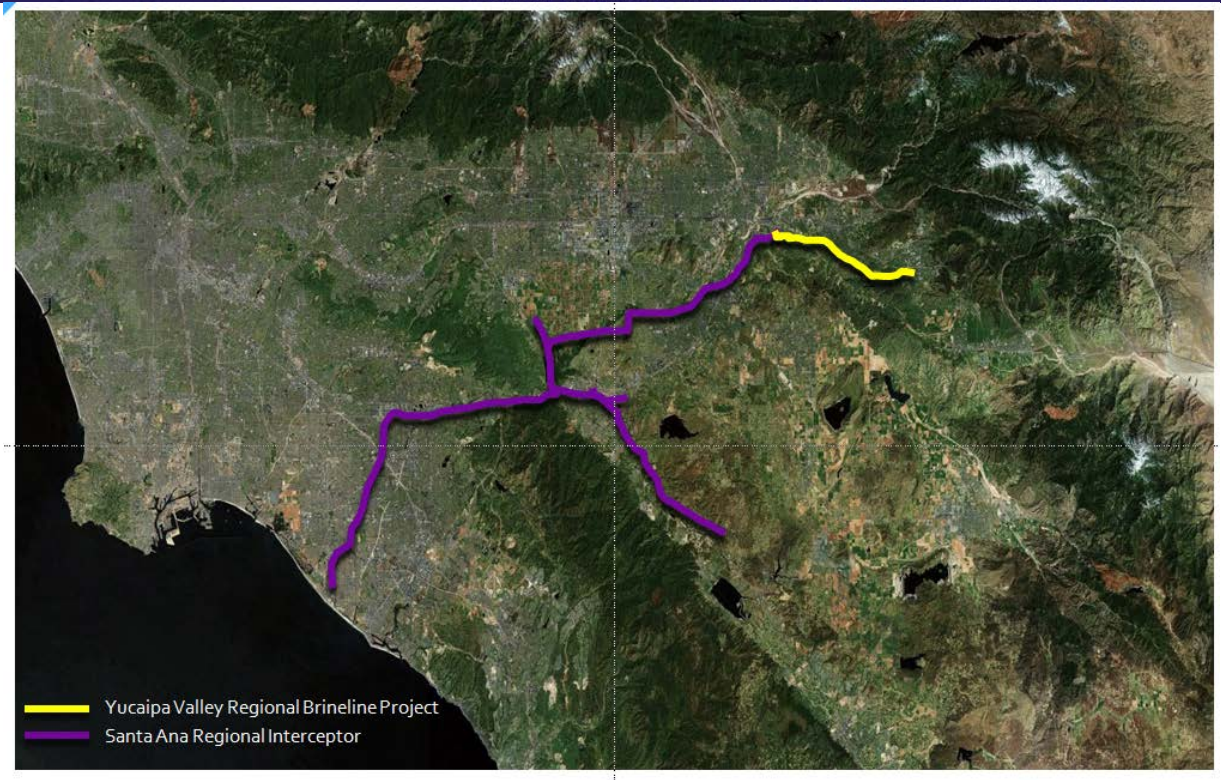
Yucaipa Valley Water District is in the process of constructing the Yucaipa Valley Regional Brineline in order to produce recycled water that complies with groundwater basin objectives as established by the Regional Water Quality Control Board. In order to comply with these limits, the District is required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

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

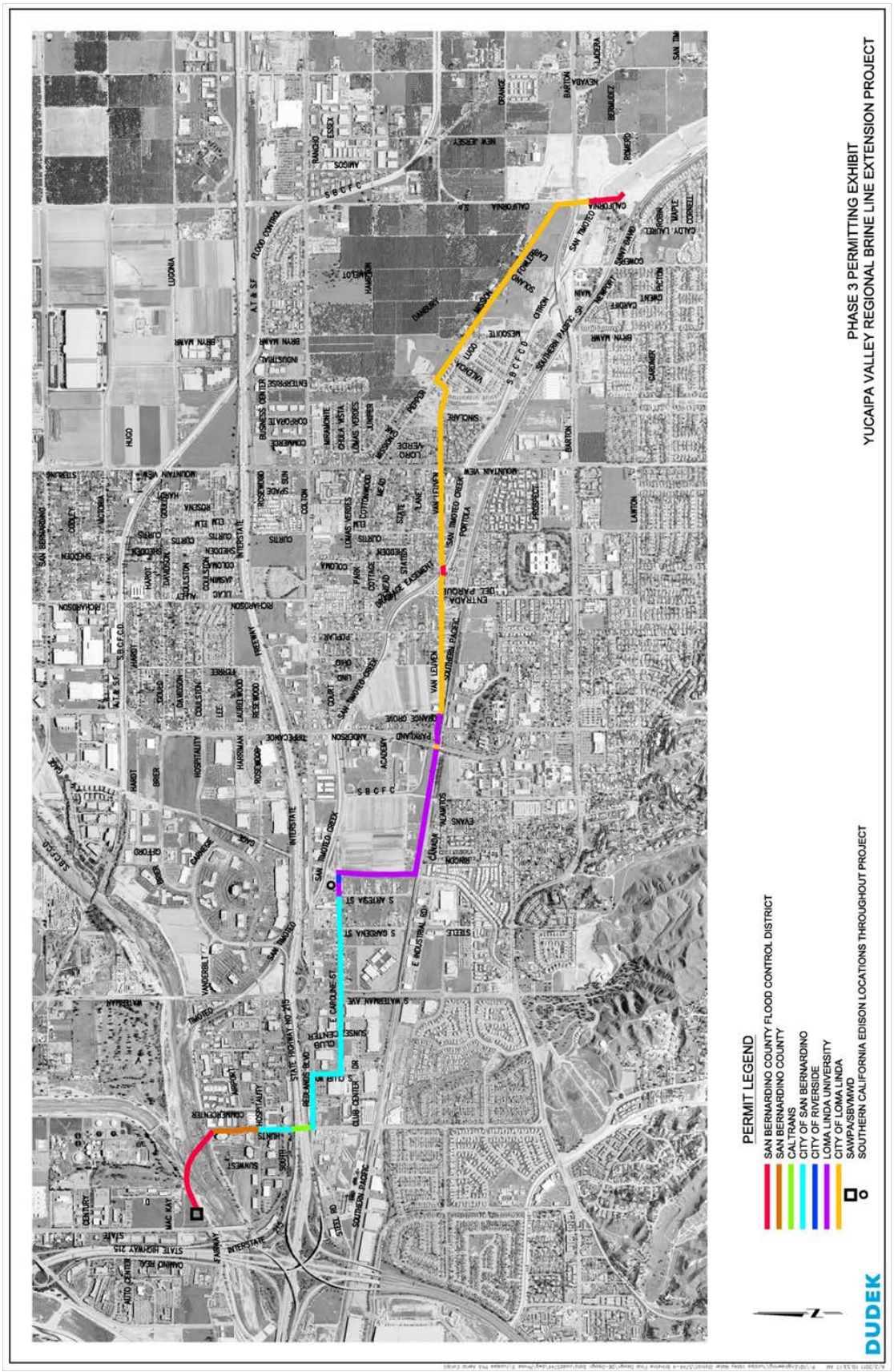
During this agenda item, the District staff will be providing an update of the construction status of the Yucaipa Valley Regional Brineline Project.



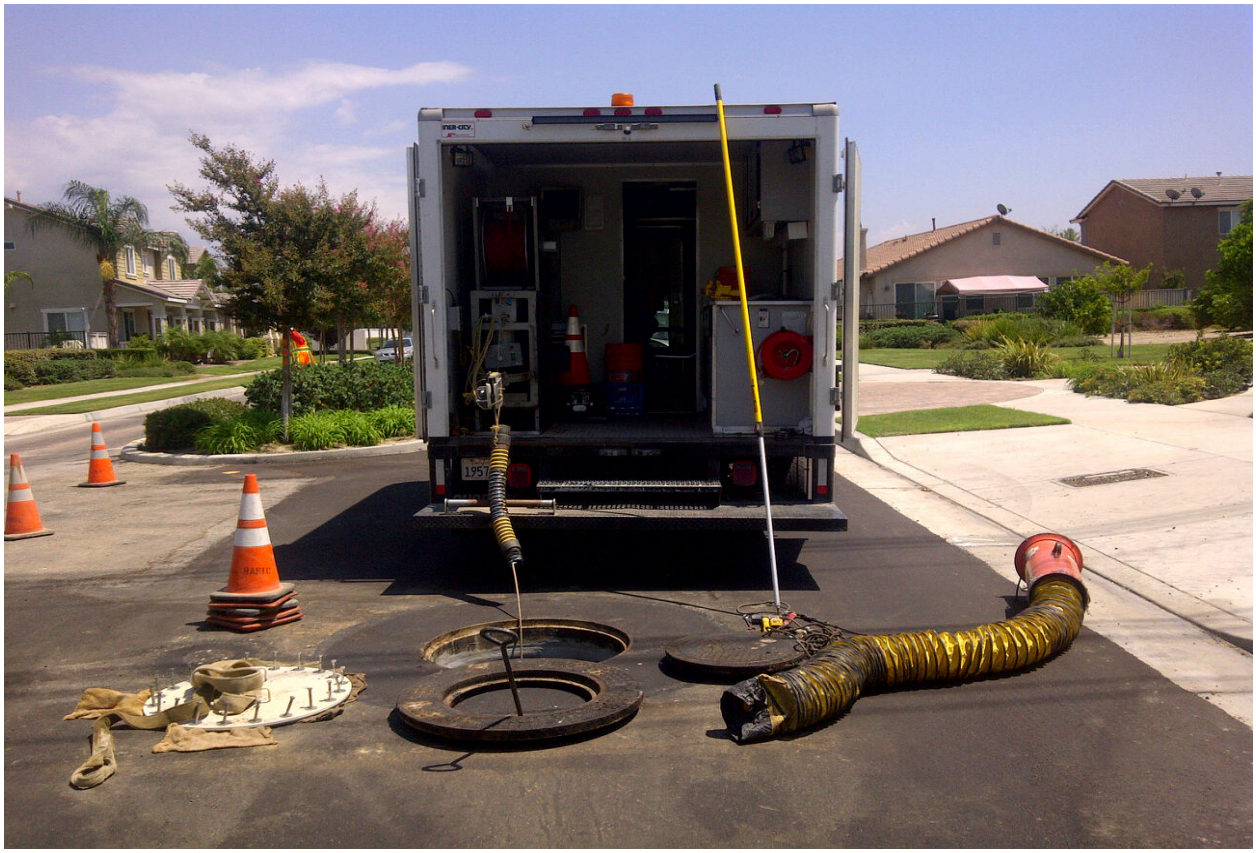




Yucaipa Valley Regional Water Supply Renewal Project


PHASE 3 PERMITTING EXHIBIT
YUCAIPA VALLEY REGIONAL BRINE LINE EXTENSION PROJECT
PERMIT LEGEND
SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT
SAN BERNARDINO COUNTY
CALTRANS
CITY OF SAN BERNARDINO
CITY OF RIVERSIDE
LOMA LINDA UNIVERSITY
CITY OF LOMA LINDA
SAWPA/SBVMWD
SOUTHERN CALIFORNIA EDISON LOCATIONS THROUGHOUT PROJECT
DUDEK


XYPEX




Phase 3, excavating on Van Leuven west of
San Timoteo creek
7-24-12


STOP
W.A. BASIC
Phase 3, installing the pipe on Van
Leuven west of the
San Timoteo creek
7-25-12

Yucaipa Valley Water District

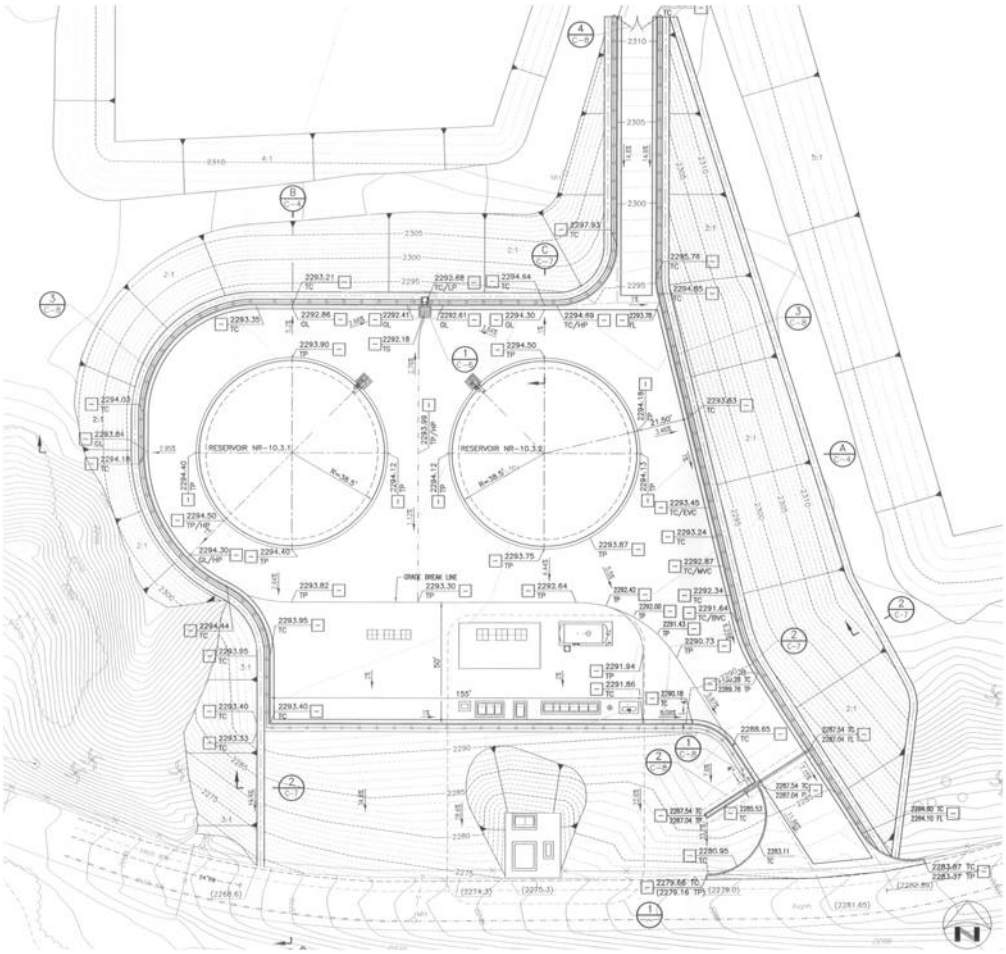
Workshop Memorandum 12-156

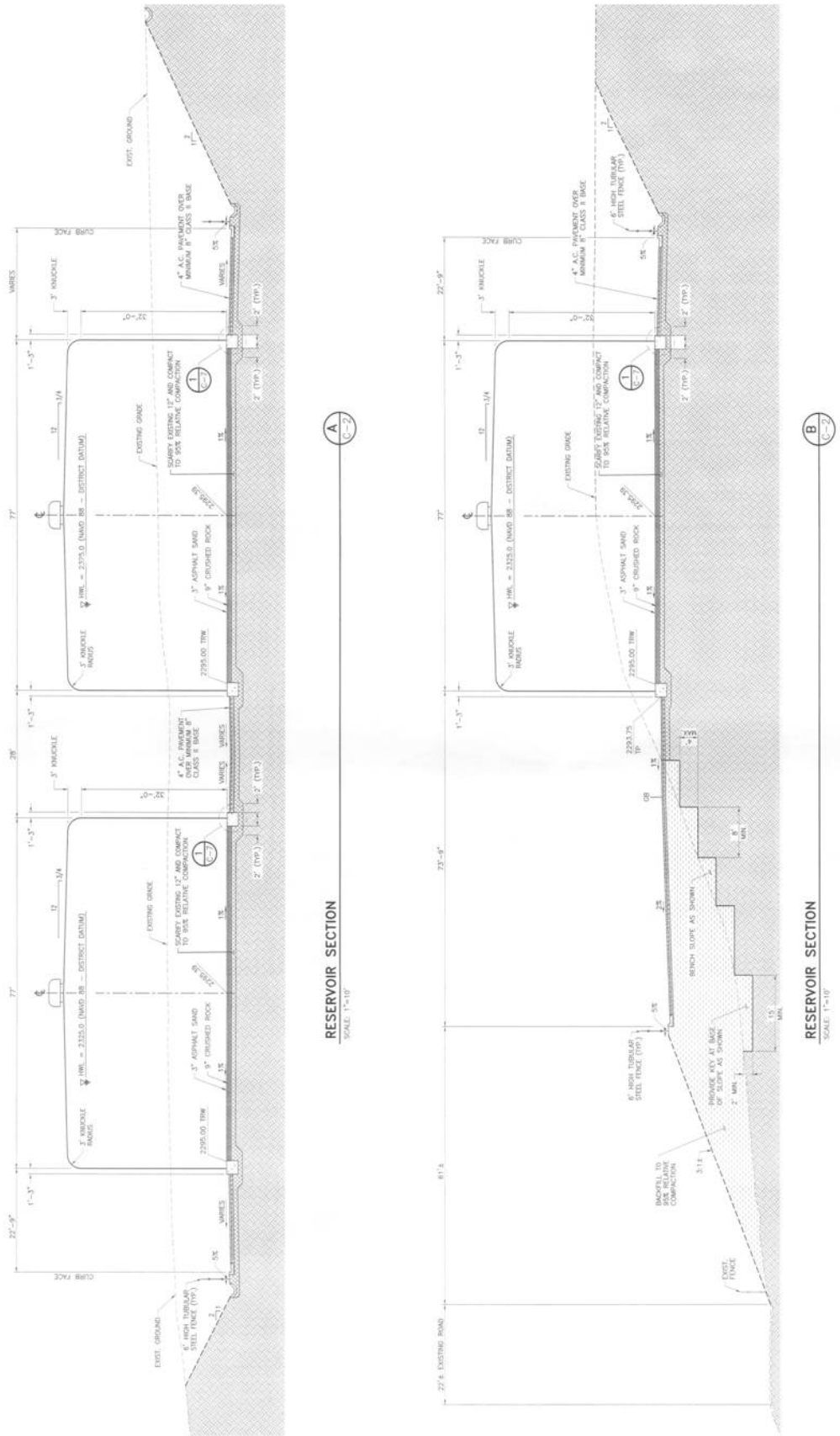
Date: **September 11, 2012**

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.




RESERVOIR SECTION
SCALE: 1"=10'
A
C-7
RESERVOIR SECTION
SCALE: 1"=10'
B
C-7














CAT
TRENCH PLATE
RENTAL
PLATE




SKYTRAK



Yucaipa Valley Water District

Workshop Memorandum 12-157

Date: **September 11, 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.



Yucaipa Valley Water District

Workshop Memorandum 12-158

Date: **September 11, 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.

The Recycled Water Booster Facility located at the Reservoir R-12.1 Complex is now under construction and will be completed by the end of the year. During this agenda item, the District staff will be providing an update of the status of this important project.














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Yucaipa Valley Water District

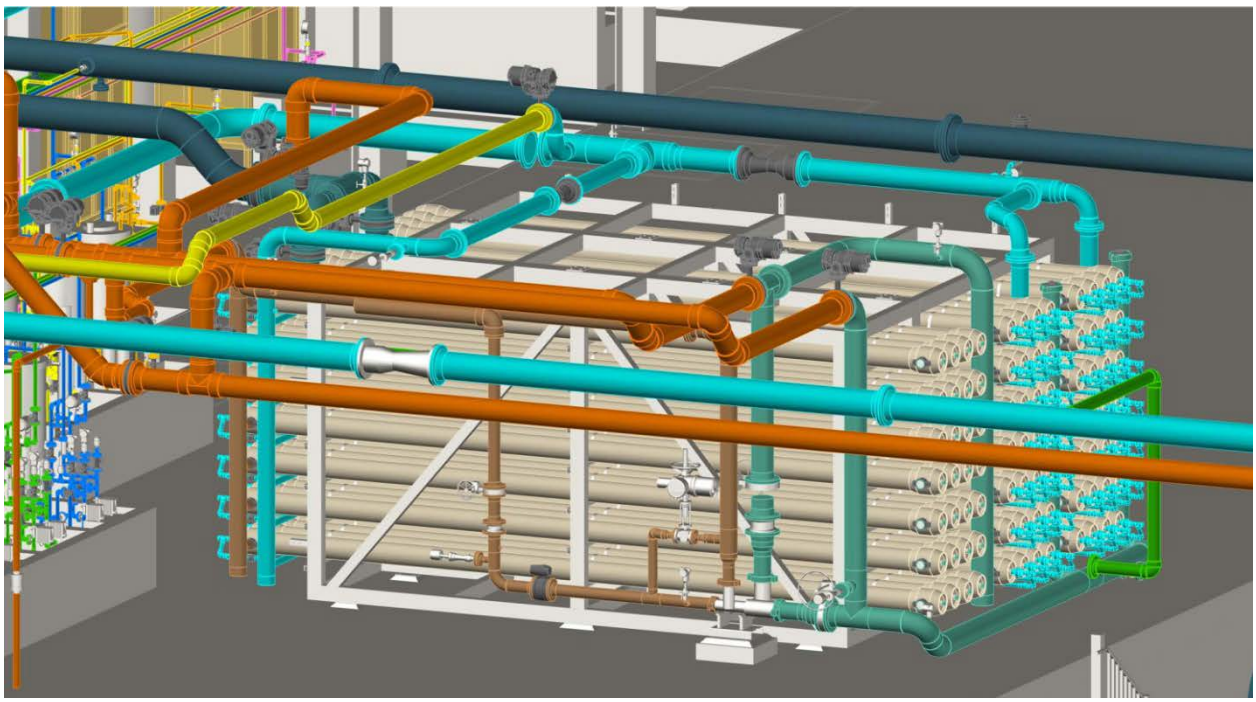
Workshop Memorandum 12-159

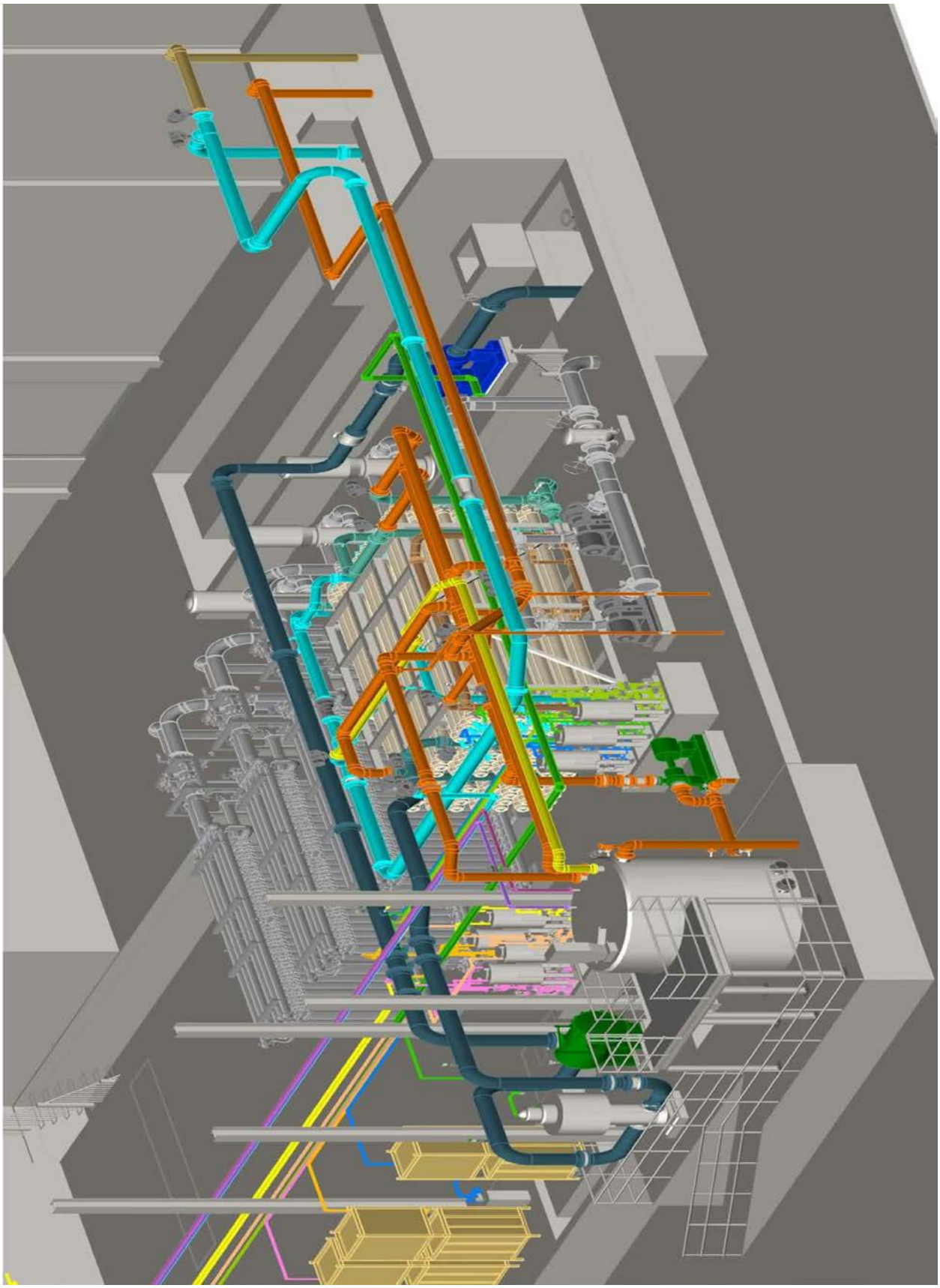
Date: **September 11, 2012**

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.












Genie GS-2646

DEVELOPMENT ISSUES

Yucaipa Valley Water District

Workshop Memorandum 12-160

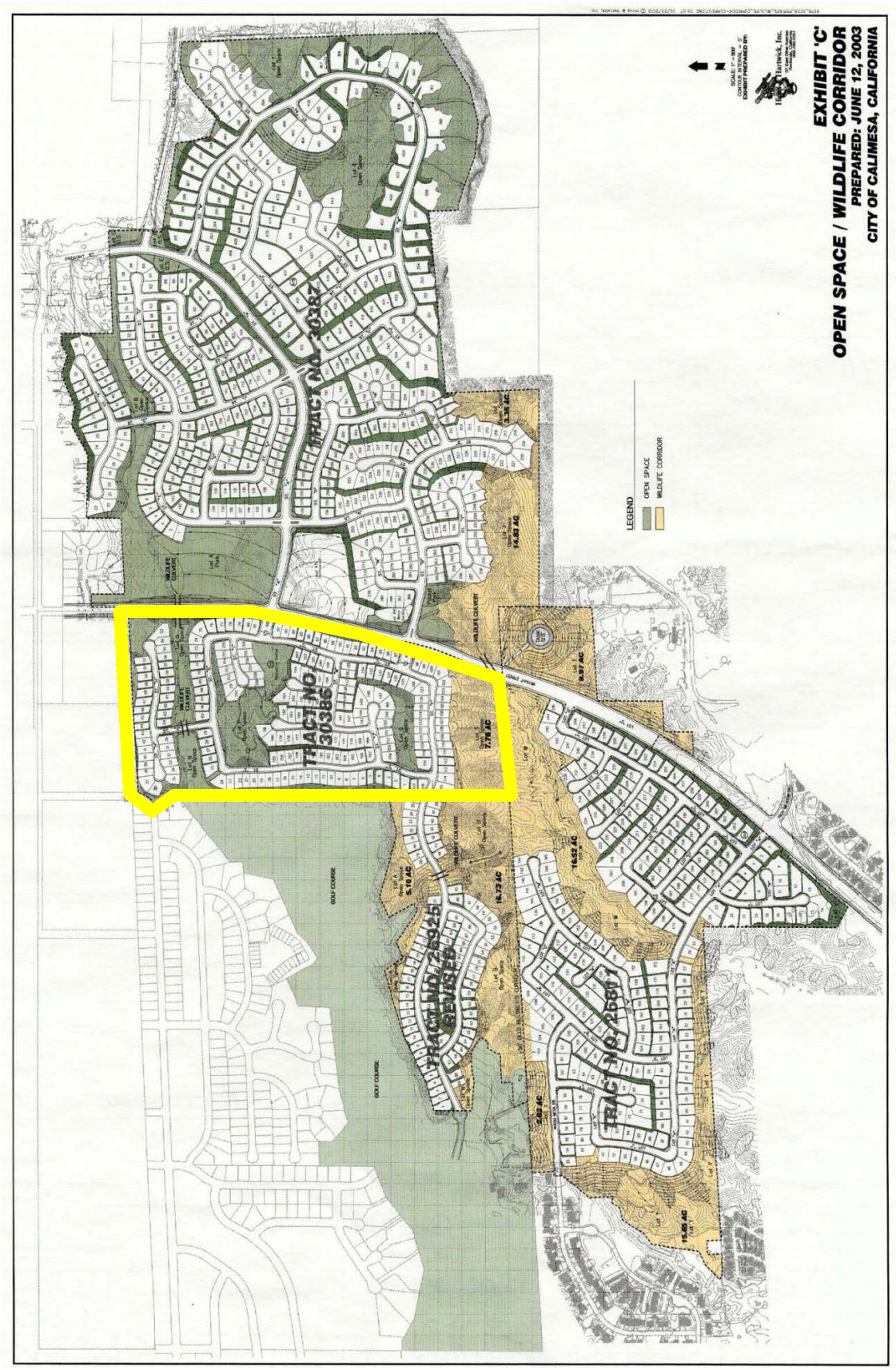
Date: **September 11, 2012**

Subject: **Development Agreement for Tract No. 30386 - Calimesa**

The District staff is currently working with a developer for the preparation of a development agreement for Tract No. 30386. This residential development is located south of Avenue L and west of Bryant Street / Singleton Road in Calimesa.

A copy of the draft development agreement will be presented and discussed at the board workshop.




EXHIBIT 'C'
OPEN SPACE / WILDLIFE CORRIDOR
PREPARED: JUNE 12, 2003
CITY OF CALIMESA, CALIFORNIA
LEGEND
OPEN SPACE
WILDLIFE CORRIDOR
TRACT NO. 30386
TRACT NO. 30387
TRACT NO. 26925 REVISED
TRACT NO. 26681
GOLF COURSE
GOLF COURSE

Yucaipa Valley Water District

Workshop Memorandum 12-161

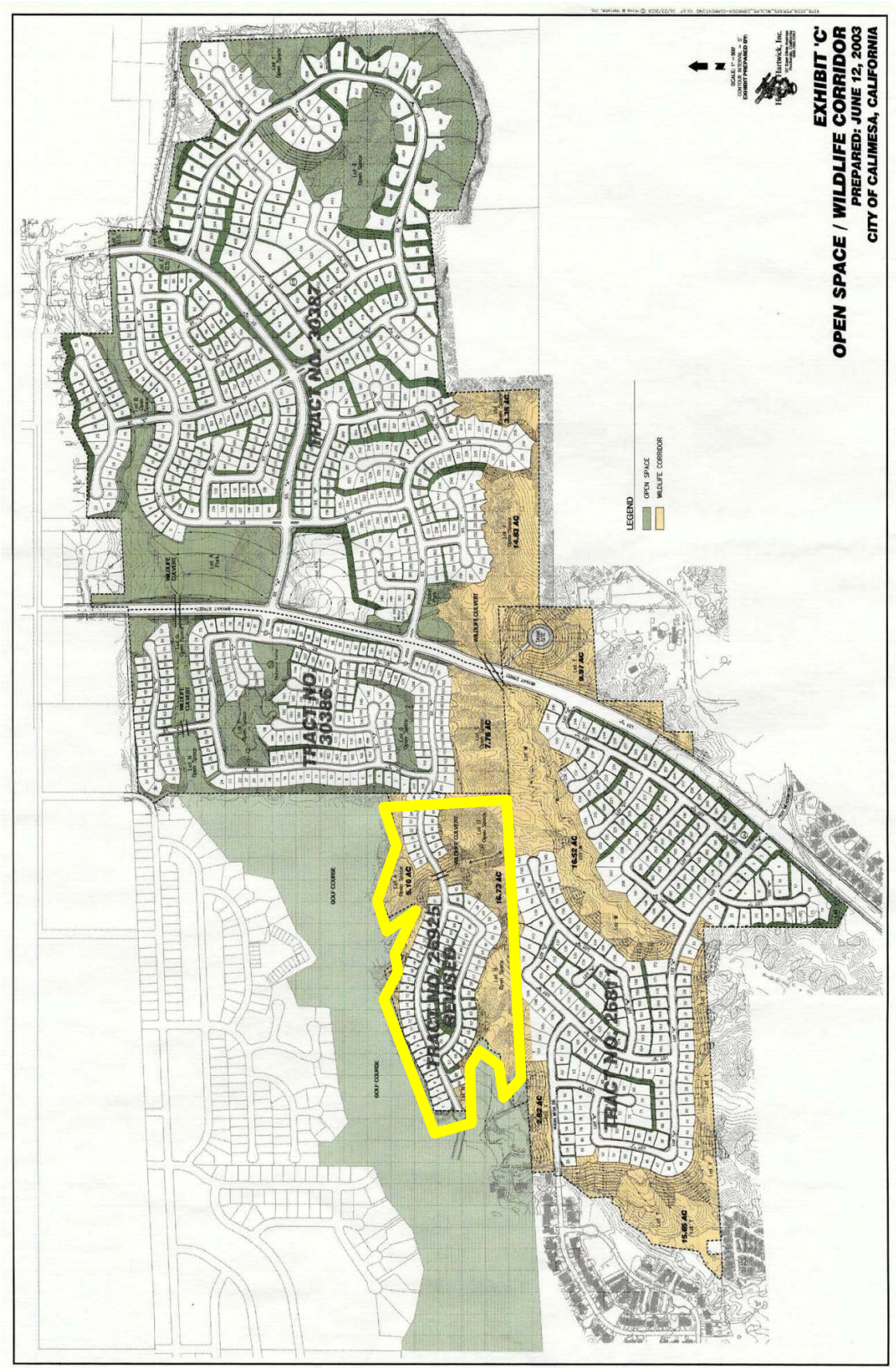
Date: **September 11, 2012**

Subject: **Development Agreement for Tract No. 26925 - Calimesa**

The District staff is currently working with a developer for the preparation of a development agreement for Tract No. 26925. This residential development is located southeast of the Calimesa County Club in Calimesa.

A copy of the draft development agreement will be presented and discussed at the board workshop.




EXHIBIT 'C'
OPEN SPACE / WILDLIFE CORRIDOR
PREPARED: JUNE 12, 2003
CITY OF CALIMESA, CALIFORNIA
LEGEND
OPEN SPACE
WILDLIFE CORRIDOR
TRACT NO. 30387
TRACT NO. 30386
TRACT NO. 28925 REVISED
TRACT NO. 28681
GOLF COURSE
GOLF COURSE

Yucaipa Valley Water District

Workshop Memorandum 12-162

Date: **September 11, 2012**

Subject: **Amendment No. 1 to Development Agreement for Tract No. 26811 - Calimesa**

On September 6, 2006, the Board of Directors approved a development agreement for Tract No. 26811 (Calimesa Springs). The development agreement is scheduled to expire and should be extended another term.



AMENDMENT NO. 1 TO THE AGREEMENT TO PROVIDE WATER, SEWER AND RECYCLED WATER FACILITIES AND SERVICE TO THE DEVELOPMENT OF TRACT NO. 26811

This AMENDMENT NO. 1 ("Amendment No. 1") to the AGREEMENT TO PROVIDE WATER, SEWER AND RECYCLED WATER FACILITIES AND SERVICE TO THE PRIVATE DEVELOPMENT OF TACT NUMBER 26811 ("Agreement") is entered into as of September 19, 2012 ("Effective Date"), by and between the YUCAIPA VALLEY WATER DISTRICT, a public agency ("DISTRICT"), and SINGLETON ROAD, LLC, an Oregon limited liability company ("DEVELOPER"). DISTRICT and DEVELOPER are sometimes referred to herein individually as a "Party" and jointly as the "Parties."

The Parties have previously entered into the Agreement having an effective date of September 6, 2006. The Parties desire to amend the Agreement by extending the term of the Agreement and confirming the name change of the DEVELOPER.

NOW, THEREFORE, the Parties enter into this Amendment No. 1 for the purpose of amending and revising the Agreement as specifically set forth herein, and except as specifically provided herein, the Agreement shall remain in full force and effect as originally stated.

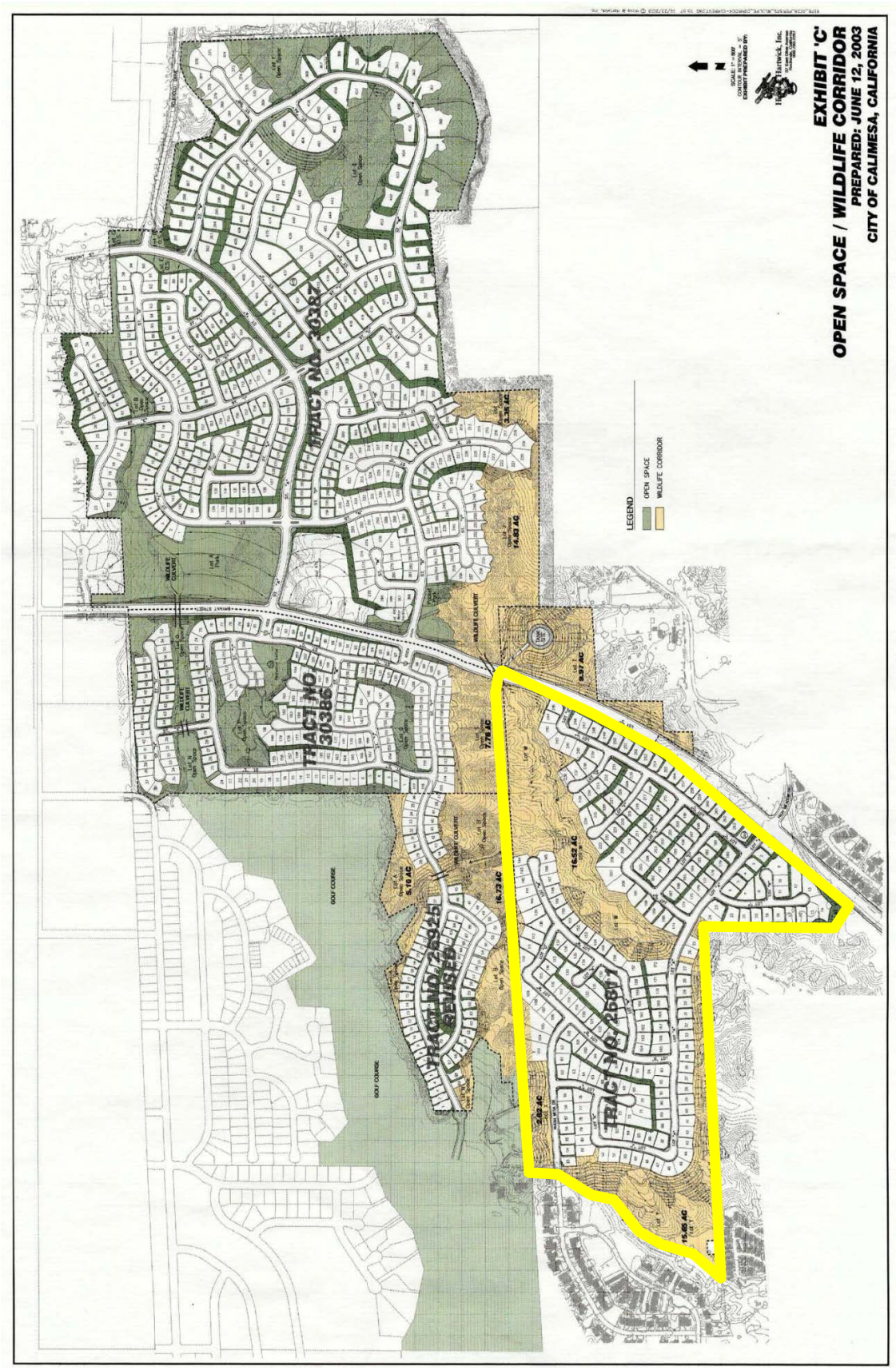
1. The DEVELOPER has changed their business name and corporate structure as provided below and shall not be deemed an assignment of the Agreement. The contact information for the DEVELOPER is as follows:

   Attn: Raymond Dorame, Vice President of Operations
   Singleton Road, LLC, an Oregon Limited Liability Corporation
   Doing business as Mastercraft Homes Group
   1401 Quail Street, Suite 100
   Newport Beach, California 92660
   Telephone: (949) 252-1122 Facsimile: (949) 252-1188

2. The term of the Agreement shall be extended to September 19, 2018, or as otherwise provided in Section 27 of the Agreement.

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

Yucaipa Valley Water District		**Singleton Road, LLC**	
By:	_____	By:	_____
Name:	Jay Bogh	Name:	_____
Title:	Board President	Title:	_____


EXHIBIT 'C'
OPEN SPACE / WILDLIFE CORRIDOR
PREPARED: JUNE 12, 2003
CITY OF CALIMESA, CALIFORNIA
LEGEND
OPEN SPACE
WILDLIFE CORRIDOR
TRACT NO. 30387
TRACT NO. 30386
TRACT NO. 26925 REVISED
TRACT NO. 26681
GOLF COURSE
GOLF COURSE

ADMINISTRATIVE ISSUES

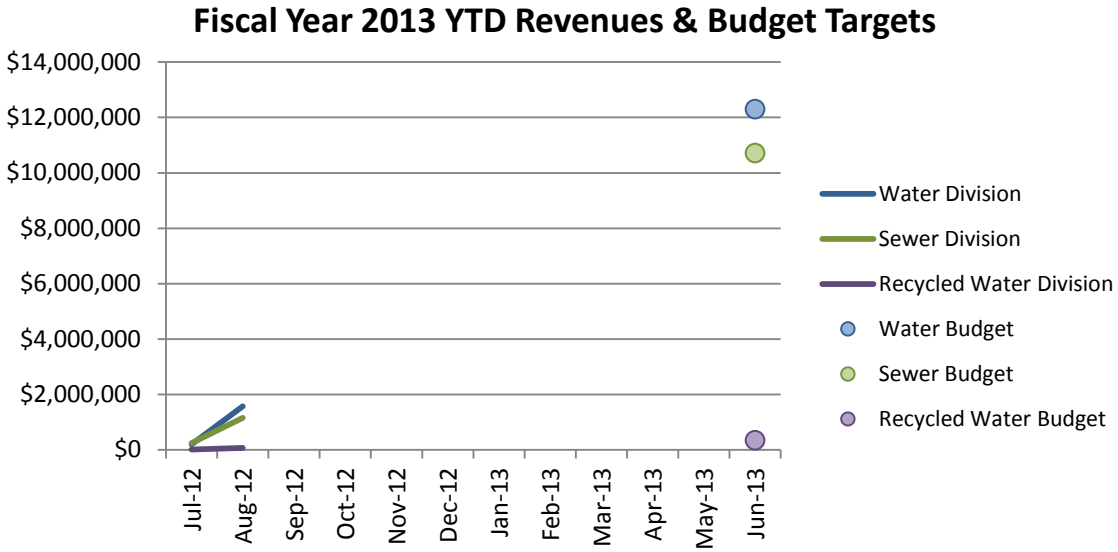
Yucaipa Valley Water District

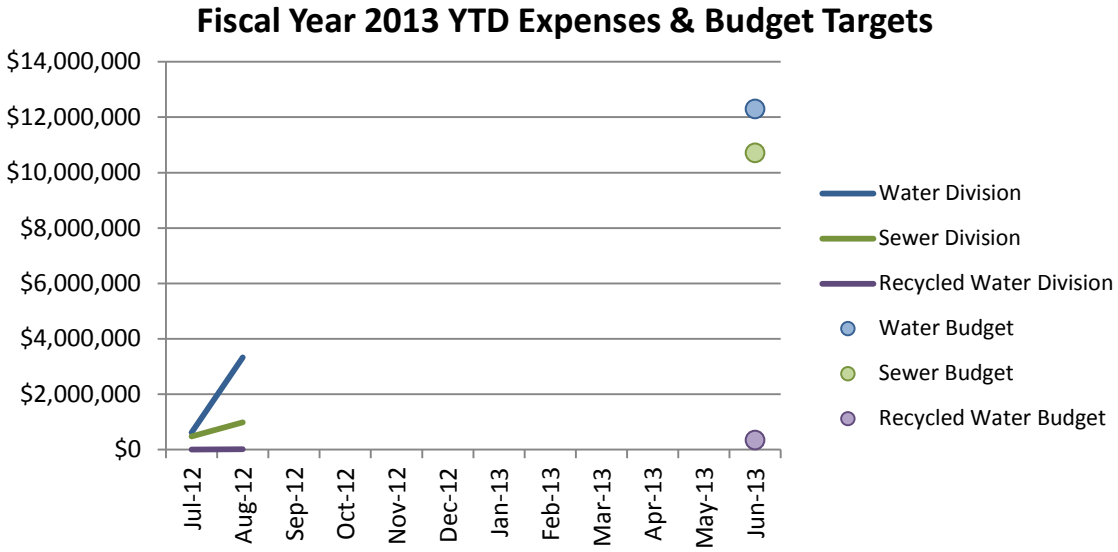
Workshop Memorandum 12-163

Date: **September 11, 2012**

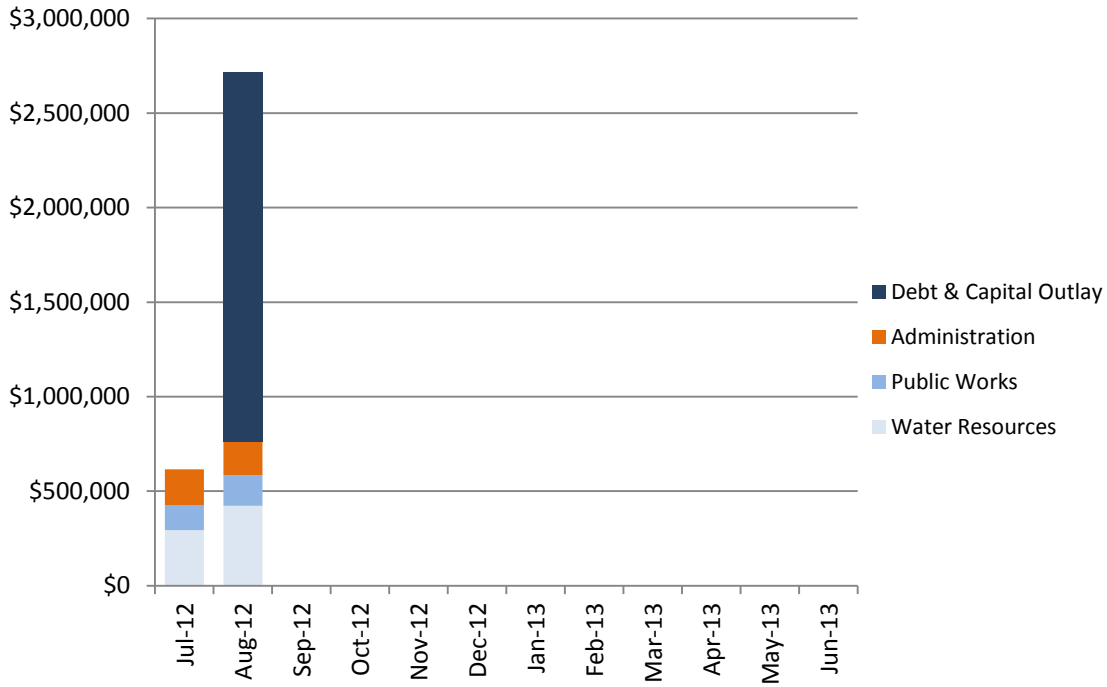
Subject: **Unaudited Financial Report for the Period Ending on August 31, 2012**

The District staff has prepared the attached Unaudited Financial Report for the period ending on August 31, 2012. A graphical summary of the financial information is provided below and detailed information follows as part of the monthly unaudited financial report.

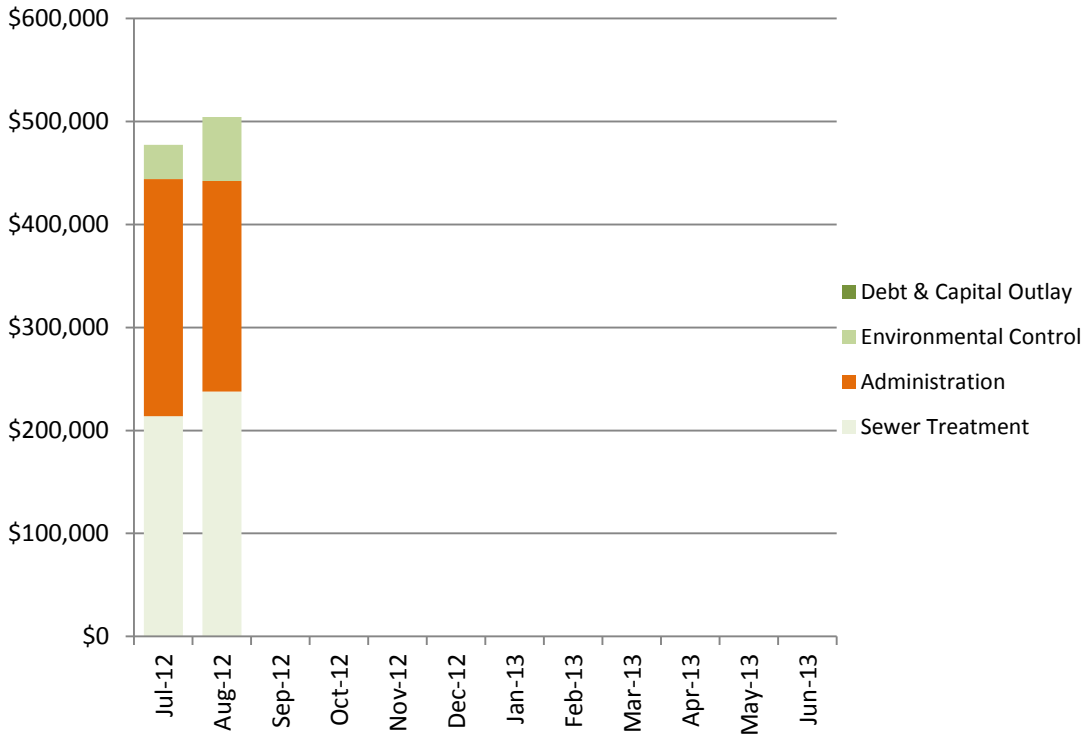




Water Division Monthly Expense Summary - FY 2013



Sewer Division Monthly Expense Summary - FY 2013



Yucaipa Valley Water District

Director Memorandum 12-0xx

Date: September 19, 2012

Prepared By: Vicky Elisalda, Controller
Peggy Little, Administrative Supervisor

Subject: Unaudited Financial Report for the Period Ending on August 31, 2012

Recommendation: That the Board receives and files the unaudited financial report as presented.

The following unaudited financial report has been prepared by the Administrative Department for your review. The report has been divided into six sections to clearly disseminate information pertaining to the financial status of the District. Please remember that the following financial information has not been audited.

Cash Fund Balance Report

The Cash Fund Balance Report provides a summary of how the total amount of funds maintained by financial institutions is distributed throughout the enterprise and non-enterprise funds of the District. A summary of the report is as follows:

Fund Source	Operating Funds	Restricted Funds	Total Funds
Water Division	($612,490.51)	$6,717,881.86	$6,105,391.35
Sewer Division	$1,533,527.28	$7,447,625.91	$8,981,153.19
Recycled Water Division	($4,123,780.09)	$747,626.72	($3,376,153.37)
Total	**($3,202,743.32)**	**$14,913,134.49**	**$11,710,391.17**

Most of the funds reflected in the Cash Fund Balance Report are designated for specific purposes and are therefore restricted, either by law or by District policy.

Check Register

The check register lists each check processed during the month of August 2012. The District processed 234 checks during the month of august for a total sum of $4,308,424.23. All checks are reviewed by District staff for accuracy and completeness, and usually signed by the General Manager and one Director, but may be signed by two Directors.

The Controller will make any check, invoice or supporting documentation available for review to any board member upon request.

Financial Account Information

The District currently deposits all revenue received into the Deposit Checking account. The General Checking account is used as a sole processing account for all District checks and electronic payroll. The Investment Checking account is used for the purchase and redemption of US treasury notes and bills and for the transfer of LAIF funds. The US treasury notes and bills are booked at cost.

The LAIF investment account is a pooled money account administered by the State of California. Additional information on the LAIF account is provided below in the investment summary report.

Investment Summary

The investment summary report illustrates the District's investments in US treasury notes and bills in addition to the investments held by the Local Agency Investment Fund or LAIF. The yields for the treasury notes and bills are provided for each individual transaction. The historical annual yield for funds invested with LAIF is also provided.

Separate pooled money investment reports prepared by the State of California are maintained by the District and available for review.

Monthly Revenue Allocation

During the month of August 2012 the District received a sum total of $4,247,384.03 in revenues from the following categories:

- A total of $1,995,092.35 was received from 14,669 customers for utility bill payments. This is the total amount of utility bill payments received from water, sewer and recycled services.
- A total of $3,050.00 was received for construction meter deposits, customer deposits and internet fee payments.
- A total of $311,639.58 was received from miscellaneous water related activities (other than utility bill charges).
- A total of $1,937,523.17 was received from miscellaneous sewer related activities (other than utility bill charges). This total includes SRF Draw #4 in the amount of $1,432,274.
- A total of $78.93 was received from miscellaneous recycled related activities (other than utility bill charges).
- The District received ARRA Draw #25 in the amount of $186,581 on August 8th.

Fiscal Year 2013 Budget Status

The revenue and expense budget status for the 2013 Fiscal Year is provided for your review.

Summary of Revenue Budget
As of August 31, 2012 (12% of Budget Cycle)

Division	Budget Amount	Current Month	Year-To-Date	Percentage
Water	12,302,000	1,365,860	1,571,057	12.77%
Sewer	10,717,500	918,009	1,160,887	10.83%
Recycled Water	350,575	59,316	70,024	19.97%
District Revenue	**23,370,075**	**2,343,185**	**2,801,968**	**11.99%**

Summary of Water Budget
As of August 31, 2012 (12% of Budget Cycle)

Department	Budget Amount	Current Month	Year-To-Date	Percentage
Water Resources	4,484,685	422,862	716,464	15.98%
Public works	2,184,940	160,987	292,736	13.40%
Administration	2,621,350	179,541	370,541	14.14%
Long Term Debt	2,931,025	1,952,563	1,952,563	66.62%
Asset Acquisition	80,000	0	0	0.00%
TOTAL	**12,302,000**	**2,715,953**	**3,332,304**	**27.09%**

Summary of Sewer Budget
As of August 31, 2012 (12% of Budget Cycle)

Department	Budget Amount	Current Month	Year-To-Date	Percentage
Treatment	3,325,600	237,926	451,779	13.58%
Administration	3,320,320	204,371	434,668	13.09%
Environmental Control	1,127,980	62,110	95,198	8.44%
Long Term Debt	2,923,600	0	0	0.00%
Asset Acquisition	20,000	0	0	0.00%
TOTAL	**10,717,500**	**504,407**	**981,645**	**9.16%**

Summary of Recycled Water Budget
As of August 31, 2012 (12% of Budget Cycle)

Department	Budget Amount	Current Month	Year-To-Date	Percentage
Administration	350,575	7,033	11,965	3.41%
TOTAL	**350,575**	**7,033**	**11,965**	**3.41%**
District Expenses	**23,370,075**	**3,227,393**	**4,325,914**	**18.51%**

Investment Policy Disclosure

The District is currently compliant with the portfolio of its Investment Policy and State Law.

The District is using Sandy Gage with Merrill Lynch Wealth Management (Bank of America Corporation) for Treasury investments. The District expects to meet its expenditure requirements for the next six months.

Questions or Comments

If you have any questions about a particular budget account, please do not hesitate to contact the Controller directly. If you need additional information, the members of the Administrative Department would be happy to provide you with any detailed information you may desire.

Cash Fund Balance Report - August 2012

Water Division	GL#		Balance
Project Fund - Encumbered	02-10215	$	720,977.22
ID 1 Construction Funds	02-10216	$	293,145.85
ID 2 Construction Funds	02-10217	$	80,409.31
Depreciation Reserves	02-10310	$	2,658,787.43
Infrastructure Reserves	02-10311	$	464,935.00
Sustainability Fund	02-10313	$	171,636.42
Rate Stabilization Fund	02-10314	$	493,209.14
Imported Water Fund - MUNI	02-10315	$	(505,847.98)
Imported Water Fund - SGPWA	02-10316	$	368,262.74
FCC - Debt Service YVRWFF Phase I	02-10401	$	88,042.19
FCC - Future YVRWFF Phase II & III	02-10403	$	127,723.18
FCC - Recycled System	02-10410	$	197,578.60
FCC - Booster Pumping Plants	02-10411	$	215,369.70
FCC - Pipeline Facilities	02-10412	$	513,423.63
FCC - Water Storage Reservoirs	02-10413	$	830,229.43
Operating Funds:		$	(612,490.51)
	Total Water Division	**$**	**6,105,391.35**

Sewer Division	GL#		Balance
Project Fund - Encumbered	03-10215	$	751,424.20
Depreciation Reserves	03-10310	$	3,120,590.31
Infrastructure Reserves	03-10311	$	919,300.00
Rate Stabilization Fund	03-10314	$	1,464,394.90
FCC - Debt Service WWTP Expansion & Upgrade	03-10405	$	132,303.81
FCC - Future WWTP Expansion	03-10407	$	323,721.08
FCC - Sewer Interceptors	03-10415	$	161,446.40
FCC - Lift Stations	03-10416	$	79,668.63
FCC - Effluent Disposal Facilities	03-10417	$	104,437.39
FCC - Salt Mitigation Facilities	03-10418	$	390,339.19
Operating Funds:		$	1,533,527.28
	Total Wastewater Division	**$**	**8,981,153.19**

Recycled Water Division	GL#		Balance
Depreciation Reserves	04-10310	$	485,248.00
Infrastructure Reserves	04-10311	$	60,920.00
FCC - Recycled System	04-10410	$	17,150.28
FCC - Booster Pumping Plants	04-10411	$	18,454.94
FCC - Pipeline Facilities	04-10412	$	91,840.43
FCC - Water Storage Reservoirs	04-10413	$	74,013.07
Operating Funds:		$	(4,123,780.09)
	Total Recycled Water Division	**$**	**(3,376,153.37)**

DISTRICT TOTAL	**$**	**11,710,391.17**

Future Obligations	Due Date		Amount
2004A Bond Payment - Water Division	02/23/2013	$	978,462.50
SBVMWD - Prior years SARI Obligation	06/01/2013	$	20,000.00
2004A Bond Payment - Water Division	08/27/2013	$	1,952,562.50
SRF Payment - Sewer Division	09/10/2012	$	2,923,688.75

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Check Date	Check Number	Name	Check Amount
08/01/2012	15750	Brent Anton	275.00
08/01/2012	15751	AWWA CA-NV (Rancho Cucamonga)	780.00
08/01/2012	15752	Rodd Greene	402.41
08/01/2012	15753	Linda Kilday	1,228.32
08/01/2012	15754	UnitedHealthcare of California	39,285.55
08/01/2012	15755	Standard Insurance Company	1,980.72
08/01/2012	15756	Western Dental Services, Inc.	212.25
08/01/2012	15757	Robert Hines	402.41
08/01/2012	15758	Anthem Blue Cross L and H	300.20
08/01/2012	15759	Standard Insurance Company	2,479.54
08/01/2012	15760	Standard Insurance Vision Plan	430.88
08/01/2012	15761	MetLife Small Business Center	254.95
08/01/2012	15762	Jennifer Ares	1,079.60
08/06/2012	15763	Robert Austin	4,383.99
08/06/2012	15764	ADS, LLC	2,634.00
08/06/2012	15765	Ralph C. Casas	77.00
08/06/2012	15766	Ameripride Uniform Services	459.55
08/06/2012	15767	Crown Ace Hardware - Yucaipa	486.82
08/06/2012	15768	First American Data Tree, LLC	50.00
08/06/2012	15769	Environmental Systems Research	1,681.32
08/06/2012	15770	Fedex	26.11
08/06/2012	15771	Fox Occupational Medical Cente	50.00
08/06/2012	15772	InfoSend, Inc.	4,534.08
08/06/2012	15773	Kelly Services, Inc.	951.20
08/06/2012	15774	Konica Minolta Business Soluti	25.00
08/06/2012	15775	NetComp Technologies,Inc.	1,189.32
08/06/2012	15776	Optics Planet, Inc.	279.98
08/06/2012	15777	Pro-Pipe & Supply, Inc.	266.51
08/06/2012	15778	SCCI, Inc.	350.00
08/06/2012	15779	SB CNTY-Auditor/Controller	20,000.00
08/06/2012	15780	Sims Welding & Supply Co., Inc	117.53
08/06/2012	15781	The Gas Company	88.24
08/06/2012	15782	Underground Service Alert Of S	353.50
08/06/2012	15783	George F. Siddle	109.25
08/06/2012	15784	Verizon	621.87
08/06/2012	15785	Vision Internet Providers, Inc	9,730.00
08/06/2012	15786	Wells Fargo Bank	58.82
08/06/2012	15787	Yucaipa Disposal, Inc.	1,318.04
08/06/2012	15788	Auto Care Clinic	261.36
08/06/2012	15789	Brenntag Pacific, Inc	9,086.42
08/06/2012	15790	Jeanntte Wisdom	9,000.00
08/06/2012	15791	Burgeson's Heating & Air Cond.	99.00
08/06/2012	15792	Cemex Inc. USA	2,266.21
08/06/2012	15793	Center Electric	227.02
08/06/2012	15794	Dinosaur Tire Inc.	33.00
08/06/2012	15795	Fisher Scientific Co.	356.37
08/06/2012	15796	Grainger	350.62
08/06/2012	15797	Alan L. Grubel Automotive Inc.	141.34
08/06/2012	15798	Hemet Valley Tool & Supply	254.24
08/06/2012	15799	Inland Water Works Supply Co.	2,089.28
08/06/2012	15800	James John Brothers	1,100.00
08/06/2012	15801	John Crane Inc.	1,517.26
08/06/2012	15802	JR Freeman Co. Inc.	1,328.24
08/06/2012	15803	Kellar Sweeping, Inc.	624.00
08/06/2012	15804	Lowe's Companies, Inc.	74.55

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Check Date	Check Number	Name	Check Amount
08/06/2012	15805	MBC Applied Environmental Scie	1,250.00
08/06/2012	15806	Merit Oil Company	2,460.01
08/06/2012	15807	Nagem, Inc.	150.00
08/06/2012	15808	P & R Paper Supply Co., Inc.	467.86
08/06/2012	15809	Polydyne Inc.	2,602.16
08/06/2012	15810	PowerPlan	131.12
08/06/2012	15811	Red Alert Special Couriers	42.35
08/06/2012	15812	Smart & Final Stores, LLC	224.06
08/06/2012	15813	Sterling Water Technologies LL	8,923.25
08/06/2012	15814	Donald Kent Stone	1,020.00
08/06/2012	15815	Test America Laboratories, Inc	1,215.00
08/06/2012	15816	Transworld Systems, Inc.	5,424.00
08/06/2012	15817	YSI Incorporated	284.38
08/06/2012	15818	Southern California Edison	61,754.13
08/10/2012	15819	PAYROLL CHECK	2,356.58
08/10/2012	15820	PAYROLL CHECK	182.33
08/10/2012	15821	CA-PERS Supplemental Income 45	12,951.13
08/10/2012	15822	ALTISOURCE SOLUTIONS	87.10
08/10/2012	15823	JOHNSON, WILLIAM D.	102.21
08/10/2012	15824	HILLCREST CONTRACTIN	73.60
08/10/2012	15825	ALL AMERICAN ASPHALT	1,366.59
08/10/2012	15826	ALTISOURCE SOLUTIONS	397.95
08/10/2012	15827	SKIPPER, MARIA	16.59
08/10/2012	15828	MCCURRY, SHARI	64.02
08/10/2012	15829	MOUNTAIN AIRE REAL E	50.43
08/10/2012	15830	Public Employees' Retirement S	26,151.23
08/10/2012	15831	Hong Nelson	125.00
08/10/2012	15832	Katherine Kostelecky	500.00
08/10/2012	15833	Franchise Tax Board	150.00
08/10/2012	15834	Boot Barn #4	150.00
08/10/2012	15835	Tri-State Seminar On The River	190.00
08/13/2012	15836	1st Enterprise Bank/Retention	12,665.00
08/13/2012	15837	Aklufi & Wysocki	4,615.00
08/13/2012	15838	California Bank & Trust	23,993.55
08/13/2012	15839	Citizens Business Bank	16,847.46
08/13/2012	15840	Delta Partners, LLC	7,500.00
08/13/2012	15841	Doty Bros. Equipment Co.	211,233.00
08/13/2012	15842	Krieger & Stewart	119,902.31
08/13/2012	15843	One Stop Landscape Supply Inc	25,068.00
08/13/2012	15844	Pascal & Ludwig Constructors I	320,101.80
08/13/2012	15845	Platinum Advisors, LLC	5,000.00
08/13/2012	15846	RMC Water and Environment	8,787.50
08/13/2012	15847	Canyon Springs Enterprises	240,635.00
08/13/2012	15848	Separation Processes, Inc.	39,890.07
08/13/2012	15849	VTD, Vavrinek, Trine, Day & CO	400.00
08/13/2012	15850	W.A. Rasic Construction Co., I	215,941.97
08/13/2012	15851	Ameripride Uniform Services	417.36
08/13/2012	15852	AT&T Mobility	2,041.76
08/13/2012	15853	Corelogic, Inc.	300.00
08/13/2012	15854	Coverall North America, Inc.	1,021.00
08/13/2012	15855	H & T Cultural Resource Manage	2,070.00
08/13/2012	15856	Jean's Flower Basket	156.56
08/13/2012	15857	RIV CNTY-Recorder	143.00
08/13/2012	15858	San Gorgonio Pass Water Agency	2,793.36
08/13/2012	15859	San Bdno. Valley Muni. Water D	225,000.00

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Check Date	Check Number	Name	Check Amount
08/13/2012	15860	Verizon	1,130.97
08/13/2012	15861	All American Sewer Tools	505.59
08/13/2012	15862	Allmax Software, Inc.	2,245.00
08/13/2012	15863	Aqua-Metric Sales Company	3,379.47
08/13/2012	15864	Brenntag Pacific, Inc	5,265.61
08/13/2012	15865	Calolympic Glove & Safety Co.,	79.25
08/13/2012	15866	Center Electric	2,103.88
08/13/2012	15867	Cobb's Printing, LLC	123.91
08/13/2012	15868	Cortech Engineering	1,407.67
08/13/2012	15869	CraneVeyor Corp.	624.00
08/13/2012	15870	Dinosaur Tire Inc.	18.08
08/13/2012	15871	Evans-Hydro Inc.	1,320.74
08/13/2012	15872	Fastenal Company	186.25
08/13/2012	15873	Grainger	250.67
08/13/2012	15874	Alan L. Grubel Automotive Inc.	139.54
08/13/2012	15875	Hemet Valley Tool & Supply	72.93
08/13/2012	15876	Industrial Fabricators	280.00
08/13/2012	15877	Inland Water Works Supply Co.	825.63
08/13/2012	15878	James John Brothers	40,520.00
08/13/2012	15879	Johnson Power Systems	4,916.82
08/13/2012	15880	JR Freeman Co. Inc.	27.48
08/13/2012	15881	Merit Oil Company	2,221.62
08/13/2012	15882	Mark Miller	210.00
08/13/2012	15883	Nagem, Inc.	922.73
08/13/2012	15884	Nalco Company	5,164.50
08/13/2012	15885	Q Versa, LLC	10,945.98
08/13/2012	15886	Red Alert Special Couriers	85.86
08/13/2012	15887	Donald Kent Stone	1,020.00
08/13/2012	15888	Test America Laboratories, Inc	2,489.50
08/13/2012	15889	Unifirst Corporation	639.73
08/15/2012	15890	CITY OF YUCAIPA	5,756.30
08/20/2012	15891	Ameripride Uniform Services	436.35
08/20/2012	15892	Beaumont Basin Watermaster C/O	15,161.25
08/20/2012	15893	Fedex	22.34
08/20/2012	15894	InfoSend, Inc.	3,292.28
08/20/2012	15895	Johnson Machinery Co.	13.96
08/20/2012	15896	NetComp Technologies,Inc.	1,800.00
08/20/2012	15897	RFI	315.00
08/20/2012	15898	San Bdno. Valley Muni. Water D	13,571.88
08/20/2012	15899	Southern CA Emergency Medicine	150.00
08/20/2012	15900	Step Ahead Computers	96.91
08/20/2012	15901	The Counseling Team Internatio	240.00
08/20/2012	15902	Wells Fargo Bank-Corporate Tru	1,952,561.82
08/20/2012	15903	Atkinson, Andelson, Loya, Ruud	1,025.28
08/20/2012	15904	Robert Austin	4,216.86
08/20/2012	15905	CA-OCP HEALTH SERVICES	55.00
08/20/2012	15906	All American Sewer Tools	37.45
08/20/2012	15907	Edward S Babcock & Sons, Inc.	1,695.00
08/20/2012	15908	BofA Credit Card	484.00
08/20/2012	15909	Brenntag Pacific, Inc	16,990.39
08/20/2012	15910	Calolympic Glove & Safety Co.,	211.38
08/20/2012	15911	Center Electric	4,293.40
08/20/2012	15912	Clinical Laboratory of San Ber	3,449.50
08/20/2012	15913	Victor James Valenti	1,635.80
08/20/2012	15914	David Sunden	1,051.19

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Check Date	Check Number	Name	Check Amount
08/20/2012	15915	G&G Environmental Compliance,I	2,050.97
08/20/2012	15916	Grainger	80.18
08/20/2012	15917	Alan L. Grubel Automotive Inc.	42.63
08/20/2012	15918	Harbor Freight Tools	279.64
08/20/2012	15919	Inland Water Works Supply Co.	887.19
08/20/2012	15920	Innerline Engineering	2,900.00
08/20/2012	15921	Johnson Machinery Co.	62.06
08/20/2012	15922	JR Freeman Co. Inc.	122.76
08/20/2012	15923	McMaster-Carr Supply Co.	86.64
08/20/2012	15924	Merit Oil Company	2,680.73
08/20/2012	15925	Polydyne Inc.	2,602.16
08/20/2012	15926	R & R Anderson Trucking	343.03
08/20/2012	15927	Red Alert Special Couriers	1,019.03
08/20/2012	15928	Roquet Paving Inc	21,047.52
08/20/2012	15929	Siemens Industry, Inc.	1,933.97
08/20/2012	15930	The Lab Depot, Inc.	350.26
08/24/2012	15931	PAYROLL CHECK	1,929.83
08/24/2012	15932	CA-PERS Supplemental Income 45	10,796.22
08/24/2012	15933	Public Employees' Retirement S	26,135.12
08/24/2012	15934	Hong Nelson	125.00
08/24/2012	15935	Katherine Kostelecky	581.00
08/24/2012	15936	Franchise Tax Board	150.00
08/24/2012	15937	ZAMAN, MANILA	78.11
08/24/2012	15938	Daniel G. Hutchinson	109.00
08/24/2012	15939	Southwest Membrane Operator As	300.00
08/24/2012	15940	Primm Valley Resorts	85.30
08/24/2012	15941	Primm Valley Resort	85.30
08/27/2012	15942	CA-OCP HEALTH SERVICES	90.00
08/27/2012	15943	ADS, LLC	2,634.00
08/27/2012	15944	Ralph C. Casas	98.00
08/27/2012	15945	Ameripride Uniform Services	559.78
08/27/2012	15946	CA State Dept of Parks & Recre	1,500.00
08/27/2012	15947	Central Communications	225.15
08/27/2012	15948	Incode Division-Tyler Technolo	1,544.68
08/27/2012	15949	Kelly Services, Inc.	951.20
08/27/2012	15950	SCE Rosemead	259,061.20
08/27/2012	15951	U. S. Postal Service (AMS-TMS)	2,000.00
08/27/2012	15952	Verizon	1,522.85
08/27/2012	15953	Vision Internet Providers, Inc	1,338.00
08/27/2012	15954	Advance Refrigeration & Ice Sy	176.00
08/27/2012	15955	Air & Hose Source, Inc.	16.16
08/27/2012	15956	BofA Credit Card	264.08
08/27/2012	15957	Bear Communications, Inc.	269.38
08/27/2012	15958	Brenntag Pacific, Inc	21,183.32
08/27/2012	15959	Cal's Auto Repair & Towing	75.00
08/27/2012	15960	California Laboratories & Deve	2,415.00
08/27/2012	15961	Cemex Inc. USA	477.14
08/27/2012	15962	Center Electric	4,081.64
08/27/2012	15963	CHJ Consultants	4,136.50
08/27/2012	15964	Evans-Hydro Inc.	15,116.11
08/27/2012	15965	Fastenal Company	738.49
08/27/2012	15966	Grainger	336.17
08/27/2012	15967	Alan L. Grubel Automotive Inc.	628.76
08/27/2012	15968	Innerline Engineering	4,350.00
08/27/2012	15969	James John Brothers	9,919.75

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Check Date	Check Number	Name	Check Amount
08/27/2012	15970	Johnson Power Systems	2,589.46
08/27/2012	15971	JR Freeman Co. Inc.	307.54
08/27/2012	15972	Leroy's Landscape Services	825.00
08/27/2012	15973	Matich Corp	2,071.13
08/27/2012	15974	Merit Oil Company	3,749.18
08/27/2012	15975	Nagem, Inc.	5,327.83
08/27/2012	15976	Pro-Pipe & Supply, Inc.	175.31
08/27/2012	15977	Red Alert Special Couriers	1,234.86
08/27/2012	15978	SB & Riv Counties Fire Equipme	113.14
08/27/2012	15979	Siemens Industry, Inc.	1,129.94
08/27/2012	15980	Test America Laboratories, Inc	790.00
08/27/2012	15981	American Family Life Assurance	2,439.34
08/27/2012	15982	YVWD-Petty Cash	190.09
08/27/2012	15983	SeaBright Insurance Company	12,073.00
		August 2012 Check Register Total	**4,308,424.23**

Financial Account Information - August 2012

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
07/31/2012	bal forward	439,983.45	30,000.00	54,538.17	500,983.20	10,846,068.30	11,871,573.12
7/31	*rev retained in MM*				*(64.72)*		(64.72)
08/01/2012	Deposit	69,799.18					69,799.18
	Deposit-M/C	117,389.70					117,389.70
	Credit Card-7/31	337.71					337.71
	Credit Card-8/1	4,384.21					4,384.21
	Electronic	19,591.42					19,591.42
	Website-8/1	20,871.79					20,871.79
	Website-8/2	62.54					62.54
	Cks. #15750-15762		(49,111.83)				(49,111.83)
	TRF#1129 - AP	**(49,111.83)**	**49,111.83**				0.00
08/02/2012	Deposit	44,363.94					44,363.94
	Credit Card-8/1	1,038.90					1,038.90
	Credit Card-8/2	1,477.36					1,477.36
	Electronic	20,464.21					20,464.21
	Website-8/2	1,397.32					1,397.32
	Website-8/3	795.40					795.40
	ETS Fees	(1,057.02)					(1,057.02)
	ETS Fees	(820.89)					(820.89)
08/03/2012	Deposit	45,075.77					45,075.77
	Deposit-Riv Taxes	444.79					444.79
	SRF Draw #4	**1,432,274.00**					1,432,274.00
	Credit Card-8/2	190.31					190.31
	Credit Card-8/3	2,240.47					2,240.47
	Electronic	26,989.85					26,989.85
	Website-8/3	2,133.30					2,133.30
	Website-8/4	1,635.21					1,635.21
	Website-8/5	1,218.20					1,218.20
	Website-8/6	403.81					403.81
	ACH pymts	33,277.42					33,277.42
08/06/2012	Deposit	86,850.40					86,850.40
	Deposit-M/C	3,005.61					3,005.61
	Credit Card-8/3	326.84					326.84
	Credit Card-8/6	3,709.94					3,709.94
	Electronic	23,234.63					23,234.63
	Website-8/6	2,466.96					2,466.96
	Website-8/7	793.32					793.32
08/07/2012	Deposit	67,379.61					67,379.61
	Credit Card-8/6	254.00					254.00
	Credit Card-8/7	1,675.03					1,675.03
	Electronic	21,987.43					21,987.43
	Website-8/7	2,677.36					2,677.36
	Website-8/8	884.69					884.69
08/08/2012	Deposit	40,184.61					40,184.61
	Deposit-M/C	97,818.00					97,818.00
	Credit Card-8/7	831.29					831.29
	Credit Card-8/8	2,368.91					2,368.91
	Electronic	9,946.17					9,946.17
	Website-8/8	1,982.79					1,982.79
	Website-8/9	122.92					122.92
8/7 dep	ARRA Draw #25		186,581.00				186,581.00
	TRF#1130 - ARRA Draw #25	**186,581.00**	**(186,581.00)**				0.00

Financial Account Information - August 2012

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
07/31/2012	bal forward	439,983.45	30,000.00	54,538.17	500,983.20	10,846,068.30	11,871,573.12
8/10/12-PR	Federal Taxes		(34,080.67)				(34,080.67)
8/10/12-PR	State Taxes		(6,152.15)				(6,152.15)
8/10/12-PR	PR Direct Deposit		(95,982.49)				(95,982.49)
8/10/12-PR	ING 457		(6,929.95)				(6,929.95)
	Cks. #15763-15835		(209,514.12)				(209,514.12)
	Voided check #15657 (7/18)		58.82				58.82
	TRF#1131 - AP & PR	**(352,600.56)**	**352,600.56**				0.00
08/09/2012	Deposit	34,813.38					34,813.38
	Deposit-M/C	19,027.30					19,027.30
	Deposit-Riv Taxes	14.74					14.74
	Credit Card-8/8	1,618.56					1,618.56
	Credit Card-8/9	2,374.18					2,374.18
	Electronic	8,306.47					8,306.47
	Website-8/9	1,587.19					1,587.19
	Website-8/10	367.51					367.51
08/10/2012	Deposit	33,734.21					33,734.21
	Deposit-Riv Taxes	3,764.90					3,764.90
	Credit Card-8/9	105.40					105.40
	Credit Card-8/10	3,869.02					3,869.02
	Electronic	13,987.13					13,987.13
	Website-8/10	8,378.74					8,378.74
	Website-8/11	1,074.17					1,074.17
	Website-8/12	1,988.11					1,988.11
	Website-8/13	206.76					206.76
	ACH pymts	63,379.53					63,379.53
08/13/2012	Deposit	112,808.86					112,808.86
	Credit Card-8/10	419.50					419.50
	Credit Card-8/13	2,418.89					2,418.89
	Electronic	15,439.67					15,439.67
	Website-8/13	1,445.25					1,445.25
	Website-8/14	3,171.24					3,171.24
08/14/2012	Deposit	45,269.53					45,269.53
	Credit Card-8/13	151.26					151.26
	Credit Card-8/14	3,206.91					3,206.91
	Electronic	27,400.60					27,400.60
	Website-8/14	1,603.20					1,603.20
	Website-8/15	506.77					506.77
08/15/2012	Deposit	29,795.77					29,795.77
	Credit Card-8/14	235.58					235.58
	Credit Card-8/15	3,848.83					3,848.83
	Electronic	14,237.27					14,237.27
	Website-8/15	1,207.66					1,207.66
	Website-8/16	166.91					166.91
	ACH pmts	53,152.44					53,152.44
	Cks. #15836-15890		(1,581,403.41)				(1,581,403.41)
	TRF#1132 -AP	**(1,581,403.41)**	**1,581,403.41**				0.00
08/16/2012	Deposit	27,424.79					27,424.79
	Credit Card-8/15	336.62					336.62
	Credit Card-8/16	1,271.47					1,271.47
	Electronic	10,548.19					10,548.19
	Website-8/16	1,525.34					1,525.34
	Website-8/17	513.64					513.64

Financial Account Information - August 2012

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
07/31/2012	bal forward	439,983.45	30,000.00	54,538.17	500,983.20	10,846,068.30	11,871,573.12
08/17/2012	Deposit	28,588.75					28,588.75
	Deposit-Kinder Morgan	28,454.13					28,454.13
	Credit Card-8/16	99.37					99.37
	Credit Card-8/17	1,207.22					1,207.22
	Electronic	22,889.86					22,889.86
	Website-8/17	8,404.37					8,404.37
	Website-8/18	2,019.63					2,019.63
	Website-8/19	963.87					963.87
	Website-8/20	315.36					315.36
08/20/2012	Deposit	64,749.53					64,749.53
	Credit Card-8/17	86.67					86.67
	Credit Card-8/20	1,631.73					1,631.73
	Electronic	22,550.43					22,550.43
	Website-8/20	1,965.78					1,965.78
	Website-8/21	241.53					241.53
	ACH pmts	22,457.10					22,457.10
08/21/2012	Deposit	42,442.11					42,442.11
	Deposit-M/C	4,862.62					4,862.62
	Deposit-M/C	20,797.60					20,797.60
	Credit Card-8/20	558.22					558.22
	Credit Card-8/21	2,791.38					2,791.38
	Electronic	23,411.54					23,411.54
	Website-8/21	12,567.61					12,567.61
	Website-8/22	379.35					379.35
08/22/2012	Deposit	30,319.60					30,319.60
	Deposit-M/C	1,965.14					1,965.14
	Credit Card-8/21	282.61					282.61
	Credit Card-8/22	5,531.19					5,531.19
	Electronic	13,860.18					13,860.18
	Website-8/22	2,163.22					2,163.22
	Website-8/23	235.95					235.95
	TRF#1133-LAIF to Inv Ck			600,000.00		(600,000.00)	0.00
	TRF#1134-Inv Ck to Dep Ck	600,000.00		(600,000.00)			0.00
08/23/2012	Deposit	53,867.35					53,867.35
	Deposit-M/C	128,561.51					128,561.51
	Credit Card-8/22	2,245.29					2,245.29
	Credit Card-8/23	879.29					879.29
	Electronic	8,886.98					8,886.98
	Website-8/23	1,521.33					1,521.33
	Website-8/24	817.03					817.03
8/24/12-PR	Federal Taxes		(33,855.85)				(33,855.85)
8/24/12-PR	State Taxes		(6,247.06)				(6,247.06)
8/24/12-PR	PR Direct Deposit		(94,954.39)				(94,954.39)
8/24/12-PR	ING 457		(6,782.62)				(6,782.62)
	Cks. #15891-15941		(2,099,670.69)				(2,099,670.69)
	TRF#1135- AP & PR	(2,241,510.61)	2,241,510.61				0.00

Financial Account Information - August 2012

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
07/31/2012	bal forward	439,983.45	30,000.00	54,538.17	500,983.20	10,846,068.30	11,871,573.12
08/24/2012	Deposit	31,651.90					31,651.90
	SRF Draw #5	386,849.00					386,849.00
	Credit Card-8/23	112.68					112.68
	Credit Card-8/24	2,678.80					2,678.80
	Electronic	16,116.24					16,116.24
	Website-8/24	2,808.42					2,808.42
	Website-8/25	856.71					856.71
	Website-8/26	1,885.99					1,885.99
	Website-8/27	248.00					248.00
08/27/2012	Deposit	98,344.58					98,344.58
	Deposit-M/C	4,369.90					4,369.90
	Credit Card-8/24	520.86					520.86
	Credit Card-8/27	2,309.97					2,309.97
	Electronic	21,130.30					21,130.30
	Website-8/27	2,466.64					2,466.64
	Website-8/28	207.67					207.67
	ACH pmts	88,296.06					88,296.06
	ACH pmts	2,554.59					2,554.59
08/28/2012	Deposit	48,726.11					48,726.11
	Credit Card-8/27	751.01					751.01
	Credit Card-8/28	761.27					761.27
	Electronic	26,029.99					26,029.99
	Website-8/28	1,062.12					1,062.12
	Website-8/29	244.65					244.65
	Cks. #15942-15983		(368,724.18)				(368,724.18)
	TRF#1136- AP	**(368,724.18)**	**368,724.18**				0.00
08/29/2012	Deposit	34,643.24					34,643.24
	Credit Card-8/28	254.04					254.04
	Credit Card-8/29	3,678.88					3,678.88
	Electronic	10,186.25					10,186.25
	Website-8/29	872.81					872.81
	Website-8/30	361.08					361.08
08/30/2012	Deposit	19,721.48					19,721.48
	Credit Card-8/30	2,082.37					2,082.37
	Electronic	8,575.27					8,575.27
	Website-8/30	1,417.30					1,417.30
	Website-8/31	335.01					335.01
08/31/2012	Deposit	55,556.30					55,556.30
	Credit Card-8/30	169.08					169.08
	Credit Card-8/31	1,882.70					1,882.70
	Electronic	17,789.04					17,789.04
	Website-8/31	3,519.01					3,519.01
	Website-9/1	3,389.35					3,389.35
	Website-9/2	1,493.37					1,493.37
	Website-9/3	2,265.48					2,265.48
	Website-9/4	873.44					873.44
	August '12 NSF's	(1,298.17)					(1,298.17)
8/23	Cusip #912795Y96 Maturity				(500,918.48)		(500,918.48)
8/23	Cusip #9127956W6 purchase				500,641.13		500,641.13
8/31	*retained in MM*				*423.59*		423.59
	TOTALS	**878,719.98**	**30,000.00**	**54,538.17**	**501,064.72**	**10,246,068.30**	**11,710,391.17**

Investment Summary - August 2012

U.S. TREASURIES

Quantity	Description	Cusip	Maturity Date	Yield	Cost of Purchase	Market Value
501,000	US Treasury Bill	9127956W6	June 27, 2012	0.080%	500,641.13	500,403.81
501,000			**Total Values**		**500,641.13**	**500,403.81**

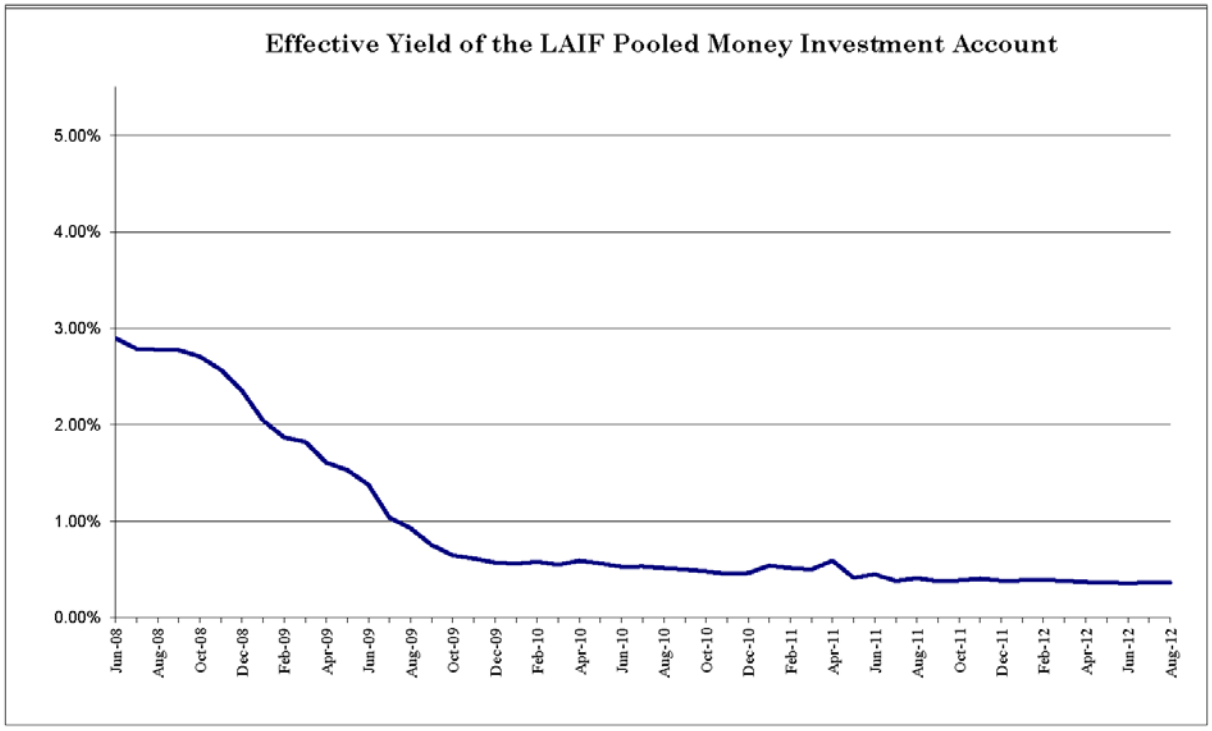
Money Market Account Activity-Beginning Balance	**64.72**
August - Dividend/Interest	0.00
08/23/12 - Cusip # 912795Y96 Interest	81.52
Income	**81.52**
Intra-Bank Transfers to/from Investment Checking	0.00
Fund Transfers	**0.00**
08/23/12 - Cusip # 912795Y96 Maturity	500,918.48
Redemptions	**500,918.48**
8/23/12 - Cusip # 912796W6 Purchase	(500,641.13)
Purchases	**(500,641.13)**
Ending Balance - Money Market	**423.59**
US Treasury Securities Investment Principal	**500,641.13**
Total Assets	**501,064.72**

Investment Summary - August 2012

LOCAL AGENCY INVESTMENT FUND

PERIOD	TOTAL WITHDRAWAL AMOUNT	TOTAL DEPOSIT AMOUNT	ACCRUED INTEREST (QUARTERLY)	ENDING BALANCE
July 31, 2012	$0.00	$6,000,000.00	$4,364.83	$10,846,068.30
August 31, 2012	($600,000.00)	$0.00	$0.00	$10,246,068.30
September 30, 2012	$0.00	$0.00	$0.00	$10,246,068.30
October 31, 2012	$0.00	$0.00	$0.00	$10,246,068.30
November 30, 2012	$0.00	$0.00	$0.00	$10,246,068.30
December 31, 2012	$0.00	$0.00	$0.00	$10,246,068.30
January 31, 2013	$0.00	$0.00	$0.00	$10,246,068.30
February 28, 2013	$0.00	$0.00	$0.00	$10,246,068.30
March 31, 2013	$0.00	$0.00	$0.00	$10,246,068.30
April 30, 2013	$0.00	$0.00	$0.00	$10,246,068.30
May 31, 2013	$0.00	$0.00	$0.00	$10,246,068.30
June 30, 2013	$0.00	$0.00	$0.00	$10,246,068.30

L.A.I.F. INCOME SUMMARY	CURRENT QUARTER	FY YEAR-TO-DATE
INCOME RECEIVED	$4,364.83	$4,364.83



Daily Deposit Allocation - August 2012

DATE	Description	Qty	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
08/01/2012	Mail & Counter	378	69,799.18	69,799.18						69,799.18					69,799.18
	Deposit-M/C		117,389.70							0.00		109,710.00	7,679.70		117,389.70
	Credit Cards	30	4,721.92			4,721.92				4,721.92					4,721.92
	Electronic	201	19,591.42				19,591.42			19,591.42					19,591.42
	Website-20 fees	31	20,934.33					20,899.33		20,899.33	35.00				20,934.33
08/02/2012	Mail & Counter	363	44,363.94	42,863.94						42,863.94	1,500.00				44,363.94
	Credit Cards	15	2,516.26			2,516.26				2,516.26					2,516.26
	Electronic	216	20,464.21				20,464.21			20,464.21					20,464.21
	Website	17	2,192.72					2,162.97		2,162.97	29.75				2,192.72
08/03/2012	Mail & Counter	372	45,075.77	45,075.77						45,075.77					45,075.77
	Deposit-SRF #4		1,432,274.00							0.00			1,432,274.00		1,432,274.00
	Deposit-Riv Taxes		444.79							0.00		444.79			444.79
	Credit Cards	21	2,430.78			2,430.78				2,430.78					2,430.78
	Electronic	275	26,989.85				26,989.85			26,989.85					26,989.85
	Website-46 fees	47	5,390.52					5,310.02		5,310.02	80.50				5,390.52
	ACH payment	358	33,277.42						33,277.42	33,277.42					33,277.42
08/06/2012	Mail & Counter	558	86,850.40	86,850.40						86,850.40					86,850.40
	Deposit-M/C		3,005.61							0.00		3,005.61			3,005.61
	Credit Cards	33	4,036.78			4,036.78				4,036.78					4,036.78
	Electronic	231	23,234.63				23,234.63			23,234.63					23,234.63
	Website - 31 fees	32	3,260.28					3,206.03		3,206.03	54.25				3,260.28
08/07/2012	Mail & Counter	399	67,379.61	67,379.61						67,379.61					67,379.61
	Credit Cards	22	1,929.03			1,929.03				1,929.03					1,929.03
	Electronic	244	21,987.43				21,987.43			21,987.43					21,987.43
	Website	25	3,562.05					3,518.30		3,518.30	43.75				3,562.05
08/08/2012	Mail & Counter	302	40,184.61	40,184.61						40,184.61					40,184.61
	Deposit-M/C		97,818.00							0.00		48,492.00	49,326.00		97,818.00
	Credit Cards	26	3,200.20			3,200.20				3,200.20					3,200.20
	Electronic	109	9,946.17				9,946.17			9,946.17					9,946.17
	Website - 15 fees	20	2,105.71					2,079.46		2,079.46	26.25				2,105.71
08/09/2012	Mail & Counter	196	34,813.38	34,813.38						34,813.38					34,813.38
	Deposit-M/C		19,027.30							0.00			19,027.30		19,027.30
	Deposit-RC Tax		14.74							0.00		14.74			14.74
	Credit Cards	22	3,992.74			3,992.74				3,992.74					3,992.74
	Electronic	85	8,306.47				8,306.47			8,306.47					8,306.47
	Website - 18 fees	21	1,954.70					1,923.20		1,923.20	31.50				1,954.70
08/10/2012	Mail & Counter	216	33,734.21	33,734.21						33,734.21					33,734.21
	Deposit-RC Tax		3,764.90	357.26						357.26		3,407.64			3,764.90
	Credit Cards	20	3,974.42			3,974.42				3,974.42					3,974.42
	Electronic	157	13,987.13				13,987.13			13,987.13					13,987.13
	Website - 46 fees	47	11,647.78					11,567.28		11,567.28	80.50				11,647.78
	ACH payment	454	63,379.53						63,379.53	63,379.53					63,379.53
08/13/2012	Mail & Counter	525	112,808.86	112,808.86						112,808.86					112,808.86
	Credit Cards	29	2,838.39			2,838.39				2,838.39					2,838.39
	Electronic	162	15,439.67				15,439.67			15,439.67					15,439.67
	Website	16	4,616.49					4,588.49		4,588.49	28.00				4,616.49
08/14/2012	Mail & Counter	377	45,269.53	45,269.53						45,269.53					45,269.53
	Credit Cards	19	3,358.17			3,358.17				3,358.17					3,358.17
	Electronic	242	27,400.60				27,400.60			27,400.60					27,400.60
	Website-14 fees	15	2,109.97					2,085.47		2,085.47	24.50				2,109.97

Daily Deposit Allocation - August 2012

DATE	Description	Qty	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
08/15/2012	Mail & Counter	277	29,795.77	29,795.77						29,795.77					29,795.77
	Credit Cards	23	4,084.41			4,084.41				4,084.41					4,084.41
	Electronic	137	14,237.27				14,237.27			14,237.27					14,237.27
	Website	12	1,374.57					1,353.57		1,353.57	21.00				1,374.57
	ACH payment	483	53,152.44						53,152.44	53,152.44					53,152.44
08/16/2012	Mail & Counter	220	27,424.79	27,424.79						27,424.79					27,424.79
	Credit Cards	9	1,608.09			1,608.09				1,608.09					1,608.09
	Electronic	112	10,548.19				10,548.19			10,548.19					10,548.19
	Website	19	2,038.98					2,005.73		2,005.73	33.25				2,038.98
08/17/2012	Mail & Counter	171	28,588.75	28,588.75						28,588.75			28,454.13		28,588.75
	Dep-Kinder Morgan		28,454.13							0.00			28,454.13		28,454.13
	Credit Cards	9	1,306.59			1,306.59				1,306.59					1,306.59
	Electronic	157	22,889.86				22,889.86			22,889.86					22,889.86
	Website-43 fees	44	11,703.23					11,627.98		11,627.98	75.25				11,703.23
08/20/2012	Mail & Counter	483	64,749.53	64,749.53						64,749.53					64,749.53
	Credit Cards	17	1,718.40			1,718.40				1,718.40					1,718.40
	Electronic	195	22,550.43				22,550.43			22,550.43					22,550.43
	Website	18	2,207.31					2,175.81		2,175.81	31.50				2,207.31
	ACH payment	450	22,457.10						22,457.10	22,457.10					22,457.10
08/21/2012	Mail & Counter	357	42,442.11	41,942.11						41,942.11	500.00				42,442.11
	Deposit-M/C		4,862.62							0.00		4,783.69		78.93	4,862.62
	Deposit-M/C		20,797.60							0.00		13,219.60	7,578.00		20,797.60
	Credit Cards	30	3,349.60			3,349.60				3,349.60					3,349.60
	Electronic	223	23,411.54				23,411.54			23,411.54					23,411.54
	Website-22 fees	23	12,946.96					12,908.46		12,908.46	38.50				12,946.96
08/22/2012	Mail & Counter	311	30,319.60	30,319.60						30,319.60					30,319.60
	Deposit-M/C		1,965.14							0.00			1,965.14		1,965.14
	Credit Cards	37	5,813.80			5,813.80				5,813.80					5,813.80
	Electronic	130	13,860.18				13,860.18			13,860.18					13,860.18
	Website	19	2,399.17					2,365.92		2,365.92	33.25				2,399.17
08/23/2012	Mail & Counter	214	53,867.35	53,867.35						53,867.35					53,867.35
	Deposit-M/C		128,561.51							0.00		128,561.51			128,561.51
	Credit Cards	17	3,124.58			3,124.58				3,124.58					3,124.58
	Electronic	90	8,886.98				8,886.98			8,886.98					8,886.98
	Website-16 fees	17	2,338.36					2,310.36		2,310.36	28.00				2,338.36
08/24/2012	Mail & Counter	214	31,651.90	31,651.90						31,651.90					31,651.90
	Deposit-SRF #5		386,849.00							0.00			386,849.00		386,849.00
	Credit Cards	25	2,791.48			2,791.48				2,791.48					2,791.48
	Electronic	170	16,116.24				16,116.24			16,116.24					16,116.24
	Website	52	5,799.12					5,708.12		5,708.12	91.00				5,799.12
08/27/2012	Mail & Counter	513	98,344.58	98,344.58						98,344.58					98,344.58
	Deposit-M/C		4,369.90							0.00			4,369.90		4,369.90
	Credit Cards	27	2,830.83			2,830.83				2,830.83					2,830.83
	Electronic	206	21,130.30				21,130.30			21,130.30					21,130.30
	Website-22 fees	23	2,674.31					2,635.81		2,635.81	38.50				2,674.31
	ACH payment	514	90,850.65						90,850.65	90,850.65					90,850.65

Daily Deposit Allocation - August 2012

DATE	Description	Qty	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
08/28/2012	Mail & Counter	327	48,726.11	48,726.11						48,726.11					48,726.11
	Credit Cards	16	1,512.28			1,512.28				1,512.28					1,512.28
	Electronic	223	26,029.99				26,029.99			26,029.99					26,029.99
	Website	15	1,306.77					1,280.52		1,280.52	26.25				1,306.77
08/29/2012	Mail & Counter	269	34,643.24	34,643.24						34,643.24					34,643.24
	Credit Cards	24	3,932.92			3,932.92				3,932.92					3,932.92
	Electronic	81	10,186.25				10,186.25			10,186.25					10,186.25
	Website	11	1,233.89					1,214.64		1,214.64	19.25				1,233.89
08/30/2012	Mail & Counter	156	19,721.48	19,721.48						19,721.48					19,721.48
	Credit Cards	12	2,082.37			2,082.37				2,082.37					2,082.37
	Electronic	69	8,575.27				8,575.27			8,575.27					8,575.27
	Website	15	1,752.31					1,726.06		1,726.06	26.25				1,752.31
08/31/2012	Mail & Counter	232	55,556.30	55,556.30						55,556.30					55,556.30
	Credit Cards	17	2,051.78			2,051.78				2,051.78					2,051.78
	Electronic	137	17,789.04				17,789.04			17,789.04					17,789.04
	Website-88 fees	89	11,540.65					11,386.65		11,386.65	154.00				11,540.65
ARRA #25	$186,581 - 8/7									0.00					0.00
Aug-12	Utility Pmt Cntr-426			(41,735.24)	41,735.24					0.00					0.00
	Aug '12 NSF's		(1,298.17)	(1,298.17)						(1,298.17)					(1,298.17)
	TOTALS	14,669	4,247,384.03	1,101,434.85	41,735.24	69,205.82	403,559.12	116,040.18	263,117.14	1,995,092.35	3,050.00	311,639.58	1,937,523.17	78.93	4,247,384.03

TOTAL # AR PAYMENTS	7,164	426	497	3,695	628	2,259	**14,669**
PERCENT OF TOTAL RECEIVED	48.84%	2.90%	3.39%	25.19%	4.28%	15.40%	100%

FY 2013 - Water Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
02-40010	Sales - Water	6,156,500	108,035	966,262		1,074,298	17.45%
02-40011	Sales - Construction Water	35,000	109	2,536		2,646	7.56%
02-40012	Sales - Imported Water (SGPWA)	200,000	21,306	29,335		50,641	25.32%
02-40013	Sales - Imported Water (MUNI)	800,000	(875)	126,109		125,234	15.65%
02-40014	Sales Disc.-Multi Units Usage Chrg.	(130,000)	(2,212)	(16,245)		(18,458)	14.20%
02-40015	Water Wholesale Revenue	60,000	4,684	4,547		9,231	15.38%
02-40016	Service Establishment Fee	500	25	175		200	40.00%
02-41000	Service Demand Charges	2,350,000	39,752	212,251		252,003	10.72%
02-41001	Fire Service Standby Fees	18,000	450	1,650		2,100	11.66%
02-41003	Construction Service Charge	10,000	52	593		645	6.45%
02-41005	Sales Disc-Multi Units Service Chrg.	(100,000)	(1,964)	(9,862)		(11,825)	11.83%
02-41010	Unauthorized Use of Water Charge	1,500	0	0		0	0.00%
02-41110	Meter/Lateral installation	25,000	0	2,625		2,625	10.50%
02-41112	Fire Flow Test Fees	2,500	300	75		375	15.00%
02-41113	Disconnect/Reconnect Fees	125,000	6,760	10,030		16,790	13.43%
02-41121	Delinquent Payment Charges	125,000	14,111	12,846		26,957	21.57%
02-42123	Management & Accounting Fees	147,000	12,250	12,250		24,500	16.67%
02-41124	Bad Debt	(24,000)	0	0		0	0.00%
02-43010	Interest Earned	10,000	0	0		0	0.00%
02-43110	Property Tax - Unsecured	100,000	0	0		0	0.00%
02-43120	Property Tax - Secured	2,200,000	0	0		0	0.00%
02-43130	Tax Collection - Prior	15,000	0	0		0	0.00%
02-43140	Other Taxes	125,000	310	0		310	0.25%
02-49150	Revenue - Misc. Non-Operating	50,000	2,105	10,682		12,787	25.57%
	WATER OPERATING REVENUE	**12,302,000**	**205,197**	**1,365,860**	**0**	**1,571,057**	**12.77%**
02-82002	Grants (FEMA)	0	0	0	0	0	
02-89901	Facility Capacity Charges	0	13,478	106,104	0	119,582	
02-89902	Sustainability	0	881	17,821	0	18,702	
	TOTAL WATER REVENUE	**12,302,000**	**219,556**	**1,489,786**	**0**	**1,709,341**	

FY 2013 - Sewer Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
03-40016	Sales - Establish Service Fee	500	0	0		0	0.00%
03-41000	Sales - Sewer Charges	10,638,500	236,171	924,942		1,161,113	10.91%
03-41005	Sales Disc-Multi Units Service Chrg.	(200,000)	(4,835)	(17,644)		(22,479)	11.24%
03-41110	Meter/Lateral Installation	1,000	0	0		0	0.00%
03-41121	Penalty Late Charges	140,000	11,542	10,510		22,053	15.75%
03-41124	Bad Debt	(20,000)	0	0		0	0.00%
03-42122	Revenue - Other Operating	1,000	0	180		180	18.00%
03-43010	Interest Earned	10,000	0	20		20	0.20%
03-43110	Property Tax - Unsecured	10,000	0	0		0	0.00%
03-43120	Property Tax - Secured	100,000	0	0		0	0.00%
03-43130	Tax Collection - Prior	10,000	0	0		0	0.00%
03-43140	Other Taxes	1,500	0	0		0	0.00%
03-49150	Misc. Non-Oper Revenue	25,000	0	0		0	0.00%
	SEWER OPERATING REVENUE	**10,717,500**	**242,879**	**918,009**	**0**	**1,160,887**	**10.83%**
03-82003	Grants - ARRA	0	**0**	0	0	0	
03-82004	Grants - Prop 50	0	**0**	0	0	0	
03-89901	Facility Capacity Charges	0	**8,221**	100,886	0	109,107	
03-89903	Contrib Capital-Front Footage Fees	0				0	
03-89905	Contrib Capital-Infrastructure	0	0	0	0	0	
	TOTAL SEWER REVENUE	**10,717,500**	**251,100**	**1,018,895**	**0**	**1,269,994**	

FY 2013 - Recycled Revenue

ACCOUNT#	Description	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
04-40010	Sales - Recycled Water	290,000	9,943	61,765		71,708	24.73%
04-40011	Sales - Construction Water	2,500	3	876		879	35.15%
04-41000	Sales - Service Demand Chrg.	33,000	723	(3,568)		(2,845)	-8.62%
04-41003	Const. Water Minimum Chrg.	4,000	14	244		258	6.44%
04-41110	Meter/Lateral installation	1,500	0	0		0	
04-41121	Penalty - Late Charge	250	25	0		25	10.12%
04-41122	Revenue - Other Operating	250	0	0		0	0.00%
04-43010	Interest Earned	75	0	0		0	
04-43110	Property Tax - Unsecured	1,000	0	0		0	0.00%
04-43120	Property Tax - Secured	15,000	0	0		0	0.00%
04-43130	Property Tax - Prior	1,000	0	0		0	0.00%
04-43140	Property Tax - Prior	1,000	0	0		0	0.00%
04-49150	Misc. Non-Operating Revenue	1,000	0	0		0	
	RECYCLED OPERATING REVENUE	**350,575**	**10,708**	**59,316**	**0**	**70,024**	**19.97%**
04-82001	Grants-EPA #XP989384-01	0	0	0	0	0	
04-89901	Facility Capacity Charges	0	0	0	0	0	
	TOTAL RECYCLED REVENUE	**350,575**	**10,708**	**59,316**	**0**	**70,024**	

FY 2013 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
02-5-01-50010	Labor-Water Resources	789,300	37,908	42,334		80,242	10.17%
02-5-01-50011	Labor Credit	0	0	0		0	
02-5-01-50013	Benefits-Fica	55,000	3,119	3,480		6,599	12.00%
02-5-01-50014	Benefits-Life Insurance	3,900	286	226		512	13.12%
02-5-01-50016	Benefits-Health\Defrd Comp	105,600	8,208	9,305		17,513	16.58%
02-5-01-50017	Benefits-Disability Insurance	9,500	672	667		1,339	14.09%
02-5-01-50019	Benefits-Workers Compensation	33,975	2,018	2,344		4,362	12.84%
02-5-01-50021	Benefits-PERS	55,010	2,310	2,784		5,094	9.26%
02-5-01-50022	Benefits-PERS-Employer	110,500	4,487	5,409		9,895	8.96%
02-5-01-50023	Benefits-Uniforms	3,300	126	174		300	9.10%
02-5-01-50024	Benefits-Vacation & Sick Pay	10,000	593	435		1,027	10.27%
02-5-01-50025	Benefits-Boot Allowance	2,200	364	0		364	16.56%
02-5-01-51003	R&M - Structures	200,000	4,897	5,973		10,870	5.44%
02-5-01-51011	R&M - CLA Valves	15,000	1,452	0		1,452	9.68%
02-5-01-51140	General Supplies & Expenses	2,000	0	0		0	0.00%
02-5-01-51210	Utilities - Power Purchases	1,400,000	58,704	173,803		232,507	16.61%
02-5-01-51211	Utilities - Electricity & Fuel	4,400	23	337		360	8.18%
02-5-01-51316	Imported Water Purchases	1,000,000	136,814	125,000		261,814	26.18%
02-5-01-54019	Licenses & Permits	25,000	0	0		0	0.00%
02-5-01-54110	Laboratory Services	60,000	1,215	6,871		8,086	13.48%
02-5-01-57040	YVRWFF Operating Expense	600,000	30,407	43,721		74,127	12.35%
	WATER RESOURCE TOTALS	**4,484,685**	**293,602**	**422,862**	**0**	**716,464**	15.98%
02-5-03-50010	Labor-Public Works	963,140	48,270	55,712		103,982	10.80%
02-5-03-50011	Labor Credit	0	0	0		0	
02-5-03-50013	Benefits-Fica	73,600	3,958	4,586		8,544	11.61%
02-5-03-50014	Benefits-Life Insurance	6,000	369	312		681	11.36%
02-5-03-50016	Benefits-Health\Defrd Comp	190,000	12,136	12,548		24,684	12.99%
02-5-03-50017	Benefits-Disability Insurance	15,000	826	870		1,696	11.31%
02-5-03-50019	Benefits-Workers Compensation	40,000	3,420	3,088		6,508	16.27%
02-5-03-50021	Benefits-PERS	67,400	2,824	3,572		6,396	9.49%
02-5-03-50022	Benefits-PERS Employer	135,000	5,485	6,939		12,424	9.20%
02-5-03-50023	Benefits-Uniforms	5,000	336	395		731	14.62%
02-5-03-50024	Benefits-Vacation & Sick Pay	5,500	400	400		800	14.55%
02-5-03-50025	Benefits-Boot Allowance	3,300	0	0		0	0.00%
02-5-03-51001	R & M -Vehicles & Equipment	180,000	9,030	9,320		18,350	10.19%
02-5-03-51011	R&M - Valves	10,000	0	4,954		4,954	49.54%
02-5-03-51020	R&M - Pipelines	275,000	23,189	48,729		71,918	26.15%
02-5-03-51021	R&M - Service Lines	120,000	10,578	5,806		16,384	13.65%
02-5-03-51022	R&M - Fire Hydrants	25,000	168	7		175	0.70%
02-5-03-51030	R&M - Water Meters	70,000	10,760	3,748		14,508	20.73%
02-5-03-51092	Equipment Credits	0	0	0		0	
02-5-03-51140	General Supplies & Expenses	1,000	0	0		0	0.00%
	PUBLIC WORKS TOTALS	**2,184,940**	**131,749**	**160,987**	**0**	**292,736**	13.40%

FY 2013 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
02-5-06-50010	Labor-Administration	641,470	38,023	45,992		84,016	13.10%
02-5-06-50011	Labor Credit	0	0	0		0	
02-5-06-50012	Director Fees	15,000	0	547		547	3.65%
02-5-06-50013	Benefits-Fica	49,000	2,967	3,470		6,437	13.14%
02-5-06-50014	Benefits-Life Insurance	2,800	291	261		552	19.71%
02-5-06-50016	Benefits-Health\Defrd Comp	150,000	9,912	11,558		21,470	14.31%
02-5-06-50017	Benefits-Disability Insurance	9,000	577	618		1,195	13.28%
02-5-06-50019	Benefits-Workers Compensation	20,000	573	551		1,124	5.62%
02-5-06-50021	Benefits-PERS	44,900	2,589	3,258		5,847	13.02%
02-5-06-50022	Benefits PERS Employer	89,800	5,027	6,328		11,355	12.64%
02-5-06-50023	Uniforms	2,300	108	131		239	10.39%
02-5-06-50024	Benefits-Vacation & Sick Pay	13,000	916	943		1,858	14.29%
02-5-06-50025	Benefits-Boots	1,580	0	0		0	0.00%
02-5-06-51003	R&M - Structures	20,000	4,053	269		4,322	21.61%
02-5-06-51091	Expense Credits (overhead)	0	0	0		0	
02-5-06-51120	Safety Equipment/Supplies	20,000	653	404		1,057	5.29%
02-5-06-51125	Petroleum Products	120,000	6,480	9,974		16,454	13.71%
02-5-06-51130	Office Supplies & Expenses	35,000	2,101	425		2,526	7.22%
02-5-06-51140	General Supplies & Expenses	25,000	454	841		1,295	5.18%
02-5-06-51199	Disaster Incidences		0	0		0	
02-5-06-51211	Utilities - Electricity	28,000	194	3,174		3,367	12.03%
02-5-06-51213	Utilities - Natural Gas	3,000	48	0		48	1.60%
02-5-06-54002	Dues & Subscriptions	10,000	98	0		98	0.98%
02-5-06-54005	Computer Expenses	85,000	5,660	1,050		6,710	7.89%
02-5-06-54010	Postage	6,000	66	2,048		2,114	35.24%
02-5-06-54011	Printing & Publications	15,000	135	0		135	0.90%
02-5-06-54012	Education & Training	15,000	355	889		1,244	8.29%
02-5-06-54013	Utility Billing Expenses	130,000	15,419	5,520		20,939	16.11%
02-5-06-54014	Public Relations	7,500	99	0		99	1.32%
02-5-06-54016	Travel Related Expenses	5,000	1,248	15		1,264	25.27%
02-5-06-54017	Certifications & Renewals	7,000	645	145		790	11.29%
02-5-06-54020	Meeting Related Expenses	4,500	491	300		792	17.59%
02-5-06-54024	Utilities - Waste Disposal	2,500	166	0		166	6.62%
02-5-06-54025	Utilities - Telephone	32,500	2,992	1,387		4,379	13.48%
02-5-06-54104	Contractual Services	68,000	15,383	1,327		16,709	24.57%
02-5-06-54107	Legal	45,000	2,008	0		2,008	4.46%
02-5-06-54108	Audit & Accounting	16,000	0	0		0	0.00%
02-5-06-54109	Professional Fees	120,000	13,307	5,277		18,584	15.49%
02-5-06-55500	Depreciation Reserves	190,000	16,200	15,800		32,000	16.84%
	Infrastructure Replacement	400,000	33,700	33,300		67,000	16.75%
02-5-06-56001	Insurance	120,000	8,064	8,500		16,564	13.80%
02-5-06-57030	Regulatory Compliance	15,000	0	75		0	0.00%
02-5-06-57090	Election Related Expense	10,000	0	0		0	0.00%
02-5-06-57096	Beaumont Basin Watermaster	20,000	0	15,161		15,161	75.81%
02-5-06-57100	County Tax Collector Fees	7,500	0	0		0	0.00%
02-5-06-57199	Suspense	0	0	0		0	
	ADMINISTRATION TOTALS	**2,621,350**	**191,000**	**179,541**	**0**	**370,541**	14.14%

FY 2013 - Water Expense

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
02-5-40-57001	Asset Acq, - Water Resources	40,000	0	0	0	**0**	0.00%
02-5-40-57003	Asset Acq, - Public works	40,000	0	0	0	**0**	0.00%
02-5-40-57006	Asset Acq, - Administration	0	0	0	0	**0**	
02-5-40-57201	Debt Srv-Series 2004A Princ.(25009)	955,000	0	955,000	0	**955,000**	100.00%
02-5-40-57402	Interest-Long-Term Debt Bonds	1,976,025	0	997,563	0	**997,563**	50.48%
	40 - Debt & Capital Outlay	**3,011,025**	**0**	**1,952,563**	**0**	**1,952,563**	64.85%
	TOTAL WATER EXPENSES	**12,302,000**	**616,351**	**2,715,952**	**0**	**3,332,304**	27.09%

FY 2013 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
03-5-02-50010	Labor-WW Treatment	833,200	48,973	64,995		113,968	13.68%
03-5-02-50013	Benefits-Fica	63,700	4,021	5,332		9,353	14.68%
03-5-02-50014	Benefits-Life Insurance	4,000	371	311		682	17.04%
03-5-02-50016	Benefits-Health\Defrd Comp	150,000	11,348	13,105		24,452	16.30%
03-5-02-50017	Benefits-Disability Insurance	13,000	871	989		1,860	14.31%
03-5-02-50019	Benefits-Workers Compensation	35,000	3,233	4,386		7,619	21.77%
03-5-02-50021	Benefits-PERS	58,300	3,329	4,264		7,593	13.02%
03-5-02-50022	Benefits-PERS Employer	116,900	6,466	8,283		14,749	12.62%
03-5-02-50023	Benefits-Uniforms	3,300	312	338		650	19.69%
03-5-02-50024	Benefits-Vacation & Sick Pay	25,000	358	450		807	3.23%
03-5-02-50025	Benefits-Boot Allowance	2,200	75	0		75	3.41%
03-5-02-51003	R&M - Structures	250,000	13,267	27,379		40,646	16.26%
03-5-02-51010	R&M - Automation Control	75,000	0	1,892		1,892	2.52%
03-5-02-51106	Chemicals	500,000	42,676	23,380		66,056	13.21%
03-5-02-51111	Propane	5,000	0	0		0	0.00%
03-5-02-51115	Laboratory Supplies	30,000	3,398	518		3,916	13.05%
03-5-02-51140	General Supplies & Expenses	1,000	0	0		0	0.00%
03-5-02-51210	Utilities - Power Purchases	700,000	40,247	70,450		110,698	15.81%
03-5-02-54110	Laboratory Services	120,000	5,315	7,332		12,647	10.54%
03-5-02-57031	Sludge Disposal	300,000	25,068	0		25,068	8.36%
03-5-02-57033	Brine Disposal	40,000	4,524	4,524		9,048	22.62%
	TREATMENT TOTALS	3,325,600	213,852	237,926	0	451,779	13.58%

FY 2013 Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
03-5-06-50010	Labor-Administration	631,600	34,224	42,953		77,177	12.22%
03-5-06-50012	Directors Fees	15,000	0	547		547	3.65%
03-5-06-50013	Benefits-Fica	48,300	2,657	3,222		5,879	12.17%
03-5-06-50014	Benefits-Life Insurance	3,500	291	261		552	15.78%
03-5-06-50016	Benefits-Health\Defrd Comp	145,000	9,108	11,290		20,398	14.07%
03-5-06-50017	Benefits-Disability Insurance	9,000	537	586		1,122	12.47%
03-5-06-50019	Benefits-Workers Compensation	11,400	2,254	560		2,814	24.68%
03-5-06-50021	Benefits-PERS	44,500	2,381	2,992		5,373	12.07%
03-5-06-50022	Benefits PERS Employer	88,400	4,623	5,812		10,435	11.80%
03-5-06-50023	Benefits-Uniforms	2,300	68	82		150	6.51%
03-5-06-50024	Benefits-Vacation & Sick Pay	10,000	916	943		1,858	18.58%
03-5-06-50025	Benefits-Boot Allowance	1,620	0	0		0	0.00%
03-5-06-51120	Safety Equipment/Supplies	8,500	2,255	0		2,255	26.53%
03-5-06-51125	Petroleum Products	15,000	1,000	1,158		2,158	14.39%
03-5-06-51130	Office Supplies	3,000	37	0		37	1.23%
03-5-06-51140	General Supplies & Expenses	15,000	408	58		466	3.11%
03-5-06-51199	Disaster Incidences	0	0	0		0	
03-5-06-54002	Dues & Subscriptions	10,000	358	0		358	3.58%
03-5-06-54003	Management & Admin Services	147,000	12,250	12,250		24,500	16.67%
03-5-06-54005	Computer Expenses	75,000	4,565	1,096		5,661	7.55%
03-5-06-54011	Printing & Publications	10,000	100	0		100	1.00%
03-5-06-54012	Education & Training	15,000	175	0		175	1.17%
03-5-06-54014	Public Relations	8,000	99	0		99	1.24%
03-5-06-54016	Travel Related Expenses	7,000	1,080	15		1,095	15.64%
03-5-06-54017	Certifications & Renewals	5,500	540	0		540	9.82%
03-5-06-54019	Licenses & Permits	45,000	0	0		0	0.00%
03-5-06-54020	Meeting Related Expenses	3,500	452	154		606	17.31%
03-5-06-54021	Disaster Preparedness Training	0	0	0		0	
03-5-06-54024	Utilities - Waste Disposal	12,500	987	0		987	7.90%
03-5-06-54025	Utilities - Telephone	20,000	1,747	996		2,743	13.71%
03-5-06-54030	Drinking Water	1,000	147	98		245	24.50%
03-5-06-54104	Contractual Services	30,000	11,110	578		11,688	38.96%
03-5-06-54107	Legal	45,000	3,633	0		3,633	8.07%
03-5-06-54108	Audit & Accounting	16,000	0	0		0	0.00%
03-5-06-54109	Professional Fees	400,000	13,307	5,277		18,584	4.65%
03-5-06-55500	Depreciation Reserves	457,000	37,900	38,100		76,000	16.63%
	Infrastructure Replacement	800,000	66,300	66,700		133,000	16.63%
03-5-06-56001	Insurance	115,000	8,064	8,500		16,564	14.40%
03-5-06-57030	Regulatory Compliance	44,500	6,725	0		6,725	15.11%
03-5-06-57100	County Tax Collection Fees	1,200	0	143		143	11.92%
	ADMINISTRATION TOTALS	**3,320,320**	**230,297**	**204,371**	**0**	**434,668**	13.09%

FY 2013 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
03-5-07-50010	Labor-Enviromental Control	420,000	12,452	16,121		28,573	6.80%
03-5-07-50011	Labor Credit	0	0	0		0	
03-5-07-50013	Benefits-Fica	32,000	955	1,238		2,193	6.85%
03-5-07-50014	Benefits-Life Insurance	2,500	85	85		171	6.83%
03-5-07-50016	Benefits-Health\Defrd Comp	66,000	3,846	3,539		7,385	11.19%
03-5-07-50017	Benefits-Disability Insurance	4,500	198	235		433	9.62%
03-5-07-50019	Benefits-Workers Compensation	22,500	1,139	1,136		2,275	10.11%
03-5-07-50021	Benefits-PERS	30,000	706	899		1,605	5.35%
03-5-07-50022	Benefits-PERS Employer	58,600	1,371	1,746		3,117	5.32%
03-5-07-50023	Benefits-Uniforms	2,000	76	94		170	8.52%
03-5-07-50024	Benefits-Vacation & Sick Pay	2,000	0	0		0	
03-5-07-50025	Benefits-Boot Allowance	1,380	296	0		296	21.43%
03-5-07-51003	R&M - Structures	320,000	9,796	27,321		37,117	11.60%
03-5-07-51140	General Supplies & Expenses	1,000	280	0		280	27.96%
03-5-07-51241	Lift Station #1	70,000	1,447	3,870		5,317	7.60%
03-5-07-51242	Lift Station #2	10,000	248	1,081		1,330	13.30%
03-5-07-51243	Lift Station #3	5,000	0	264		264	5.28%
03-5-07-51244	Lift Station #4	20,000	194	2,242		2,436	12.18%
03-5-07-51245	Lift Station #5	5,000	0	127		127	2.54%
03-5-07-51248	Lift Station #8	3,000	0	59		59	1.97%
03-5-07-54109	Professional Fees	50,000	0	2,051		2,051	4.10%
03-5-07-54110	Laboratory Services	2,500	0	0		0	0.00%
	ENVIRONMENTAL CONTROL TOTAL	**1,127,980**	**33,088**	**62,110**	**0**	**95,198**	8.44%
03-5-40-57002	Asset Acq. - Treatment		0	0	0	0	
03-5-40-57006	Asset Acq. - Administration		0	0	0	0	
03-5-40-57007	Asset Acq. - Environmental Control		0	0	0	0	
03-5-40-57009	Obligation to MUNI	20,000	0	0	0	0	0.00%
03-5-40-57202	Debt Service - Principal	1,953,500	0	0	0	0	0.00%
03-5-40-57403	Debt Service - Interest	970,100	0	0	0	0	0.00%
	Debt & Capital Outlay	**2,943,600**	**0**	**0**	**0**	**0**	0.00%
	TOTAL SEWER EXPENSES	**10,717,500**	**477,238**	**504,407**	**0**	**981,644**	9.16%

FY 2013 - Recycled Expenses

ACCOUNT#	Description	BUDGET	July '12	Aug '12	Sept '12	Year to Date	Percentage YTD
04-5-06-50010	Labor-Recycled Water	148,162	0	1,520		1,520	1.03%
04-5-06-50012	Director Fees	2,500	0	0		0	
04-5-06-50013	Benefits-FICA	11,300	0	124		124	1.09%
04-5-06-50014	Benefits-Life Insurance	600	0	0		0	0.00%
04-5-06-50016	Benefits-Health & Def Comp	17,563	402	496		898	5.11%
04-5-06-50017	Benefits-Disability Insurance	1,500	0	16		16	1.08%
04-5-06-50019	Benefits-Workers Compensation	5,000	0	8		8	0.16%
04-5-06-50021	Benefits-PERS Employee	10,000	0	0		0	0.00%
04-5-06-50022	Benefits-PERS Employer	20,000	0	0		0	0.00%
04-5-06-50023	Benefits-Uniforms	570	0	0		0	0.00%
04-5-06-50024	Benefits-Vacation & Sick Pay	3,000	0	0		0	0.00%
04-5-06-50025	Benefits-Boots	380	0	0		0	0.00%
04-5-06-51003	R & M-Structures	7,500	0	0		0	0.00%
04-5-06-51020	R & M-Pipelines	2,500	0	0		0	
04-5-06-51021	R & M-Service Lines	2,500	0	0		0	
04-5-06-51022	R & M-Fire Hydrants	2,500	0	0		0	0.00%
04-5-06-51030	R & M-Meters	500	0	0		0	0.00%
04-5-06-51140	General Supplies & Expenses	250	0	0		0	0.00%
04-5-06-51316	Imported Water Purchases	1,000	0	0		0	0.00%
04-5-06-54002	Dues & Subscriptions	3,000	0	0		0	0.00%
04-5-06-54005	Computer Expense	1,500	0	0		0	0.00%
04-5-06-54011	Printing & Publications	2,500	0	0		0	0.00%
04-5-06-54012	Education & Training	2,500	0	0		0	0.00%
04-5-06-54014	Public Relations	1,500	99	0		99	6.61%
04-5-06-54016	Travel Related Expenses	1,000	0	0		0	0.00%
04-5-06-54019	Licenses & Permits	2,500	0	0		0	
04-5-06-54020	Meeting Related Expenses	500	0	0		0	
04-5-06-54025	Telephone	500	0	0		0	0.00%
04-5-06-54010	Contractural Services	1,750	0	0		0	0.00%
04-5-06-54107	Legal	2,000	0	0		0	
04-5-06-54109	Professional Fees	10,000	0	0		0	0.00%
04-5-06-54110	Laboratory Services	1,000	0	0		0	
04-5-06-55500	Depreciation	8,000	630	670		1,300	16.25%
	Infrastructure Replacement	50,000	3,800	4,200		8,000	16.00%
04-5-06-57030	Regulatory Compliance	15,000	0	0		0	
04-5-06-57040	Environmental Compliance	10,000	0	0		0	
	TOTAL RECYCLED EXPENSES	**350,575**	**4,932**	**7,033**		**11,965**	3.41%

Yucaipa Valley Water District

Workshop Memorandum 12-164

Date: **September 11, 2012**

Subject: **Supervisory Control and Data Acquisition (SCADA) System Improvements for the Recycled Water System**

With the culmination of the recycled water facilities, it is critical that all these facilities work in conjunction with one another. Therefore, a SCADA system needs to be installed for the recycled water facilities similar to the system currently being utilized to operate and manage the drinking water facilities.

With QVersa's expertise and knowledge of the existing SCADA systems throughout the District, they become the most logical and best qualified contractor to perform the work. Exhibits "A" and "B" are attached to Task Order No. 1, which details the materials and services necessary to complete the scope of work.

Staff recommends the Board approve a contract and authorize Task Order No. 1 with QVersa for $147,000 to furnish and install a SCADA system for the recycled water facilities.

AGREEMENT FOR SERVICES BY INDEPENDENT CONTRACTOR
(SCADA Integration of New Recycled Water District Facilities)

THIS AGREEMENT is made and effective as of the _____ day of _____, 2012, by and between the YUCAIPA VALLEY WATER DISTRICT ("OWNER") whose address is Post Office Box 730, Yucaipa, California 92399 and Q VERSA, LLC ("CONTRACTOR") whose address is 8780 19th Street, Alta Loma, California 91701, telephone (714) 494-4564, fax (714) 494-4866, Fed. Tax Id. No.26-0382944.

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. OWNER desires to engage the services of CONTRACTOR to perform such services as may be assigned, from time to time, by OWNER in writing for the purpose of the SCADA Integration of New Recycled Water District Facilities.

B. The services to be performed by CONTRACTOR shall be specifically described in one or more written Task Orders issued by OWNER to CONTRACTOR pursuant to this Agreement.

C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and has represented and warrants to OWNER that CONTRACTOR possesses the necessary skills, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, OWNER and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until September 18, 2013, unless extended or sooner terminated as provided for herein.

2. Services to be Performed by CONTRACTOR. CONTRACTOR agrees to provide such services as may be assigned, from time to time, in writing by the Board of Directors and the General Manager of OWNER. Each such assignment shall be made in the form of a written Task Order. Each such Task Order shall include, but shall not be limited to, a description of the nature and scope of the services to be performed by CONTRACTOR, the amount of compensation to be paid, and the expected time of completion.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform each such assignment; provided, however, that CONTRACTOR shall not subcontract any of the work to be performed without the prior written consent of OWNER.

4. Compensation.

4.01 In consideration for the services to be performed by CONTRACTOR, OWNER agrees to pay CONTRACTOR as provided for in each Task Order.

4.02 Each Task Order shall specify a total not-to-exceed sum of money and shall be based upon CONTRACTOR's schedule of regular hourly rates customarily charged by CONTRACTOR to its clients.

4.03 OWNER may reimburse CONTRACTOR for reasonable and necessary expenses incurred by CONTRACTOR in the performance of services for OWNER. Reimbursement shall be according to a schedule of reimbursable expenses included in each Task Order.

4.04 CONTRACTOR shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the General Manager or Board of Directors of OWNER, in writing.

4.05 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, CONTRACTOR agrees that payment of compensation earned shall be made in monthly installments within 30 business days after receipt of a detailed, corrected, written invoice describing in reasonable detail, to the extent applicable, the services performed, the time spent performing such services, the hourly rate charged therefore, the identity of individuals performing such services for the benefit of OWNER, and materials consumed or used. Such invoice shall also include a detailed itemization of authorized expenses incurred.

4.06 Wage Rates. The Director of the Department of Industrial Relations has ascertained the general prevailing rate of per diem wages and the general rate of holiday and over-time work in the locality in which the work is to be performed for each craft or type of workmen needed to execute the Contract or Work as hereinafter set forth (see Labor code 1770 et.seq.). Copies of rates are on file at the office of the Owner, which copies shall be made available to any interested party on request. The successful Bidder shall post a copy of such determinations at each job site. Attention is called to the fact that not less than the minimum salaries and wages shall be paid on this Project by all Contractors and Subcontractors.

5. Obligations of Contractor.

5.01 CONTRACTOR agrees to perform all assigned services in accordance with the terms and conditions of this Agreement and those specified in each Task Order.

5.02 Except as otherwise provided for in each Task Order, CONTRACTOR will supply all personnel, materials and equipment required to perform the assigned services.

5.03 CONTRACTOR shall keep OWNER informed as to the progress of the work assigned hereunder, by means of regular and frequent consultations. From time-to-time, when requested by the OWNER, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the services assigned by OWNER. Therefore, CONTRACTOR hereby covenants and agrees to:

a. Provide Comprehensive General Liability insurance policy on Insurance Service Office (ISO)-CGL Form No. CG 00 01 11 85 or 88 in an amount of not less than $1,000,000 per occurrence, $2,000,000 aggregate for bodily injury, personal injury and property damage naming OWNER as an additional insured using ISO additional assured endorsement form CG 20 10 11 83 (in no event will OWNER accept an endorsement form with an edition date later than 1990);

b. Provide Automobile Liability Insurance coverage, Insurance Services Office (ISO) code 1 (any auto) in the amount of $1,000,000 combined single limit per accident for bodily injury and property damage;

c. Provide Worker's Compensation Insurance for CONTRACTOR's employees and agents as required by the Labor Code of the State of California and Employers Liability Insurance in the amount of, at least, $1,000,000 per accident, for bodily injury and disease;

d. (Check one:) YES ___ NO _X_____ Obtain a policy of errors and omissions insurance in a minimum amount of $_____ per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any services for OWNER;

e. Comply with all applicable local, state and federal laws, rules and regulations regarding, by way of example and not by limitation, nondiscrimination and payment of wages;

CONTRACTOR waives all rights of subrogation against OWNER. Evidence of

all insurance coverage shall be provided to OWNER prior to issuance of the first Task Order. Such policies shall be issued by a highly rated insurer (minimum Best's Ins. Guide rating of "A:VII") licensed to do business in California, and shall provide that they shall not be cancelled or amended without 30 days' prior written notice to OWNER. Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that all such insurance is in addition to CONTRACTOR's obligation to fully indemnify and hold OWNER completely free and harmless from and against any and all claims arising out of any, loss, injury or damage to property or persons caused by the negligent acts or omissions of CONTRACTOR in performing services assigned by OWNER.

5.05 CONTRACTOR and OWNER agree that OWNER, its employees, agents and officials 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 of this Agreement. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to OWNER. CONTRACTOR acknowledges that OWNER would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect OWNER as set forth here.

5.05.1 To the full extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless OWNER, 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 owner, 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 to the performance of this Agreement. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by OWNER.

5.05.2 Without affecting the rights of OWNER under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless OWNER as set forth above for liability attributable to the sole fault of OWNER, provided such sole fault is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where OWNER is shown to have been solely at fault and not in instances where CONTRACTOR is solely or partially at fault or in instances where OWNER's fault accounts for only a percentage of the liability involved. In those instances, the obligation of CONTRACTOR will be all-inclusive and OWNER will be indemnified for all liability incurred, even though a percentage of liability is attributable to conduct of OWNER.

5.05.3 CONTRACTOR acknowledges that its obligation pursuant to this

Section extends to liability attributable to OWNER, if that liability is less than the sole fault of OWNER. CONTRACTOR has no obligation under this Agreement for liability proven in a court of competent jurisdiction or by written agreement between the parties to be the sole fault of OWNER.

5.06 In the event that OWNER requests that specific employees or agents of CONTRACTOR supervise or otherwise perform the services specified in each Task Order, CONTRACTOR shall ensure that such individual (or individuals) shall be appointed and assigned the responsibility of performing the services.

5.07 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.08 CONTRACTOR shall be solely responsible for obtaining all permits, licenses and approvals necessary or applicable to the performance of services under this Agreement, unless otherwise expressly provided for in any Task Order issued pursuant to this Agreement. In the event OWNER is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

6. Obligations of Owner.

6.01 OWNER shall do the following in a manner so as not to unreasonably hinder the performance of services by CONTRACTOR:

a. Provide information, requirements and criteria regarding OWNER's project;

b. Furnish all existing studies, reports and other available data and items pertinent to each Task Order that are in OWNER's possession;

c. Designate a person to act as a liaison between CONTRACTOR and the General Manager and Board of Directors of OWNER.

7. Additional Services, Changes and Deletions.

7.01 During the term of this Agreement, the Board of Directors or General Manager of OWNER may, from time to time, and without affecting the validity of this Agreement or any Task Order issued hereunder, order changes, deletions and additional services by the issuance of written change orders authorized and approved by the Board of Directors or General Manager of OWNER.

7.02 In the event CONTRACTOR performs additional or different services than those described in any Task Order or authorized change order without the prior written approval of the Board of Directors or General Manager of OWNER,

CONTRACTOR shall not be compensated for such services.

7.03 CONTRACTOR shall promptly advise OWNER as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events, which may affect the scope, and/or cost of services to be provided pursuant to this Agreement. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the Board of Directors or General Manager of OWNER.

7.04 In the event that OWNER orders services deleted or reduced, compensation shall likewise be deleted or reduced by a fair and reasonable amount and CONTRACTOR shall only be compensated for services actually performed. In the event additional services are properly authorized, payment for the same shall be made as provided in Section 4 above.

8. Termination of Agreement.

8.01 In the event the time specified for completion of an assigned task in a Task Order exceeds the term of this Agreement, the term of this Agreement shall be automatically extended for such additional time as is necessary to complete such Task Order, and thereupon this Agreement shall automatically terminate without further notice.

8.02 Notwithstanding any other provision of this Agreement, OWNER, at its sole option, may terminate this Agreement at any time by giving 10 days' written notice to CONTRACTOR, whether or not a Task Order has been issued to CONTRACTOR.

8.03 In the event of termination, the payment of monies due CONTRACTOR for work performed prior to the effective date of such termination shall be paid within 45 business days after receipt of an invoice as provided in this Agreement. Upon payment for such services, CONTRACTOR agrees to promptly provide and deliver to OWNER all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to OWNER.

9. Status of Contractor.

9.01 CONTRACTOR shall perform the services assigned by OWNER in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of OWNER. CONTRACTOR shall be under the control of OWNER only as to the result to be accomplished and the personnel assigned to perform services. However, CONTRACTOR shall regularly confer with OWNER's General Manager and Board of Directors as provided for in this Agreement.

9.02 CONTRACTOR hereby specifically represents and warrants to OWNER that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent

professional rendering the same or similar services. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

10. Audit; Ownership of Documents.

10.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of services assigned to it by OWNER shall become the sole property of OWNER, and CONTRACTOR shall promptly deliver all such materials to OWNER. At the OWNER's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions. If OWNER uses such documents for any purpose other than for which they were prepared without CONTRACTOR's prior written approval, OWNER hereby waives any claims against CONTRACTOR and will hold CONTRACTOR harmless from any claim or liability for injury or loss arising from OWNER's unauthorized use.

10.02 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as OWNER may deem necessary, CONTRACTOR shall make available to OWNER's agents for examination all of such records and shall permit OWNER's agents to audit, examine and reproduce such records.

11. Miscellaneous Provisions.

11.01 This Agreement supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by CONTRACTOR for OWNER and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

11.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of OWNER. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

11.03 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the services authorized hereunder.

11.04 If required by law, CONTRACTOR shall file Conflict of Interest

Statements with OWNER.

11.05 Any dispute, which may arise by and between the OWNER and the CONTRACTOR, including the CONTRACTOR's subcontractors, laborers, and suppliers, shall be submitted to binding arbitration. Arbitration shall be conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, in accordance with its construction industry rules in effect at the time of the commencement of the arbitration proceeding, and as set forth in this Paragraph. Arbitration shall be conducted before a panel of three arbitrators, unless the PARTIES agree in writing to submit the matter before a single arbitrator. The arbitrators must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. The arbitrators' decision and award are subject to judicial review for errors of fact or law in accordance with Section 1296 of the Code of Civil Procedure, by a Superior Court of competent venue and jurisdiction. Discovery may be conducted in the arbitration proceeding pursuant to Section 1283.05 of the Code of Civil Procedure. Unless the PARTIES stipulate to the contrary, prior to the appointment of the arbitrators, all disputes shall first be submitted to non-binding mediation, conducted by either the American Arbitration Association or Judicial Arbitration and Mediation Services, Inc./Endispute, in accordance with their respective rules and procedures for such mediation. In any arbitration or litigation arising out of this Agreement, or the performance of any obligation under this Agreement, the arbitrators or the court in such arbitration or litigation shall award costs and expenses of arbitration or litigation, including mediation and arbitration fees and expenses, expert witness fees and attorneys' fees, to the prevailing PARTY.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement as of the day and year first above-written.

OWNER: YUCAIPA VALLEY WATER DISTRICT	CONTRACTOR: Q VERSA, LLC
By_____	By_____
Print Name Joseph B. Zoba	Print Name_____
Title General Manager	Title_____

Yucaipa Valley Water District

INDEPENDENT CONTRACTOR'S TASK ORDER ISSUED TO Q VERSA, LLC

TASK ORDER NO. 1

Project Title: SCADA Integration for Recycled Water System

YVWD Project Number: P-04-244

Task Order Authorization Date: September 19, 2012 Director Memorandum No. 12-0xx

Contractor Name: Q Versa, LLC
Contact: Mr. Jason Becker
Address: 8780 19th Street
Alta Loma, California 91701
Telephone: (714) 494-4564
E-mail: jbecker@qversa.com
Fed. Tax ID #: 26-0382944

THIS TASK ORDER is issued pursuant to that certain Agreement for Services by Independent Contractor between the Yucaipa Valley Water District ("OWNER") and Q VERSA, LLC, ("CONTRACTOR").

1. **Task to be Performed.** CONTRACTOR shall provide all labor, materials and equipment to perform the following task (check one):
__X__ See Exhibit "A", attached hereto
__X__ See Exhibit "B", attached hereto
_____ Description of Task:

2. **Time of Performance.** Time is of the essence; therefore CONTRACTOR shall commence work immediately and shall complete performance of services contained herein by September 18, 2013.

3. **Liaison of OWNER.** Brent Anton, Engineering Manager shall serve as liaison between OWNER and CONTRACTOR.

4. **Staff Assignments.** CONTRACTOR will assign a primary contact for the performance of services required by this Task Order.

5. **Deliverables.** CONTRACTOR shall deliver to OWNER not later than the date or dates indicated, the following: (Check if Not Applicable: __): See Exhibits "A" & "B" and Director Memorandum No. 12-xxx

6. **Compensation.** For all services rendered by CONTRACTOR pursuant to this Task Order, CONTRACTOR shall receive a total not-to-exceed sum of So Many Hundred Thousand Dollars ($147,000), payable as provided in Section 2.0 of the Master Project Agreement.

7. Reimbursable Expenses. In addition to the compensation provided for in Paragraph 6 above, CONTRACTOR shall not be entitled to reimbursement for expenses not included in the scope of services and fee proposal.

8. Miscellaneous Matters. The following additional matters are made a part of this Task Order (check one):

___ Not applicable
_X_ See Exhibits "A" and "B" and Director Memorandum No. 12-xxx.

IN WITNESS WHEREOF, the parties have executed this Task Order on the date indicated below.

Yucaipa Valley Water District		**Q Versa, LLC**	
By:	_____	By:	_____
Dated:	September 19, 2012	Dated:	_____
Name:	Jay Bogh	Name:	_____
Title:	Board President	Title:	_____

Exhibit "A"

VERSA

8780 19th Street · Suite 279 · Alta Loma, CA 91701 · Ph 714.494.4564 · Fx 714.494.4866

Quotation

Quotation Letter

Friday, April 20, 2012
QV Ref: EST-1280-2

Project Title: YVWD Non-Potable Reservoirs NR-10.3.1 and NR-10.3.2 and Booster Station NB-10.3

Project Objective:

To furnish the materials and labor to complete the SCADA Subcontractor scope of work as defined by specification section 17010.

Materials to be provided:

1. Allen-Bradley CompactLogix PLC system configured as required
2. Allen-Bradley PanelView Plus 6 1000
3. Esteem radio with Yagi antenna and externally mounted surge arrestor with enclosure
4. 5-Port unmanaged Ethernet switch
5. 24VDC power supply
6. Eaton UPS sized as required
7. Six Hand-Off-Auto switches
8. MCP/RTU miscellaneous control panel components as required

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Services to be provided:

1. Assembly of upper MCP/RTU subpanel (subpanel provided by other)
2. Installation of six Hand-Off-Auto switches in MCP/RTU door (door provided by others)
3. Installation of MCP/RTU upper subpanel and door
4. Wiring between MCP/RTU lower subpanel and upper subpanel
5. PLC and local OIT (Operator Interface Terminal) programming at MCP/RTU
6. HMI programming at Crystal Creek Distribution system as required
7. PLC programming at Wochholz NR-8.1 Reservoir as required
8. PLC programming at NR-12.1 Reservoir as required
9. Startup and testing of all SCADA Subcontractor supplied equipment and programming
10. Submittals, programming, testing, training, startup and final documentation
11. Calibration of provided instruments (Factory calibration takes precedence over field calibration)

VERSA

Quotation

8780 19th Street · Suite 279 · Alta Loma, CA 91701 · Ph 714.494.4564 · Fx 714.494.4866

Clarifications

1. Sales tax included in all prices
2. Upper back panel and door to be provided to Q Versa by others
3. Q Versa will supply and install all equipment on upper MCP/RTU subpanel and door per drawings and specification as pertaining to the SCADA Subcontractor portion of the work.
4. Q Versa will re-install upper subpanel and door and will supply and land all control wiring from field terminal blocks on lower subpanel to terminal blocks on upper subpanel.
5. **Allen-Bradley CompactLogix 1769 platform instead of ControlLogix 1756 platform. This is a deviation from the specification section 17010-2.02**

Exclusions

1. Reports
2. Antenna mast and antenna installation
3. Enclosure air conditioner, intake and exhaust louvers and fan
4. Instrument power supply(s)
5. Furnishing and installation of in-line devices, tubing, fittings, pipes, taps, process pumps, etc.
6. Mounting hardware for field instruments
7. Field interconnection wiring and terminations
8. Piping, valves and all related hardware
9. Conduit & cable drawings
10. Megohmeter testing
11. **Any labor or materials required at NR-8.1 except PLC programming modifications as specified in section 17010-1.01**

Q VERSA

Quotation

8780 19th Street · Suite 279 · Alta Loma, CA 91701 · Ph 714.494.4564 · Fx 714.494.4866

Terms and Conditions

1. Prices quoted are valid until 9/30/2012
2. Terms of payment
    a. Invoices are due net 30 days
3. Prices quoted are subject to change based on changes to the project scope
4. This quotation is for the products and services listed above only. Any additional products or services required will be provided at additional cost.

Lump Sum..... **$79,200.00**

Best Regards,

Jason Becker
Q Versa, LLC

Exhibit "B"

QVERSA

Quotation

8780 19th Street · Suite 279 · Alta Loma, CA 91701 · Ph 714.494.4564 · Fx 714.494.4866

Quotation Letter

Friday, April 20, 2012
QV Ref: EST-1279-1

Project Title: YVWD BB-12.1 Non-Potable Booster Station

Project Objective:

To furnish the materials and labor to complete the SCADA Subcontractor scope of work as defined by the project specifications.

Materials to be provided:

1. Allen-Bradley CompactLogix PLC system configured as required
2. Allen-Bradley PanelView Plus 6 1000
3. Esteem radio with Yagi antenna and externally mounted surge arrestor with enclosure
4. 5-Port unmanaged Ethernet switch
5. 24VDC power supply
6. Eaton UPS sized as required
7. Operator switches, buttons and pilot lights for MCP/RTU door as required
8. MCP/RTU miscellaneous control panel components as required

---

Services to be provided:

1. Assembly of upper MCP/RTU subpanel (subpanel provided by other)
2. Installation of switches, buttons and pilot lights in MCP/RTU door (door provided by others)
3. Installation of MCP/RTU upper subpanel and door
4. Wiring between MCP/RTU lower subpanel and upper subpanel
5. PLC and local OIT (Operator Interface Terminal) programming at MCP/RTU
6. HMI programming at Crystal Creek Distribution system as required
7. Startup and testing of all SCADA Subcontractor supplied equipment and programming
8. Submittals, programming, testing, training, startup and final documentation
9. Calibration of provided instruments (Factory calibration takes precedence over field calibration)

QVERSA

Quotation

8780 19th Street · Suite 279 · Alta Loma, CA 91701 · Ph 714.494.4564 · Fx 714.494.4866

Clarifications

1. Sales tax included in all prices
2. Upper back panel and door to be provided to Q Versa by others
3. Q Versa will supply and install all equipment on upper MCP/RTU subpanel and door per drawings and specification as pertaining to the SCADA Subcontractor portion of the work.
4. Q Versa will re-install upper subpanel and door and will supply and land all control wiring from field terminal blocks on lower subpanel to terminal blocks on upper subpanel.
5. **Allen-Bradley CompactLogix 1769 platform instead of ControlLogix 1756 platform. This is a deviation from the specification section 17010-2.02**

Exclusions

1. Reports
2. Antenna mast and antenna installation
3. Enclosure air conditioner, intake and exhaust louvers and fan
4. Instrument power supply(s)
5. Furnishing and installation of in-line devices, tubing, fittings, pipes, taps, process pumps, etc.
6. Mounting hardware for field instruments
7. Field interconnection wiring and terminations
8. Piping, valves and all related hardware
9. Conduit & cable drawings
10. Megohmeter testing

Q VERSA

Quotation

8780 19th Street · Suite 279 · Alta Loma, CA 91701 · Ph 714.494.4564 · Fx 714.494.4866

Terms and Conditions

1. Prices quoted are valid until 9/30/2012
2. Terms of payment
    a. Invoices are due net 30 days
3. Prices quoted are subject to change based on changes to the project scope
4. This quotation is for the products and services listed above only. Any additional products or services required will be provided at additional cost.

Lump Sum..... **$67,800.00**

Best Regards,

Jason Becker
Q Versa, LLC

Yucaipa Valley Water District

Workshop Memorandum 12-165

Date: **September 11, 2012**

Subject: **Review of the First Amendment to the Santa Ana Regional Interceptor Agreement between Yucaipa Valley Water District and the San Bernardino Valley Municipal Water District**

The Yucaipa Valley Water District currently owns 1.108 million gallons per day of brineline pipeline capacity in the Santa Ana Regional Interceptor (SARI). The District purchased the original 0.108 million gallons per day of SARI pipeline capacity in 1993 and made a second purchase of SARI pipeline capacity of 1.0 million gallons per day in 2006.

The District staff has been working with the staff at the San Bernardino Valley Municipal Water District to clarify the responsibility of the Yucaipa Valley Water District to absorb the operation and maintenance related costs of the Santa Ana Regional Interceptor. The attached amendment to the pipeline capacity agreement will provide consistency with the agreements and resolutions adopted by the Santa Ana Watershed Project Authority and the San Bernardino Valley Municipal Water District.

First Amendment To The
SARI Discharge Agreement

This First Amendment to the SARI Discharge Agreement ("Amendment") is executed and deemed effective _____ ___, 2012, by and between the San Bernardino Valley Municipal Water District, a California municipal water district ("VALLEY DISTRICT") and the Yucaipa Valley Water District (the "YVWD").

Recitals

A. VALLEY DISTRICT and YVWD entered into that certain SARI Discharge Agreement dated June 15, 1993 ("Discharge Agreement"), whereby YVWD agreed, among other things, to purchase from VALLEY DISTRICT a discharge right allocation for the discharge of a specified amount of industrial waste water into the Santa Ana Regional Interceptor (formerly the "SARI", and currently referred to as the "Brine Line"), system based upon the terms and conditions of a SARI Capacity Agreement ("SARI Capacity Agreement") between VALLEY DISTRICT and the Santa Ana Watershed Project Authority ("SAWPA"), dated June 22, 1993.

B. The fees and costs associated with YVWD's right to discharge wastewater into the Brine Line system, which fees and costs are adjusted from time to time, are established by SAWPA through Resolutions.

C. SAWPA invoices VALLEY DISTRICT for the fees and costs to discharge wastewater into the Brine Line system based upon the amount of capacity owned and sold to capacity owners in the VALLEY DISTRICT service area. VALLEY DISTRICT, in turn, invoices the capacity owners, such as YVWD, for their share of these fees and costs.

D. In 2006, SAWPA adopted a new fee structure for the Brine Line which requires all capacity owners to pay additional fixed charges for the maintenance of the pipeline system, regardless of whether a capacity owner is discharging into the Brine Line. To date, YVWD's portion of these fixed fees have been paid by Valley District.

E. On July 1, 2012, Valley District will cease payment of YVWD's portion of the fixed charges and will begin to invoice YVWD for these fixed fees along with any other fees and costs related to the discharge of wastewater into the Brine Line system.

F. VALLEY DISTRICT and YVWD desire to amend the Discharge Agreement to reflect and clarify the YVWD's obligation to pay all fees and costs imposed by SAWPA for use of the Brine Line.

Operative Provisions

Now, therefore, in consideration of mutual covenants contained herein and other valuable consideration, the Parties hereby agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are incorporated herein and by this reference made a part of this Amendment.

2. Definitions. The definitions in the Discharge Agreement shall apply to this Amendment unless otherwise provided herein.

3. Other Costs. Section 4 of the Discharge Agreement is hereby amended to include the following provisions, which shall be inserted after the final sentence of Section 4:

> "YVWD agrees to satisfy any and all other payment obligations for other costs imposed by SAWPA whether fixed or contingent, related to the use of the SARI system, including without limitation any and all fees or costs related to maintenance, operations and repairs. The payment obligation for any and all such fees shall be fully satisfied without regard to whether any discharge, treatment or disposal right is exercised."

4. Amendment to Prevail. The provisions of this Amendment shall prevail over any inconsistent or conflicting provisions of the Discharge Agreement and shall supplement the remaining provisions thereof. Except as herein expressly modified and amended, all terms and provisions of the Discharge Agreement shall remain in full force and effect.

5. Counterparts. This Amendment may be executed separately in counterpart by each party and when all of the separately executed counterpart signature pages have been attached in a single instrument, the same shall constitute a fully executed counterpart of this Amendment.

In Witness Whereof, the parties have executed this Amendment as of the day and year first above written.

SARI DISCHARGE AGREEMENT
(Pipeline Capacity Only)

This SARI Discharge Agreement is made by and between the San Bernardino Valley Municipal Water District ("SBVMWD") and the Yucaipa Valley Water District ("YVWD") on the date appearing at the end hereof.

RECITALS

The Santa Ana Watershed Project Authority ("SAWPA") is engaged in the construction of the Santa Ana Regional Interceptor ("SARI") for the transmission of industrial waste water and has allocated a SARI pipeline capacity use right to SBVMWD contingent on payment therefor. SAWPA and SBVMWD have prepared a proposed SARI Capacity Agreement under which SBVMWD will acquire such capacity use right and related rights upon the terms and subject to the obligations contained therein. A copy of such proposed agreement is attached hereto marked Exhibit "A". Said proposed agreement and the definitions of terms appearing therein are incorporated herein by reference.

The parties hereto desire to provide the terms upon which SBVMWD will allocate a discharge right in the SARI system to YVWD upon the proposed SAWPA-SBVMWD SARI Capacity Agreement becoming effective and to provide terms of payment by YVWD to insure SBVMWD of the financial feasibility of entering into the said agreement.

NOW THEREFORE, IT IS AGREED by and between the SBVMWD and YVWD as follows:

1. Purchase of Discharge Right Allocation. Subject to the provisions of paragraph 11 below, YVWD agrees to purchase from SBVMWD a discharge right allocation (pipeline capacity only) for discharge of .108 million gallons per day (108,000 gallons per day) of industrial waste water into the SARI system for the amount and upon the terms specified in Exhibit "B" attached hereto and incorporated herein by reference. The parties hereto understand and agree that SBVWMD and SAWPA will be incurring substantial obligations for construction of facilities upon the faith of the YVWD's obligation herein, and that YVWD will be obligated to make the payments specified without regard to whether any discharge right is exercised or not. YVWD hereby pledges its income from sewer revenues as security for such payments.

2. Compliance with SAWPA-SBVMWD SARI Capacity Agreement. YVWD agrees that it will at all times make full and complete compliance with the terms of the SAWPA-SBVMWD SARI Capacity Agreement and any requirements imposed thereby, including the CSDOC Agreements and any rules and regulations imposed by CSDOC, SAWPA or any other authority with jurisdiction to do so.

3. Treatment and Disposal Right. Prior to exercise of the discharge right, it will be necessary for SBVMWD to acquire treatment and disposal rights covering any discharges to be made as provided in the SAWPA-SBVWMD SARI Capacity Agreement. SBVWMD will

acquire such treatment and disposal rights upon receipt from YVWD of funds or other arrangements adequate to pay therefor.

4. Other Costs. Following the acquisition of treatment and disposal capacity use rights by SBVWMD, SBVMWD will become liable for certain other costs pursuant to the SAWPA-SBVMWD SARI Capacity Agreement. YVWD agrees to make payment of any and all such costs associated with the discharge right allocated to it herein and any treatment and disposal right acquired in connection therewith, said payment to be made in each case on or before the due date applicable thereto.

5. YVWD's Obligations. YVWD's obligations hereunder, including but not limited to its payment obligations for purchase of pipeline capacity, are contingent upon the construction and completion by December 31, 1996, of Reaches IV-D and IV-E of the SARI interceptor pipeline with sufficient capacity to accept YVWD's contracted-for capacity of .108 mgd.

6. Discharge Permit and Other Requirements. Prior to making any discharges into the SARI system, YVWD will be required to apply for a discharge permit and obtain the same from SAWPA and to make arrangements with SBVMWD and SAWPA for the points of delivery of such discharge and for payment of the costs of installation and maintenance of facilities in connection therewith.

7. Default. In the event YVWD fails to pay when due any sums required under this agreement, or if YVWD otherwise fails to comply with or perform any of its obligations under this agreement

or under any rules or regulations of CSDOC or SAWPA or any other authority incorporated in this agreement, SBVMWD shall give written notice to YVWD of such default. Upon failure by YVWD to remedy any such default within 30 days after notice, SBVMWD shall have the right to terminate the discharge right allocation to YVWD made herein, and/or to exercise any and all rights provided by law or the rules and regulations of the SBVMWD with respect thereto. Thereafter, YVWD shall have no further rights under this agreement. Any sums owed under this agreement and not paid when due, shall bear interest at the maximum legal rate.

8. Indemnification. YVWD shall indemnify and hold SBVMWD harmless from all claims, demands, actions, liability, or loss, including attorney's fees and other litigation costs, arising from any failure by YVWD to comply with the terms of this agreement. SBVMWD shall indemnify and defend YVWD against, and hold YVWD and its employees and officials, officers and agents free and harmless from any cost, expense, claim, demand, judgment, loss, injury or liability of any kind that may arise from or be occasioned by any negligent act or omission of SBVMWD, their agents, employees, or contractors related to the construction, operation and maintenance of the SARI System, including Reaches IV-D and IV-E thereof.

9. Attorney's Fees. The prevailing party shall be entitled to recover all costs including attorney's fees in connection with any action to enforce the terms of or for breach of this agreement.

10. Transfer of Discharge Rights or Assignment of Agreement.

The discharge rights allocated to YVWD herein are intended for the use of YVWD within its sewer service boundaries and shall not be subject to sale or transfer outside YVWD's boundaries, in whole or in part, without the consent of SBVMWD, and any such sale or transfer without such consent shall, at the option of SBVWMD, be void.

This agreement shall not be assigned either voluntarily or by operation of law, by either party without the prior written consent of the other party, and any assignment made without such consent shall, at the option of the other party, be void. Approvals of assignments by either party under this paragraph shall not be unreasonably withheld. An assignment of this agreement shall not relieve the assignor of any obligation or liability, whether caused by assignee's breach or otherwise under this agreement.

11. Succession. This agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, provided that any successor or assignee of YVWD shall be required if necessary under SAWPA regulations first to obtain a SAWPA wastewater discharge permit and to comply with any other requirements applicable.

12. Time Agreement is to Become Effective. This agreement shall become effective upon its execution and delivery by each of the parties hereto and upon the execution and delivery of the SAWPA-SBVMWD SARI Capacity Agreement, substantially in the form attached hereto as Exhibit A. Promptly upon execution of the

SAWPA-SBVMWD SARI Capacity Agreement, SBVMWD shall give notice to YVWD of its execution and supply YVWD with a copy thereof.

Dated: June 15, 1993

SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT

By: _____
President

By: Margaret C. Wright
Secretary

Dated: 6/22/93

YUCAIPA VALLEY WATER DISTRICT

By: _____
President

By: Rafujio Bocanegra
Secretary

SBVMWD/SARDISC3.AGR

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EXHIBIT A
Special Conditions
(SBVMWD)

1. Sari Pipeline Capacity Use Right to be Acquired.

The SARI pipeline capacity use right to be acquired by SBVMWD pursuant to this Agreement is 7.108 mgd, which is the maximum amount permitted hereunder to be discharged by SBVMWD to the SARI System during any 24-hour day, provided the maximum flow permitted in any one (1) hour shall not exceed 1.5 x 1/24 of the capacity use right (444,250 gallons) without approval by SAWPA. The above capacity is subject to adjustment as provided below in paragraphs 3 and 9.

2. Amount to be Paid by SBVMWD to SAWPA.

The amount to be paid by SBVMWD for the pipeline capacity use right, to be acquired by SBVMWD pursuant to this Agreement is $21,381,700, to be paid to SAWPA in one installment of $5,403,460 on June 30, 1993 and nineteen (19) annual installments of $840,960 each, due and payable by June 30 each year, beginning June 30, 1994, and ending June 30, 2012. SBVMWD and SAWPA mutually acknowledge and agree that timely, paid-in-full installments are necessary to satisfy debt service requirements imposed upon SAWPA by the State of California relative to the State Revolving Fund loan obtained by SAWPA to build certain SARI pipeline facilities, and that in the event of any disagreement between SBVMWD and SAWPA regarding, for example, the payment of such installments, SBVMWD hereby covenants and agrees to nevertheless make each such annual installment payment in a timely fashion. The payments specified above are subject to adjustment as provided in paragraphs 3 and 9.

3. Conditions relative to Construction of SARI Reaches IV-D and IV-E and The City of San Bernardino.

SAWPA has constructed Reach IV-D to Etiwanda Avenue and has prepared plans and specifications for construction of the remainder of Reach IV-D and for the portion of Reach IV-E below Riverside Avenue. SAWPA intends to proceed with construction of the remainder of Reach IV-D and the construction of Reach IV-E as sufficient cash flow from SARI capacity sales becomes available to make debt service payments on State Revolving Fund (SRF) loans that will be used to pay for construction costs.

SBVMWD will make a substantial contribution to said cash flow by purchasing 7.108 mgd of SARI capacity pursuant to this agreement. Of the 7.108 mgd, the City of San Bernardino ("San Bernardino") will purchase from SBVMWD 2.5 mgd. Both SBVMWD and San Bernardino desire to have assurances that Reach IV-E will be completed to the Reach IV-E Upper Terminus prior to making a final commitment to purchase San Bernardino's 2.5 mgd of capacity. Therefore, as soon as possible after this agreement becomes effective SAWPA shall cause to be completed, at SAWPA's expense, the necessary plans and specifications for construction of the unfinished portions of SARI Reaches IV-D and IV-E and shall call for construction bids thereon. The specifications for Reach IV-E shall provide that SAWPA shall have up to 60 days within which to award the contract after bids are opened. Promptly after opening the bids for Reach IV-E, SAWPA shall provide a list of the bids to SBVMWD along with an estimate of the amount of money SAWPA has available from other resources to support the construction of Reach IV-E. SAWPA shall not award the construction contract(s) for Reach IV-E unless SBVMWD authorizes SAWPA within the 60 day period to do so. If such authorization is not forthcoming from SBVMWD, then SBVMWD shall not be required to purchase pipeline capacity for San Bernardino. However, SBVMWD shall continue to be obligated to purchase 4.608 mgd that is intended to be used by others. In that event SBVMWD shall not be obligated to pay the amounts specified in Section 2 but shall be obligated to pay $12,256,700 to be paid in one installment of $4,947,210 on June 30, 1993 and nineteen (19) annual installments of $384,710 each, due and payable by June 30 each year, beginning June 30, 1994, and ending June 30, 2012. The payments and obligations specified above are subject to further adjustment as specified in paragraph 9.

4. Other Agreements.

This Agreement is being executed concurrently with certain agreements between SBVMWD and the City of San Bernardino ("San Bernardino"), the City of Rialto ("Rialto"), the City of Colton, and Yucaipa Valley Water District under which the latter agencies agree to provide all or a portion of the funds required to make the payments provided in paragraph 2 above. This Agreement shall be effective only upon written notice by SBVMWD to SAWPA that such agreements have been concluded or that this contingency is waived. After such notice SBVMWD's obligations under this agreement shall not be contingent upon the performance of such other entities under such other agreements. Nothing herein shall operate to waive the contingencies in paragraph 3 above, and paragraphs 6 and 9 below.

5. Availability of Capacity.

SAWPA warrants that while this Agreement is in effect, and SBVMWD is not in default thereunder, there will be capacity available in Reaches IV-D and IV-E of the SARI System for discharge of wastewater as provided in this Agreement.

6. Chino Basin Municipal Water District-SAWPA AGREEMENT.

Section 21 of the CBMWD-SAWPA SARI System Discharge Contract No. 2 dated May 31, 1989 contains provisions which have been interpreted by Chino Basin Municipal Water District as requiring SAWPA to provide for the sale of certain discharge rights held by Chino Basin Municipal Water District before selling any rights held by SAWPA. In order to accommodate the said Chino Basin Municipal Water District demand, SAWPA will not award construction contracts unless the funds obligated hereunder, together with any additional funding available to SAWPA, are sufficient, after reviewing financial market conditions and the bids for the construction, to pay for purchase by SAWPA of any discharge rights held by Chino Basin Municipal Water District which the latter agency requires be purchased. SAWPA agrees to purchase such Chino Basin Municipal Water District discharge rights prior to the time the system would be utilized by participants in Reach IV-E or the portion of Reach IV-D to be constructed with funds provided hereunder. In the event construction contracts are not awarded prior to June 15, 1994, any funds paid to SAWPA by SBVMWD hereunder shall be refunded with any interest actually earned thereon and this SARI Capacity Agreement shall terminate without further liability to either party.

7. Obligations and Representation of SAWPA.

SAWPA warrants that it will meet all of its responsibilities and obligations under the CSDOC Agreements. At such time as SBVMWD buys treatment and disposal capacity, SAWPA warrants that the SARI System may be used by SBVMWD for the purposes authorized under this agreement.

8. Availability of Future Treatment and Disposal Capacity.

At such time as SBVMWD requires treatment and disposal capacity, SAWPA shall obtain the same pursuant to the CSDOC Agreements or other facilities available to SAWPA. Such treatment and disposal capacity shall be made available to SBVMWD upon the same terms applicable at the time of acquisition to SAWPA's other member agencies.

9. Obligations With Respect to City of Colton and Yucaipa Valley Water District.

The City of Colton ("Colton") and Yucaipa Valley District ("YVWD") are purchasing from SBVMWD 2.0 mgd and .108 mgd, respectively, of the SARI capacity being acquired by SBVMWD herein. SBVMWD's agreements with those entities provide that their payment obligations are contingent upon the construction and completion by December 31, 1996 of Reaches IV-D and IV-E of the SARI interceptor pipeline with sufficient capacity to accept the 2.0 mgd capacity contracted for by Colton and the .108 mgd capacity contracted for by YVWD. In the event the said contingency is not met, Colton will not purchase the 2.0 mgd capacity from SBVMWD and YVWD will not purchase the .108 mgd capacity from SBVMWD, and the capacity to be acquired by SBVMWD from SAWPA, as set forth in paragraphs 1 and 3 above (whichever provision may be applicable), shall be reduced by 2.108 mgd. The annual installment payments to be made by SBVMWD, as set forth in paragraphs 2 and 3 above (whichever provision is applicable), shall be correspondingly reduced by the sum of $384,710 each, and SAWPA shall refund to SBVMWD for the account of Colton and YVWD, as their interests may appear, any payments previously made by Colton or YVWD and received by SAWPA, together with any interest actually earned thereon. SBVMWD's total purchase price shall be correspondingly reduced by $7,694,200.

EXHIBIT B

Amount and Terms of Purchase

1. SARI Pipeline Discharge Right Allocation (Pipeline Capacity Only) to be Acquired.

The SARI pipeline discharge right allocation to be acquired by YVWD pursuant to this Agreement is .108 mgd (108,000 gallons per day), which is the maximum amount permitted hereunder to be discharged by YVWD to the SARI System during any 24-hour day, provided the maximum flow permitted in any one (1) hour shall not exceed 1.5 x 1/24 x .108 mgd or 6,750 gallons without approval by SBVMWD.

2. Amount to be Paid by YVWD to SBVMWD.

The amount to be paid by YVWD for the discharge right allocation to be acquired by YVWD pursuant to this Agreement is $394,200, to be paid to SBVMWD in twenty (20) annual installments of $19,710 each. Annual installment payments shall be due and payable by 5 business days prior to June 30 each year, beginning June 30, 1993, and ending June 30, 2012. SBVMWD and YVWD mutually acknowledge and agree that timely, paid-in-full installments are necessary to satisfy debt service requirements imposed upon SAWPA by the State of California relative to the State Revolving Fund loan obtained by SAWPA to build certain SARI pipeline facilities, and that in the event of any disagreement regarding, for example, the

payment of such installment, YVWD hereby covenants and agrees to nevertheless make each such annual installment payment in a timely fashion.

Pipeline Capacity
SARI Discharge Agreement

This SARI Discharge Agreement is made by and between the Yucaipa Valley Water District (YVWD) and the San Bernardino Valley Municipal Water District ("SBVMWD") on the date appearing at the end hereof. YVWD and SBVMWD are sometimes collectively referred to herein as the "Parties" and individually as the "Party".

RECITALS

The Santa Ana Watershed Project Authority ("SAWPA") is a Joint Exercise of Powers Agency consisting of the Orange County Water District, Inland Empire Utilities Agency, Western Municipal Water District of Riverside County, Eastern Municipal Water District and the San Bernardino Valley Municipal Water District. SAWPA has constructed the Santa Ana Regional Interceptor ("SARI") pipeline for the transmission of industrial waste water for treatment and disposal by the ORANGE COUNTY SANITATION DISTRICT ("OCSD"). SBVMWD has been delegated by SAWPA as the agency responsible for controlling use of the SARI system within the SBVMWD service area.

YVWD has developed a plan to meet its obligations under the rules and regulations of the Regional Water Quality Control Board. Said plans include de-salting State Water Project Water purchased from SBVMWD prior to treatment and distribution to YVWD's customers.

YVWD has identified a need for an additional one million gallons per day (1.0 mgd) of Pipeline Discharge Capacity to dispose of the brine generated from the de-salting process.

SBVMWD hereby represents and warrants that it owns the additional Pipeline Discharge Capacity Right that YVWD desires to acquire by this Agreement.

YVWD has determined, in its sole discretion that, discharging into the SARI line is practicable and feasible.

NOW THEREFORE, IT IS AGREED by and between SBVMWD and YVWD as follows:

1. Pipeline Capacity Discharge Right Allocation. Subject to the terms of this Agreement, YVWD hereby acquires a Pipeline Capacity Discharge Right allocation from SBVMWD for discharge of an additional one million gallons per day (1.0 mgd) of industrial waste water into the SARI pipeline for the amount and upon the terms specified in Exhibit A attached hereto and incorporated herein by reference. In addition to the purchase price for the Pipeline Capacity Discharge Right acquired by this Agreement, YVWD may be responsible for certain fixed costs, also known as a readiness-to-serve charge, associated with the operations, maintenance and replacement costs for any Pipeline Capacity Discharge Right, even though treatment and disposal rights may not have been acquired.

2. Compliance with OCSD, SAWPA, and SBVMWD Agreements, Rules and Regulations. YVWD agrees that it will at all times be in full and complete compliance with the terms of the agreements, rules and regulations regarding use of the SARI

system imposed by OCSD, SAWPA, SBVMWD or any other authority with jurisdiction to do so. Copies of the current rules and regulations are attached and incorporated herein by reference.

3. Future Acquisition of Treatment and Disposal Rights. YVWD shall have the right, at any time and pursuant to separate written agreement(s) between YVWD and SBVMWD, to purchase Treatment and Disposal Rights up to the total SARI Pipeline capacity discharge right acquired hereunder, except that no Treatment and Disposal Rights may be purchased by YVWD at any time it is in arrears on any payment due and payable hereunder. Such Treatment and Disposal Rights shall be purchased by YVWD in increments of not less than 10,000 gallons per day. YVWD acknowledges that the purchase price and any other charges to be paid to SBVMWD for Treatment and Disposal Rights are established, from time-to-time, by resolution of the SAWPA Commission. After approval of such Treatment and Disposal Rights purchase agreement and issuance of an SBVMWD discharge permit therefore, YVWD shall be entitled to discharge the permitted amount of non-reclaimable wastewater into the SARI System.

4. Other costs. Following YVWD's acquisition of treatment and disposal capacity rights SBVMWD will become liable for certain other costs pursuant to the SAWPA - SBVMWD SARI Capacity Agreement(s) and any amendments thereto. YVWD agrees to make payment of any and all such costs associated with the Pipeline Capacity Discharge Rights allocated to YVWD and any Treatment and Disposal Capacity Right acquired for YVWD in connection therewith, said payment to be made in each case on or before the due date applicable thereto.

5. Quality Standards. The quality of non-reclaimable wastewater discharged by YVWD into the SARI System shall, at all times, comply with the quality standards mandated by OCSD, SAWPA's ordinances, and any applicable SARI System Discharge Permits. YVWD represents and agrees that it shall not discharge or cause to be discharged domestic wastewater into the SARI System.

6. Transfer of SARI Capacity Use Rights. YVWD shall have the right, at its sole cost and expense, to transfer and reallocate within its service area the SARI Pipeline Capacity Discharge Rights acquired herein among potential dischargers located within its jurisdiction; provided, however, that the use of such allocated rights at any particular point of discharge shall be subject to the issuance by SBVMWD of discharge permits as required by SBVMWD's and SAWPA's ordinance, rules and regulations governing the use and availability of the SARI System. YVWD acknowledges and agrees that all provisions of such ordinances, rules and regulations are fully applicable to any and all discharges to the SARI System.

7. Marketing Capacity Use Rights. Upon written request by YVWD, SBVMWD shall attempt to market YVWD's capacity use rights, or any part thereof, in the SARI System to other users within SBVMWD's service area or to SAWPA. The sales price for each increment made available for sale shall be the price periodically established by the SAWPA Commission in effect at the time the purchase and sale is consummated.

8. Discharge Permit and Other Requirements. Prior to making any discharges into the SARI system, YVWD will be required to apply for a discharge permit and obtain the

same from SAWPA and to make arrangements with SBVMWD and SAWPA for the point of delivery of such discharge and for payment of the costs of installation and maintenance of facilities in connection therewith.

9. Default. In the event YVWD fails to pay when due any sums required under this Agreement, or if YVWD otherwise fails to comply with or perform any of its obligations under this Agreement or under any rules or regulations of OCSD or SAWPA or any other authority, SBVMWD shall give written notice to YVWD of such default. Upon failure by YVWD to remedy any such default within 30 days after notice, SBVMWD shall have the right to exercise any and all rights provided by law or the rules and regulation of the SBVWMD and SAWPA with respect thereto. Any sums owed under this Agreement and not paid when due, shall bear interest at the maximum legal rate.

10. Indemnification. YVWD shall indemnify and hold SBVMWD harmless from all claims, demands, actions, liability, or loss, including attorney's fees and other litigation costs, arising from any failure by YVWD to comply with the terms of this Agreement.

11. Assignment. This Agreement shall not be assigned by YVWD without the prior written consent from SBVMWD; provided, however, this provision shall not limit YVWD's right to allocate its capacity use rights among potential discharges within its service area.

12. Attorney's Fees. The prevailing Party shall be entitled to recover all costs including attorney's fees in connection with any action to enforce the terms of or for breach of this Agreement.

13. Time Agreement is to Become Effective. This Agreement shall become effective upon its execution and delivery by each of the Parties hereto.

Dated: 7-5-06

San Bernardino Valley Municipal Water District

By: _____
President

By: _____
Secretary

Dated: 7/12/04

Yucaipa Valley Water District

By: _____
President

By: _____
Secretary

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Payment Terms For Pipeline Capacity Discharge Right

The amount to be paid by YVWD to SBVMWD for the Pipeline Capacity Discharge Right allocation being acquired by this Agreement is $3,750,000, to be paid by YVWD to SBVMWD within 30 business days of the effective date of this Agreement.

This payment does not cover costs of providing Treatment and Disposal Capacity or other normal SARI charges. Prior to discharges into the SARI line such Treatment and Disposal Capacity must be purchased and full compliance with the relevant, then current rules, regulations and payment by YVWD for these services shall be completed by YVWD and approved by SBVMWD and SAWPA.

Exhibit A-SARI Discharge Agreement