Yucaipa Valley Water District

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

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

Wednesday, September 19, 2012 at 6:00 p.m.

I. CALL TO ORDER - Pledge of Allegiance

II. ROLL CALL

III. PUBLIC COMMENTS - At this time, members of the public may address the Board of Directors on matters within its jurisdiction. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the board meeting.

IV. CONSENT CALENDAR - All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the board considers the motion unless members of the board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar. The General Manager recommends approval of the following:

- A. Minutes of Meetings
  - 1. Regular Board Meeting - September 5, 2012
  - 2. Board Workshop - September 11, 2012
- B. Payment of Bills
  - 1. Approve/Ratify Invoices of Board Awarded Contracts
  - 2. Ratify General Expenses for August 2012

V. BOARD REPORTS

- A. City of Yucaipa Economic Development Advisory Committee - September 6, 2012
- B. Association of the San Bernardino County Special Districts - September 17, 2012
- C. Reports by Board Members

VI. STAFF REPORT

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

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

VII. DISCUSSION ITEMS

A. Unaudited Financial Report for the Period Ending August 31, 2012 [Director Memorandum No. 12-077 - Page 23 of 120]

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

B. Development Agreement No. 2012-08 - Amendment No. 1 to the Agreement to Provide Water, Sewer and Recycled Water Facilities and Service to the Development of Tract No. 26811 [Director Memorandum No. 12-078- Page 52 of 120]

RECOMMENDED ACTION: That the Board approves Development Agreement No. 2012-08.

C. Amendment No. 1 to the Santa Ana Regional Interceptor Agreement between Yucaipa Valley Water District and the San Bernardino Valley Municipal Water District [Director Memorandum No. 12-079 - Page 55 of 120]

RECOMMENDED ACTION: That the Board approves the Amendment to the Santa Ana Regional Interceptor Agreement with San Bernardino Valley Municipal Water District.

D. Development Agreement No. 2012-06 - Agreement to Provide Water and Sewer Facilities and Service to the Proposed Residential Development of Tract No. 30386 Located in Calimesa, California [Director Memorandum No. 12-080 - Page 74 of 120]

RECOMMENDED ACTION: That the Board approves Development Agreement No. 2012-06.

E. Development Agreement No. 2012-07 - Agreement to Provide Water and Sewer Facilities and Service to the Proposed Residential Development of Tract No. 26925 Located in Calimesa, California [Director Memorandum No. 12-081 - Page 90 of 120]

RECOMMENDED ACTION: That the Board approves Development Agreement No. 2012-07.

F. Labor Agreement with the General Employee Bargaining Group of the Yucaipa Valley Water District [Director Memorandum No. 12-082 - Page 106 of 120]

RECOMMENDED ACTION: That the Board approves the Labor Agreement with the General Employee Bargaining Group.

G. Labor Agreement with the Management-Supervisory Employee Bargaining Group of the Yucaipa Valley Water District [Director Memorandum No. 12-083 - Page 111 of 120]

RECOMMENDED ACTION: That the Board approves the Labor Agreement with the Management-Supervisory Bargaining Group.

H. Labor Agreement with the Management-Exempt Employee Bargaining Group of the Yucaipa Valley Water District [Director Memorandum No. 12-084 - Page 115 of 120]

RECOMMENDED ACTION: That the Board approves the Labor Agreement with the Management-Exempt Bargaining Group.

VIII. DIRECTORS COMMENTS

IX. CLOSED SESSION

A. Conference with Real Property negotiator(s) (Government Code 54956.8)
Property: Assessor's Parcel Number: 301-201-29
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Palmer General Corporation
Under Negotiation: Terms of Payment and Price

X. ANNOUNCEMENTS

A. September 25, 2012 at 4:00 p.m. - Board Workshop

B. October 3, 2012 at 6:00 p.m. - Regular Board Meeting

C. October 9, 2012 at 4:00 p.m. - Board Workshop

D. October 17, 2012 at 6:00 p.m. - Regular Board Meeting

E. October 30, 2012 at 4:00 p.m. - Board Workshop

F. November 7, 2012 at 6:00 p.m. - Regular Board Meeting

XI. ADJOURNMENT

CONSENT CALENDAR

MINUTES OF A REGULAR BOARD MEETING

September 5, 2012

Directors Present:
Bruce Granlund, Vice President
Ian Cuthbertson, Director
Lonni Granlund, Director

Staff Present:
Joseph Zoba, General Manager
Brent Anton, Engineering Manager

Directors Absent:
Jay Bogh, President
Hank Wochholz, Director

Consulting Staff Present:
David Wysocki, Legal Counsel

Registered Guests and Others Present:
John Jeter, San Gorgonio Pass Water Agency
Bill Dickson, San Gorgonio Pass Water Agency
Ray Morris, San Gorgonio Pass Water Agency
Matthew Porras,

CALL TO ORDER

The regular meeting of the Board of Directors of the Yucaipa Valley Water District was called to order by Director Bruce Granlund at 6:00 p.m. on Wednesday, September 5, 2012 at the Administrative Office Building, 12770 Second Street, Yucaipa, California.

FLAG SALUTE

Director Bruce Granlund led the pledge of allegiance.

ROLL CALL

The roll was called and Director Bruce Granlund, Director Ian Cuthbertson, and Director Lonni Granlund were present. Director Hank Wochholz and Director Jay Bogh were absent

PUBLIC COMMENTS

Director Bruce Granlund welcomed the audience members. There were no public comments.

CONSENT CALENDAR

Director Lonni Granlund moved to approve the consent calendar and Director Ian Cuthbertson seconded the motion.

A. Minutes of Meetings
   1. Regular Board Meeting - August 15, 2012
   2. Board Workshop - August 28, 2012

The consent calendar was approved by a vote of 3 - 0.

BOARD REPORTS

No board reports were provided.

STAFF REPORT

No staff reports were provided.

DISCUSSION ITEMS:

Following a staff presentation by General Manager Joseph Zoba, Director Lonni Granlund moved and Director Ian Cuthbertson seconded a motion to deny the claim for damages at property located at 36226 Panorama Drive, Yucaipa. The motion was approved by a vote of 3 - 0.

DM 12-072
CLAIM FOR DAMAGES RELATED TO DIRTY WATER AT 36226 PANORAMA DRIVE, YUCAIPA - MICHAEL BOLEN

Following a staff presentation by General Manager Joseph Zoba, Director Ian Cuthbertson moved and Director Lonni Granlund seconded a motion to deny the claim for damages at property located at 11966 California Street, Yucaipa. The motion was approved by a vote of 3 - 0.

DM 12-073
CLAIM FOR DAMAGES RELATED TO A MAINLINE BREAK AT 11966 CALIFORNIA STREET, YUCAIPA - JOSHUA CICCANTI

Following a staff presentation by General Manager Joseph Zoba, Director Ian Cuthbertson moved and Director Lonni Granlund seconded a motion to ratify the execution of Modification No. 6 to the Cooperative Agreement No. R10AC35R03 with the Bureau of Reclamation. The motion was approved by a vote of 3 - 0.

DM 12-074
RATIFICATION OF AGREEMENT MODIFICATION NO. 6 TO THE COOPERATIVE FUNDING AGREEMENT WITH THE UNITED STATED DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION RELATED TO THE YUCAIPA VALLEY REGIONAL BRINELINE PROJECT

Following a staff presentation by General Manager Joseph Zoba, Director Ian Cuthbertson moved and Director Lonni Granlund seconded a motion to authorize a financial contribution not to exceed $52,000 for the completion of the Yucaipa Groundwater Study by Geoscience. The motion was approved by a vote of 3 - 0.

DM 12-075
PARTICIPATION IN A REGIONAL STUDY OF THE YUCAIPA GROUNDWATER COMPLEX

Following a staff presentation by General Manager Joseph Zoba, Director Ian Cuthbertson moved and Director Lonni Granlund seconded a motion to approve the Class II Industrial User Pretreatment Discharge Permit for Skat Trak Performance Products. The motion was approved by a vote of 3 - 0.

DM 12-076
CLASS II NON-SIGNIFICANT CATEGORICAL INDUSTRIAL USER DISCHARGE PERMIT NUMBER CP-003-03 ISSUED TO SKAT-TRAK PERFORMANCE

PRODUCTS

There were not comments from the board members. DIRECTOR COMMENTS

There was no closed session conducted. CLOSED SESSION

Director Bruce Granlund directed attention to the announcements located on the board meeting agenda. ANNOUNCEMENTS

There being no further business, the meeting was adjourned at 6:45 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary (Seal)

MINUTES OF A BOARD WORKSHOP

September 11, 2012 at 4:00 P.M.

Directors Present:
- Jay Bogh, President
- Bruce Granlund, Vice President
- Ian Cuthbertson, Director
- Lonni Granlund, Director

Staff Present:
- Joseph Zoba, General Manager
- John Hull, Public Works Manager
- Brent Anton, Engineering Manager
- Jennifer Ares, Resource Sustainability Manager
- Vicky Elisalda, Controller
- Bob Wall, Operations Manager
- Kevin King, Operations Manager

Directors Absent:
- Hank Wochholz, Director

Consulting Staff Present:
- David Wysocki, Legal Counsel

Guests and Others Present:
- John Jeter, San Gorgonio Pass Water Agency
- Ray Morris, San Gorgonio Pass Water Agency
- Bill Dickson, San Gorgonio Pass Water Agency

I. Call to Order - 4:00 p.m.

II. Public Comments - General Manager Joseph Zoba recognized the members of the Board of Directors, District staff and members of the public in attendance. There were no public comments.

III. Staff Report -

- General Manager Joseph Zoba mentioned that a majority of the water retailers in the service area of the San Gorgonio Pass Water Agency have considered and adopted the regional water allocation plan. The next regional meeting will be on September 27, 2012 at the City of Banning
- General Manager Joseph Zoba provided a comparative analysis water consumption indicating that the summer water demands for 2012 have increased well above the demands during 2010 and 2011.

IV. Capital Improvement Projects

A. Status Report on the Construction of the Yucaipa Valley Regional Brineline [Workshop Memorandum No. 12-155] - Engineering Manager Brent Anton provided a detailed status report on the construction of the Yucaipa Valley Regional Brineline Project.

B. Status Report on the Construction of the R-10 Recycled Water Reservoir and Booster Complex [Workshop Memorandum No. 12-156] - Engineering Manager Brent Anton provided a detailed status report on the construction of the R-10 Reservoir Project.

C. Status Report on the Construction of the Crow Street Pipeline Facilities [Workshop Memorandum No. 12-157] - Engineering Manager Brent Anton provided an overview of the Crow Street Pipeline Project.

D. Status Report on the Construction of the Recycled Water Booster Facility at the Reservoir R-12.1 Complex [Workshop Memorandum No. 12-158] - Engineering Manager Brent Anton provided a detailed status report on the construction of the R-12.1 Recycled Water Booster Facility.

E. Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project [Workshop Memorandum No. 12-159] - Operations Manager Kevin King provided an overview of the construction of the reverse osmosis equipment at the Wochholz Regional Water Recycling Facility.

V. Development Related Issues

A. Development Agreement for Tract No. 30386 - Calimesa [Workshop Memorandum No. 12-160] - General Manager Joseph Zoba provided an overview of the development agreement for Tract No. 30386.

B. Development Agreement for Tract No. 26925 - Calimesa [Workshop Memorandum No. 12-161] - General Manager Joseph Zoba provided an overview of the development agreement for Tract No. 26925.

C. Amendment No. 1 to Development Agreement for Tract No. 25811 - Calimesa [Workshop Memorandum No. 12-162] - General Manager Joseph Zoba provided an overview of the development agreement extension for Tract No. 25811.

VI. Administrative Issues

A. Unaudited Financial Report for the Period Ending on August 31, 2012 [Workshop Memorandum No. 12-163] - Controller Vicky Elisalda provided an overview of the unaudited financial report for August 2012.

B. Supervisory Control and Data Acquisition (SCADA) System Improvements for the Recycled Water System [Workshop Memorandum No. 12-164] - Engineering Manager Brent Anton provided an overview of the SCADA upgrade proposal for the recycled water system.

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] - General Manager Joseph Zoba provided an overview of the proposed amendment for SARI pipeline capacity with the San Bernardino Valley Municipal Water District.

VII. Director Comments - There were no comments from the board members.

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

There was no closed session conducted.

IX. Adjournment - The meeting was adjourned at 5:25 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(SEAL)

Board Awarded Contracts
Consent Calendar Regular Meeting -September 19, 2012

District Awarded Contracts	Director Memorandum	Job or GL No.	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining	Encumbered Funds - Remaining Contract Amount: General Operating Expenses	Water Division Funds	Sewer Division Funds	Non-Potable Division Funds	Other Funds
Aklufi & Wysocki - FY 2013 Legal Services	- -	*-5-06-54107	- -	- -	$4,615	$3,705	$8,320							
DDB Engineering														
Prep of the Discharge Permit Appl for WRWRF	10-070	03-5-06-54109		$44,300	$30,849	$0	$30,849	$13,451	30%	$13,451				
Delta Partners $90,000 per year - Legislative Consult (exp 12/13) W/S	09-007	*-5-06-54109	- -	$90,000	$52,500	$7,500	$60,000	$30,000	33%	$30,000				
Doty Bros. Equipment Co.	12-033	04-xxxx		$1,889,000	$367,319	$118,655	$485,974	$1,403,026	74%				$1,403,026	
Dudek & Associates														
Recycle Water Phase II - Non-Potable & Brineline Project - Design	07-080	65-178	$415,040	$2,219,831	$2,163,045	$0	$2,163,045	$56,786	3%				$56,786	
TO#1, Amendment #1 (EPA)	07-123		$34,920											
TO#1, Amendment #2	08-038		$79,920											
TO#1, Amendment #3	08-088		$1,267,407											
TO#1, Amendment #4	08-089		$37,539											
TO#1, Amendment #5	09-070		$34,865											
TO#1, Amendment #6	09-079		$50,900											
TO#1, Amendment #7	10-005		$57,848											
TO#1, Amendment #8	10-007		$8,840											
TO#1, Amendment #9	10-008		$4,950											
TO#1, Amendment #10	10-037		$35,800											
TO#1, Amendment #11	10-038	03-7387	$49,760											
TO#1, Amendment #12	10-084		$24,278											
TO#1, Amendment #13	11-032		$46,764											
TO#1, Amendment #16	11-083		$71,000											
TO#1, Amendment #14														
Design of Crow Street Infrastructure	11-073	04-5181		$70,008	$69,997	$0	$69,997	$11	0%				$11	
TO#2, Environmental requirements for SCRAM project	10-064	88-5399		$3,750	$3,720	$0	$3,720	$30	1%	$30				
TO#3 (was TO#1, Amend 15)	11-082	03-7388	$36,010	$55,785	$55,293	$0	$55,293	$492	1%			$492		
TO#3, Amendment #1	12-010	03-7388	$19,775											
Biological Monitoring During Brineline Construction														
TO#4	11-096	03-7388		$96,864	$31,320	$1,443	$32,763	$64,101	66%			$64,101		
Biological Monitoring During Brineline Construction														
Environmental Services for the BCV Non-Potable Water Ext.	11-018	04-9435		$53,454	$50,107	$0	$50,107	$3,347	6%				$3,347	
Review & Update local pretreatment limits	09-105	03-5-06-54109		$30,700	$24,438	$0	$24,438	$6,263	20%	$6,263				
Geoscience														
Yucaipa Groundwater Study	12-075	02-5-06-54109		$52,000	$0	$0	$0	$52,000	100%		$52,000			
Harper & Associates Engineering														
Prep of Tech Specs & Const Svcs for the Recoating of R13.2	12-067	65-12832		$23,000	$0	$0	$0	$23,000	100%		$23,000			
Krieger & Stewart														
TO#5, Design R-13.4 and H-2 Reservoirs for JP Ranch	05-083	65-180	$47,400	$79,000	$50,471	$0	$50,471	$28,529	36%					$28,529
60% R-13.4 and 40% H-2	05-083	65-179	$31,600											
TO#6, Design of the Recycled Water R-10.3 and Booster Facility	11-036	04-9945	$233,500	$691,200	$436,254	$25,004	$461,258	$229,942	33%				$229,942	
TO#9, Const Mgmt Svcs related to R-10.3 and Booster Facility	12-011		$457,700											
TO#7, Design of a 24" Recycled Water Pipeline	11-091	04-9435		$220,800	$185,708	$0	$185,708	$35,092	16%				$35,092	
TO#8, Design of the Recycled Water 12.1 Booster Pump Station	11-102	04-11107	$178,000	$398,400	$230,204	$16,891	$247,095	$151,305	38%				$151,305	
TO#10, Const Mgmt Svcs for Recycled Water 12.1 Booster Station	12-048		$220,400											
Construction Mgmt Svcs for Non-Potable/Outfall	10-022	04-7386	$979,100	$2,371,720	$211,473	$0	$211,473	$322,567	14%			$322,567		
Construction Mgmt Svcs for Brineline		03-7387			$1,616,641	$59,234	$1,675,875							
Phase 3 Plan Review		03-7388			$161,805	$0	$161,805							
TO #2	11-067		$174,620											

Board Awarded Contracts
Consent Calendar Regular Meeting -September 19, 2012

District Awarded Contracts	Director Memorandum	Job or GL No.	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining	Encumbered Funds - Remaining Contract Amount: General Operating Expenses	Water Division Funds	Sewer Division Funds	Non-Potable Division Funds	Other Funds
TO#3	11-081		$1,218,000											
TO#11, Const Mgmt Svcs for Crow Street Pipeline	12-049	04-5181		$153,900	$5,214	$865	$6,079	$147,821	96%				$147,821	
TO#12, Design of Sewer Collection Facilities in Western Yucaipa	12-063	03-12357		$53,900	$0	$0	$0	$53,900	100%			$53,900		
One Stop Landscape Supply - FY 2013 Sludge Hauling & Reuse	- -	03-5-02-57031	- -	- -	$25,068	$26,195	$51,263							
Pascal & Ludwig Constructors	12-024	03-11718		$5,003,170	$739,356	$957,751	$1,697,107	$3,306,063	66%			$3,306,063		
Construction of WISE Project at WWTP														
Platinum Advisors														
FY 2013 Lobbyist N-T-E per month	09-008	02-5-06-54109	- -	- -	$10,000	$5,000	$15,000							
FY 2013 Quarterly Filing & Misc. Expenses		02-5-06-54109	- -	- -	$0	$250	$250							
Pro-Craft Construction	12-071	04-5181		$1,064,160	$0	$0	$0	$1,064,160	100%				$1,064,160	
Construction of WISE Project at WWTP														
W.A. Rasic Construction														
Construction of Brineline Phase 3	11-080	03-7388		$9,350,000	$8,451,865	$248,858	$8,700,723	$649,277	7%			$649,277		
CO #1 - Administrative	12-027			$0										
RMC Water & Environment														
TO#10 SRF Assistance	05-125	03-506-54109	$102,120	$102,120	$88,660	$0	$88,660	$13,460	13%	$13,460				
TO#24, Project Mgmt Serv related to Recycled Water & Brineline	10-031		$90,000											
TO#24, Amendment #1	11-110		$89,960											
TO#24, Amendment #2	12-044		$149,600											
Brineline Phase 1 & 2/Phase 3		03-7387/03-7388		$194,800	$141,116	$6,488	$147,604	$47,197	24%			$47,197		
Non-Potable/Outfall		04-7386		$134,760	$81,491	$4,210	$85,701	$49,059	36%				$49,059	
TO#25, Digester Cleaning & a Solids Process Cond Assess	12-066	88-12830		$57,730	$0	$0	$0	$57,730	100%			$57,730		
RSH Construction														
Construction of the R-10.3 Recycled Water Storage & Booster Complex	12-002	04-9945		$4,177,087	$1,800,951	$387,518	$2,188,469	$1,988,618	48%				$1,988,618	
CO #1 - Administrative	12-028			$0										
Separation Processes, Inc.														
TO#11, Study of Low Pressure Rev Osmosis Membranes at WRWRF	09-018	88-3971 (exp)	$150,852	$150,852	$148,526	$0	$148,526	$2,326	2%	$2,326				
TO#12, Design Services for Salinity Concentrate Reductions	09-085	88-5399(exp)		$144,940	$124,567	$0	$124,567	$20,373	14%	$20,373				
TO#13, Prelim Eng Analysis of Wochholz Improved Salinity Effluent	09-086	88-5396 (exp)	$32,500	$389,003	$378,800	$0	$378,800	$10,203	3%	$10,203				
TO#13, Amendment #1 CAD Design for WISE project	10-050		$78,132											
TO#13, Amendment #2 CAD Design for WISE project	11-046		$50,000											
TO#13, Amendment #3 CAD Design for WISE project	11-090		$218,371											
TO#14, Amendement #4 Elec Impr for WISE project	12-045		$10,000											
TO#14, Const Mgmt Services for WISE project	12-015	03-11718		$309,383	$137,944	$40,643	$178,587	$130,796	42%			$130,796		
Vavrinek, Trine, Day & Company (VTD)														
FY 2012 Auditing Services (add $8500 for Single Audit)	08-079	*-5-06-54108	$32,745	$32,745	$400	$10,630	$11,030	$21,715	66%	$21,715				
Wildermuth Environmental Inc.														
Monitoring & documenting the District's max benefit commitments	10-060	65-1138		$10,634	$8,159	$0	$8,159	$2,475	23%	$2,475				
GRAND TOTALS				**$29,718,996**	**$17,887,878**	**$1,920,838**	**$19,808,716**	**$9,985,113**	- -	**$120,295**	**$75,000**	**$4,632,123**	**$5,129,166**	**$28,529**
										$120,295		**$9,836,289**		**$28,529**

Approval of General Expenses August 2012 (Check Register Attached)

Check Register - August 2012

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

Check Register - August 2012

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

Check Register - August 2012

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

Check Register - August 2012

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

Check Register - August 2012

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**

BOARD REPORTS

Economic Development Advisory Committee
Regular Meeting
Agenda

September 6, 2012 - 5:30 PM

Community Meeting Room - Yucaipa City Hall
34272 Yucaipa Boulevard, Yucaipa, California

ANY PUBLIC WRITINGS DISTRIBUTED BY THE CITY TO AT LEAST A MAJORITY OF THE COMMITTEE MEMBERS REGARDING ANY ITEM ON THIS REGULAR MEETING AGENDA WILL BE MADE AVAILABLE AT THE PUBLIC SERVICE COUNTER AT CITY HALL, 34272 YUCAIPA BOULEVARD, DURING NORMAL BUSINESS HOURS.

+ + + PLEASE NOTE NEW MEETING DATE + + +

I. Call to Order

II. Approval of Minutes (July 12, 2012)

III. Public Comment

IV. Review of Current Development

V. Old Business

1. Economic Development Budget
2. Farmers' Market
3. Calendar of Special Events
   - A. Iris Festival
   - B. Music & Arts Festival

VI. New Business

1. Oktoberfest
2. Hi Tech Company Marketing Effort

VII. Round Table

VIII. Adjourn

The next EDAC meeting is scheduled for November 1, 2012, at 5:30 PM

ASBCSD
P.O. Box 205
Montclair, CA
91763

***P** 760-985-2787*

President:
Kathy Tiegs

Vice President:
Steve Copelan

Director:
Kimberly Cox

Director:
Earl Tillman

Director:
Sarann Graham

Director:
Hank Stoy

Director:
Geoffrey Goss

Administrative
Secretary:
Cheryl Vermette





Lake Arrowhead Community Services will be hosting the **September 17, 2012** Membership Meeting at:
The Grill at the Antlers Inn
26125 Highway 189
Twin Peaks, CA 92391
(909) 336-2600

The social hour will begin at 6:00 PM with a call to order at 6:45 PM.



MEMBER CHALLENGE:
Bring someone new! Bring a Board Member, employee or someone from another Special District to the meeting!

Menu:
Rib Eye Steak served with Salad, Purple House Potatoes, and House Vegetables or ***Cashew Encrusted Chicken*** served with Salad, French Onion Pudding, and House Vegetable. Dessert: Lemon Zest Cheese Cake, Coffee or Tea. No Host Bar will be available.

Program:
Evari GIS Consulting (Evari) will discuss applications for Special District's that will enhance their current enterprises through the effective use of GIS.

Cost:
$35 per person

RSVP:
Kathleen at (909) 336-7117 or email: kfield@lakearrowheadcsd.com
no later than Monday, September 10, 2012, ***with your dinner choice***

Make checks payable to ASBCSD and send to:

Attention: Cheryl Vermette
PO BOX 205
Montclair, CA 91763

District/Associate Attendee: _____

_____

_____

Reminder: There is a $2 surcharge for reservations made after the deadline date, as well as for coming to dinner with no reservations. You will also be billed for the dinner if your cancellation is not received prior to the deadline.

STAFF REPORT

DISCUSSION ITEMS

Yucaipa Valley Water District

Director Memorandum 12-077

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

Check Register - August 2012

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**

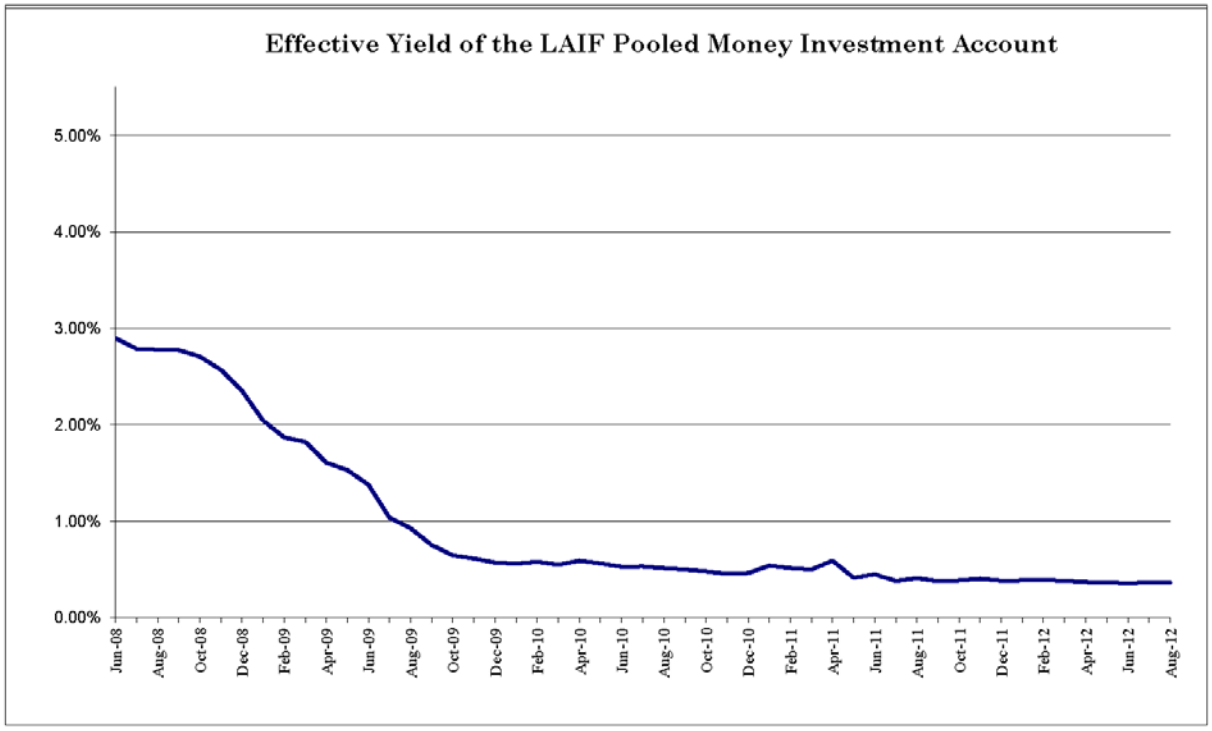
Money Market Account Activity-Beginning Balance	**64.72**
August - Dividend/Interest	0.00
08/23/12 - Cusip # 912795Y96 Interest	81.52
Income	**81.52**
Intra-Bank Transfers to/from Investment Checking	0.00
Fund Transfers	**0.00**
08/23/12 - Cusip # 912795Y96 Maturity	500,918.48
Redemptions	**500,918.48**
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

Director Memorandum 12-078

Date: September 19, 2012

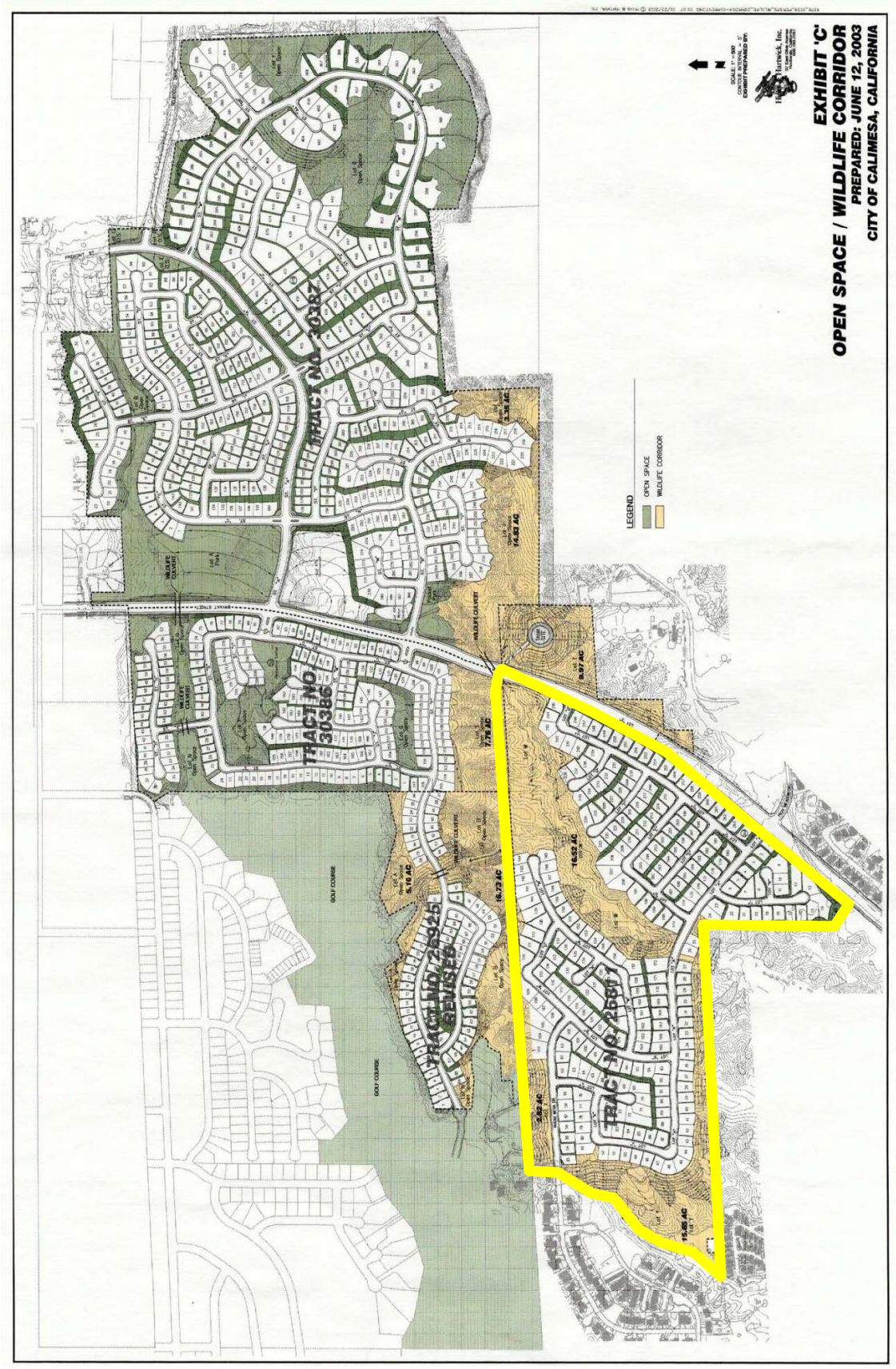
Prepared By: Joseph B. Zoba, General Manager

Subject: Development Agreement No. 2012-08 - Amendment No. 1 to the Agreement to provide Water, Sewer and Recycled Water Facilities and Service to the Development of Tract No. 26811

Recommendation: That the Board approves Development Agreement No. 2012-08.

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.




EXHIBIT 'C'
OPEN SPACE / WILDLIFE CORRIDOR
PREPARED: JUNE 12, 2003
CITY OF CALIMESA, CALIFORNIA
LEGEND
OPEN SPACE
WILDLIFE CORRIDOR
TRACT NO 30386
TRACT NO 29215 REVISED
TRACT NO 29581
GOLF COURSE
WILDLIFE CULVERT

Development Agreement No. 2012-08

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:	_____

Yucaipa Valley Water District

Director Memorandum 12-079

Date: September 19, 2012

Prepared By: Joseph B. Zoba, General Manager

Subject: Amendment No. 1 to the Santa Ana Regional Interceptor Agreement between Yucaipa Valley Water District and the San Bernardino Valley Municipal Water District

Recommendation: That the Board approves the Amendment to the Santa Ana Regional Interceptor Agreement with 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.

Amendment No. 1 to the Santa Ana Regional Interceptor Discharge Agreement

This First Amendment to the SARI Discharge Agreement ("Amendment") is executed and deemed effective July 1, 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.

San Bernardino Valley Municipal Water District

Dated: _____ By: _____

_____
Print Name

_____
Print Title

Yucaipa Valley Water District

Dated: _____ By: _____

_____
Print Name

_____
Print Title

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

6

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

3

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

Yucaipa Valley Water District

Director Memorandum 12-080

Date: September 19, 2012

Prepared By: Joseph B. Zoba, General Manager

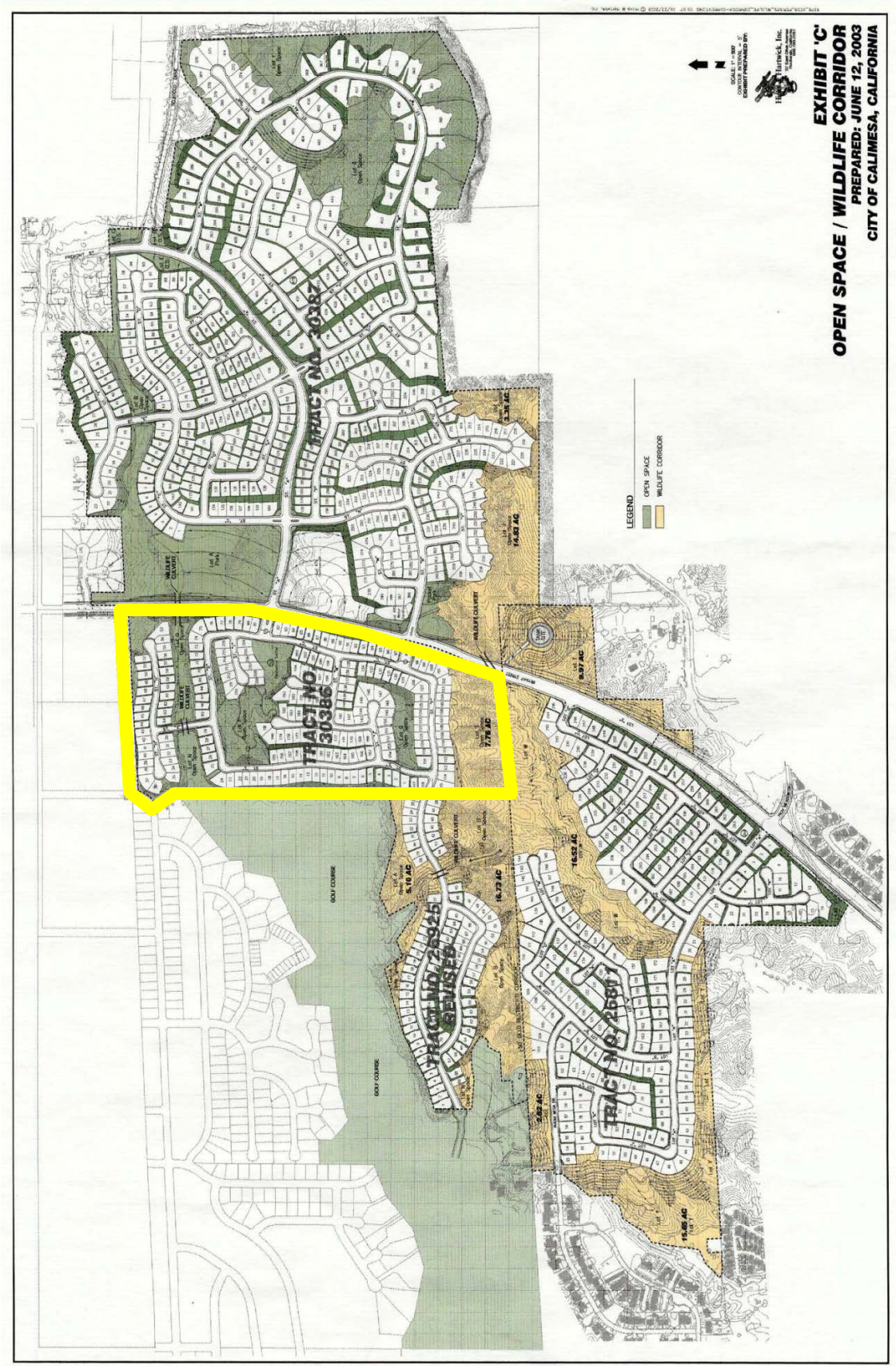
Subject: Development Agreement No. 2012-06 - Agreement to Provide Water and Sewer Facilities and Service to the Proposed Residential Development of Tract No. 30386 Located in Calimesa, California

Recommendation: That the Board approves Development Agreement No. 2012-06.

The District staff has been working with Highpointe Communities on 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. This agreement will outline the terms and conditions related to water and sewer service for 211 homes.

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EXHIBIT 'C'
OPEN SPACE / WILDLIFE CORRIDOR
PREPARED: JUNE 12, 2003
CITY OF CALIMESA, CALIFORNIA
LEGEND
OPEN SPACE
WILDLIFE CORRIDOR
TRACT NO 30386
TRACT NO 29025 REVISED
TRACT NO 29581
GOLF COURSE
GOLF COURSE

Agreement: 2012-06
Project File: P-65-83

AGREEMENT TO PROVIDE WATER AND SEWER FACILITIES AND SERVICE TO THE PROPOSED RESIDENTIAL DEVELOPMENT OF TRACT 30386 LOCATED IN CALIMESA, CALIFORNIA

This Agreement is made and effective this 19th day of September 2012, by and between the YUCAIPA VALLEY WATER District, a public agency ("District") and Highpointe Communities, Inc., a California Corporation doing business as Highpointe JPR 308, LLC ("Developer"). Each is sometimes referred to herein as a "Party" and jointly as the "Parties".

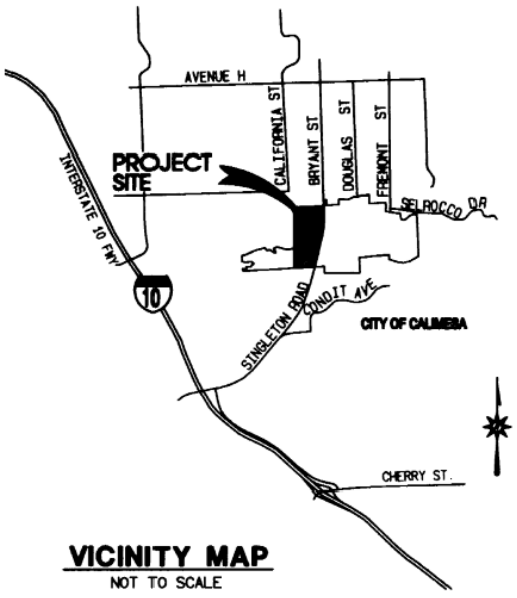
Contact information for the parties is as follows:

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

Developer:
Highpointe JPR 308, LLC
20 Enterprise, Suite 320
Aliso Viejo, California 92656
Attn: Steve Ludwig, Executive Vice President
Telephone: (949) 472-0169
Facsimile: (949) 609-0739

PROJECT OVERVIEW

The proposed construction of Tract No. 30386 involves the development of 211 residential homes and one recreation center west of Singleton Road ("Developer's Property" or the "Property"). An overview of the proposed project size and location is provided as Exhibit A.



VICINITY MAP
NOT TO SCALE

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

RECITALS

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

WHEREAS, Developer proposes to develop the Developer's Property in the manner generally

proposed and in accordance with the currently approved maps and construction drawings reviewed by the Yucaipa Valley Water District at this time, and

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

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

AGREEMENT

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

PART A: THE FACILITIES

1. General Description.

a. The Developer proposes to develop its Property as provided on the approved development construction drawings approved by the District which includes potable water, sewer, and recycled water facilities necessary to serve the development. Such Facilities are more fully described in Part G Special Conditions below.

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

PART B: DESIGN AND CONSTRUCTION

2. Licensed Professionals. All work, labor and services performed and provided in connection with (for example) the preparation of real property and right-of-way surveys and descriptions, the preparation of construction specifications, plans and drawings, and the construction of all facilities, shall be performed by, or under the direction of, professionals appropriately licensed by the State of California and in good standing. In the event the District reasonably determines, in its sole discretion, that additional licensed professionals are required in order to satisfy the obligations of the Developer hereunder, the Developer shall promptly retain such professionals at its sole cost and expense.

3. Plan Acceptance; Facility Acceptance.

a. The District shall promptly review and respond to all plans and specifications ("Plans") related to the construction of the facilities. Upon its final review and approval of the plans, the District shall sign the construction drawings ("Plan Acceptance") indicating such approval. Plans are subject to an annual review by the District and modifications

may be made by the District to conform to revised and/or improved construction standards.

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

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

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

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

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

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

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

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

accept the Facilities constructed by the Developer.

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

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

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

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

8. Developer's Warranties. The Developer shall unconditionally guaranty, for a period of one year following the District's Facility Acceptance thereof, any and all materials and workmanship, at the Developer's sole cost and expense. The provision of temporary water service through any of the Developer's Facilities, prior to District's acceptance of same, shall not nullify nor diminish the Developer's warranty obligation, nor shall the Developer's warranty obligation be voided if the District determines, in its sole discretion, to make any emergency repairs necessary to protect the public's health, safety or welfare or to ensure continuity of water or sewer service. The District shall notify Developer of such emergency repairs.

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

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

a. A Performance and Warranty Bond. A performance bond issued by a corporate surety or sureties admitted, licensed and permitted to do business by and within the State of California in an amount not less than one hundred percent (100%) of any and all construction work to be conducted or performed under this Agreement. A warranty bond issued by a corporate surety or sureties admitted, licensed and permitted to do business by and within the State of California in an amount not less than one hundred percent

(100%) of the total cost of any and all construction performed hereunder, insuring against any and all defects in the Facilities constructed hereunder, for a period of not less than one full year after the date of acceptance thereof by the District.

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

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

PART C: TITLE TO FACILITIES; OPERATION

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

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

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

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

13. Conditions Precedent to the Provision of Water and Sewer Service. Unless the District otherwise agrees in writing, the District shall not be obligated to provide any water and/or sewer service to the Developer's project or any part thereof, including model homes, until after all of the appropriate obligations imposed upon the Developer have been fulfilled including, without

limitation, conveyance to the District of the right-of-way and Facilities associated with the requested service. Upon acceptance of the right-of-way and appurtenant Facilities, and upon such other terms and conditions as may be reasonable, the District shall provide the service requested and assume the responsibility for operating and maintaining the affected Facilities. Service provided by the District shall be in accordance with its rules and regulations and shall be comparable in quality of service to that provided all similarly situated customers.

PART D: FEES AND CREDITS

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

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

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

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

PART E: PERMITS AND DOCUMENTATION

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

17. Documents Furnished by the Developer. The Developer shall furnish to the District project documentation as required by the District specified below, within the time periods specified. Each and every document submittal shall consist of a fully executed original or

certified copy (in recordable form, if applicable) and four copies.

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

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

PART F: INSURANCE AND INDEMNIFICATION

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

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

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

a. Commercial General Liability Insurance (Primary) shall be provided on ISO-CGL Form No. CG 00 01 10 93. Policy limits shall be no less than $1,000,000 per occurrence for all coverages and $2,000,000 general aggregate. The District and its officials,

employees and agents shall be added as additional insureds using ISO Form CG 20 10 10 93. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the District or any employee or agent of the District. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

b. Umbrella Liability Insurance (over Primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum $25,000 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than $2,000,000 per occurrence and in the aggregate, above any limits required in the underlying policies. The policy shall have starting and ending dates concurrent with the underlying coverages.

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

d. The Developer and the District further agree as follows:

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

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

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

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

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

PART G: SPECIAL CONDITIONS

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

a. Sewer Related Facilities: The following requirements are established for the sewer related facilities associated with this project.

i. The District has identified sewer mainline deficiencies downstream of the Project in the City of Calimesa. To secure the appropriate funding for the upgrade of these sewer mainline facilities, the Developer shall pay to the District a fee of $1,500 per Equivalent Dwelling Unit for the construction of upgraded sewer mainline facilities. This fee shall be paid prior to the issuance of building permits or prior to release for occupancy for homes/buildings already constructed as determined by the District in its sole discretion.

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

i. The Developer shall pay for the purchase a quantity of imported water pursuant to the Sustainability Policy adopted by the Board of Directors as Resolution No. 11-2008. The imported water rate shall be the rate in effect at the time water is secured from the San Gorgonio Pass Water Agency. Imported water for compliance with the Yucaipa Valley Water District's Sustainability Policy shall be purchased prior to the issuance of building permits, or prior to the issuance of occupancy for buildings already constructed as determined by the District in its sole discretion.

ii. The use of recycled water shall be provided by a recycled water booster pump and hydropneumatic tank connected to the existing recycled water facilities. The location and size of the recycled water booster pump and hydropneumatic tank shall be coordinated and approved by the District to meet the demands of the Project. The property for the recycled water booster pump and hydropneumatic tank has been identified as Lot G located at the westerly end of Garden Air Court. Title to Lot G shall be transferred to the Yucaipa Valley Water District no later than March 1, 2013. The construction and activation of the recycled water booster pump and hydropneumatic tank shall be completed prior to the issuance of the 150th building permit.

iii. The Developer is responsible for the design and construction of a 24-inch water conveyance pipeline located in Singleton Road/Bryant Street. The 24-inch water conveyance pipeline shall be built to Yucaipa Valley Water District standards and requirements and will connect to existing water pipelines at both ends of the Singleton Road/Bryant Street. The 24-inch water conveyance pipeline will be constructed in three distinct segments: 1) Segment A (from Singleton Road to Lariat Road); 2) Segment B (from Lariat Road to JP Ranch Drive); and 3) Segment C (from JP Ranch Drive to northern boundary of Tract 30386). The 24-inch water conveyance pipeline will be built concurrent with each of these three street segments and will be tested, disinfected and activated by the Yucaipa Valley Water District prior to the date when each roadway segment of Singleton Road/Bryant Street is approved for public access/use by the City of Calimesa.

It is agreed by all Parties that no building permits will be issued or water service provided to Lots 1-35 of Tract 30386 until the permanent 24-inch water conveyance pipeline is installed within Segment C of Singleton Road/Bryant Street and accepted by and placed into service by the Yucaipa Valley Water District.

d. Fee Credits: The Yucaipa Valley Water District will not provide fee credits to this development. All development related fees in effect at the time shall be paid to the Yucaipa Valley Water District prior to the issuance of building permits. Residential units and buildings already constructed shall not be issued Certificates of Occupancy until the current *Development Impact Fee - Water Storage Reservoir* fee component is received by the Yucaipa Valley Water District.

e. The Developer shall pay all water, sewer, and recycled water development impact fees and sustainability fees based on the fee in effect at the time prior to the issuance of building permits.

f. All unpaid development-related invoices shall be paid to the District prior to the issuance of any building permits and prior to the release of any home released for occupancy.

PART H: MISCELLANEOUS

21. Term and Termination of Agreement.

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

i. If the Developer fails to provide to the District adequate assurances regarding the availability of funds as set forth in Section 20 above; or

ii. Within 24 months of the effective date of this Agreement, if the initial construction contemplated hereunder by Developer has not commenced or failed to continue; or

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

iv. Within 15 days of the date of the issuance of a Notice of Default by the District to the Developer in the event the Developer fails or refuses to perform, keep or observe any of the terms, conditions or covenants set forth in this Agreement.

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

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

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

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

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

23. Amendment; Assignment.

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

b. Assignment. This Agreement shall not be assigned, whether in whole or in part, by the Developer without the prior written consent of the District.

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

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

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

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

28. District's Disclaimer. Utilizing fees and Facilities provided to the District by the Developer, the District will supply potable water, recycled water, and sewer collection and treatment services to the Developer's Property and development thereon. The District shall not be obligated to utilize public funds to subsidize the Developer's Project.

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

30. Mediation. Except as provided herein, no civil action with respect to any dispute, claim or controversy arising out of or relating to this Agreement may be commenced until the matter has been submitted to a mutually acceptable mediator ("Mediator") for non-binding mediation. The parties will cooperate with one another in selecting a Mediator, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the Mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation. The provisions of this section may be enforced by any Court of competent jurisdiction, and the prevailing party in any such enforcement action shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered. Mediation will take place in the either the County of Riverside or the County of San Bernardino, California.

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SIGNATURES SET FORTH ON FOLLOWING PAGE

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

Yucaipa Valley Water District

Dated: _____ By: _____

_____
Print Name

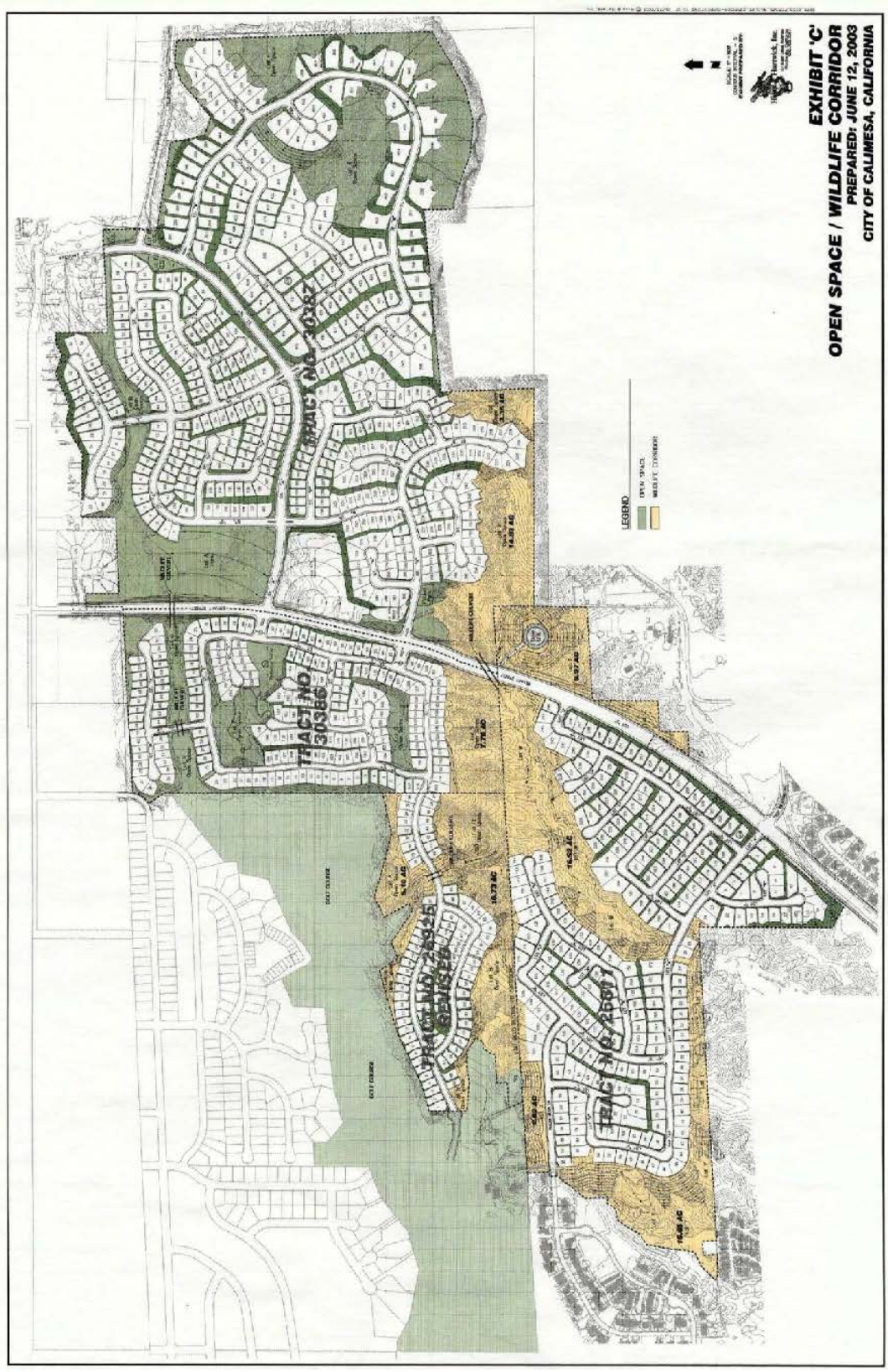
_____
Print Title

Highpointe JPR 308, LLC

Dated: _____ By: _____

_____
Print Name

_____
Print Title


EXHIBIT 'C'
OPEN SPACE / WILDLIFE CORRIDOR
PREPARED: JUNE 12, 2003
CITY OF CALIMESA, CALIFORNIA
LEGEND
TRACT NO. 30387
TRACT NO. 30386
TRACT NO. 26515 REVISED
TRACT NO. 26517

Yucaipa Valley Water District

Director Memorandum 12-081

Date: September 19, 2012

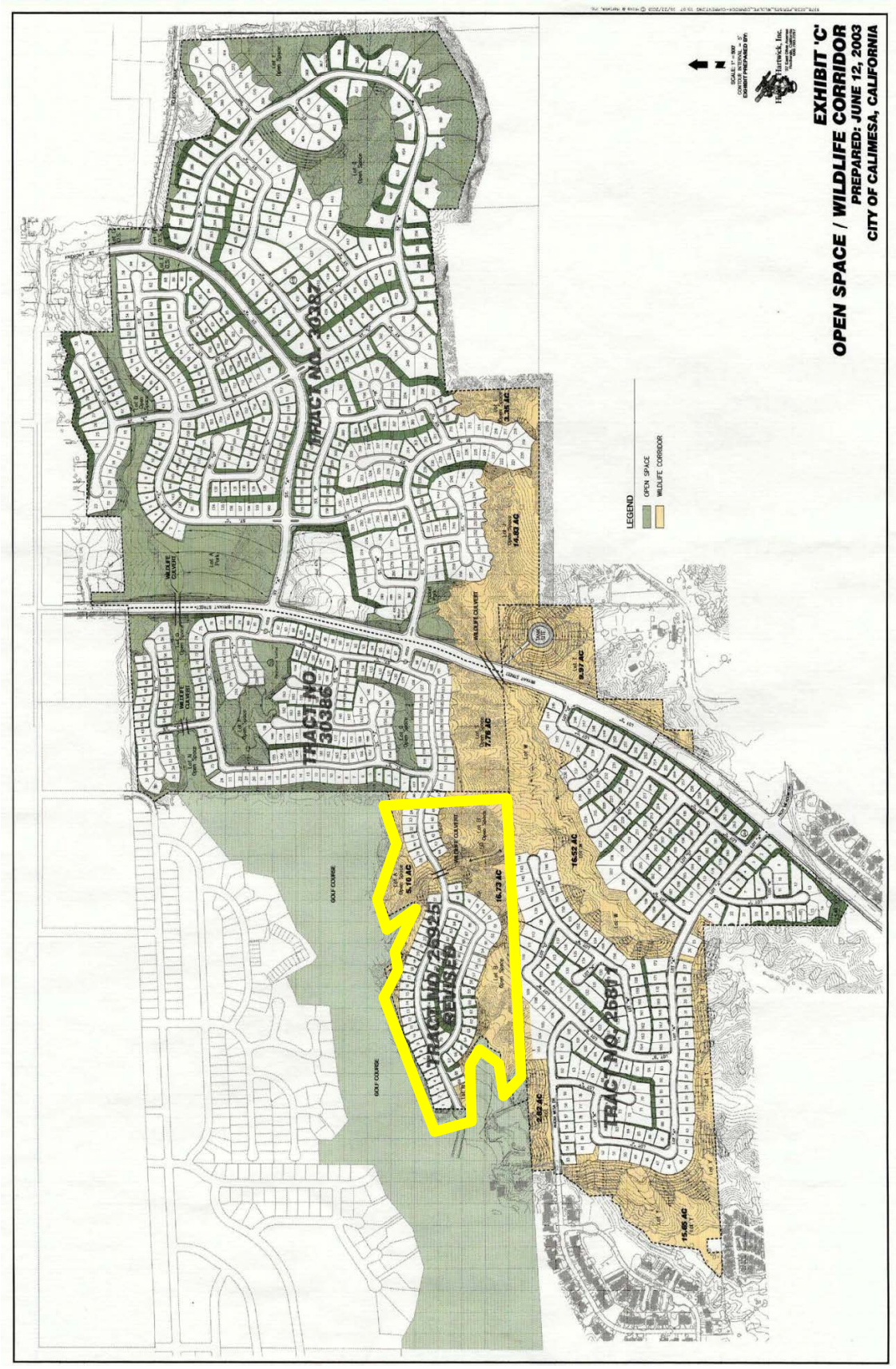
Prepared By: Joseph B. Zoba, General Manager

Subject: Development Agreement No. 2012-07 - Agreement to Provide Water and Sewer Facilities and Service to the Proposed Residential Development of Tract No. 26925 Located in Calimesa, California

Recommendation: That the Board approves Development Agreement No. 2012-07.

The District staff has been working with Highpointe Communities on the preparation of a development agreement for Tract No. 26925. This residential development is located southeast of the Calimesa County Club in Calimesa. This agreement will outline the terms and conditions related to water and sewer service for 96 homes.




EXHIBIT 'C'
OPEN SPACE / WILDLIFE CORRIDOR
PREPARED: JUNE 12, 2003
CITY OF CALIMESA, CALIFORNIA
LEGEND
OPEN SPACE
WILDLIFE CORRIDOR
TRACT NO 30386
TRACT NO 29025
REVISED
TRACT NO 29387
GOLF COURSE
WILDLIFE CULVERT

Agreement: 2012-07
Project File: P-65-_

AGREEMENT TO PROVIDE WATER AND SEWER FACILITIES AND SERVICE TO THE PROPOSED RESIDENTIAL DEVELOPMENT OF TRACT 26925 LOCATED IN CALIMESA, CALIFORNIA

This Agreement is made and effective this 19th day of September 2012, by and between the YUCAIPA VALLEY WATER District, a public agency ("District") and Highpointe Communities, Inc., a California Corporation doing business as Highpointe JPR 308, LLC ("Developer"). Each is sometimes referred to herein as a "Party" and jointly as the "Parties".

Contact information for the parties is as follows:

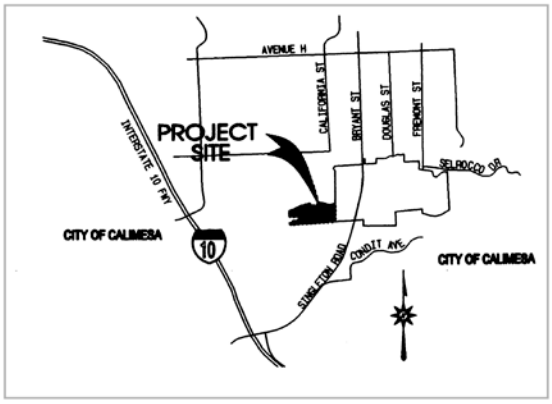
District:
Yucaipa Valley Water District
12770 Second Street
Post Office Box 730
Yucaipa, California 92399-0730
Attn: Joseph B. Zoba, General Manager
Telephone: (909) 797-5119
Facsimile (909) 797-6381

Developer:
Highpointe JPR 308, LLC
20 Enterprise, Suite 320
Aliso Viejo, California 92656
Attn: Steve Ludwig, Executive Vice President
Telephone: (949) 472-0169
Facsimile: (949) 609-0739

PROJECT OVERVIEW

The proposed construction of Tract No. 26925 involves the development of 96 residential homes west of Singleton Road ("Developer's Property" or the "Property"). An overview of the proposed project size and location is provided as Exhibit A.

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



RECITALS

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

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

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

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

AGREEMENT

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

PART A: THE FACILITIES

1. General Description.

a. The Developer proposes to develop its Property as provided on the approved development construction drawings approved by the District which includes potable water, sewer, and recycled water facilities necessary to serve the development. Such Facilities are more fully described in Part G Special Conditions below.

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

PART B: DESIGN AND CONSTRUCTION

2. Licensed Professionals. All work, labor and services performed and provided in connection with (for example) the preparation of real property and right-of-way surveys and descriptions, the preparation of construction specifications, plans and drawings, and the construction of all facilities, shall be performed by, or under the direction of, professionals appropriately licensed by the State of California and in good standing. In the event the District reasonably determines, in its sole discretion, that additional licensed professionals are required in order to satisfy the obligations of the Developer hereunder, the Developer shall promptly retain such professionals at its sole cost and expense.

3. Plan Acceptance; Facility Acceptance.

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

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

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

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

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

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

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

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

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

c. The District and the Developer hereby designate the individual identified on page

1 of this Agreement as the person who shall have the authority to represent the District and Developer in matters concerning this Agreement. In order to ensure maximum continuity and coordination, the District and Developer agree not to arbitrarily remove or replace the authorized representative, but in the event of a substitution, the substituting Party shall promptly advise the other Party of such substitution, in writing.

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

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

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

8. Developer's Warranties. The Developer shall unconditionally guaranty, for a period of one year following the District's Facility Acceptance thereof, any and all materials and workmanship, at the Developer's sole cost and expense. The provision of temporary water service through any of the Developer's Facilities, prior to District's acceptance of same, shall not nullify nor diminish the Developer's warranty obligation, nor shall the Developer's warranty obligation be voided if the District determines, in its sole discretion, to make any emergency repairs necessary to protect the public's health, safety or welfare or to ensure continuity of water or sewer service. The District shall notify Developer of such emergency repairs.

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

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

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

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

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

PART C: TITLE TO FACILITIES; OPERATION

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

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

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

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

13. Conditions Precedent to the Provision of Water and Sewer Service. Unless the District otherwise agrees in writing, the District shall not be obligated to provide any water and/or sewer service to the Developer's project or any part thereof, including model homes, until after all of the appropriate obligations imposed upon the Developer have been fulfilled including, without limitation, conveyance to the District of the right-of-way and Facilities associated with the requested service. Upon acceptance of the right-of-way and appurtenant Facilities, and upon such other terms and conditions as may be reasonable, the District shall provide the service

requested and assume the responsibility for operating and maintaining the affected Facilities. Service provided by the District shall be in accordance with its rules and regulations and shall be comparable in quality of service to that provided all similarly situated customers.

PART D: FEES AND CREDITS

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

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

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

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

PART E: PERMITS AND DOCUMENTATION

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

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

Document(s)	Due Date
Certification of Streets to Rough Grade	Prior to Construction

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

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

PART F: INSURANCE AND INDEMNIFICATION

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

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

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

a. Commercial General Liability Insurance (Primary) shall be provided on ISO-CGL Form No. CG 00 01 10 93. Policy limits shall be no less than $1,000,000 per occurrence for all coverages and $2,000,000 general aggregate. The District and its officials, employees and agents shall be added as additional insureds using ISO Form CG 20 10 10 93. Coverage shall apply on a primary non-contributing basis in relation to any other

insurance or self-insurance, primary or excess, available to the District or any employee or agent of the District. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

b. Umbrella Liability Insurance (over Primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum $25,000 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than $2,000,000 per occurrence and in the aggregate, above any limits required in the underlying policies. The policy shall have starting and ending dates concurrent with the underlying coverages.

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

d. The Developer and the District further agree as follows:

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

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

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

iv. In the event of any loss that is not insured due to the failure of the Developer to comply with these requirements, the Developer agrees to be

responsible for any all losses, claims, suits, damages, defense obligations and liability of any kind attributed to the District, or the District's officials, employees and agents as a result of such failure.

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

PART G: SPECIAL CONDITIONS

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

a. Sewer Related Facilities: The following requirements are established for the sewer related facilities associated with this project.

i. The District has identified sewer mainline deficiencies downstream of the Project in the City of Calimesa. To secure the appropriate funding for the upgrade of these sewer mainline facilities, the Developer shall pay to the District a fee of $1,500 per Equivalent Dwelling Unit for the construction of upgraded sewer mainline facilities. This fee shall be paid prior to the issuance of building permits or prior to release for occupancy for homes/buildings already constructed as determined by the District in its sole discretion.

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

i. The Developer shall pay for the purchase a quantity of imported water pursuant to the Sustainability Policy adopted by the Board of Directors as Resolution No. 11-2008. The imported water rate shall be the rate in effect at the time water is secured from the San Gorgonio Pass Water Agency. Imported water for compliance with the Yucaipa Valley Water District's Sustainability Policy shall be purchased prior to the issuance of building permits, or prior to the issuance of occupancy for buildings already constructed as determined by the District in its sole discretion.

ii. The Developer shall reimburse the District for the cost of connecting the water infrastructure necessary to provide service to Tract No. 26925 to the Pressure Zone 13 infrastructure located in Third Street.

d. Fee Credits: The Yucaipa Valley Water District will not provide fee credits to this development.

e. The Developer shall pay all water, sewer, and recycled water development impact fees and sustainability fees based on the fee in effect at the time prior to the issuance of building permits. Residential units and buildings already constructed shall not be issued Certificates of Occupancy until the current *Development Impact Fee - Water Storage Reservoir* fee component is received by the Yucaipa Valley Water District.

f. All unpaid development-related invoices shall be paid to the District prior to the issuance of any building permits and prior to the release of any home released for occupancy.

PART H: MISCELLANEOUS

21. Term and Termination of Agreement.

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

i. If the Developer fails to provide to the District adequate assurances regarding the availability of funds as set forth in Section 20 above; or

ii. Within 24 months of the effective date of this Agreement, if the initial construction contemplated hereunder by Developer has not commenced or failed to continue; or

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

iv. Within 15 days of the date of the issuance of a Notice of Default by the District to the Developer in the event the Developer fails or refuses to perform, keep or observe any of the terms, conditions or covenants set forth in this Agreement.

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

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

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

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

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

other.

23. Amendment; Assignment.

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

b. Assignment. This Agreement shall not be assigned, whether in whole or in part, by the Developer without the prior written consent of the District.

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

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

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

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

28. District's Disclaimer. Utilizing fees and Facilities provided to the District by the Developer, the District will supply potable water, recycled water, and sewer collection and treatment services to the Developer's Property and development thereon. The District shall not be obligated to utilize public funds to subsidize the Developer's Project.

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

30. Mediation. Except as provided herein, no civil action with respect to any dispute, claim or controversy arising out of or relating to this Agreement may be commenced until the matter has been submitted to a mutually acceptable mediator ("Mediator") for non-binding mediation. The parties will cooperate with one another in selecting a Mediator, and in scheduling the mediation proceedings. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the Mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Either

party may seek equitable relief prior to the mediation to preserve the status quo pending the completion of that process. Except for such an action to obtain equitable relief, neither party may commence a civil action with respect to the matters submitted to mediation. The provisions of this section may be enforced by any Court of competent jurisdiction, and the prevailing party in any such enforcement action shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered. Mediation will take place in the either the County of Riverside or the County of San Bernardino, California.

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SIGNATURES SET FORTH ON FOLLOWING PAGE

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

Yucaipa Valley Water District

Dated: _____ By: _____

_____
Print Name

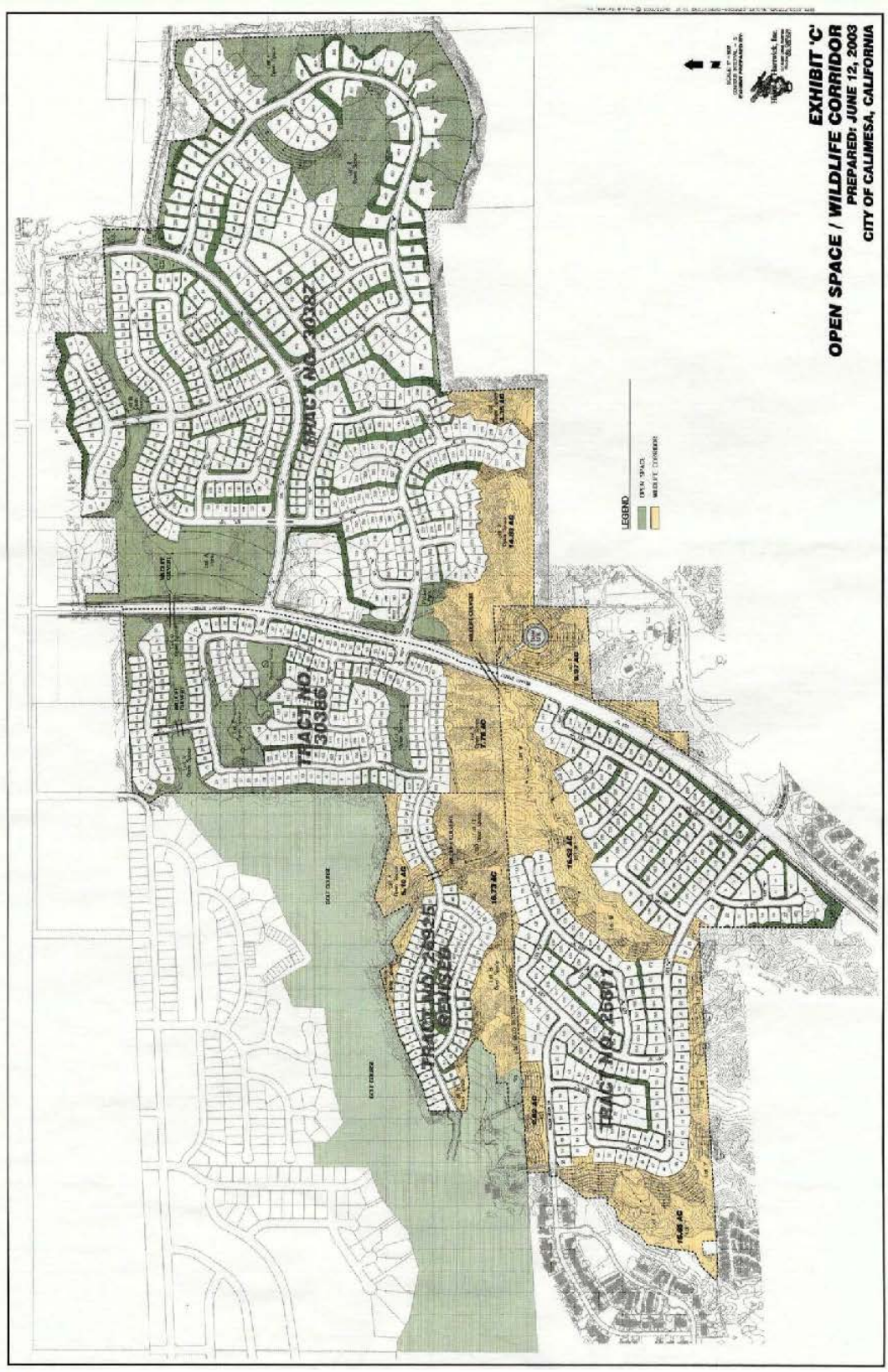
_____
Print Title

Highpointe JPR 308, LLC

Dated: _____ By: _____

_____
Print Name

_____
Print Title


EXHIBIT 'C'
OPEN SPACE / WILDLIFE CORRIDOR
PREPARED: JUNE 12, 2003
CITY OF CALIMESA, CALIFORNIA
LEGEND
TRACT NO. 30387
TRACT NO. 30386
TRACT NO. 26515 REVISED
TRACT NO. 26511

Yucaipa Valley Water District

Director Memorandum 12-082

Date: September 19, 2012

Prepared By: Joseph B. Zoba, General Manager

Subject: Labor Agreement with the General Employee Bargaining Group of the Yucaipa Valley Water District

Recommendation: That the Board approves the Labor Agreement with the General Employee Bargaining Group.

The current labor agreement between the Yucaipa Valley Water District ("District") and the General Employees, represented by the International Brotherhood of Electrical Workers, Local 1436, expired on June 30, 2012.

Since the outset of negotiations, the District has consistently communicated the need to balance the current economic conditions with appropriate recognition of our professionally trained and productive workforce.

The District staff recommends approval of the attached agreement.

TENTATIVE AGREEMENT
IBEW 1436-Yucaipa Unit
September 13, 2012

The following are the terms and conditions of employment for General Employees of the Yucaipa Valley Water District ("District" or "YVWD") contract period ending **June 30, 2013**.

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

2.0 Term. This Memorandum of Agreement (MOA) is entered into between the YVWD and the General Employees, pursuant to the provisions of the Meyer-Milias-Brown Act and thereafter shall continue in effect fiscal year by fiscal year unless either one of the parties appropriately notifies the other in writing of its request to modify, amend or terminate the MOA. Requests to modify the MOA shall be submitted to the other party during the forty-five (45) calendar day period commencing January 1, 2013.

3.0 Salary Placement. The implementation of the attached salary schedule on July 1, 2012, shall cause the reclassification of certain employees. An employee reclassified to a different range shall maintain the same salary or if an employee receives an existing salary less than the new range minimum, the employee salary shall be adjusted to the new range minimum. Any employee not meeting the minimum certification and license requirements solely as a result of this reclassification and implementation of the revised Utility Service Worker job description shall not be subjected to disciplinary action.

4.0 Medical Insurance Provisions.
While maintaining our current level of high quality medical insurance, the district shall contribute **$840.00** to each general employee within the bargaining unit **to begin July 01, 2012.** Commencing **April 1st 2013** the district shall contribute for each general employee within the bargaining unit **$890.00**

5.0 Conversion of Floating Holidays. For the 2012 calendar year, the General Employee group will convert two (2) floating holidays to be used on Monday, December 24, 2012 and Monday, December 31, 2012.

6.0 Compensatory Time. The provision of compensatory time for the General Employee group will allow for a maximum annual accrual of 40 hours per year. The calculation of the annual period shall begin on November 1st of each year and end on October 31st. Any unused accrued compensatory time on October 31st shall be paid on or before November 30th at the employee's current rate of pay.

7.0 Deferred Compensation
District matching for compensation - effective June 30, 2012, exclusive of any contribution made by the district to an employee deferred compensation account (such as unused medical, sick leave to deferred compensation or other deferred compensation contribution) outside of this provision, the district will contribute a matching amount up to **$125** per pay period for employees' contributions to their

deferred compensation account. Match contribution shall be subject to applicable program requirements.

Any funds not matched in payroll will not be available to the employee at a future time (no catch-up).

8.0 Flexible Spending Account. Effective January 1, 2013, the District shall establish a Flexible Spending Account in which General Employees are eligible to participate. The Flexible Spending Account will allow participating employee's to set aside a portion of the employees' earnings to pay for qualified expenses.

9.0 Changes to Birthday Holiday. Effective January 1, 2013, the General Employees of the Yucaipa Valley Water District agrees to change the Birthday Holiday to a Floating Holiday pursuant to the terms of the Personnel Manual. This change will not result in any additional leave provided to the members of this bargaining group.

10.0 Boot Allowance. Effective July 1, 2012, the District will provide a maximum allowance of **$200** per employee for safety steel toe boots each fiscal year (July 1 to June 30).

11.0 Conversion of Accrued Sick Leave. The following language will replace the provisions of the Personnel Manual regarding Conversion of Accrued Sick Leave.

11.1 Conversion of Accrued Sick Leave to Deferred Compensation. General Employees with an excess of 420 hours of sick leave are also eligible to convert sick leave based on the maximum contribution amounts allowed by the 457(b) regulations. At no time can an employee contribute sick leave hours to deferred compensation with a balance of sick leave below 420 hours. The District's Payroll Representative has additional information on the amount of contribution that is allowed under this provision.

11.2 Conversion of Accrued Sick Leave to Medical Premiums General Employees with an excess of 420 hours of sick leave are eligible to convert excess sick leave up to 8 hours per month at the employee's current hourly rate of pay as a contribution to medical premiums. The conversion of accrued sick leave shall not exceed the dollar difference between the total family medical premium and the amount of medical premium contributed by the District. At no time can an employee contribute sick leave hours to pay for additional medical premiums with a sick leave balance below 420 hours. The District's Payroll Representative has additional information on the amount of contribution that is allowed under this provision.

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

IBEW Local Union 1436 - YVWD Unit:

Authorized Representative — Date: 9-13-2012

Authorized Representative — Date: 9/13/2012

Yucaipa Valley Water District:

Joseph B. Zoba, General Manager — Date: 9/13/12

Yucaipa Valley Water District - Salary Ranges and Job Titles

Effective 7/1/2012

Range	Range Minimum	Range Maximum	Range Bonus	Administration Department	Public Works Departments	Water and Sewer Departments
60	$6,257	$7,821	$8,212			
59	$6,155	$7,694	$8,079			
58	$6,054	$7,568	$7,946			
57	$5,953	$7,441	$7,813			
56	$5,851	$7,314	$7,680			
55	$5,750	$7,188	$7,547			Integrated Operator IV
54	$5,649	$7,061	$7,414			
53	$5,547	$6,934	$7,281			
52	$5,446	$6,807	$7,148			
51	$5,345	$6,681	$7,015			
50	$5,243	$6,554	$6,882			Operator IV
49	$5,142	$6,427	$6,749		Senior Utility Service Worker	Integrated Operator III
48	$5,040	$6,300	$6,616			
47	$4,939	$6,174	$6,482			
46	$4,838	$6,047	$6,349			
45	$4,736	$5,920	$6,216	Engineering Technician IV		
44	$4,635	$5,794	$6,083		Utility Service Worker IV	Operator III
43	$4,533	$5,667	$5,950			
42	$4,432	$5,540	$5,817	Purchasing Agent		Integrated Operator II
41	$4,331	$5,413	$5,684	Engineering Technician III		
40	$4,229	$5,287	$5,551		Utility Service Worker III	Water Quality Chemist
39	$4,128	$5,160	$5,418	Administrative Clerk V		
38	$4,026	$5,033	$5,285			Plant Maintenance Technician III
37	$3,925	$4,906	$5,152	Engineering Technician II		
36	$3,824	$4,780	$5,019		Utility Service Worker II	Integrated Operator I
35	$3,722	$4,653	$4,886	Administrative Clerk IV		Water Quality Technician
34	$3,621	$4,526	$4,752			
33	$3,520	$4,399	$4,619	Engineering Technician I		Plant Maintenance Technician II
32	$3,418	$4,273	$4,486		Utility Service Worker I	Integrated Operator In Training
31	$3,317	$4,146	$4,353	Administrative Clerk III		
30	$3,215	$4,019	$4,220			
29	$3,114	$3,892	$4,087			
28	$3,013	$3,766	$3,954			Plant Maintenance Technician I
27	$2,911	$3,639	$3,821	Administrative Clerk II/Stock Clerk II		
26	$2,810	$3,512	$3,688			
25	$2,708	$3,385	$3,555			
24	$2,607	$3,259	$3,422			
23	$2,506	$3,132	$3,289	Administrative Clerk I / Stock Clerk		
22	$2,404	$3,005	$3,156			
21	$2,303	$2,879	$3,022			
20	$2,201	$2,752	$2,889			

Yucaipa Valley Water District

Director Memorandum 12-083

Date: September 19, 2012

Prepared By: Joseph B. Zoba, General Manager

Subject: Labor Agreement with the Management-Supervisory Employee Bargaining Group of the Yucaipa Valley Water District

Recommendation: That the Board approves the Labor Agreement with the Management-Supervisory Bargaining Group.

The current labor agreement between the Yucaipa Valley Water District ("District") and the Management-Supervisory Employees expired on June 30, 2012.

Since the outset of negotiations, the District has consistently communicated the need to balance the current economic conditions with appropriate recognition of our professionally trained and productive workforce.

The District staff recommends approval of the attached agreement.

MEMORANDUM OF AGREEMENT

TERMS AND CONDITIONS OF EMPLOYMENT FOR MANAGEMENT-SUPERVISORY EMPLOYEES OF THE YUCAIPA VALLEY WATER DISTRICT

The following are the terms and conditions of employment for the Management-Supervisory Employees of the Yucaipa Valley Water District ("District" or "YVWD"), effective September 19, 2012, and ending on June 30, 2015. Each may be referred to herein as a "Party" and jointly as the "Parties".

1.0 Application. This Agreement applies to the Management - Supervisory Employees of the District pursuant to Resolution No. 18-2006 adopted on June 21, 2006, and is entered into pursuant to the Meyer-Millias-Brown Act (Government Code Sections 3500-3511). Management - Supervisory Employees are defined as those employees who have the authority, in the interest of the District, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or the responsibility to direct them, or to adjust their grievances, or effectively to recommend such action, requiring the use of independent judgment., and includes the following job classifications at the District: Senior Integrated Operator (Grade V); Senior Plant Operator (Supervisor); Administrative Supervisor; Public Works Supervisor; Regional Water Quality Supervisor; Senior Engineering Technician; Senior Management Analyst; Recycled Water Supervisor, and other positions assigned pursuant to the General Manager.

This Agreement shall also apply to confidential classified employees.

2.0 Term. This Agreement shall continue in effect for three (3) fiscal years until June 30, 2015.

3.0 Salary Placement. The implementation of the attached salary schedule on July 1, 2012, shall cause the reclassification of certain employees. An employee reclassified to a different range shall maintain the same salary or if an employee receives an existing salary less than the new range minimum, the employee's salary shall be adjusted to the new range minimum.

4.0 Merit Salary System. The Merit Salary system shall utilize a scale of 0% to 6% for the contract term only. In accordance with established negotiated practice evaluations will be completed in March and any merit increases based thereon shall be effective on April 1st of each year of the term. The Parties agree to discuss the range of the Merit Salary System as part of a new agreement.

5.0 Medical Insurance Provisions. During the term of this Agreement, the Management - Supervisory Employees hereby assigns authority and discretion to the District's Board of Directors to select any medical plan similar to the coverage provided as of April 1, 2012. At each annual change in cost for medical provider coverage, the District's Board of Directors shall pay a fixed amount based on the average of the single employee, employee plus one, and family plans (high and low premium healthcare plans, if applicable) multiplied by a factor of 1.125, and the employee shall be responsible for any cost above that fixed amount paid by the District. The Parties agree that the methodology used to calculate medical insurance benefits

shall automatically terminate on June 30, 2015; with the latest calculated dollar amount remaining in effect until a successor agreement continues or modifies the calculation methodology.

6.0 Holiday Leave. For the 2012 calendar year, the Management - Supervisory group will receive two additional holidays to be used on Monday, December 24, 2012 and Monday, December 31, 2012.

7.0 District Contribution to Public Employee Retirement System (PERS) Retirement. Effective January 1, 2013, the total District contributions to the Public Employee Retirement System ("PERS") retirement plan shall not exceed a maximum combined amount of 22% of the employee's salary. Each employee shall be responsible to pay any amount of the employee contribution not paid by the District in excess of the 22% cap. The Parties agree to discuss the range of the District contribution to the PERS retirement plan as part of a new agreement.

8.0 Deferred Compensation Contribution. Exclusive of any contribution made by the District to an employee's deferred compensation account (such as unused medical, sick leave to deferred compensation or other deferred compensation contribution) outside of this provision, effective October 1, 2012, the District will contribute a matched amount per payroll period (26 payroll periods per year) based on the annual Internal Revenue Code 457(b) Contribution Limit multiplied by a factor of 0.014. The annual Internal Revenue Code 457(b) shall not include special catch up provisions. At no time shall the calculated dollar amount per pay period increase by more than $15 per employee after January 1, 2013.

11.0 Salary Survey. The District's Board of Directors reserves the sole and absolute right to evaluate and/or implement salary schedule adjustments or modifications during the term of this Agreement.

12.0 Consistency with General Employees. If the General Employee bargaining unit receives an increase in compensation/benefits higher than the terms and conditions set forth in this Agreement with the Management - Supervisory Employees, such increase(s) will also be granted to the Management - Supervisory Employees up to June 30, 2015.

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

Management - Supervisory Employees:

Authorized Representative	Date
Authorized Representative	Date

Yucaipa Valley Water District:

Jay Bogh, President	Date

Yucaipa Valley Water District - Salary Ranges and Job Titles

Effective 9/1/2012

Range	Range Minimum	Range Maximum	Range Bonus	Administration Department	Public Works Departments	Water and Sewer Departments
120	$6,632	$8,290	$8,705			
119	$6,522	$8,153	$8,560			Senior Integrated Operator (Grade V)
118	$6,412	$8,015	$8,416			
117	$6,302	$7,878	$8,271			
116	$6,192	$7,740	$8,127			
115	$6,082	$7,603	$7,983			
114	$5,972	$7,465	$7,838			Senior Plant Operator (Supervisor)
113	$5,862	$7,328	$7,694	Administrative Supervisor	Public Works Supervisor	Regional Water Quality Supervisor
112	$5,752	$7,190	$7,550			
111	$5,642	$7,053	$7,405			
110	$5,532	$6,915	$7,261	Senior Engineering Technician		
109	$5,422	$6,778	$7,116			
108	$5,312	$6,640	$6,972			
107	$5,202	$6,503	$6,828			
106	$5,092	$6,365	$6,683	Senior Management Analyst		
105	$4,982	$6,228	$6,539			
104	$4,872	$6,090	$6,395	Recycled Water Supervisor		

Yucaipa Valley Water District

Director Memorandum 12-084

Date: September 19, 2012

Prepared By: Joseph B. Zoba, General Manager

Subject: Labor Agreement with the Management-Exempt Employee Bargaining Group of the Yucaipa Valley Water District

Recommendation: That the Board approves the Labor Agreement with the Management-Exempt Bargaining Group.

The current labor agreement between the Yucaipa Valley Water District ("District") and the Management-Exempt Employees expired on June 30, 2012.

Since the outset of negotiations, the District has consistently communicated the need to balance the current economic conditions with appropriate recognition of our professionally trained and productive workforce.

The District staff recommends approval of the attached agreement.

MEMORANDUM OF AGREEMENT

TERMS AND CONDITIONS OF EMPLOYMENT FOR MANAGEMENT-EXEMPT EMPLOYEES OF THE YUCAIPA VALLEY WATER DISTRICT

The following are the terms and conditions of employment for the Management-Exempt Employees of the Yucaipa Valley Water District ("District" or "YVWD"), effective September 19, 2012 and ending on June 30, 2015. Each may be referred to herein as a "Party" and jointly as the "Parties".

1.0 Application. This Agreement applies to the Management - Exempt Employees of the District, and is entered into pursuant to the Meyer-Millias-Brown Act (Government Code Sections 3500-3511). Management - Exempt Employees are defined as those qualified employees primarily engaged in executive, administrative, or professional exempt duties and have authority, in the interest of the District, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

2.0 Term. This Agreement shall continue in effect for three (3) fiscal years until June 30, 2015.

3.0 Salary Placement. The implementation of the attached salary schedule on July 1, 2012, shall cause the reclassification of certain employees. An employee reclassified to a different range shall maintain the same salary or if an employee receives an existing salary less than the new range minimum, the employee's salary shall be adjusted to the new range minimum.

4.0 Merit Salary System. The Merit Salary system shall utilize a scale of 0% to 6% for the contract term only. In accordance with established negotiated practice evaluations will be completed in March and any merit increases based thereon shall be effective on April 1st of each year of the term. The Parties agree to discuss the range of the Merit Salary System as part of a new agreement.

5.0 Medical Insurance Provisions. During the term of this Agreement, the Management - Exempt Employees hereby assigns authority and discretion to the District's Board of Directors to select any medical plan similar to the coverage provided as of April 1, 2012. At each annual change in cost for medical provider coverage, the District's Board of Directors shall pay a fixed amount based on the average of the single employee, employee plus one, and family plans (high and low premium healthcare plans, if applicable) multiplied by a factor of 1.125, and the employee shall be responsible for any cost above that fixed amount paid by the District. The Parties agree that the methodology used to calculate medical insurance benefits shall automatically terminate on June 30, 2015; with the latest calculated dollar amount remaining in effect until a successor agreement continues or modifies the calculation methodology.

6.0 Holiday Leave. For the 2012 calendar year, the Management - Exempt group will receive two additional holidays to be used on Monday, December 24, 2012 and Monday, December 31, 2012.

7.0 District Contribution to Public Employee Retirement System (PERS) Retirement. Effective January 1, 2013, the total District contributions to the Public Employee Retirement System ("PERS") retirement plan shall not exceed a maximum combined amount of 22% of the employee's salary. Each employee shall be responsible to pay any amount of the employee contribution not paid by the District in excess of the 22% cap. The Parties agree to discuss the District contribution to the PERS retirement plan as part of a new agreement.

8.0 Flexible Spending Account. Effective January 1, 2013, the District shall establish a Flexible Spending Account (FSA) in which General Employees are eligible to participate. The Flexible Spending Account will allow participating employee's to set aside a portion of the employees' earnings to pay for qualified FSA expenses.

9.0 Salary Survey. The District's Board of Directors reserves the sole and absolute right to evaluate and/or implement salary schedule adjustments or modifications during the term of this Agreement.

10.0 Consistency with General Employees. If the General Employee bargaining unit receives an increase in compensation/benefits higher than the terms and conditions set forth in this Agreement with the Management - Exempt Employees, such increase(s) will also be granted to the Management - Exempt Employees up to June 30, 2015.

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

Management - Exempt Employees:

Authorized Representative	Date
Authorized Representative	Date

Yucaipa Valley Water District:

Jay Bogh, President	Date

Yucaipa Valley Water District - Salary Ranges and Job Titles

Effective 7/1/2012

Range	Range Minimum	Range Maximum	Range Bonus	Administration Department	Public Works Departments	Water and Sewer Departments
250						
249	$9,442	$11,803	$12,393			
248	$9,331	$11,664	$12,247			
247	$9,220	$11,525	$12,102			
246	$9,109	$11,387	$11,956			
245	$8,998	$11,248	$11,810	Assistant General Manager		
244	$8,887	$11,109	$11,665			
243	$8,777	$10,971	$11,519			
242	$8,666	$10,832	$11,374			
241	$8,555	$10,693	$11,228			
240	$8,444	$10,555	$11,082	Controller		
239	$8,333	$10,416	$10,937			
238	$8,222	$10,277	$10,791			
237	$8,111	$10,139	$10,645			
236	$8,000	$10,000	$10,500			
235	$7,889	$9,861	$10,354			
234	$7,778	$9,722	$10,209		Public Works Manager	
233	$7,667	$9,584	$10,063			
232	$7,556	$9,445	$9,917	Water Resource Manager		
231	$7,445	$9,306	$9,772			
230	$7,334	$9,168	$9,626	Engineering Manager		
229	$7,223	$9,029	$9,480			
228	$7,112	$8,890	$9,335			Operations Manager
227	$7,001	$8,752	$9,189			
226	$6,890	$8,613	$9,044			
225	$6,779	$8,474	$8,898			
224	$6,668	$8,336	$8,752			
223	$6,557	$8,197	$8,607			
222	$6,447	$8,058	$8,461			
221	$6,336	$7,919	$8,315			
220	$6,225	$7,781	$8,170			
219	$6,114	$7,642	$8,024			
218	$6,003	$7,503	$7,879		Environmental Control Superintendent	
217	$5,892	$7,365	$7,733			
216	$5,781	$7,226	$7,587			
215	$5,670	$7,087	$7,442			
214	$5,559	$6,949	$7,296			
213	$5,448	$6,810	$7,150			
212	$5,337	$6,671	$7,005			
211	$5,226	$6,533	$6,859			
210	$5,115	$6,394	$6,714			

DIRECTOR COMMENTS

ANNOUNCEMENTS