



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, November 7, 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 - October 17, 2012
 - 2. Board Workshop - October 30, 2012
- V. BOARD REPORTS
 - A. San Bernardino Valley Municipal Water District Advisory Commission on Water Policy - October 18, 2012
 - B. Reports by Board Members
- VI. STAFF REPORT
- VII. DISCUSSION ITEMS
 - A. Notice of Completion for the Construction Contract with Merlin Johnson Construction for the Second Place Pipeline at Harruby Drive, Calimesa [[Director Memorandum No. 12-094 - Page 15 of 82](#)]
 - RECOMMENDED ACTION: That the Board authorizes the filing of the Notice of Completion and release of the retention amount of \$3,155.75 thirty-five days after the recorded date.

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

- B. Adoption of Resolution No. 2012-14 Authorizing the Initiation of Annexation Proceedings for the Jurisdictional Boundary Adjustment Related to Parcel Map No. 36093 (Assessor's Parcel Numbers 407-220-004, 007, 008, 009,014, 016, 017 and 413-270-012, 013) [\[Director Memorandum No. 12-095 - Page 18 of 82\]](#)
RECOMMENDED ACTION: That the Board adopts Resolution No. 2012-14.
- C. PUBLIC HEARING - Adoption of Resolution No. 2012-15 Amending the 2010 San Bernardino Valley Regional Urban Water Management Plan [\[Director Memorandum No. 12-096 - Page 22 of 82\]](#)
RECOMMENDED ACTION: That the Board adopts Resolution No. 2012-15.
- D. Authorization to Participate with the United States Department of the Interior, U.S. Geological Survey and the San Bernardino Valley Municipal Water District to Conduct a Groundwater Investigation in the Yucaipa Basin [\[Director Memorandum No. 12-097 - Page 27 of 82\]](#)
RECOMMENDED ACTION: That the Board authorizes a maximum contribution of \$100,000 towards the groundwater investigations in the Yucaipa Basin.
- E. Authorization to Solicit Bids for the Recoating of Reservoir R-13.2 [\[Director Memorandum No. 12-098 - Page 30 of 82\]](#)
RECOMMENDED ACTION: That the Board authorizes the District staff to solicit bids for the recoating of Reservoir R-13.2.
- F. Authorization to Execute a Service Contract for the Annual Inspection and Cleaning of Water Storage Reservoirs [\[Director Memorandum No. 12-099 - Page 31 of 82\]](#)
RECOMMENDED ACTION: That the Board authorizes the issuance of a purchase order to Inland Potable Services for inspection and cleaning services for a sum not to exceed \$52,331.
- G. Authorization to Purchase a 600 kW Emergency Generator for Lift Station No. 1 [\[Director Memorandum No. 12-100 - Page 42 of 82\]](#)
RECOMMENDED ACTION: That the Board authorizes the purchase of a stationary emergency generator from Johnson Power Systems for a sum not to exceed \$147,750.
- H. Consideration of Development Agreement No. 2012-07 for Tract No. 26925, Calimesa with Highpointe Communities (Highpoint JPR 308, LLC) [\[Director Memorandum No. 12-101 - Page 49 of 82\]](#)
RECOMMENDED ACTION: That the Board approves Development Agreement No. 2012-07.
- I. Consideration of Development Agreement No. 2012-06 for Tract No. 30386, Calimesa with Highpointe Communities (Highpoint JPR 308, LLC) [\[Director Memorandum No. 12-102 - Page 65 of 82\]](#)
RECOMMENDED ACTION: That the Board approves Development Agreement No. 2012-06.

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. November 13, 2012 at 4:00 p.m. - Board Workshop
- B. November 21, 2012 at 6:00 p.m. - Regular Board Meeting
- C. November 27, 2012 at 4:00 p.m. - Board Workshop
- D. December 5, 2012 at 6:00 p.m. - Regular Board Meeting
- E. December 11, 2012 at 4:00 p.m. - Board Workshop
- F. December 19, 2012 at 6:00 p.m. - Regular Board Meeting
- G. January 2, 2013 at 6:00 p.m. - Regular Board Meeting

XI. ADJOURNMENT

CONSENT CALENDAR

MINUTES OF A REGULAR BOARD MEETING

October 17, 2012

Directors Present:

Jay Bogh, President
Bruce Granlund, Vice President
Ian Cuthbertson, Director
Lonni Granlund, Director

Staff Present:

Joseph Zoba, General Manager
Jack Nelson, Assistant General Manager
Vicky Elisalda, Controller
John Hull, Public Works Manager
Jennifer Ares, Resource Sustainability Manager
Brent Anton, Engineering Manager

Directors Absent:

Hank Wochholz, Director

Consulting Staff Present:

David Wysocki, Legal Counsel

Registered Guests and Others Present:

None

The regular meeting of the Board of Directors of the Yucaipa Valley Water District was called to order by Director Jay Bogh at 6:00 p.m. on Wednesday, October 17, 2012 at the Administrative Office Building, 12770 Second Street, Yucaipa, California.

CALL TO ORDER

Director Jay Bogh led the pledge of allegiance.

FLAG SALUTE

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

ROLL CALL

There were no public comments.

PUBLIC COMMENTS

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

CONSENT CALENDAR

A. Minutes of Meetings

1. Regular Board Meeting - October 3, 2012
2. Board Workshop - October 9, 2012
3. Board Workshop - October 15, 2012

B. Payment of Bills

1. Approve/Ratify Invoices of Board Awarded Contracts
2. Ratify General Expenses for September 2012

The consent calendar was approved by a vote of 4 - 0.

A. City of Yucaipa Comprehensive Economic Development Strategy Committee Meeting - October 11, 2012 - Director Lonni Granlund

BOARD REPORTS

reported on the status of the Dunlap drainage project.

- B. Reports by Board Members - There were no other reports provided by the members of the Board.

The staff report included the following topics:

- General Manager Joseph Zoba discussed the need to replace the backup power generator at Lift Station No. 1.
- General Manager Joseph Zoba discussed the Yucaipa Valley Regional Brineline dedication on October 18, 2012.

STAFF REPORT

DISCUSSION ITEMS:

Following a staff presentation by Controller Vicky Elisalda, Director Ian Cuthbertson moved and Director Lonni Granlund seconded a motion to receive and file the unaudited financial report. The motion was approved by a vote of 4 - 0.

DM 12-088
UNAUDITED FINANCIAL
REPORT FOR THE PERIOD
ENDING SEPTEMBER 30,
2012

Following a staff presentation by Controller Vicky Elisalda, Director Ian Cuthbertson moved and Director Bruce Granlund seconded a motion to receive and file the audited financial report. The motion was approved by a vote of 4 - 0.

DM 12-089
AUDITED FINANCIAL
STATEMENTS FOR FISCAL
YEAR ENDING ON JUNE 30,
2012

Following a staff presentation by Engineering Manager Brent Anton, Director Bruce Granlund moved and Director Ian Cuthbertson seconded a motion to authorize the filing of the Notice of Completion and release of the retention amount of \$887,852.93 thirty-five days after the recorded date. The motion was approved by a vote of 4 - 0.

DM 12-090
NOTICE OF COMPLETION
FOR THE CONTRACT WITH
W.A. RASIC
CONSTRUCTION
COMPANY FOR THE
YUCAIPA REGIONAL
BRINELINE EXTENSION
PIPELINE PROJECT
(PHASE 3)

Following a staff presentation by Engineering Manager Brent Anton, Director Lonni Granlund moved and Director Bruce Granlund seconded a motion to ratify the award of a construction contract to Merlin Johnson Construction, Inc. for a sum not to exceed \$63,115.00. The motion was approved by a vote of 4 - 0.

DM 12-091
RATIFICATION OF AWARD
OF CONTRACT TO MERLIN
JOHNSON
CONSTRUCTION, INC. FOR
THE SECOND PLACE
PIPELINE AT HARRUBY
DRIVE, CALIMESA

Following a staff presentation by Public Works Manager John Hull, Director Ian Cuthbertson moved and Director Lonni Granlund seconded a motion to approve a contract with RMC Water and Environment for a sum not to exceed \$34,925. The motion was approved by a vote of 4 - 0.

DM 12-092
ENGINEERING AND
REGULATORY SUPPORT
SERVICE CONTRACT FOR
THE RECYCLED WATER
SYSTEM CONVERSION
PROCESS

Following a staff presentation by Assistant General Manager Jack Nelson, Director Bruce Granlund moved and Director Lonni Granlund seconded a motion to obtain workers' compensation insurance coverage from SeaBright Insurance. The motion was approved by a vote of 4 - 0.

DM 12-093
RENEWAL OF THE
WORKERS'
COMPENSATION
INSURANCE POLICY FOR
THE YUCAIPA VALLEY
WATER DISTRICT

There were no comments from the board members.

DIRECTOR COMMENTS

There was no closed session.

CLOSED SESSION

Director Jay Bogh directed attention to the announcements located on the board meeting agenda.

ANNOUNCEMENTS

There being no further business, the meeting was adjourned at 6:15 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(Seal)

MINUTES OF A BOARD WORKSHOP

October 30, 2012 at 4:00 P.M.

Directors Present:

Jay Bogh, President
Ian Cuthbertson, Director
Lonni Granlund, Director

Staff Present:

Joseph Zoba, General Manager
Jack Nelson, Assistant General Manager
Jennifer Ares, Resource Sustainability Manager
Brent Anton, Engineering Manager
Bob Wall, Operations Manager
Kevin King, Operations Manager
John Wrobel, Utility Service Superintendent

Directors Absent:

Hank Wochholz, Director
Bruce Granlund, Vice President

Consulting Staff Present:

David Wysocki, Legal Counsel

Guests and Others Present:

Bill Hemsley, City of Yucaipa
John McMains, City of Yucaipa
Wes Danskin, US Geological Survey
Greg Mendez, US Geological Survey
Tom Harbrecht, Rialto Capital
McCay Major, Rialto Capital
Pat Meyer, Urban Environs

- 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 - Representatives from the District staff provided comments on the following topics: the annual reservoir cleaning contract; the emergency generator replacement at Lift Station No. 1; and the 2013 Inland Solar Challenge event.
- IV. Presentations
 - A. Overview of Proposed Updates to the Yucaipa Valley Water District's Strategic Plan for a Sustainable Future - Resolution No. 11-2008 [Workshop Memorandum No. 12-184] - General Manager Joseph Zoba provided an overview of recommended changes to the District's resource sustainability resolution. Bill Hemsley and John McMains from the City of Yucaipa distributed copies of letters dated June 8, 2011, and October 30, 2012 and requested consideration of a credit to the City of Yucaipa for passive recharge from flood control basins constructed throughout the city.
- V. Capital Improvement Projects
 - A. Status Report on the Construction of the R-10 Recycled Water Reservoir and Booster Complex [Workshop Memorandum No. 12-185] - Engineering Manager

Brent Anton provided an update on the construction of the reservoir and booster facilities.

- B. Status Report on the Construction of the Crow Street Pipeline Facilities [Workshop Memorandum No. 12-186] - Engineering Manager Brent Anton provided an update on the construction of the recycled water pipeline in Crow Street.
- C. Status Report on the Construction of the Recycled Water Booster Facility at the Reservoir R-12.1 Complex [Workshop Memorandum No. 12-187] - Engineering Manager Brent Anton provided an update on the construction of the booster facility.
- D. Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project [Workshop Memorandum No. 12-188] - Operations Manager Kevin King provided an overview of the reverse osmosis equipment installation at the Wochholz Regional Water Recycling Facility.

VI. Development Related

- A. Development Agreement with Highpointe JPR 308 Related to Tract No. 30386 - Calimesa [Workshop Memorandum No. 12-189] - General Manager Joseph Zoba provided an overview of the proposed development agreement for Tract No. 30386.
- B. Development Agreement with Highpointe JPR 308 Related to Tract No. 26925 - Calimesa [Workshop Memorandum No. 12-190] - General Manager Joseph Zoba provided an overview of the proposed development agreement for Tract No. 26925.

VII. Administrative Issues

- A. Notice of Completion for the Contract with Merlin Johnson Construction for the Second Place Pipeline at Harruby Drive, Calimesa [Workshop Memorandum No. 12-191] - Engineering Manager Brent Anton provided a summary of the drinking water pipeline recently completed by Merlin Johnson Construction.
- B. Authorization to Initiate Annexation Proceedings for the Jurisdictional Boundary Adjustment Related to Parcel Map No. 36093 [Workshop Memorandum No. 12-192] - General Manager Joseph Zoba provided an overview of the proposed annexation of property on Cherry Valley Boulevard.
- C. Consideration of Amendments to the 2010 San Bernardino Valley Regional Urban Water Management Plan [Workshop Memorandum No. 12-193] - Resource Sustainability Manager Jennifer Ares provided an overview of the revisions to the Regional Urban Water Management Plan.
- D. Authorization to Participate in a Coordinated Water Resource Study Related to the Wilson Creek Spreading Basins [Workshop Memorandum No. 12-194] - General Manager Joseph Zoba provided an overview of the groundwater investigation with the US Geological Survey.

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

IX. Closed Session

- 1. Conference with Real Property negotiator(s) (Government Code 54956.8)
- 2. Property: Assessor's Parcel Number: 301-201-29
- 3. Agency Negotiator: Joseph Zoba, General Manager
- 4. Negotiating Parties: Palmer General Corporation
- 5. Under Negotiation: Terms of Payment and Price
 - a) There was no closed session conducted.

X. Adjournment - The meeting was adjourned at 6:30 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(SEAL)

BOARD REPORTS



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

MEETING OF THE ADVISORY COMMISSION ON WATER POLICY

NOTICE AND AGENDA

7:00 p.m. Thursday, October 18, 2012

CALL TO ORDER/FLAG SALUTE

1. PUBLIC COMMENT

Any person may address the Commission on matters within its jurisdiction.

2. APPROVAL OF MINUTES

A. August 9, 2012, Advisory Commission Meeting (Page 2)

3. PRESENTATIONS

- A. Forest First Program
- B. Yucaipa Valley Water District's Brine Line Project
- C. Update on Santa Ana Sucker

4. FUTURE BUSINESS

A. Identify Items for Future Agendas

5. ADJOURNMENT

Mission Statement

"It shall be the function of the Commission to study and make recommendations to the Board on matters of water policy for the District. The Commission shall study such matters of water policy as are submitted to it by the Board for Consideration and may study such other matters of water policy as the Commission deems appropriate." SBVMWD Ordinance No. 61, July 6, 1987.

STAFF REPORT

DISCUSSION ITEMS



Director Memorandum 12-094

Date: November 7, 2012

Prepared By: Brent Anton, Engineering Manager

Subject: Notice of Completion for the Construction Contract with Merlin Johnson Construction for the Second Place Pipeline at Harruby Drive, Calimesa

Recommendation: That the Board authorizes the filing of the Notice of Completion and release of the retention amount of \$3,155.75 thirty-five days after the recorded date.

At the regular meeting on October 17, 2012, the Board ratified the award of a contract to Merlin Johnson Construction, Inc. for the installation of 410 feet of ductile iron pipe in Second Place at Harruby Drive in Calimesa for a sum not to exceed \$63,115 [DM 12-091].

Based on the attached acceptance letter by Krieger and Stewart, staff recommends the Board authorize filing the Notice of Completion and release of the retention amount of \$3,155.75 thirty-five days after the recorded date.



INCORPORATED • ENGINEERING CONSULTANTS

3602 University Ave • Riverside, CA 92501 • Tel 951-684-6900 • Fax 951-684-6986

October 25, 2012

818-71.1 F/C

Brent Anton
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399

Subject: 2nd Place Pipeline at Harruby
Recommendation of Acceptance of Contract Work

Dear Mr. Anton:

All work required to be performed by Merlin Johnson Construction for the 2nd Place Pipeline at Harruby Project is essentially complete and the final Contract Amount for same is set forth as follows:

Original Contract Amount:	\$63,115.00
Contract Change Orders	<u>\$0.00</u>
Final Contract Amount:	\$63,115.00

Since the Contract Work has been essentially completed in accordance with the Contract Documents, we recommend the District accept said Work. Subsequent to Board acceptance, a Notice of Completion should be filed and thereafter, following the lien period, the District should make final payment (i.e. release retained amount), provided no Stop Notices have been filed.

If you have any questions, please call.

Sincerely,

KRIEGER & STEWART

Patrick M. Watson

PMW/cam
818-71P1-REACCEP

Record Without Fee
Per Govt. Code 6103

Recording Requested By:
Yucaipa Valley Water District

And When Recorded Mail To:
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399

SPACE ABOVE THIS LINE FOR RECORDERS USE

NOTICE OF COMPLETION

Project Number: N/A CMMS Number: P-02-245
Director Memorandum Number for Authorization: DM 12-091
Director Memorandum Number for Notice of Completion: DM 12-XXX

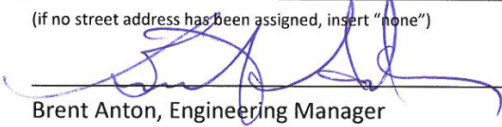
Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest in the property hereinafter described:
2. The full name of the owner is Yucaipa Valley Water District
3. The full address of the owner is 12770 Second Street, Yucaipa, CA 92399
4. A work performed hereinafter described was completed on October 26, 2012. The work done was: Construction of 410-feet of 12-inch DIP in Second Place at Harruby Drive
5. The name of the contractor for such work was: Merlin Johnson Construction, Inc.
October 17, 2012
(Date of Contract)
6. The property on which said work was complete in the City of Calimesa
County of Riverside, State of CA, and is described as APN: N/A
7. The street address of said property is None

(if no street address has been assigned, insert "none")

Dated October 26, 2012


Brent Anton, Engineering Manager

Verification

I, the undersigned, say: I am the General Manager of the Declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the comments thereof; the same is true to my knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 7, 2012 at Yucaipa, CA.

Joseph B. Zoba, General Manager



Director Memorandum 12-095

Date: November 7, 2012

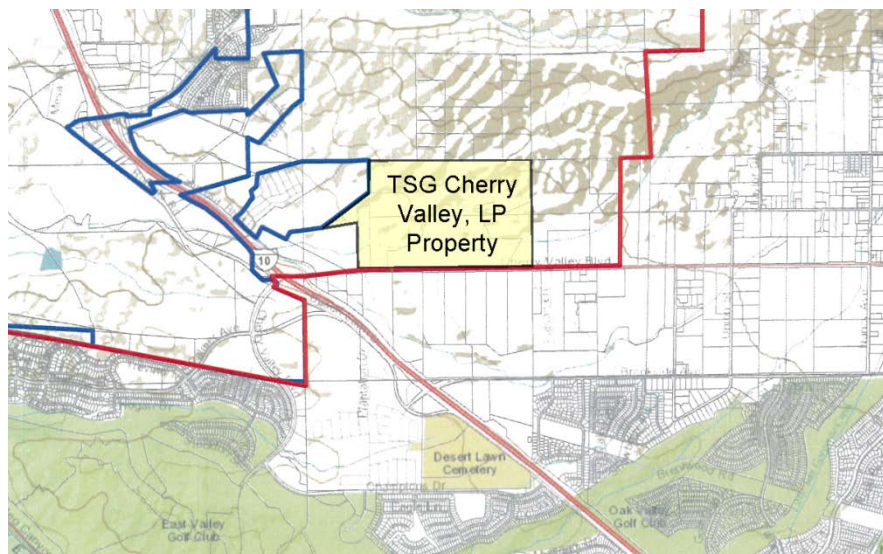
Prepared By: Joseph Zoba, General Manager

Subject: Adoption of Resolution No. 2012-14 Authorizing the Initiation of Annexation Proceedings for the Jurisdictional Boundary Adjustment Related to Parcel Map No. 36093 (Assessor's Parcel Numbers 407-220-004, 007, 008, 009, 014, 016, 017 and 413-270-012, 013)

Recommendation: That the Board adopts Resolution No. 2012-14.

The Yucaipa Valley Water District has been requested by the property owner of Parcel Map No. 36093 to initiate annexation proceedings of approximately 242 acres currently within the sphere of influence of the Yucaipa Valley Water District.

The approval of the attached resolution is the first step for the property owner to initiate and pursue the annexation of the property into the service area of the Yucaipa Valley Water District.



TSG Cherry Valley, LP
2 Park Plaza, Suite 700
Irvine, California 92614

Mr. Joseph Zoba
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399

RE: Annexation into Yucaipa Valley Water District
TSG Cherry Valley, LP

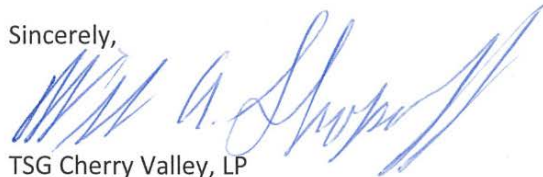
Dear Mr. Zoba:

This letter is being provided to Yucaipa Valley Water District (the "District") based upon our recent discussions regarding the possible annexation of properties within the District's sphere of influence into the District's boundaries. TSG Cherry Valley, LP ("TSG") owns certain real properties within the District's sphere of influence, totaling approximately 242.63 acres, including Assessor's Parcel Nos. 407-220-004, 007, 008, 009, 014, 016 and 017, and 413-270-012 and 013.

TSG is amendable to annexing into the District's boundaries, and is hereby authorizing the District to include the TSG properties in the proposed annexation into the District. Attached is a map showing the location of the TSG properties and the current District boundary and sphere of influence for your reference.

We look forward to working with you on the proposed annexation. Should you need any additional information, please feel free to contact Brian Rupp at (949) 231-5068 or via email at brupp@shopoff.com.

Sincerely,



TSG Cherry Valley, LP
By: TSG GP, LLC, its General Partner
By: William A. Shopoff, Manager

Cc: Jennifer Guenther, Esq.
Patrick Meyer
Brian Rupp

RESOLUTION NO. 2012-14

**A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT
AUTHORIZING THE LOCAL AGENCY FORMATION COMMISSION
TAKE THE NECESSARY PROCEEDINGS FOR THE ANNEXATION OF
PARCEL MAP NO. 36093 (ASSESSOR'S PARCEL NUMBERS 407-220-004,
007, 008, 009,014, 016, 017 and 413-270-012, 013)**

WHEREAS, the Yucaipa Valley Water District has received a request for annexation from the property owner of approximately 230 acres (Assessor's Parcel Number(s) 407-220-004, 007, 008, 009,014, 016, 017 and 413-270-012, 013); and

WHEREAS, the territory proposed to be annexed to the Yucaipa Valley Water District is uninhabited and the property owner desires to receive water and sewer service from Yucaipa Valley Water District.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Yucaipa Valley Water District hereby resolve, determine, and order as follows:

1. This Resolution is hereby adopted and approved by the Board of Directors of the Yucaipa Valley Water District; and
2. The Local Agency Formation Commission is hereby requested to take proceedings for the annexation of Assessor's Parcel Number(s) 407-220-004, 007, 008, 009,014, 016, 017 and 413-270-012, 013; and
3. The owner/developer of the property shall be responsible for all costs incurred by the Yucaipa Valley Water District and the Local Agency Formation Commission pertaining to this aforementioned annexation.
4. That the General Manager forwards a copy of the executed resolution to the Local Agency Formation Commission.

PASSED, APPROVED and ADOPTED this 7th day of November 2012.

YUCAIPA VALLEY WATER DISTRICT

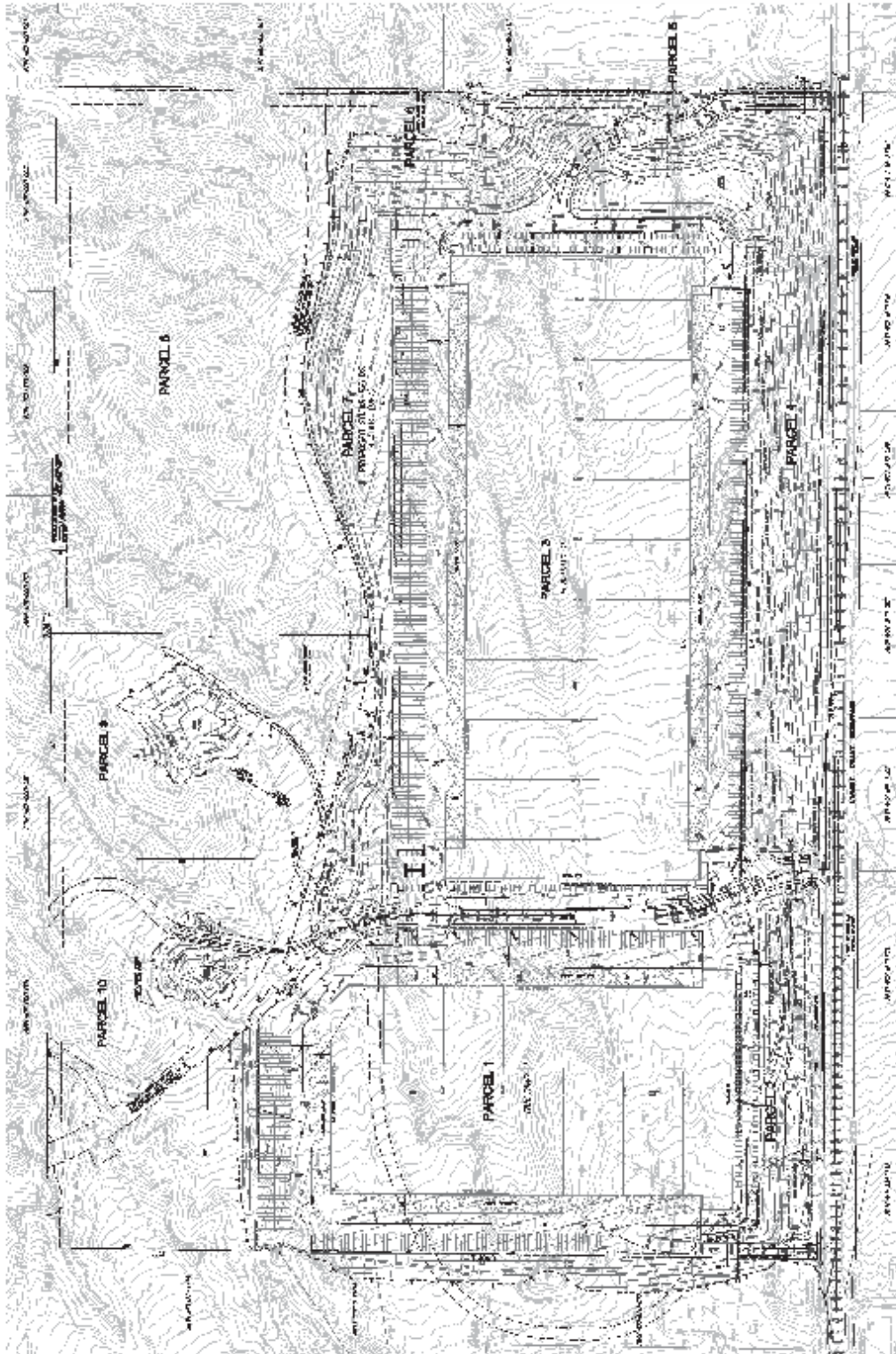
ATTEST:

Jay Bogh, President Board of Directors

Joseph B. Zoba, General Manager

LEGAL DESCRIPTION

IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING A PORTION OF THE NORTH HALF OF SECTION 30, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.





Director Memorandum 12-096

Date: November 7, 2012

Prepared By: Jennifer Ares, Resource Sustainability Manager

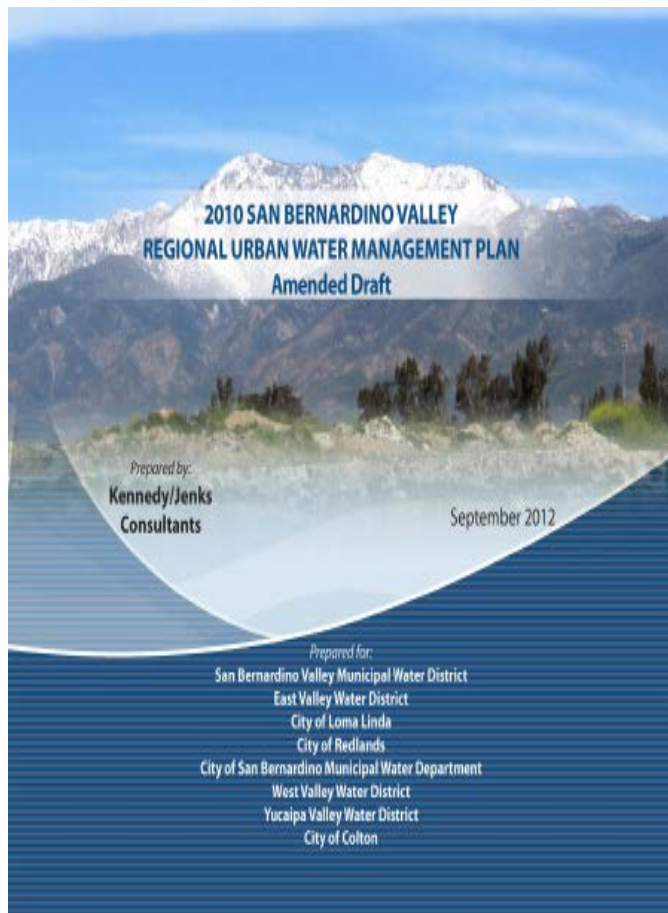
Subject: Adoption of Resolution No. 2012-15 Amending the 2010 San Bernardino Valley Regional Urban Water Management Plan

Recommendation: That the Board adopts Resolution No. 2012-15.

Multiple water retail agencies in the service area of the San Bernardino Valley Municipal Water District cooperated for the preparation of a Regional Urban Water Management Plan. These agencies included: the City of Colton; the City of Loma Linda; City of Redlands; the City of San Bernardino; the East Valley Water District; the Riverside Highland Water Company; the San Bernardino Valley Municipal Water District; the West Valley Water District; and the Yucaipa Valley Water District.

Since the original adoption of the plan, revisions have been made to the Regional Urban Water Management Plan. The water code requires that any changes to an Urban Water Management Plan be readopted and re-filed with the Department of Water Resources (water code section 10640 and 10621(c)).

The Draft Amended Regional Urban Water Management Plan includes revisions to the document to correct errors and clarify portions of the Regional Plan based on a review by the Department of Water Resources. The draft revisions do not impact on Yucaipa Valley Water District's individual Urban Water Management Plan which was prepared separately from the Regional Plan.



Amendments to the RUWMP

✓	Ch	Final RUWMP (June 2011)	Amended RUWMP
✓	Cover		Cover revised to indicate that the document is the Amended Regional Urban Water Management.
✓	2	No Man's Land Subbasin not included in document.	Added Section 2.2.7 No Man's Land Subbasin.
✓	2	Recycled Water is its own section and not included in the section "Planned Water Supply Projects and Programs" .	Made Recycled Water section 2.6.2 .
✓	2, 3	Yield of SBBA given as 232,100 AFY (plaintiffs and non-plaintiffs). However, plaintiff demands are not included in the document. The net effect is that the SBBA supply is overestimated.	Capped safe yield of SBBA at 167,238 AFY (non-plaintiffs). Revised tables 2-8, 2-9, and 2-10. Changed Table 3-1.
✓	2,3	Characterized return flows from direct SWP deliveries as reduction to recharge obligation (Chapter 3), but did not include return flows as a supply.	Added return flows from direct SWP deliveries to supply (Chapter 2). Revised tables 2-8, 2-9, and 2-10.
✓	2,3	Judgment replenishment obligation language unclear.	Clarified Judgment replenishment obligation language .
✓	3	Section 3.1 covers the recharge obligation under the Western Judgment but is titled Demands for SBBA Water.	Renamed section 3.1 to "Recharge Obligation".
✓	3	Table 3-1 does not show all of the calculations.	Reformatted/enhanced Table 3-1.
✓	3	There is no section describing the demands on the Seven Oaks supply.	Added section 3.2 Demands for Seven Oaks Supply.
✓	3	The demands for imported water in Table 3-3 are overestimated because they are taken from the retail agency chapters where supplies are allowed to exceed demands. Revising this table would require the retail agencies to cap each supply to the demand which goes against the approach used in an UWMP (supplies can exceed demands). Total direct delivery demand from all of the agencies (capped by demand) is shown on Table 3-2.	Removed Table 3-3 and revised text for section 3.3.1.
✓	3	One of the primary management strategies in the IRWMP is storing SWP water in wet years for use during droughts. This is reflected on Tables 2-8, 9 and 10 but not explained in the text.	Added section 3.3.3 Storage of Imported Water.
✓	3	There is no table summarizing demands from groundwater basins other than the SBBA.	Added Table 3-4.
✓	3	There is no table summarizing recycled water demands.	Added Table 3-5.
✓	3	There is no table that summarizes demands by water agency.	Revised Table 3-7, now Table 3-6.

✓	Ch	Final RUWMP (June 2011)	Proposed Change
✓	3	Uses Rialto and Fontana demand figures from the Upper Santa Ana Watershed Integrated Regional Water Management Plan (IRWMP).	Updated plan to reflect demands from the 2010 Rialto and Fontana UWMPs. Demands distributed amongst possible sources using the proportions from the IRWMP. Revised tables 3-2, 3-4, and 3-6.
✓	4	The tables in Chapter 4 sum the demand, by source, from the retail agency chapters and exceed the sum of the total demand from all of retail agencies. This is because supplies are allowed to exceed demands in the retail agency chapters. The net effect is that the total demand in these tables is overestimated. This did not get noticed due to the overestimation of supply from the SBBA (see above).	Revised Table 4-1, 4-2 and 4-3.
✓	10	The summary supply vs. demand tables (Tables 10-37, 10-38, and 10-39) do not include demands from specific developments (K/J mistake).	Included demands from specific developments.
✓	12	YVWD had some changes to their recycled water supply and groundwater demands.	Incorporated changes in both Chapter 12 and Chapter 3.
✓	7	EVWD had minor changes to the description of their service area.	Incorporated changes.
✓	7, 9, 10, 11, 12, 13	DWR had comments on sections 7.7.2.8, 8.7.1.8, 10.7.3.8, 11.7.4.4, 12.6.1.1, and 13.7.2.8. DWR noted that appropriate name for the BMP being discussed is "Water Sense Specification for Residential Development"	Modified sections as follows, "Water Sense Specification for ~~New~~ Residential Development".
✓	10	DWR expressed confusion over how SBx7-7 population calculations were done for the City of San Bernardino.	Added text to section 10.4.1 to clarify how SBx7-7 population calculations were conducted.
✓	10	DWR asked for clarification of how the San Bernardino Municipal Water Department is complying with BMP requirements for a conservation coordinator.	Revised text in section 10.7.3.1.
✓	12	DWR expressed confusion over how SBx7-7 population calculations were done for the Yucaipa Valley Water District.	Added text to section 12.4.1 to clarify how SBx7-7 population calculations were conducted.
✓	13	DWR expressed confusion over how SBx7-7 population calculations were done for the City of Colton.	Added text to section 13.4.1 to clarify how SBx7-7 population calculations were conducted.

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JENNIFER ARES
 YUCAIPA VALLEY WATER DIST
 12770 SECOND ST PO BOX 730
 YUCAIPA, CA 92399

COPY OF NOTICE

Notice Type: HRGSB NOTICE OF HEARING-SB
 Ad Description 2010 URBAN WATER MANAGEMENT PLAN

To the right is a copy of the notice you sent to us for publication in the SAN BERNARDINO COUNTY SUN. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

10/24/2012 , 10/31/2012

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

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**YUCAIPA VALLEY WATER
 DISTRICT
 NOTICE OF PUBLIC HEARING
 2010 URBAN WATER
 MANAGEMENT PLAN
 AMENDMENT**

NOTICE IS HEREBY GIVEN that on November 7th 2012 at 6:00 p.m. in the meeting room of the Board of Directors of the Yucaipa Valley Water District located at 12770 Second Street, Yucaipa 92399, the Board of Directors will conduct a public hearing pursuant to California Water Code sections 10642 to consider and receive comments and input on amendments to the previously adopted 2010 San Bernardino Valley Regional Urban Water Management Plan.

A copy of the amended 2010 San Bernardino Valley Regional Urban Water Management Plan will be available for public review on or before October 24th, 2012, Monday through Friday, during normal business hours at the Yucaipa Valley Water District's Administrative Office located at 12770 Second Street, Yucaipa 92399. In addition, an electronic version of the amended 2010 San Bernardino Valley Regional Urban Water Management Plan will be accessible at yvwd.dst.ca.us. Any written comments regarding the amended 2010 San Bernardino Valley Regional Urban Water Management Plan should be submitted by the close of business on November 2nd, 2012 to the address set forth above, attention Jennifer Ares. Public comments can also be made at the public hearing at the time and place first set forth above. Upon conclusion of the public hearing, the Board of Directors of the Yucaipa Valley Water District may revise, change, modify, and/or adopt the amended 2010 San Bernardino Valley Regional Urban Water Management Plan. Questions regarding the public hearing or the 2010 Urban Water Management Plan should be directed to Jennifer Ares at 909.790.3301. If you are disabled in any way and need accommodation to participate in the public hearing, please contact Erin Anton at 909-797-5117 for assistance at least 48 hours prior to the hearing so the necessary arrangements can be made.

Yucaipa Valley Water District
 10/24, 10/31/12

SBS-2394090#



RESOLUTION NO. 2012-15**A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT
AMENDING THE 2010 SAN BERNARDINO VALLEY
REGIONAL URBAN WATER MANAGEMENT PLAN**

WHEREAS, pursuant to Section 10620 et seq. of the California Water Code, the Yucaipa Valley Water District prepared and adopted the 2010 San Bernardino Valley Regional Urban Water Management Plan on November 7, 2012; and

WHEREAS, the Yucaipa Valley Water District Board of Directors, pursuant to Section 10621 of the Water Code has reviewed the Plan and directed that it be amended; and

WHEREAS, the amended Plan, entitled "Amended Final 2010 San Bernardino Valley Regional Urban Water Management Plan" has been made available for public inspection and notice of a public hearing thereon has been given pursuant to Section 10642 of the California Government Code; and

WHEREAS, at the time set, the duly notice public hearing was held and all persons interested were given an opportunity to be heard concerning any matter set forth in the Plan.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Yucaipa Valley Water District hereby resolve, determine, and order as follows:

1. The Amended Final 2010 San Bernardino Regional Urban Water Management Plan is hereby adopted pursuant to Section 10642 of the California Water Code.
2. The General Manager is hereby authorized and directed to include a copy of this Resolution in the Amended Final 2010 San Bernardino Valley Regional Urban Water Management Plan.
3. The General Manager is hereby authorized and directed, in accordance with Water Code section 10644, to submit copies of the Amended Final 2010 Plan to the California Department of Water Resources, the California State Library, and any city or county within which the Yucaipa Valley Water District provides water supplies no later than thirty (30) days after this adoption date.
4. The General Manager is hereby authorized and directed, in accordance with Water Code Section 10645, to make the Amended Final 2010 Plan available for public review during normal business hours no later than thirty (30) days after filing a copy of the Plan with the California Department of Water Resources.

PASSED, APPROVED and ADOPTED this 7th day of November 2012.

YUCAIPA VALLEY WATER DISTRICT

ATTEST:

Jay Bogh, President Board of Directors

Joseph B. Zoba, General Manager



Director Memorandum 12-097

Date: November 7, 2012

Prepared By: Joseph Zoba, General Manager

Subject: Authorization to Participate with the United States Department of the Interior, U.S. Geological Survey and the San Bernardino Valley Municipal Water District to Conduct a Groundwater Investigation in the Yucaipa Basin

Recommendation: That the Board authorizes a maximum contribution of \$100,000 towards the groundwater investigations in the Yucaipa Basin.

The Yucaipa Valley Water District requested the attached scope of services from the United States Geological Survey to study the movement of recharge water from the Wilson Creek Spreading Basins. This study is site specific to the Wilson Creek Spreading Basins and will assist the Yucaipa Valley Water District and the San Bernardino Valley Municipal Water District to gain a better understanding of how imported water migrates through the soil in the Yucaipa area.



United States Department of the
Interior

**U.S. GEOLOGICAL
SURVEY**

California Water Science
Center San Diego Projects
Office

4165 Spruance Road,
Suite 200

San Diego, California
92101-0812

Office: (619) 225-6176 Fax: (619)

225-6101 <http://water.wr.usgs.gov>

October 24, 2012

Mr. Joe Zoba, General Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, California 92339

Subject: Proposed USGS study for federal fiscal year 2013 and 2014

Dear Mr. Zoba,

This letter describes proposed work for federal fiscal years 2013 and 2014 as part of our cooperative water-resources program between the San Bernardino Valley Municipal Water District (SBVMWD) and the United States Geological Survey (USGS). Funding for this effort is provided by the Yucaipa Valley Water District and the United States Geological Survey (USGS). Specific tasks are described for the Yucaipa Basin and proposed funding is summarized in this letter.

Problem

Effectively managing recharge of imported water in the Yucaipa Basin is increasingly important, but present hydrogeologic knowledge about the direction and speed of recharged water is limited.

Hydrogeology of the Yucaipa Basin

During federal fiscal year 2010-12, investigations in the Wilson Creek subbasin focused on sampling and analysis of recharge water to help determine timing and movement of water

through the subbasin. This study will complement the previous study by tracking recharge of imported water from the Wilson Creek spreading ponds to several Yucaipa Valley Water District production wells near the spreading ponds.

Proposed work in federal fiscal year 2013 includes:

A. *Tracking recharge of imported water*

This task will consist of injecting the tracer sulfur hexafluoride (sf6) in the Wilson Creek spreading ponds and monitoring four wells down gradient by collecting bi-weekly water-quality samples to determine travel times; one well adjacent to the spreading ponds to analyze the vertical movement, Wilson Creek multi-depth monitoring well and two productions wells (YVWD 53 & 46) approximately ¼ mile down gradient from the ponds. Prior flowmeter logging of well 53 will allow the vertical distribution of the tracer to be estimated for future use in work element B. This tracer will be banned January 1, 2013 by the California Air Resource board so this task will need to be accomplished before that date. This information will aid in understanding how groundwater flows to the production wells and will aid the water district with regulatory concerns. Cost for this task is \$60,000.

Proposed work in federal fiscal year 2014 includes:

B. *Analysis and Simulate movement of imported water to production wells*

Data collected in work element A will be analyzed using known geology and hydrogeology of the area and previously collected water-quality analyses. A computer model (Analyzehole) will be used to simulate transport of SF6 to the production wells. This product is an integrated wellbore analysis tool for simulating flow and transport in wells and aquifer systems. A pumping well and adjacent aquifer system are simulated with an axisymmetric, radial geometry in a two-dimensional MODFLOW model. Cost for this task is \$60,000.

Total cost for the investigation is \$120,000. Cost to YVWD is \$100,000 over two years. Subject to the availability of federal matching funds, the USGS will provide \$20,000.

Thank you for your long-standing support of our collective efforts to better understand the water resources in Yucaipa.

Sincerely,

Greg Mendez
Hydrologist



Director Memorandum 12-098

Date: November 7, 2012

Prepared By: Joseph Zoba, General Manager

Subject: Authorization to Solicit Bids for the Recoating of Reservoir R-13.2

Recommendation: That the Board authorizes the District staff to solicit bids for the recoating of Reservoir R-13.2.

Every year the Yucaipa Valley Water District inspects and cleans the drinking water and recycled water reservoirs. During the most recent reservoir facility inspection, the District staff recognized a coating issue with the R-13.2 reservoir. Following a closer examination of the interior coating by District staff, a site inspection was conducted to provide information about the condition of the reservoir with the members of the board and the public. During the workshop the District staff explained that it would be necessary to recoat the interior surfaces of the reservoir following the summertime peak water demand season.

The District staff is now prepared to solicit proposals for this work and requests such authorization from the board.



Director Memorandum 12-099

Date: November 7, 2012

Prepared By: Bob Wall, Operations Manager

Subject: Authorization to Execute a Service Contract for the Annual Inspection and Cleaning of Water Storage Reservoirs

Recommendation: That the Board authorizes the issuance of a purchase order to Inland Potable Services for inspection and cleaning services for a sum not to exceed \$52,331.

Each year the Yucaipa Valley Water District inspects and cleans our drinking water and recycled water storage reservoirs. This year the District staff has scheduled fourteen potable reservoirs and two recycled water reservoirs for inspection and cleaning.

Requests for Proposals (RFP) were sent to two interested underwater diving service companies that specialize in this type of work and that we have contracted with in the past two years. Attached to this memorandum is a copy of the two RFP's, which includes a complete list of the facilities to be inspected.

The two companies contacted submitted the following cost proposals:

- Inland Potable Services - \$55,465
- Liquivision Technology - \$63,550

Any coating issues that may be found in any of the inspected facilities will be addressed by the District on a case-by-case basis and are outside the scope of the submitted bids.

As you may note, the cost associated with the bid proposal and the actual recommended purchase order amount do not agree, this is due to the removal of the F-1 reservoir from the initial bid. The F-1 reservoir will be cleaned during the modification process necessary for the B-12 Recycled Water Booster Station.

Fiscal Considerations

Funds for this effort will be allocated from Water, Sewer, and Recycled Water Division, Repair & Maintenance - Structures (0x-5-0x-51003) within the Fiscal Year 2013 Budget.



16297 E. Crestline Lane
Centennial, Colorado 80015
Phone: 303-699-2729
Fax: 303-693-1843

October 3, 2012

Mr. Bob Wahl
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399

RE: Request for Proposal for 2012 Reservoir Cleaning and Inspection.

Dear Mr. Wahl,

Enclosed, please find our bid in response to your Request for Proposal for 2012 Reservoir Cleaning and Inspection.

Inland Potable Services, Inc. proposes to provide inspection and cleaning of the specified reservoirs for the lump sum price of \$55,465.00. This price includes mobilization, demobilization, equipment, manpower, overhead and profit. All divers are certified commercial divers, and are employees of Inland Potable Services, Inc. We do not utilize contract labor.

Wages are calculated on prevailing wage determinations for your county and are valid until June 30, 2013. Pricing is based on working 6 days per week, but does not include work on Sundays or holidays. The wage determination for your county requires that divers be paid a minimum of 8 hours for any portion of a day worked.

Our price includes video and written condition reports on each reservoir, with high resolution video documentation in DVD format. **We do not charge extra for written reports.**

The above price includes sediment bags for the sites that will require them. **We will not charge extra for the sediment bags specified for this job.** In the event that de-chlorination of discharge water is required, de-chlor tablets will be provided at **no additional charge.**

Pricing includes sediment removal of up to 1" of normal sediment in each tank, except where specified on your Facilities List. Abnormal sediment, i.e. gravel, clay, etc. will be removed at an additional charge of \$475 per hour, for up to 2 hours daily overtime, or \$3,134 for additional week days.

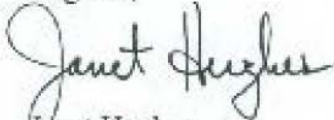
In the event that the District determines that they wish to complete recommended repairs while the team is on site, repairs will be completed at the rate of \$475 per hour for up to 2 hours of daily overtime, or \$3,134 per week day, if additional week days are required. Any epoxy required will be provided at the rate of \$250 per kit.

It is our understanding that the District will remove any required filtration bags from the site, and will provide a District operated man-lift for access to the top of each reservoir.

Inland Potable Services, Inc. will comply with the proposed time schedule for the completion of the work.

We appreciate the opportunity submit a proposal for your project. If you have any questions, concerning our proposal, please do not hesitate to call me at 303-400-4220.

Regards,

A handwritten signature in cursive script that reads "Janet Hughes".

Janet Hughes,
President
INLAND POTABLE SERVICES, INC.

JH/j

ENCLOSURE



Business Office
16297 E. Crestline Lane
Centennial, CO 80015
Phone: 303-699-2729

Sales Office
Phone: 303-400-4220
Fax: 303-400-4215
michael@inlandpotableservices.com

Bob Wall
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399-0730

Phone: 909-790-9208
Fax: 909-797-5937
Email: bwall@yvwd.dst.ca.us

Date: 10/2/2012

Diving Services for Potable Water Tanks/Reservoirs

Tanks	Tank Description	Additional Information	Scope of Work To Include
1	R 11.2 Potable 1.5MG Steel On-Grade 108'dia x 24'dp	CLEANING AND INSPECTION 17 RESERVOIRS LISTED	Includes up to 1" of sediment removal for all listed Potable water tanks
1	R 12.2 Potable 2 MG Steel On-Grade 120'dia x 24'dp	<u>No Additional Charge:</u> Hard copy written report included still photos of interior and exterior for each tank listed. Plus DVD.	
1	R 13.1 Potable 6MG Buried Concrete 206.5'dia x 25'dp		
1	R 13.2 Potable 1.6MG Steel On-Grade 93'dia x 32'dp		
1	R 15.1 Potable 4MG Steel On-Grade 151'dia x 32'dp		
1	R 15.2 Potable 2MG Steel On-Grade 120'dia x 24'dp		
1	R 16.6 Potable 0.21MG Steel On-Grade 38'dia x 24'dp		
2	R 17.11 / R 17.12 Potable 0.21 MG Steel On-Grade 38'dia x 24'dp		
1	R 17.2 Potable 1.6MG Steel On-Grade 94'dia x 31'dp		
2	R 17.51 / R 17.52 Potable 0.045MG Steel On-Grade 22'dia x 16'dp		

1	R 18.3 Potable 0.15MG Steel On-Grade 40'dia x 16'dp		
1	R 20.2 Potable 0.43MG Steel On-Grade 68'dia x 16'dp		
1	R 22.1 Potable 0.21MG Steel On-Grade 48'dia x 16'dp		De-chlorination tablets for (Potable Water) tanks will be provided at no additional cost.
1	F-1 Non Potable 2MG Steel On-Grade 109'dia x 30'dp		Sediment bag – 3" sediment
1	G-1 Non Potable 4MG Buried Concrete 176'dia x 24'dp	Sediment bags provided for all tanks that require them Utility responsible for remove sediment bags	Sediment bag – 3" sediment
	Prevailing Wage: San Bernardino County	Epoxy is \$250.00 a kit. Not included in the price. Unused epoxy will not be charged i.e. \$125.00 half kit if applicable.	
		Proposal Total	\$55,465.00
The bid price listed above is valid for 90 days from date shown. Proposals signed and returned to Inland Potable Services are valid for one year from date of acceptance.			

Payment terms: 1% Ten Days, Net 30 Days. 1.5% interest per month on all accounts past 30 days.

This contract is based on a unit price which includes time and mobilization to and from the project site, set-up and breakdown of equipment, preparation for dive and diving services. Diving services will include sediment removal up to 1 inch from the floor, a video inspection and written report for your records (still photo's included) unless stated otherwise. During the initial inspection sediment depths will be measured by the diver and documented on video.



Business Office
Office

16297 E. Crestline Lane

Regional Sales

Phone: 303-400-4220

October 25, 2012

Mr. Bob Wall
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92399

RE: Deduction in Proposed cost due to an elimination on reservoir F-1 Non Potable

Dear Mr. Wall

Enclosed is the new proposed cost after the elimination of reservoir F- 1 Non Potable On-Grade Steel water storage tank. Due to the current prevailing wage rate indicated by San Bernardino County we are deducting the amount of \$3,134.00, due the wage stipulation that all workers (d) shall receive a minimum 8 hours pay for any day or part thereof.

You will find the attached proposal showing a total cost price of \$52,331.00, to complete your scheduled project starting in November 2012.

Please feel free to contact me with any further question or concerns at 303-400-4220.

Regards,

Janet Hughes
President
INLAND POTABLE SERVICES

JH/j

Bob Wall
 Yucaipa Valley Water District
 P.O. Box 730
 Yucaipa, CA 92399-0730

Phone 909-790-9208
 Fax: 909-797-5937
 Email: bwall@yvwd.dst.ca.us

Date: 11/2/2012

Diving Services for Potable Water Tanks/Reservoirs

Tanks	Tank Description	Additional Information	Scope of Work To Include
1	R 11.2 Potable 1.5MG Steel On-Grade 108'dia x 24'dp	CLEANING AND INSPECTION 17 RESERVOIRS LISTED	Includes up to 1" of sediment removal for all listed Potable water tanks
1	R 12.2 Potable 2 MG Steel On-Grade 120'dia x 24'dp	<u>No Additional Charge:</u> Hard copy written report included still photos of interior and exterior for each tank listed. Plus DVD.	
1	R 13.1 Potable 6MG Buried Concrete 206.5'dia x 25'dp		
1	R 13.2 Potable 1.6MG Steel On-Grade 93'dia x 32'dp		
1	R 15.1 Potable 4MG Steel On-Grade 151'dia x 32'dp		
1	R 15.2 Potable 2MG Steel On-Grade 120'dia x 24'dp		
1	R 16.6 Potable 0.21MG Steel On-Grade 38'dia x 24'dp		
2	R 17.11 / R 17.12 Potable 0.21 MG Steel On-Grade 38'dia x 24'dp		
1	R 17.2 Potable 1.6MG Steel On-Grade 94'dia x 31'dp		
2	R 17.51 / R 17.52 Potable 0.045MG Steel On-Grade 22'dia x 16'dp		
1	R 18.3 Potable 0.15MG Steel On-Grade 40'dia x 16'dp		
1	R 20.2 Potable 0.43MG Steel On-Grade 68'dia x 16'dp		

1	R 22.1 Potable 0.21MG Steel On-Grade 48'dia x 16'dp		De-chlorination tablets for (Potable Water) tanks will be provided at no additional cost.
1	G-1 Non Potable 4MG Buried Concrete 176'dia x 24'dp	Sediment bags provided for all tanks that require them Utility responsible for remove sediment bags	Sediment bag – 3" sediment
	Prevailing Wage: San Bernardino County	Epoxy is \$250.00 a kit. Not included in the price. Unused epoxy will not be charged i.e. \$125.00 half kit if applicable.	
		Proposal Total	\$52,331.00
The bid price listed above is valid for 90 days from date shown. Proposals signed and returned to Inland Potable Services are valid for one year from date of acceptance.			

Payment terms: 1% Ten Days, Net 30 Days. 1.5% interest per month on all accounts past 30 days.

This contract is based on a unit price which includes time and mobilization to and from the project site, set-up and breakdown of equipment, preparation for dive and diving services. Diving services will include sediment removal up to 1 inch from the floor, a video inspection and written report for your records (still photo's included) unless stated otherwise. During the initial inspection sediment depths will be measured by the diver and documented on video.

Inland Potable Services, Inc. will provide all personnel and equipment necessary to provide diving services in the above referenced tank(s) or reservoir(s). We will provide your utility with a written report as well as a narrated color video for the services performed. The tank(s) or reservoir(s) will be inspected according to American Water Works Association (AWWA), NACE, SSPC, ASNT, ACI and AWS standards.

- **All divers employed by Inland Potable Services are certified Commercial Divers.**
- **Inland Potable Services is fully bondable and insured.**
- **All equipment entering the tanks will be disinfected with a minimum of 200ppm Chlorine.**
- **Schedule dates are agreed to be between 11/26/2012 and 12/24/2012.**
- **If Inland Potable Services dive team is required to stop working or is delayed working due to unforeseen circumstances or any reasons beyond our control (i.e. no utility personnel onsite, inability to access designated work site, etc.) a down-time charge of \$400.00 per hour will be charged.**
- **A fee based on \$400.00 per hour will be charged if we are unable to get our truck and trailer to a tank location. We will use portable dive gear and cleaning equipment to complete the job. Please understand that use of utility vehicles or equipment may be necessary to get our equipment to a tank.**
- **If the type of tank, dimensions of tank(s) or reservoir(s) or information given about tank(s) or reservoir(s) is not accurate, as listed above, then additional costs may be added.**
- **Inland Potable Services makes every attempt to obtain complete information from customers prior to the presentation of bids concerning fees required for municipal licenses, registration fees, Sales Tax or Use Taxes in your area. These items are identified on your contract. In the event that additional fees are discovered or charged, after the bid has been submitted, these charges will be added to the stated contract amount when billed.**

Michael Elick

10/05/2012

Michael Elick
Regional Account Manager

Date

To accept, please sign and date proposal. Please mail to "*Business Office*" or fax and/or scan and send to the "*Sales Office*" listed on the front page of this document.

Printed Name and Title

Date

Signature



LiquiVision DIVING

Office/Mailing Address
711 Market Street
Klamath Falls, OR 97601

Phone: (800) 228-8959 Fax: (541) 883-1361
liquivision@divingservices.com
www.divingservices.com

TECHNOLOGY SERVICES

Western Operations
636 Market Street
Klamath Falls, OR 97601

Bob Wall
Yucaipa Valley Water District
P.O. Box 730
Yucaipa, CA 92389

9/17/2012
Wk: 909-790-9208
Fx:
*CA3122512R1-17T__

We are pleased to provide you the following firm quotation and outline of the conditions of our services.

Reservoir	Type	Dia. or LxW (Feet)	Hgt. (Feet)	Maximum Calculated Capacity (Gallons)	Surface Area (S.F.)	Cubic Yards Sediment 1' deep	Price for Diver Inspection Only	Price for Diver Cleaning & Inspection	Price for Additional Sediment Per inch
Mobilization Charge - Flat charge to mobilize and demobilize to your location.								\$450	
1. F-1 Non Potable	OG Welded	109	30	2,000,000	9,327	26.79		\$6,150	\$1,008
2. G-1 Non Potable	BG Concrete	176	24	4,000,000	24,316	75.05		\$12,500	\$2,627
3. Reservoir 11.2	OG Welded	108	24	1,500,000	9,156	26.26		\$3,300	\$989
4. Reservoir 12.2	OG Welded	120	24	2,000,000	11,304	34.89		\$3,600	\$1,221
5. Reservoir 13.1	BG Concrete	206	25	6,000,000	33,312	102.62		\$10,500	\$3,599
6. Reservoir 13.2	OG Welded	93	32	1,500,000	6,789	20.96		\$2,970	\$733
7. Reservoir 15.1	OG Welded	151	32	4,000,000	17,899	55.24		\$5,550	\$1,934
8. Reservoir 15.2	OG Welded	120	24	2,000,000	11,304	34.89		\$3,600	\$1,221
9. Reservoir 16.6	OG Welded	38	24	210,000	1,134	3.50		\$1,570	\$122
10. Reservoir 17.11	OG Welded	54	24	420,000	2,289	7.07		\$1,730	\$247
11. Reservoir 17.12	OG Welded	54	24	420,000	2,289	7.07		\$1,730	\$247
12. Reservoir 17.2	OG Welded	94	31	1,500,000	6,936	21.41		\$2,990	\$749
13. Reservoir 17.51	OG Welded	23	16	49,000	415	1.28		\$1,470	\$45
14. Reservoir 17.52	OG Welded	23	16	49,000	415	1.28		\$1,470	\$45
15. Reservoir 18.3	OG Welded	40	16	150,000	1,256	3.88		\$1,590	\$136
16. Reservoir 20.2	OG Welded	68	16	430,000	3,630	11.20		\$2,520	\$392
17. Reservoir 22.1	OG Welded	48	16	210,000	1,809	5.56		\$1,660	\$195
Filter Bags are \$200 per bag. Dechlorination is charged at \$15 per hour. Quote reflects prevailing wage. Subtotal								\$65,350	
Multitank Discount (after the first two reservoirs).								(\$1,800)	
Total								\$63,550	

*Plus sales tax if applicable

Scope of Work:

Removal of accumulated sediment from the floor of the reservoirs. The effluent will be disposed of at the districts direction. A final and comprehensive inspection will be performed documenting the condition of the entire structure and recorded on DVD. Written documentation with digital pictures, descriptions of the images and any recommendations will be provided to the district on a USB flash drive.

Our bids are based on a variety of factors that pertain to the length of time it takes to accomplish our work. The main consideration is the amount of sediment that has to be removed, up to **1" of normal sediment** is included in this bid for the potable reservoirs and **3"** is included for the two non-potable reservoirs.

Initials **Please initial the line items below to verify that you have reviewed them.**

- ____ Entry hatch on top of the reservoir is at least 18" diameter.
 ____ The water level is kept within ten (10) feet of the top of the tank.
 ____ Tank dimensions are correct.
 ____ Scope of work is correct.

1. Placement and disposal of effluent removed from the reservoir is done at the direction of the Customer.
2. Quotes for cleaning assume that the sediment is normal material (such as silt, flocculated material, insects, manganese, rust, etc.) found in potable water reservoirs that is easily removed by our vacuum system. If the sediment is difficult to remove such as large amounts of concrete chips, gravel, sand, rocks, detached coating debris, etc., then our hourly rate shall apply for each hour (over the first hour) for removing this material.



LiquiVision Technology

711 Market Street
Klamath Falls, OR 97601
Phone: (541) 883-6473
Fax: (541) 883-1381

3. Unless specified in quote detail we clean all submerged horizontal and angled berms or sloped surfaces 35 degrees or less. Surfaces exceeding this angle such as the walls can be cleaned but must be listed separately in the quote detail or estimated by the divers upon inspection. We do not clean surfaces that are out of the water.
4. If any information provided to us is incorrect or if any problems exist that inhibit our ability to complete the job on a timely schedule, then we will notify you of the problem and reserve the right to add on to the quote based on our estimate of the additional time it will take to complete the work. Charges for time delays are **\$200** per hour. This paragraph only applies to any problems that are your responsibility (i.e. rescheduling with less than 2 business days notice, set up and start of work before cancellation, etc.)
5. For coating repair in steel tanks we use a two part underwater epoxy. Each rust nodule or area of coating defect is wire brushed to bare metal and epoxy is applied over the area. The epoxy chemically bonds to the steel, displaces water, and remains intact with a greater bond than the original coating. All of our repair, sealing and coating materials meet or exceed NSF 60 & 61 standards. Repairs are done at the districts direction for the rate of **\$495** per hour and **\$35** per tube of Manos or epoxy.
6. If dechlorination is required it will be charged at **\$15.00** per hour. If filtration is required then the filter bags will be charged at **\$200.00** per bag. Unless specified LVT does not remove the bags they become the districts responsibility to dispose of.
7. If payment is not made within sixty days of the date of the invoice, an interest charge of 3% shall begin to accrue each month on the unpaid balance. This interest will continue to accrue each month until the balance is paid in full. To avoid any interest charges, payment must be received or postmarked within the sixty days following the date of the invoice. Statements will be sent each month to reflect the new balance.

Our cleaning procedure is accomplished utilizing our proprietary vacuum cleaner, the "LiquiVac™" (Patented). The LiquiVac™ pumps an average of 200 gallons per minute. It has a rotating soft bristle brush that scrubs the floor clean and removes all sediment without creating turbidity in your reservoir. This is the only way to ensure that all biofilm is removed from the interior surfaces without getting any of it mixed into the water column. This system also enables us to clean walls.

In a conscious effort to preserve our nations natural resources LVT will provide our reports to the district on USB flash drives. If you require a printed and bound copy of the reports please notify our office staff. There will be an additional fee of \$125 per copy.

In over 20 years of providing diving services we continue to treat every customer as if they were our only customer. We are dedicated to accomplishing every job with the utmost professionalism, safety and efficiency.

Please sign this quote and FAX both pages back to us with an approximate time frame of when you would like the work done. If you have any questions please give us a call. We look forward to working with you.

Quote is valid for 90 days. Upon signature the work shall be accomplished at a mutually acceptable date within one year.

Sincerely,

Brandon McGraw
V.P. Marketing

I find the above and preceding page of contingencies and procedures acceptable.	
Accepted by:	Date:
Signature:	Title:



Director Memorandum 12-100

Date: November 7, 2012

Prepared By: John Wrobel, Utility Service Superintendent

Subject: Authorization to Purchase a 600 kW Emergency Generator for Lift Station No. 1

Recommendation: That the Board authorizes the purchase of a stationary emergency generator from Johnson Power Systems for a sum not to exceed \$147,750.

At the board workshop on October 30, 2012, the District staff discussed the need to replace the existing emergency generator at Lift Station No. 1. Based on comments from the board members, the District staff obtained a proposal for an above ground emergency generator at this location. While there is an increased cost for the above ground unit, this unit is less likely to be subjected to flooding and provides the District with an opportunity to further improve the lift station in the future.

The District staff is in the process of obtaining proposals for the construction of a concrete foundation and necessary electrical work at the site.



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11-Nov-12
WO#: RVD0510R1

John Wrobel
Yucaipa Valley Water District
Environmental Control Superintendent
Email: jwrobel@yvwd.dst.ca.us

Subject: Replacement Stationary Emergency Generator Set
Project: Yucaipa Valley Water District Lift Station No. 1

Thank you for your inquiry. We are pleased to quote you as follows:

A) CAT-NJPA Genset/Options:

ITEM	QTY	DESCRIPTION	UNIT LIST PRICE	TOTAL LIST PRICE
1	1	C18, 600 kW 480/277 Vac (Engine is 900 HP)	\$ 96,181.00	\$ 96,181.00
2	1	EMCP 4.2 Common Control Panel	\$ 1,545.00	\$ 1,545.00
3	1	Generator Run Relay	\$ 115.00	\$ 115.00
4	1	Common Alarm Shutdown Relay	\$ 78.00	\$ 78.00
5	1	NFPA99-110 Local Alarm	\$ 783.00	\$ 783.00
6	1	Spare Descret I/O Module	\$ 965.00	\$ 965.00
7	1	Sound Attenuated Enclosure - Yellow	\$ 29,052.00	\$ 29,052.00
8	1	Secondary Communications Link	\$ 90.00	\$ 90.00
9	1	Cooling Level Sensor	\$ 74.00	\$ 74.00
10	1	Wide Base	\$ 5,895.00	\$ 5,895.00
11	1	Jacket Water Heater, 240Vac	\$ 1,146.00	\$ 1,146.00
12	1	Permanent Magnet Excitation	\$ 849.00	\$ 849.00
13	1	Digital Voltage Regulator	\$ 625.00	\$ 625.00
14	1	Option Chasis 02	\$ 481.00	\$ 481.00
15	1	Option Chasis 01	\$ 218.00	\$ 218.00
16	1	1200 Amp 3 Pole Circuit Breaker	\$ 3,743.00	\$ 3,743.00
17	1	Power Termal Strip Removal	\$ (637.00)	\$ (637.00)
18	1	Battery Charger - 10 Amp 120Vac	\$ 1,838.00	\$ 1,838.00
19	1	Air Cleaner-Single Stage	\$ 2,702.00	\$ 2,702.00
20	1	Neutral Ground Connection	\$ 79.00	\$ 79.00

		Sub-Total for Genset/Option List Price, Items A1 to A20		\$ 145,822.00
		Less: NJPA Member Discount from CAT List Price	25%	\$ (36,455.50)
		Genset/Options, Net Price, Ex-works, Items A1 to A26 (not including tax)		\$ 109,366.50



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B) CAT-NJPA ATS/Options:

ITEM	QTY	DESCRIPTION	UNIT LIST PRICE	TOTAL LIST PRICE
1	1	CTSD00B00120E Delayed Transition ATS	\$ 14,943.00	\$ 14,943.00
2	1	120 Vac MX250 Special Package	\$ 752.00	\$ 752.00
3	1	MX Modbus Communication Card	\$ 507.00	\$ 507.00

		Sub-Total for ATS/Option List Price, Items B1 to B3		\$ 16,202.00
		Less: NJPA Member Discount from CAT List Price	20%	\$ (3,240.40)
		Genset/Options, Net Price, Ex-works, Items B1 to B3 (not including tax)		\$ 12,961.60

C) CAT Dealer Net Pricing Additions - No NJPA Discount

1	1	Inland Freight from CAT Factory to JPS Riverside, CA	\$ 2,941.18	\$ 2,941.18
2	12	Spring Type Vibration Isolators with seismic restraints	\$ 166.59	\$ 1,999.06
3	1	Standard JPS Shop Testing with Resistive Load Bank	\$ 650.00	\$ 650.00
4	1	Delivery to Jobsite, unloading by Others	\$ 500.00	\$ 500.00
5	1	Standard JPS Field Start-up. Fuel for testing by Others	\$ 1,200.00	\$ 1,200.00

C		Sub-Total for CAT Net Price Adder, Items C1 to C4 (not including tax)		\$ 7,290.24
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A+B+C		Total Net Price Genset & Cat Dealer Addition, as delivered to jobsite (not including tax)		\$ 129,618.34
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OPTIONAL PRICE ADDER:

D	1	Pryco Day Tank, 200 Gallons, UL142 Listed, Double walled, with supply & return pumps and all required vents.		
		Net Price as delivered to jobsite (not including tax)		\$ 7,500.00

Note:

- 1) Buyer has to put "**NJPA Contract #092409-Cat**" on the Purchase Order
- 2) This quote is subject to the attached Terms and Conditions of Sale.

Johnson Power Svstems

Roger Deguzman

Roger Deguzman
Sales Engineer

**Specifications**

This quote is based on our understanding of your verbal specifications, which are documented in our quotation.

Johnson Power Systems (JPS) limits the scope of supply for this quotation to the equipment and services listed in our bill of materials. Unless specifically listed in our bill of materials, equipment not indicated is assumed to be supplied by others. We reserve the right to correct errors or omissions. Standard Caterpillar warranty applies.

CARB Air Toxic Control Measure (ACTM) and Approved Amendment to SCAQMD Rule 1470.0

Unless otherwise stated above, this quote does not contain a Diesel Particulate Filter (DPF). If this jobsite is within 100 meters of a school or school grounds or 50 meters of a sensitive receptor, a DPF may be required by SCAQMD. Should this be the case, we will provide an additional quote for a DPF.

Shipment

This price includes delivery to your jobsite, F.O.B. on truck curbside. Offloading and placement of the goods shall be solely your responsibility. All deliveries are Monday through Friday 7:00 a.m. to 5:00 p.m. Deliveries outside normal business hours will be invoiced as necessary.

Start-Up & Testing

Upon completion of installation by others, JPS will perform Start-Up & Testing during normal business hours of 7:00 a.m. to 4:00 p.m. Monday through Friday. Start-Up & Testing outside normal business hours will be invoiced as necessary. We will not perform Start-Up & Testing until you have completed and returned our Installation Check List. Fuel for testing and filling is not included.

- One Start-Up & Testing service call to the jobsite is included. Additional trips due to jobsite conditions beyond our control will be invoiced as necessary (or as specified in our Bill of Materials).
- Start-Up & Testing load testing will be conducted using site load for one hour.
- JPS will not be responsible for any labor or material charges incurred by others associated with Start-Up & Testing unless previously agreed upon in writing.

Permits and licenses

Permit and license costs (SCAQMD, Fire, Building, etc.) are not included in this quote. JPS will provide information as may be necessary for the acquisition of permits and licenses, but Johnson Power Systems does not assume any responsibility for obtaining any permits or licenses that may be required.

Credit

Credit is subject to Johnson Power Systems approval in its sole discretion. This quote in no way constitutes approval of credit. Johnson Power Systems credit applications are available on request.

Terms and Conditions

Payment terms are Net Cash on Delivery, or as otherwise noted. 1 ½% per month will be charged on past due accounts.

All purchase orders must reference our quotation. All purchase orders must be acknowledged in writing by Johnson Power Systems to be deemed accepted. Purchase orders, which are issued with a hold for release date,



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are subject to re-evaluation at the time of release. Unless mutually agreed upon in writing, Johnson Power Systems will not accept purchase orders which:

- Specify delivery dates that are not subject to manufacturer's lead times.
- Contain penalty clauses or liquidated damage clauses.
- Require Johnson Power Systems to indemnify and hold harmless the purchaser, unless the purchaser also agrees to indemnify and hold harmless Johnson Power Systems.
- Require Johnson Power Systems to pay any and all legal expenses for the purchaser in the event of a dispute.
- Require Johnson Power Systems to be responsible for system design work and/or guarantee that a performance standard for a system will be met.
- Require completion and acceptance of the project by the owner before payment.

Notwithstanding anything in this agreement or under law, buyer and seller agree that seller's only liability for any breach of this agreement (or any defect in any item of property sold by Seller) shall be limited to replacement of the defective part or replacement of the defective product; and buyer shall have no other right, claim or remedy against seller, including, but not limited to any right to recover consequential damages under any circumstance.

Validity of the Quote

This quote is valid for 30 days following the quote date. This quote may be modified and/or rescinded by Johnson Power Systems at its sole discretion.

Availability

Subject to manufacture leadtime. Current factory leadtime is 20 to 24 weeks ARO.

Storage

JPS will notify you when your unit is ready for delivery to your jobsite. If you are not ready to receive your unit, JPS will store your unit in our yard for four months. After the four months expire, JPS reserves the right to charge a monthly storage free(s) until you are ready to receive your unit.

Johnson Power Systems

A handwritten signature in cursive script that reads "Roger Deguzman".

Roger Deguzman

Sales Engineer – Power Generation

Accepted By: _____

Customer P. O.: _____ Date: _____

ENCLOSURES



Picture shown may not reflect actual package

C18 SOUND ATTENUATED ENCLOSURES

Griffin 50 Hz/60 Hz

These sound attenuated, factory installed enclosures incorporate internally mounted super critical level silencers, designed for safety and aesthetic value on fabricated steel skid bases. Optional UL listed tanks are available. These enclosures are of extremely rugged construction to withstand exposure to the elements of weather, and provide weather protection.

FEATURES

ROBUST/HIGHLY CORROSION RESISTANT CONSTRUCTION

- Approved for use with UL 2200 listed generator set packages
- Environmentally friendly, polyester powder baked paint
- 14 gauge steel
- Zinc plated or stainless steel fasteners
- Internally mounted super critical exhaust silencing system
- Factory installed

EXCELLENT ACCESS

- Large cable entry area for installation ease
- Accommodates optional rear-mounted breaker
- Double doors on both sides
- Vertically hinged doors allow 180° opening rotation
- Lube oil and coolant drains piped to exterior
- Radiator fill cover

SECURITY AND SAFETY

- Lockable access doors with standard key utilization
- Cooling fan and battery charging alternator fully guarded
- Fuel fill, oil fill, coolant and battery can only be reached via lockable access
- Stub-up cover sheets for "rodent proofing"
- Externally mounted emergency stop button
- Insulation has UL 94-HFI flame rating
- Designed for spreader-bar lifting to ensure safety
- Control panel viewing window

OPTIONS

- Yellow, white, beige or ASA 61 gray paint
- Interior lighting system
- Skid base with dragging and fork pockets
- UL listed integral fuel tank
- UL listed sub-base fuel tank
- Dual breakers (60 Hz only) (second breaker mounted right hand side)
- Seismic Certification per Applicable Building Codes: IBC 2000, IBC 2003, IBC 2006, IBC 2009, CBC 2007
- Tested and Analyzed in Accordance With: ASCE 7-98, ASCE 7-02, ASCE 7-05, ICC-ES AC-156
- Special Seismic Certification
OSHPD Pre-Approval OSP-0084-10
- IBC certifiable for 90 mph wind loading
- Anchoring details are site specific, and are dependent on many factors such as generator set size, weight, and concrete strength. IBC Certification requires that the anchoring system used is reviewed and approved by a Professional Engineer

LEHE4763-08



ENCLOSURES

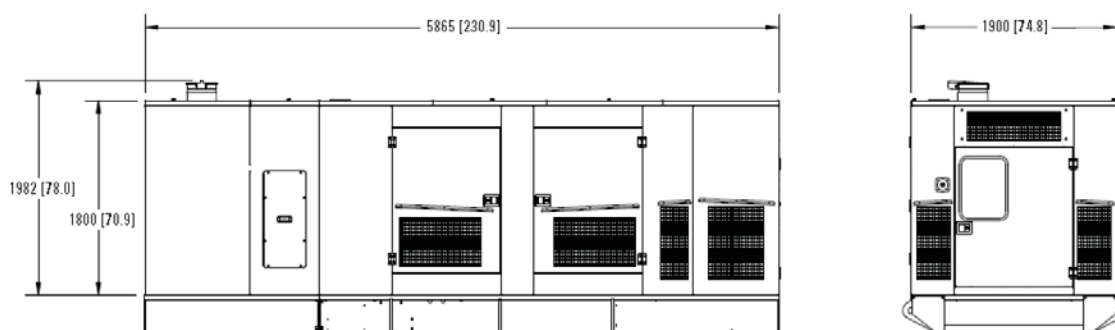
ENCLOSURE OPERATING CHARACTERISTICS

60 Hz SA Enclosure 1 Breaker			Ambient Capability*		Airflow Rate		Sound Pressure Levels dBA @ Full Load			Exhaust Back Pressure	
ekW	kVA	PP/SB	°C	°F	m ³ /s	cfm	1 m	7 m	15 m	in/H ₂ O	kPa
600	750	SB	46	114	9.8	20,765	85.7	76.6	70.6	12.45	3.10
545	681	PP	51	124	9.8	20,765	85.2	76.1	70.1	6.02	1.50
550	688	SB	50	123	9.8	20,765	85.2	76.1	70.1	6.22	1.55
500	625	PP	55	132	9.8	20,765	84.8	75.7	69.7	5.30	1.32

60 Hz SA Enclosure 2 Breaker			Ambient Capability*		Airflow Rate		Sound Pressure Levels dBA @ Full Load			Exhaust Back Pressure	
ekW	kVA	PP/SB	°C	°F	m ³ /s	cfm	1 m	7 m	15 m	in/H ₂ O	kPa
600	750	SB	45	113	9.6	20,341	85.7	76.6	70.6	12.45	3.10
545	681	PP	50	123	9.6	20,341	85.2	76.1	70.1	6.02	1.50
550	688	SB	49	122	9.6	20,341	85.2	76.1	70.1	6.22	1.55
500	625	PP	54	131	9.6	20,341	84.8	75.7	69.7	5.30	1.32

50 Hz SA Enclosure			Ambient Capability*		Airflow Rate		Sound Pressure Levels dBA @ Full Load			Exhaust Back Pressure	
ekW	kVA	PP/SB	°C	°F	m ³ /s	cfm	1 m	7 m	15 m	in/H ₂ O	kPa
560	700	SB	52	126	7.1	15,044	84.7	76.4	70.4	4.82	1.20
508	635	PP	52	126	7.1	15,044	84.5	76.5	70.5	3.68	0.92
520	650	SB	56	133	7.1	15,044	84.6	76.5	70.5	3.90	0.97
473	591	PP	55	131	7.1	15,044	84.4	76.5	70.5	3.08	0.77
480	600	SB	59	138	7.1	15,044	84.4	76.5	70.5	3.19	0.80
436	545	PP	58	136	7.1	15,044	84.3	76.5	70.5	2.56	0.64
440	550	SB	62	144	7.1	15,044	84.3	76.5	70.5	2.61	0.65
400	500	PP	61	142	7.1	15,044	84.1	76.4	70.4	2.14	0.53

* Ambient measured with Cat® Extended Life Coolant



Approximate weight of enclosure package: 6,082 kg (13,380 lbs)

Enclosure weight includes: Sound attenuated enclosure, exhaust system, extended base, and generator set.
Exact weight is dependent upon options.

Caterpillar is pleased to offer these additional generator set enclosure colors: white, bright beige, and ASA 61 gray. (Caterpillar yellow is standard color.)

Information contained in this publication may be considered confidential. Discretion is recommended when distributing.
Materials and specifications are subject to change without notice.

CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow," the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.

www.Cat-ElectricPower.com

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Director Memorandum 12-101

Date: November 7, 2012

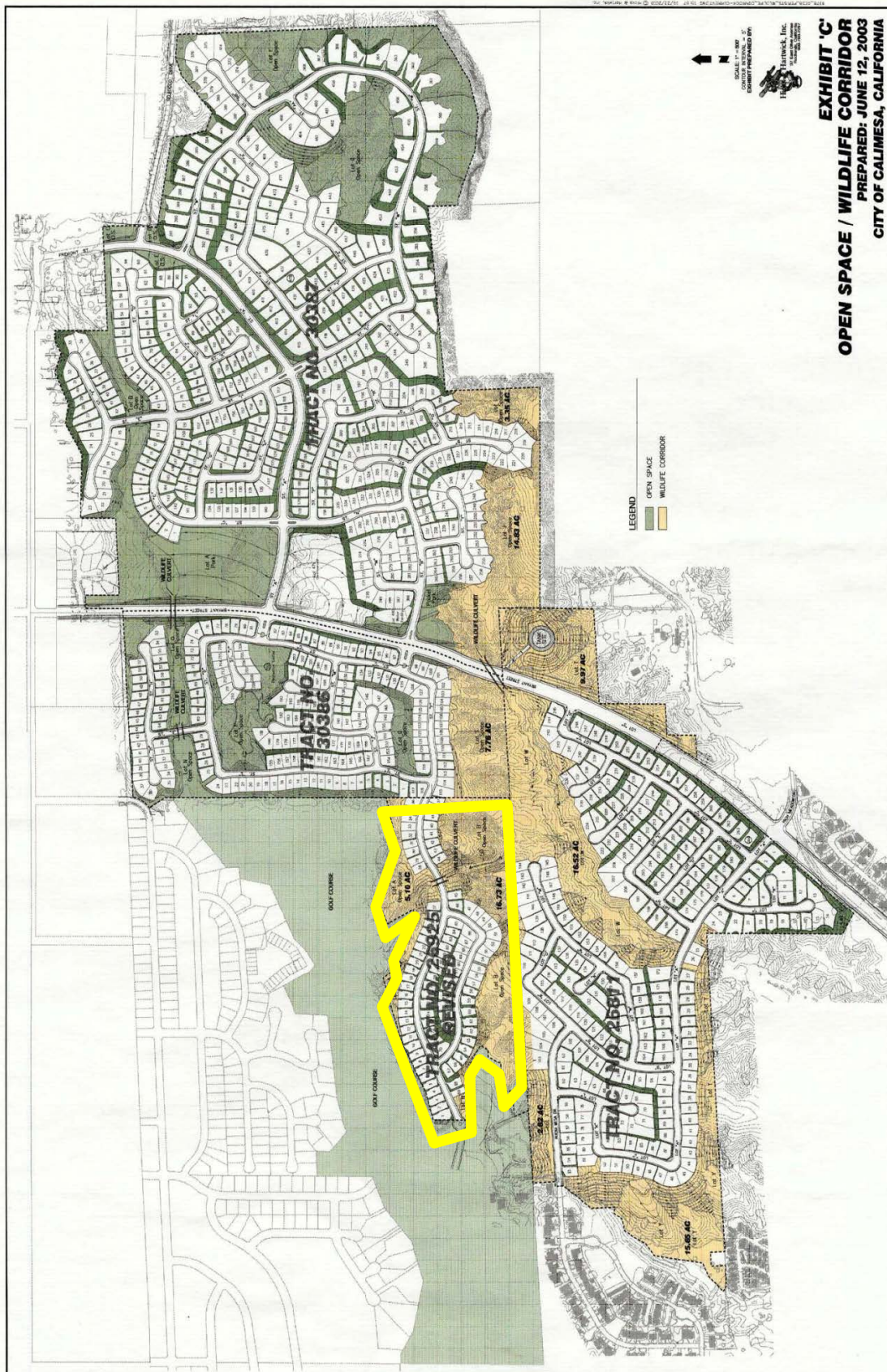
Prepared By: Joseph Zoba, General Manager

Subject: Consideration of Development Agreement No. 2012-07 for Tract No. 26925, Calimesa with Highpoint Communities (Highpoint JPR 308, LLC)

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

The District staff has been working with Highpoint Communities for the preparation of the attached development agreement. The agreement pertains to Tract No. 26925 which is a residential development located southeast of the Calimesa County Club in Calimesa.





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 15th day of December 2012, by and between the YUCAIPA VALLEY WATER District, a public agency ("District") and Highpoint Communities, Inc., a California Corporation doing business as Highpoint 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

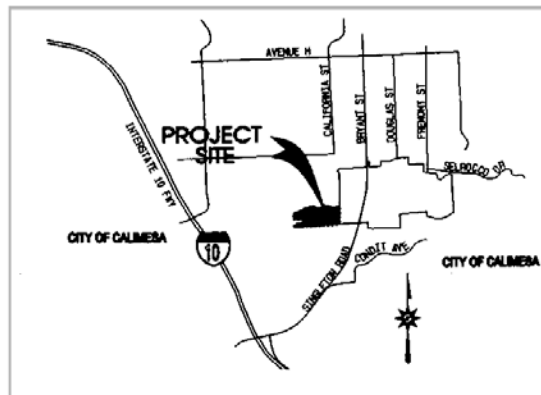
Developer:

Highpoint 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.

<u>Document(s)</u>	<u>Due Date</u>
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 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 Geronio 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 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

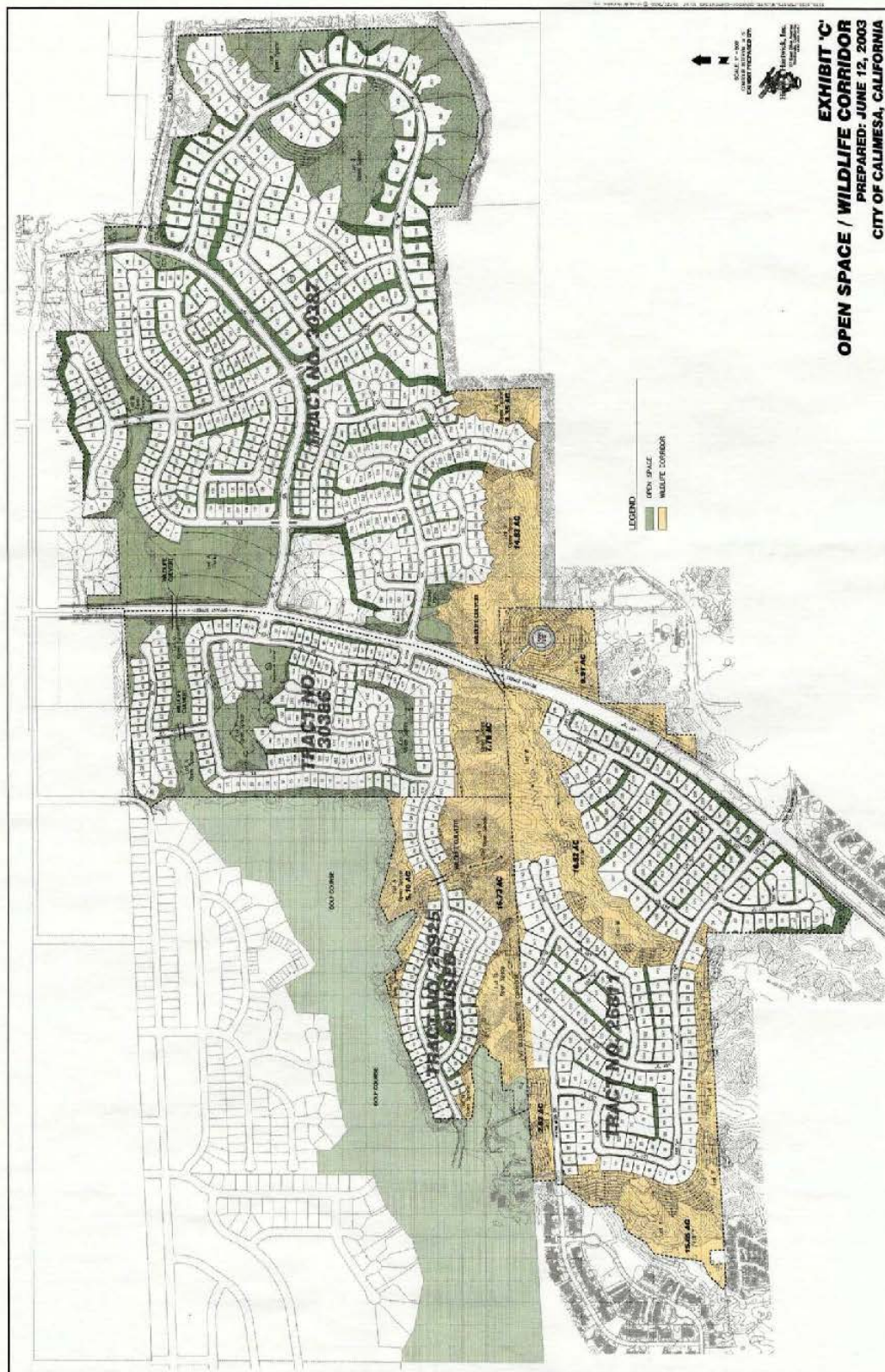
Dated: _____

By: _____

Print Name

Print Title







Director Memorandum 12-102

Date: November 7, 2012

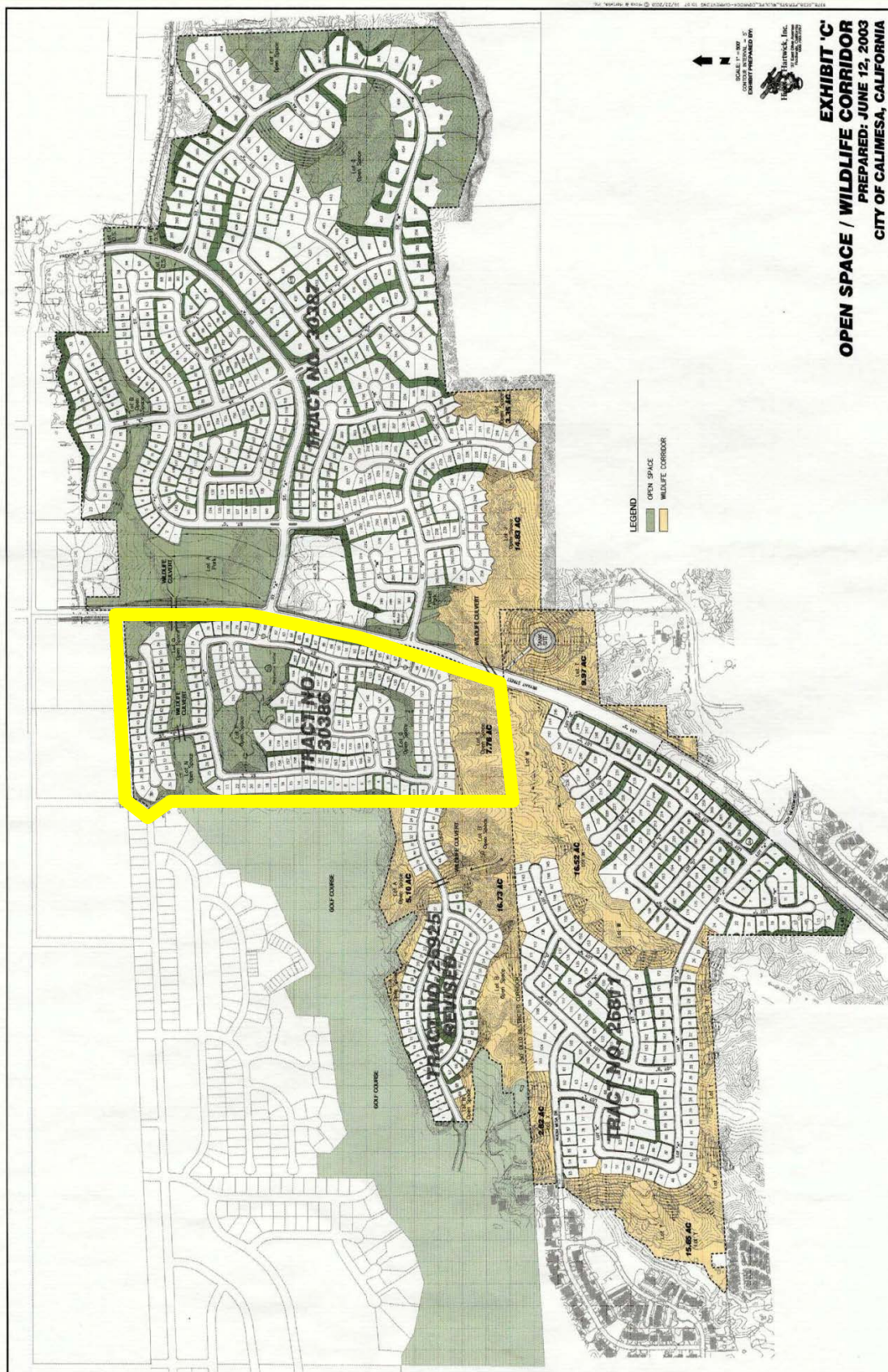
Prepared By: Joseph Zoba, General Manager

Subject: Consideration of Development Agreement No. 2012-06 for Tract No. 30386, Calimesa with Highpoint Communities (Highpoint JPR 308, LLC)

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

The District staff has been working with Highpoint Communities for the preparation of the attached development agreement. The agreement pertains to Tract No. 30386 which is a residential development located south of Avenue L and west of Bryant Street / Singleton Road in Calimesa.





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 15th day of December 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

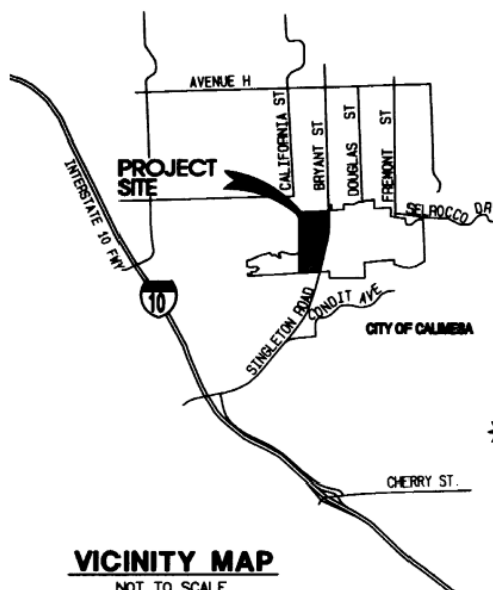
Developer:

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.

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 Geronio 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 (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

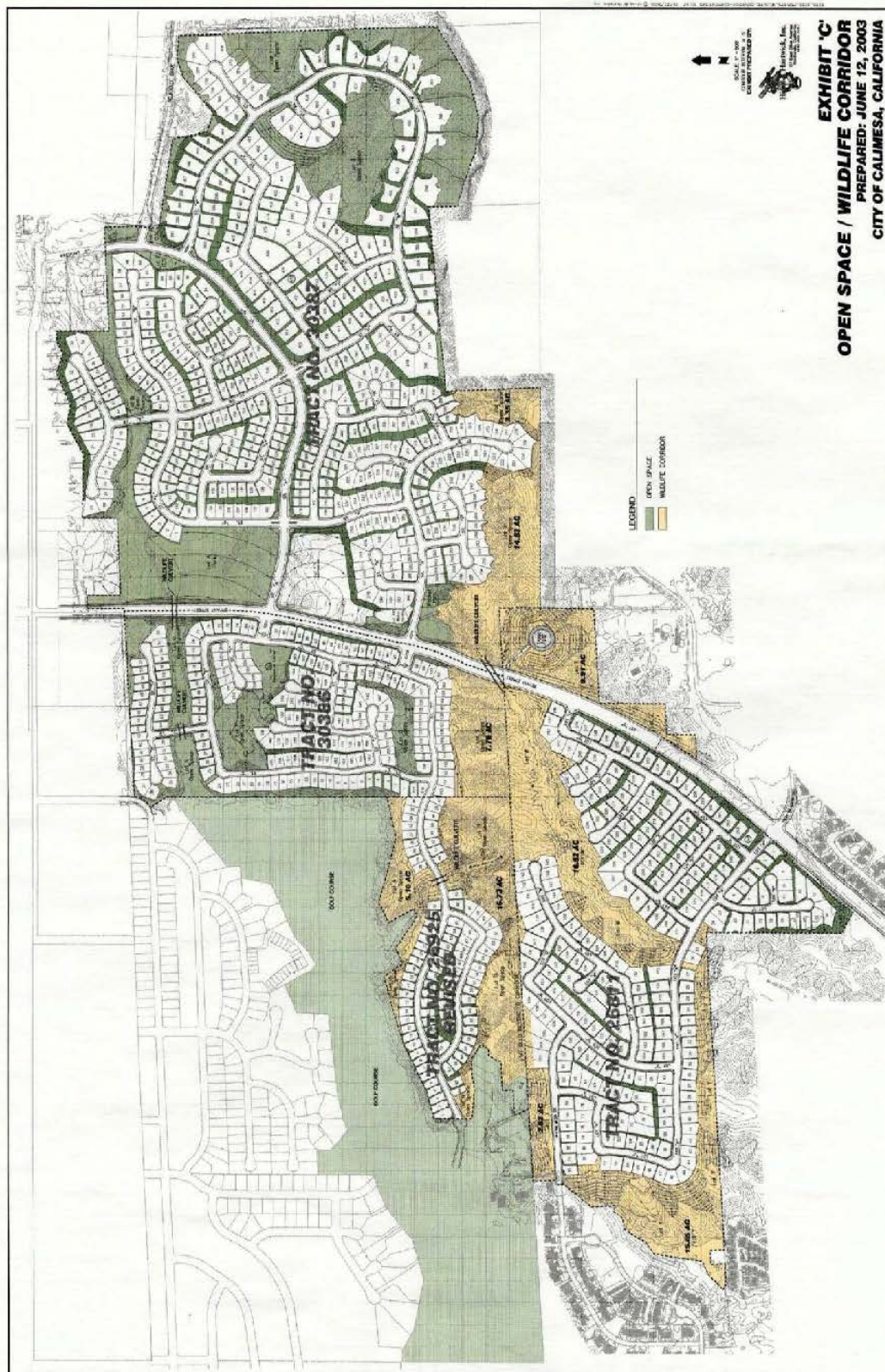
Dated: _____

By: _____

Print Name

Print Title





DIRECTOR COMMENTS

ANNOUNCEMENTS