



Yucaipa Valley Water District

Notice and Agenda of a Board Workshop

Tuesday, October 11, 2016 at 4:00 p.m.

MEETING LOCATION: District Administration Building
12770 Second Street, Yucaipa

MEMBERS OF THE BOARD: Director Ken Munoz, Division 1
Director Bruce Granlund, Division 2
Director Jay Bogh, Division 3
Director Lonni Granlund, Division 4
Director Tom Shalhoub, Division 5

I. Call to Order

II. **Public Comments** At this time, members of the public may address the Board of Directors on matters within its jurisdiction; however, no action or significant discussion may take place on any item not on the meeting agenda.

III. Staff Report

IV. Presentations

- A. Overview of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2016 [[Workshop Memorandum No. 16-144 - Page 9 of 221](#)]
- B. Overview of the California Drought and Yucaipa Valley Water District's Action Plan Related to the State Water Resources Control Board Water Conservation Restrictions [[Workshop Memorandum No. 16-145 - Page 64 of 221](#)]
- C. Report on Water Quality and the State Water Project Crafton Hills Reservoir [[Workshop Memorandum No. 16-146 - Page 75 of 221](#)]
- D. Overview of the Planned Purchase of Additional Water Rights by the San Geronio Pass Water Agency [[Workshop Memorandum No. 16-147 - Page 80 of 221](#)]

V. Operational Updates

- A. Status Report on the Operation of the Yucaipa Valley Water District's Recycled Water Fill Station at Crystal Creek [[Workshop Memorandum No. 16-148 - Page 99 of 221](#)]

Any person with a disability who requires accommodation in order to participate in this meeting should contact the District office at (909) 797-5117, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials that are provided to the Board of Directors after the workshop packet is compiled and distributed will be made available for public review during normal business hours at the District office located at 12770 Second Street, Yucaipa. Meeting materials are also available on the District's website at www.yvwd.dst.ca.us

- B. Overview of the Draft Sanitary Sewer Management Plan [[Workshop Memorandum No. 16-149 - Page 101 of 221](#)]
- C. Overview of Proposed Pretreatment Standards for Dental Facilities [[Workshop Memorandum No. 16-150 - Page 144 of 221](#)]

VI. Capital Improvement Projects

- A. Status Report on the Construction of a 6.0 Million Gallon Drinking Water Reservoir R-12.4 - Calimesa [[Workshop Memorandum No. 16-151 - Page 147 of 221](#)]
- B. Overview of Change Orders Associated with the Wochholz Regional Water Recycling Facility Digester Cleaning and Cover Replacement Project [[Workshop Memorandum No. 16-152 - Page 154 of 221](#)]

VII. Administrative Issues

- A. Overview of a Grant Opportunity with the Santa Ana Watershed Project Authority and OmniEarth/Dropcountr [[Workshop Memorandum No. 16-153 - Page 175 of 221](#)]
- B. Review of the Unaudited Financial Report for the Period Ending on September 30, 2016 [[Workshop Memorandum No. 16-154 - Page 184 of 221](#)]

VIII. Director Comments

IX. Adjournment

Staff Report



Yucaipa Valley Water District

Water Recycling Spikes Demand for State Loans

A California loan program for clean water projects that usually runs a surplus can't keep up with demand after the drought boosted interest in water recycling and reuse projects.

Written by Matt Weiser Published on Oct. 3, 2016 Read time Approx. 5 minutes

A low-interest loan program that supports California water projects has seen three times more requests for money than it has funds available, partly because of surging interest in water recycling.

The Clean Water State Revolving Fund exists to help local agencies pay for wastewater treatment plant upgrades, stormwater capture and

wildlife habitat projects that improve water quality. Eighty percent of the money in the fund comes from federal appropriations via the U.S. Environmental Protection Agency, and the remainder from state appropriations.

A separate Drinking Water State Revolving Fund provides grants and loans for drinking water treatment and supply projects.

Until about 2012, there was relatively little demand on the clean water fund, and it usually ran a surplus. Then California's long drought began, and demand for the money by water agencies began to ramp up.



An engineer samples recycled water at Delta Diablo Sanitation District in Oakley, Calif. The district has applied for a \$4.4 million loan from the Clean Water State Revolving Fund to build storage tanks for recycled water. Delta Diablo Sanitation District

“Over the last eight to 10 years or so, we had a lot of extra cash in the program,” said Christopher Stevens, a supervising engineer at the State Water Resources Control Board, which manages the fund. “Now, we’re writing more loans and more money is going out the door.”

In the 2015 to 2016 fiscal year, the water board completed \$1.05 billion in loan agreements to local water and wastewater agencies using the fund. But there are additional applications for funding that total \$3 billion.

That doesn’t mean projects won’t get funded, and Stevens was careful to explain the fund is not in a deficit situation.

Rather, the imbalance between available funds and applications for money simply means some projects must wait longer for funding.



An engineer fills a container with recycled water at the Advanced Water Purification Facility, San Diego. (Gregory Bull, AP)

The fund works by offering loans at about half the prime interest rate, or about 2 percent. That makes the program a very good deal for borrowers. As those loans are paid back over time, the repayments allow the fund to gradually grow and fund even more projects, hence the “revolving fund” name. Each year, it gets additional federal and state appropriations that also build the loan fund.

Stevens said that prior to 2012 the clean water fund rarely spent all of its available money. This was partly because the application process was cumbersome, discouraging many agencies from applying. So the water board streamlined its application process.

At the same time, it also increased the loan payback time from 20 years to 30 years, which made borrowing from the fund significantly cheaper. California was one of the first states to do so with its revolving fund, and many other states have since adopted the same measure.

"There is definitely more demand on the program, and that was something we did intentionally," Stevens said. "It's great to have cash in the bank, but that really wasn't doing as much for water quality as could be done. It's fair to say there are billions of dollars that we could use to finance additional projects."

A lot of Californians don't realize it, but they pay a monthly utility bill for sewage treatment in addition to their water bill. These ratepayer revenues are the largest source of money for new wastewater projects, said Bobbi Larsen, executive director of the California Association of Sanitation Agencies, a trade association that represents hundreds of wastewater treatment agencies.

But the Clean Water State Revolving Fund is the "single most significant" source of project funding outside of those ratepayer funds, she said.

"Since the early 1990s, the state revolving fund was very much maligned in California. It was viewed as highly bureaucratic, and getting funding took a long time," Larsen said. "But I think the water board took that very much to heart, and they really tried to streamline things and take out unnecessary barriers. They decided to take a bit more of a customer-service approach in terms of helping people apply."

In 2014, as the state was in the thick of the drought, the water board allocated \$800 million from the fund specifically for projects that recycle treated sewage for potable use or landscape irrigation. And it offered funding for these projects at an interest rate of just 1 percent – half its usual loan rate.

This proved so popular that the program was extended in February, with another \$160 million added for water recycling projects.

Jennifer Clary, water programs manager at the environmental group Clean Water Action, supports the fund's new streamlined direction and said it's good to see more projects getting funded.

But she said the water recycling projects it supports are not exactly "forward thinking." Many are so-called "purple pipe" projects that deliver treated wastewater in dedicated pipelines for landscape irrigation. This is partly because the water board is still working to finalize regulations for direct potable reuse projects.

"Purple pipe projects used to water lawns are probably not the kind of cutting-edge projects that I really think of as drought-proofing," Clary said.

Another concern is that stormwater reuse and habitat projects that improve water quality are rarely funded. That's because such projects are more difficult to connect with tangible benefits for ratepayers, Clary said. This makes it difficult to use sewer rate revenues as local matching funds for a state loan, or to pay back a state loan.

The water board is not out of options to fund the \$3 billion in additional demand for clean water loans. Earlier this year, the board voted to sell bonds on the open market to raise an additional \$1.2 billion.

About \$800 million of that bonding authority remains available to raise additional money for the fund in 2017 and 2018.

Beyond that, Stevens said the water board could authorize additional bonding authority, but that decision isn't imminent yet.

The city of San Luis Obispo is one agency getting in line for a loan. The city needs to modernize and expand its sewage treatment plant to meet new treatment standards imposed by federal law, and to keep up with population growth.

The new project will expand and improve recycling capacity, said David Hix, San Luis Obispo's wastewater division manager. The city hopes to secure a loan for as much as \$90 million at 1 percent interest for the project.

Hix said the city is also interested in expanding its water recycling into a direct potable reuse system, once the state water board finalizes those regulations. This would allow highly treated wastewater to be plumbed directly into a water treatment plant – or even directly into the drinking water supply system.

"We really want to position this project for maximizing recycled water, whether it's for irrigation or for potable reuse," Hix said. "I definitely support the state selling more bonds or finding alternatives to keeping the revolving fund going, because I think they're the best deal in town."

Presentations



Yucaipa Valley Water District



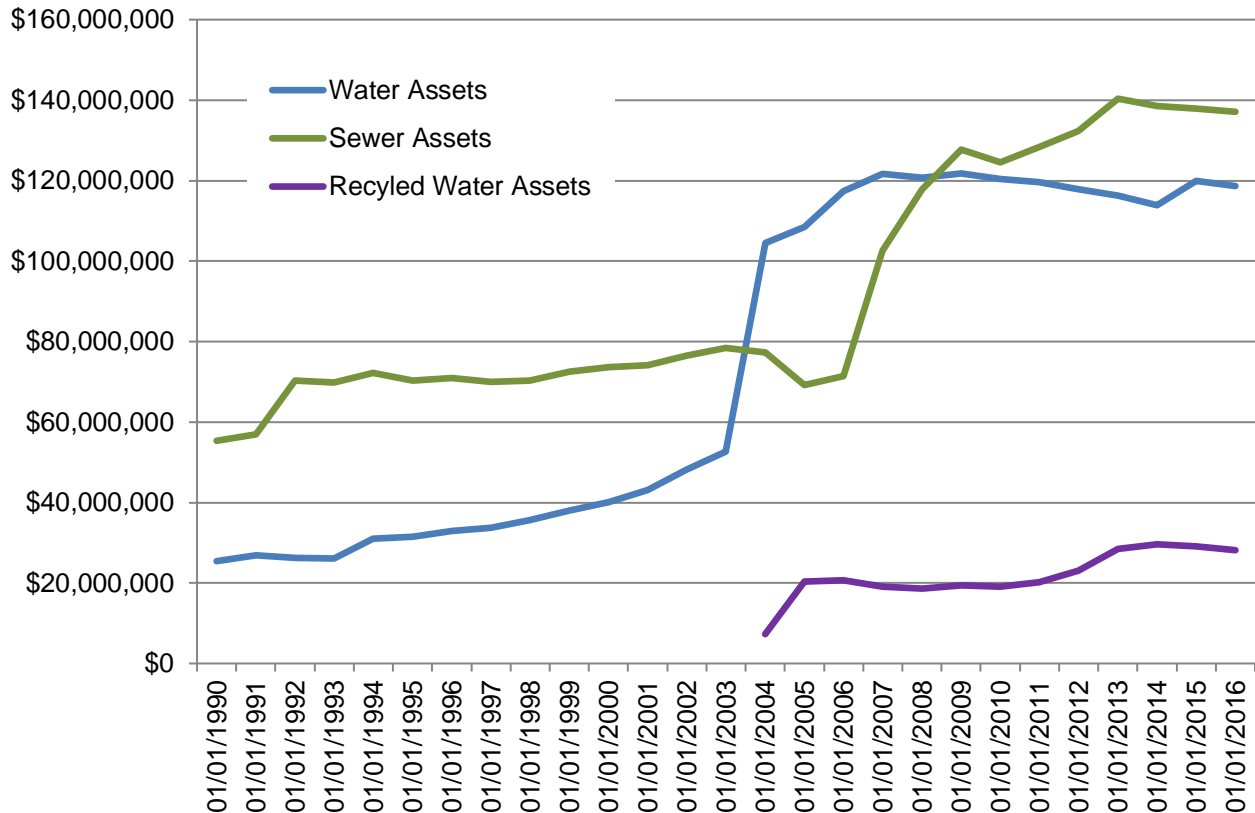
Date: October 11, 2016

Subject: Overview of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2016

The certified public accounting firm of Vavrinek, Trine, Day and Company has completed the financial audit for the fiscal year ending on June 30, 2016.

A representative from Vavrinek, Trine, Day and Company will attend the board workshop to provide an overview of the audited financial documents and answer questions about the report. The attached draft documents will be presented in final form at the board meeting on October 18, 2016.

Total Assets by District Enterprise





12770 Second Street, Yucaipa, California 92399

DRAFT COPY 10/05/16

Annual Financial Statements

for the

Fiscal Year Ending June 30, 2016

Board of Directors

Kenneth P. Munoz

Division 1

Bruce Granlund

Divisions 2

Jay Bogh

Division 3

Lomni Granlund

Division 4

Thomas Shalhoub

Division 5

Financial Audit Preparation Team:

DRAFT COPY 10/05/16

Administrative

Vicky Elisalda, Controller
Peggy Little, Administrative Supervisor
Erin Anton, Administrative Clerk IV
Sara Onate, Administrative Clerk IV
Tysa Baeumel, Administrative Clerk III

Engineering

Linda Kilday, Engineering Technician IV
Chelsie Fogus, Engineering Technician I

Inventory Control

Joan Cadiz, Purchasing Agent



Table of Contents

Transmittal Letter	
Introduction	
Overview of the District	i
Development Activity within the District	v
Water Resource Demands	vi
Major Initiatives and Controls	vii
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Financial Statements	
Proprietary Funds	
Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15
Agency Fund	
Statement of Fiduciary Assets and Liabilities	17
Notes to the Financial Statements	18
Required Supplementary Information	41
Schedule of the District's Proportionate Share of Net Pension Liability	42
Schedule of Contributions	43

DRAFT COPY 10/05/16

INTRODUCTION

It is my pleasure to provide the following financial report for Yucaipa Valley Water District (“District”) for the fiscal year ended on June 30, 2016. The financial report was prepared by District staff following guidelines set forth by the Governmental Accounting Standards Board.

The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District’s financial position and activities.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management’s Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

This report is organized into the following sections: (1) Transmittal Letter and District Overview; (2) Management Discussion & Analysis; (3) Audited Financial Statements; (4) Required Supplementary Information. The first section provides the reader with a general overview of the District. The Management Discussion & Analysis section offers a summary of significant financial results. The Audited Financial Statements section includes the Independent Auditors’ Report. The Required Supplementary section provides information and schedules to supplement the basic financial statements.

OVERVIEW OF THE DISTRICT

The Yucaipa Valley Water District is made up of a proactive and diverse group of elected officials and employees dedicated to providing reliable water and sewer service in an efficient, cost effective manner that provides a high level of customer satisfaction. On May 1, 2002, the Board of Directors adopted the following mission statement to clearly reflect the vision and principles that guide the dedicated elected officials and employees of the District.

Yucaipa Valley Water District is committed to professionally managing the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

We are entrusted to serve the public for the benefit of the community.

We believe in responsive, innovative and aggressive service, and take pride in getting the job done right the first time.

We encourage a work environment that fosters professionalism, creativity, teamwork and personal accountability.

We treat our customers and one another with fairness, dignity, respect and compassion and exhibit the utmost integrity in all we do.

We believe in enhancing the environment by following a general philosophy of eliminating waste and maximizing recycling and reuse of our natural resources.



We are committed to using the following operating principles as a guide to accomplishing our mission:

- We are proactive in our approach to issues.
- We are committed to integrity and consistently high ethical standards in all our business dealings.
- We use the strategic planning process to focus our efforts and minimize our crisis management mode.
- We make informed, rational and objective decisions.
- We aggressively pursue technological solutions to improve operations.
- We are inclusive in our decision making and delegate responsibility whenever possible.
- We design our services around customer wants and needs to the degree possible within our financial and regulatory constraints.
- We cultivate widespread commitment to common goals.

We believe our success depends on every employee knowing and sharing these values and principles.

This financial report is a reflection of the District's commitment to professionally manage the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

To meet the mission of the District, the Board and staff members continue to proactively focus on water quality issues, water supply issues, infrastructure deficiencies, maintenance of existing systems and compliance with increasingly stringent regulatory requirements.

Historical Background

The District was formed as part of reorganization, pursuant to the Reorganization Act of 1965, being Division I of Title 6 of the Government Code of the State of California. This reorganization consisted of the formation of the District, dissolution of the Calimesa Water District and formation of Improvement District No. 1 of the District as successor-in-interest, and dissolution of Improvement District "A" of the San Bernardino Valley Municipal Water District and the formation of Improvement District "A" of the District as successor-in-interest. On September 14, 1971, the Secretary of State of the State of California certified and declared formation of the Yucaipa Valley County Water District. The District operates under the County Water District Law, being Division 12 of the State of California Water Code (the "Act"). Although the immediate function of the District was to provide water service, the District has assumed responsibility for providing recycled water and sewer service in Yucaipa Valley.

The District is located about 70 miles east of Los Angeles and 20 miles southeast of San Bernardino in the foothills of the San Bernardino Mountains and provides water, sewer and recycled water services.

Financial Statements
Audited Financial Statements - Fiscal Year 2016

As of June 30, 2016, the District provided service to 12,678 water connections (17,422 units), 13,769 sewer connections (20,867 units) and 84 recycled water connections.

Customer Type	Water Utility		Sewer Utility		Recycled Water Utility
	Number of Connections	Number of Units	Number of Connections	Number of Units	Number of Connections
Single Family	11,524	11,524	12,808	12,808	0
Multiple Units	509	5,253	656	7,745	0
Commercial	266	266	255	255	0
Institutional	104	104	47	56	0
Industrial	13	13	3	3	0
Irrigation	118	118	0	0	78
Fire Detectors	130	130	0	0	0
Construction	14	14	0	0	6
Total	12,678	17,422	13,769	20,867	84

Land and Land Use

The altitude of the District rises from about 2,000 feet above sea level at the western end of the valley to about 5,000 feet at the eastern end, with average elevation of roughly 2,650 feet. The topography of the area is characterized by rolling hills separated by deeply entrenched stream beds, namely, the Yucaipa and Wilson Creeks. The District includes the incorporated cities of Yucaipa and Calimesa which are in San Bernardino and Riverside Counties respectively.

The District expects that the undeveloped land within its boundaries will continue to be developed consistent with the general plans as provided by the City of Yucaipa and the City of Calimesa. The projected population of the District in the year 2030 will be approximately 94,800, which reflects build-out of the City of Calimesa and the Oak Valley development. Although approximately 49.8% of the land within the boundaries of the District is currently undeveloped, less than 1% of District water sales are to agricultural water users.

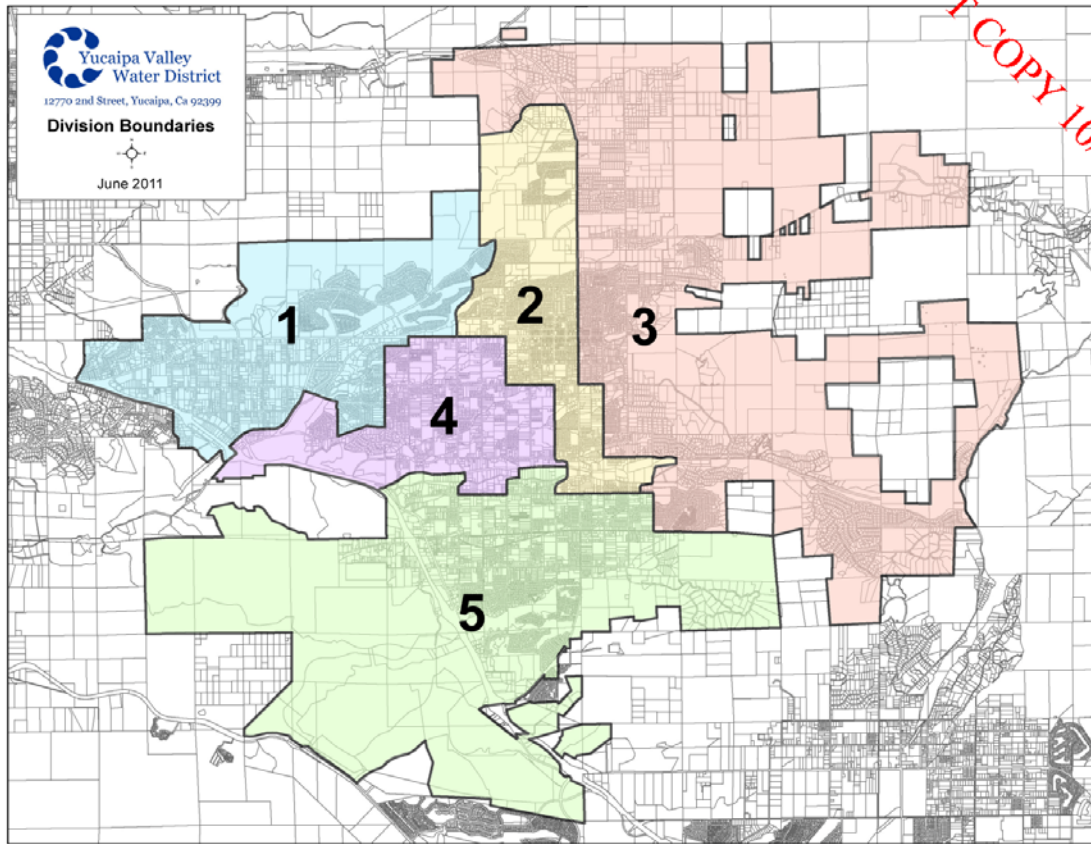
Governance and Management

The District is governed by a 5-member board of directors (the "Board"), the members of which are elected from five separate divisions of the District for staggered 4-year terms. The current Board members, the expiration dates of their terms and their occupations are set forth below.

Member of the Board of Directors	Division	Initial Date of Service	Expiration of Term	Occupation
Bruce Granlund, Director	Two	12/23/1998	2018	Retired Senior District Attorney Investigator
Lonni Granlund, President	Four	12/05/2008	2016	Property Manager/Real Estate Broker
Jay Bogh, Vice President	Three	09/07/2005	2018	Building Firm Manager
Thomas Shalhoub, Director	Five	12/03/2014	2018	Retired Entrepreneur
Kenneth P. Munoz, Director	One	12/07/2012	2016	Equipment Company Owner



DRAFT COPY 10/05/16

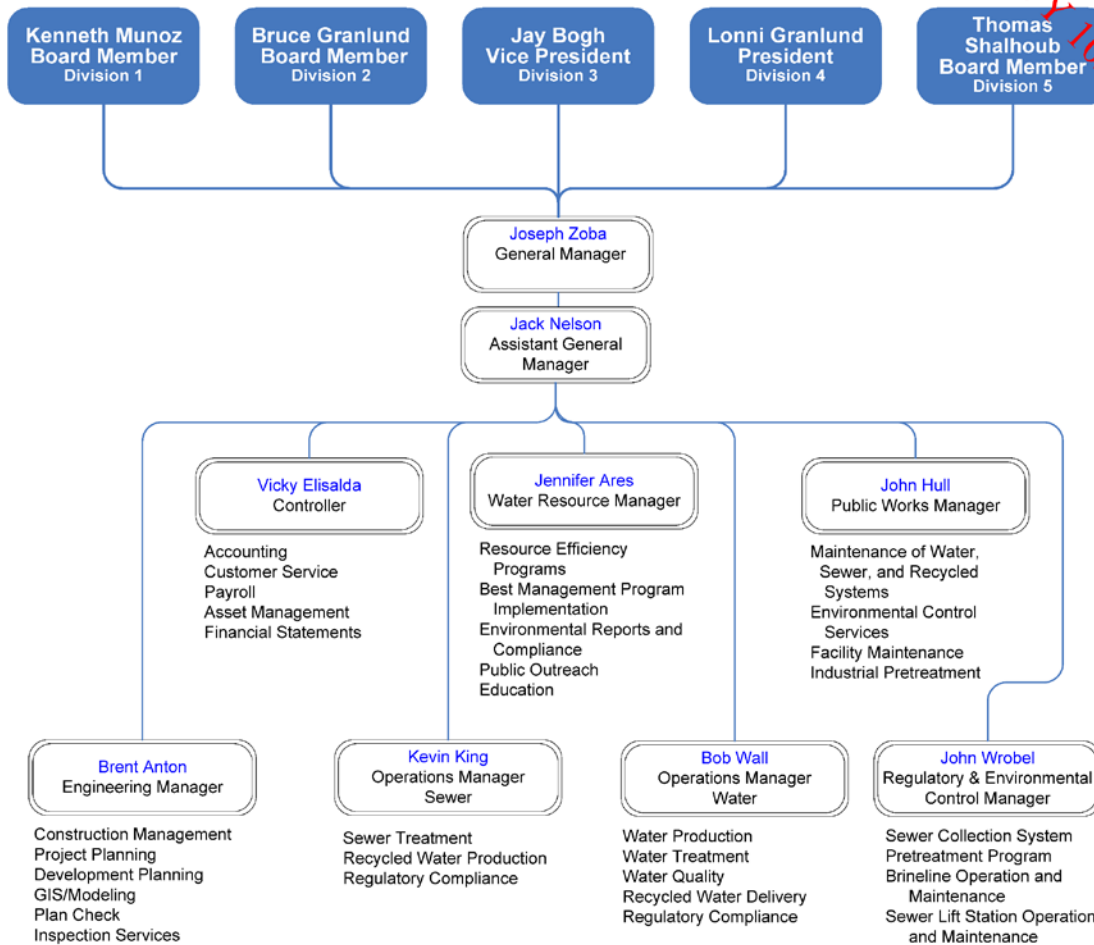


The following individuals have served as President of the Board since the District was created in 1971.

Yucaipa Valley Water District Presidents of the Board	
October 1971 to November 1973	Harold Lockwood
December 1973 to November 1975	Hank Wochholz
December 1975 to October 1977	Geno Gasponi
November 1977 to November 1979	Eve Kraft
December 1979 to December 1983	Pete Squires
January 1984 to December 1987	Fred Childs
January 1988 to November 1989	George Sardeson
November 1989 to December 1991	Hank Wochholz
January 1992 to November 1993	David Lesser
December 1993 to December 1995	Conrad Nelson
December 1995 to December 1998	Steve Copelan
January 1999 to November 2002	Conrad Nelson
December 2002 to December 2006	Bruce Granlund
December 2006 to December 2008	Tom Shalloub
December 2008 to December 2012	Jay Bogh
January 2013 to December 2014	Bruce Granlund
December 2014 to Present	Lonni Granlund

DRAFT COPY 10/05/16

Day-to-day management of the District is delegated to the General Manager who works closely with an executive team who ultimately oversee all of the District’s services and functions.



DEVELOPMENT ACTIVITY WITHIN THE DISTRICT

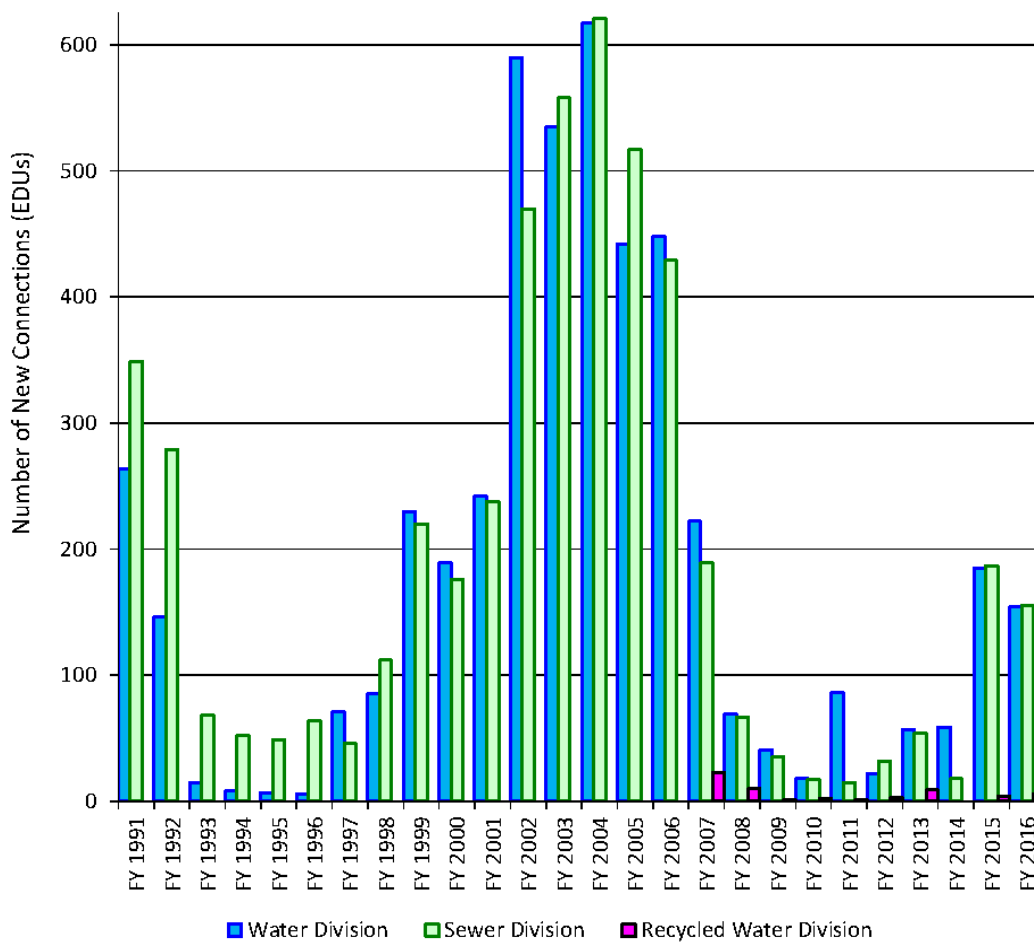
Facility Capacity Charges - Fiscal Year 2016

During this fiscal year, the District added 154 water connections, 155 sewer connections, and 6 recycled water connections. When compared to the development activity in the prior year, the District received 16.76% fewer water connections, 17.11% fewer sewer connections and 50.00% more recycled water connections.

DRAFT COPY 10/05/16

Fiscal Year	New Water Connections	New Sewer Connections	New Recycled Water Connections
2007	222	189	23
2008	69	67	10
2009	41	35	1
2010	18	17	2
2011	86	15	1
2012	22	32	3
2013	57	54	9
2014	59	18	0
2015	185	187	4
2016	154	155	6

Historical Water, Sewer and Recycled Water New Connections



DRAFT COPY 10/05/16

MAJOR INITIATIVES AND CONTROLS

Sustainability Initiative

California's water supply continues to be a concern due to projected population increases and limited capabilities to convey water throughout the state. On August 20, 2008 the Board of Directors adopted a *Strategic Plan for a Sustainable Future - The Integration and Preservation of Resources*. The purpose of this document was to document the proactive steps taken by the Yucaipa Valley Water District to improve the social, economic and environmental sustainability of our community. These actions have included the purchase of valuable watershed properties, protection of local water supplies and management of environmental corridors. While the decisions to embark on these actions have been generally unrelated, a look back in time indicates that the District has been progressing towards a more independent, flexible and sustainable future.

"The nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased, and not impaired in value."

- Theodore Roosevelt

The proactive steps taken by the District to protect and conserve our resources have been based on the concepts that: (1) resources are not limitless and therefore need to be conserved, nurtured and renewed; and (2) resources that are used to generate short-term gains result in an inefficient and inequitable consumption of resources that are not beneficial for a long-term strategy. Both of these concepts help to

guide the District to make decisions that are conservative, careful and conscious of the role we currently play in a long-term strategy to protect the community.

The purpose of pursuing a sustainability plan is twofold. First and foremost, the sustainability plan has been designed to establish the policies and guidelines necessary to protect and preserve the natural resources entrusted to the District for our customers. It is our business to maximize the use of our limited natural resources for the long-term economic growth and expansion of the local economy. In the arid southwest, the basic fuel to create and maintain a local economy is water. Secondly, the sustainability policy has been designed to provide a means to measure performance of the organization. While performance monitoring or benchmarking is not normally associated with sustainability, this document has been created with the intention that the goals and reporting requirements are designed around performance management across a wide range of disciplines.

"Sustainable development is . . . development that meets the needs of the present without compromising the ability of further generations to meet their own needs."

**World Commission on Environment and Development,
Our Common Future, 1987**

With the use of this document the District is better equipped to:

- Identify the key challenges over the next five decades and assess the goals to overcome these challenges;
- Deal with the challenges of the future in a transparent manner involving stakeholders;
- Identify and manage risk in a reasonable and prudent manner with information, data and resources necessary to minimize the potential costs associated with certain scenarios; and
- Embark on a program to ensure that the generations that follow are provided with the necessary tools and resources to grow the community as the prior generation has done for us.

Financial Statements
Audited Financial Statements - Fiscal Year 2016

The implementation of this initiative will come about largely with the return of new development. However, the District has enacted additional measures for existing customers which largely involves the purchase of imported water to offset groundwater production by 15% beginning in January 2010.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting steps taken by the District are consistent with generally accepted accounting principles with monthly reporting of public documents for complete transparency and disclosure.

Investment Policy

The Board of Directors adopts an investment policy annually that conforms to state law, District ordinance and resolutions, and prudent money management. The District is extremely conservative in our approach to investing to maximize safety and protection of public funds.

Audit and Financial Reporting

State law and bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Vavrinek, Trine, Day & Co., LLP has conducted the audit of the District's financial statements. Their unmodified Independent Auditors' Report is attached.

Financial Statements
Audited Financial Statements - Fiscal Year 2016

DRAFT COPY 10/05/16

Independent Auditors' Report



DRAFT COPY 10/05/16

INDEPENDENT AUDITORS' REPORT

Board of Directors
Yucaipa Valley Water District
Yucaipa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Water, Sewer, and Recycled Water Enterprise Funds of the Yucaipa Valley Water District (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water, Sewer, and Recycled Water Enterprise Funds of the District, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 41 and the Schedule of Contributions on page 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The transmittal letter listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The transmittal letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rancho Cucamonga, California
_____, 2016

Financial Statements
Audited Financial Statements - Fiscal Year 2016

DRAFT COPY 10/05/16

Management's Discussion & Analysis

This section of the Yucaipa Valley Water District's comprehensive annual financial report presents a discussion and analysis of the District's financial performance during the fiscal years ending June 30, 2015 and June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's basic financial statements following this section.

Yucaipa Valley Water District's financial statements consist of three enterprise funds: (W) water fund, (S) sewer fund and (R) recycled water fund.

FINANCIAL HIGHLIGHTS

Based on the financial information for the fiscal year ending on June 30, 2016, the following financial highlights are noted for the Yucaipa Valley Water District.

- The District's net position increased 1.34% to \$196,916,093.
- The District's total revenues decreased 3.59% to \$23,517,160.
- The District's total expenses decreased 1.22% to 26,343,631.
- The capital contributions to the District totaled \$5,437,544 for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Yucaipa Valley Water District's basic financial statements. The District's basic financial statements are comprised of three components: Financial Statements, Notes to the Financial Statements and Required Supplementary Information.

The District's Basic Financial Statements are comprised of the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows.

The *Statement of Net Position* presents information on all District assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as *Net Position*. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how Net Position changed during the fiscal year.

The *Statement of Cash Flows* presents information about the cash receipts and cash payments of the District during the fiscal year. When used with related disclosures and information in the other financial statements, the information provided in these statements should help financial report users assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due and its need for external financing. It also provides insight into the reasons for differences between operating income and associated cash receipts and payments; and the effects on the District's financial position of its cash and its non-cash investing, capital and related financing transactions during the year.

Notes to the Basic Financial Statements provides additional information that is essential to a full understanding of the data provided in the District's financial statements. The notes are included immediately following the financial statements within this report.

FINANCIAL ANALYSIS

The following table summarizes the changes in the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position as of June 30, 2016.

	Statement of Net Position			
	2016	2015	Change	% Change
Assets				
Current assets - W	\$ 11,544,506	\$ 11,318,521	\$ 225,985	2.00%
Current assets - S	9,312,148	8,756,444	555,704	6.35%
Current assets - R	2,009,043	3,156,536	(1,147,493)	-36.35%
Net capital assets - W	104,109,628	102,581,965	1,527,663	1.49%
Net capital assets - S	126,851,770	128,206,759	(1,354,989)	-1.06%
Net capital assets - R	25,697,088	25,514,168	182,920	0.72%
Other assets - W	2,941,847	5,967,127	(3,025,280)	-50.70%
Other assets - S	893,163	873,908	19,255	2.20%
Other assets - R	394,035	364,059	29,976	8.23%
Total Assets	<u>283,753,228</u>	<u>286,739,487</u>	<u>(2,986,259)</u>	<u>-1.04%</u>
Deferred Outflows of Resources				
Deferred amounts related to pensions - W	550,974	370,912	180,062	48.55%
Deferred amounts related to pensions - S	411,885	277,279	134,606	48.55%
Deferred amounts related to pensions - R	7,915	5,327	2,588	48.58%
Total Deferred Outflows	<u>970,774</u>	<u>653,518</u>	<u>317,256</u>	<u>48.55%</u>
Total Assets and Deferred Outflows	<u>284,724,002</u>	<u>287,393,005</u>	<u>(2,669,003)</u>	<u>-0.93%</u>
Liabilities				
Current liabilities - W	3,302,038	4,292,996	(990,958)	-23.08%
Current liabilities - S	4,077,988	3,858,334	219,654	5.69%
Current liabilities - R	25,516	73,933	(48,417)	-65.49%
Long term liabilities - W	34,955,257	36,474,537	(1,519,280)	-4.17%
Long term liabilities - S	44,182,947	47,152,277	(2,969,330)	-6.30%
Long term liabilities - R	35,215	40,320	(5,105)	0.00%
Total Liabilities	<u>86,578,961</u>	<u>91,892,397</u>	<u>(5,313,436)</u>	<u>-5.78%</u>
Deferred Inflows of Resources				
Deferred amounts related to pensions - W	697,505	678,571	18,934	2.79%
Deferred amounts related to pensions - S	521,425	507,272	14,153	2.79%
Deferred amounts related to pensions - R	10,018	9,745	273	2.80%
Total Deferred Inflows	<u>1,228,948</u>	<u>1,195,588</u>	<u>33,360</u>	<u>2.79%</u>
Net Position				
Net Investment in capital assets,				
Net of related debt - W	71,099,483	68,433,170	2,666,313	3.90%
Net of related debt - S	82,109,327	80,788,980	1,320,347	1.63%
Net of related debt - R	25,697,088	25,514,168	182,920	0.72%
Restricted - W	2,941,847	5,955,412	(3,013,565)	-50.60%
Restricted - S	893,163	873,908	19,255	2.20%
Restricted - R	394,035	364,059	29,976	8.23%
Unrestricted - W	6,150,825	4,403,839	1,746,986	39.67%
Unrestricted - S	5,684,116	4,933,619	750,497	15.21%
Unrestricted - R	1,946,209	3,037,865	(1,091,656)	-35.93%
Total Net Position	<u>196,916,093</u>	<u>194,305,020</u>	<u>2,611,073</u>	<u>1.34%</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 284,724,002</u>	<u>\$ 287,393,005</u>	<u>\$ (2,669,003)</u>	<u>-0.93%</u>

Statement of Net Position – The District's net position increased between fiscal years 2014-15 and 2015-16, increasing from \$194,305,020 to \$196,916,093. The change can be seen in the condensed Statement of Net Position below as a \$2,611,073 increase in net position.

As of July 1, 2014 and the District's adoption of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. These pronouncements resulted in a restatement of the District's beginning net position and inclusion of several new accounts on the District's financial statements. These new accounts include a \$4,320,667 net pension liability, \$1,228,948 in deferred inflow of resources (deferred amount on pensions) and \$970,774 in deferred outflows of resources from pension contributions made after the measurement date and amortization. These are further discussed in Defined Benefit Pension Plans in the accompanying pages.

The decrease in in recycled current assets is attributed to the increased recycled expenditures and operations.

The decrease in other water assets is attributed to the new Statewide Community Infrastructure Program (SCIP), formed to finance the construction and installation of a reservoir that will service properties located within Community Facilities District AD-14-01. Bonds were issued by community facilities districts for construction funding for the Reservoir 12.4. Yucaipa Valley Water District is not liable for the bonds, but is an acting agent for the bondholders. Additional information can be found in Note 18 of the report.

The following table summarizes changes in Net Position for the year ended June 30, 2016.

Statement of Revenues, Expenses and Changes in Net Position

	2016	2015	Change	% Change
Operating Revenues				
Water Services	\$ 8,646,298	\$ 9,502,880	\$ (856,582)	-9.01%
Sewer Services	11,196,247	11,316,511	(120,264)	-1.06%
Recycled Services	398,567	443,652	(45,085)	-10.16%
Interfund Services Provided	160,000	153,500	6,500	4.23%
Other Revenue	1,905	3,420	(1,515)	-44.30%
Total Operating Revenues	20,403,017	21,419,963	(1,016,946)	-4.75%
Non-Operating Revenues				
Interest Income	90,695	52,375	38,320	73.16%
Property Taxes	2,934,543	2,791,142	143,401	5.14%
Other Income	88,905	129,905	(41,000)	-31.56%
Total Non-Operating Revenues	3,114,143	2,973,422	140,721	4.73%
Total Revenues	23,517,160	24,393,385	(876,225)	-3.59%
Operating Expenses				
Salaries & Benefits - W	3,499,728	3,662,236	(162,508)	-4.44%
Salaries & Benefits - S	2,624,212	2,818,855	(194,643)	-6.91%
Salaries & Benefits - R	261,717	120,819	140,898	116.62%
Operating Expenses - W	4,548,256	4,766,899	(218,643)	-4.59%
Operating Expenses - S	3,608,871	3,398,750	210,121	6.18%
Operating Expenses - R	453,089	277,540	175,549	63.25%
Water Purchases - W	920,056	509,584	410,472	80.55%
Depreciation & Amortization - W	3,312,043	3,287,958	24,085	0.73%
Depreciation & Amortization - S	4,086,215	4,084,540	1,675	0.04%
Depreciation & Amortization - R	784,075	777,079	6,996	0.90%
Total Operating Expenses	24,098,262	23,704,260	394,002	1.66%
Non-Operating Expenses				
(Gain)/Loss on Asset Disposal	12,116	-	12,116	100.00%
Bond Issuance cost - W	-	244,101	(244,101)	-100.00%
Interest Expense - W	1,121,714	1,572,938	(451,224)	-28.69%
Interest Expense - S	1,111,539	1,147,495	(35,956)	-3.13%
Total Non-Operating Expenses	2,245,369	2,964,534	(719,165)	-24.26%
Total Expenses	26,343,631	26,668,794	(325,163)	-1.22%

Management's Discussion and Analysis
Fiscal Year 2016

Statement of Revenues, Expenses and Changes in Net Position

	2016	2015	Change	% Change
Income (Loss) Before Contributions - W	\$ (1,709,210)	\$ (1,624,707)	\$ (84,503)	5.20%
Income (Loss) Before Contributions - S	(42,615)	56,248	(98,863)	-175.76%
Income (Loss) Before Contributions - R	(1,074,646)	(706,950)	(367,696)	52.01%
Total Income (Loss) Before Contributions	(2,826,471)	(2,275,409)	(551,062)	24.22%
Contributions				
Capital Contributions - W	3,108,944	10,622,515	(7,513,571)	-70.73%
Capital Contributions - S	2,132,714	1,531,760	600,954	39.23%
Capital Contributions - R	195,886	93,624	102,262	109.23%
	5,437,544	12,247,899	(6,810,355)	77.73%
Change in Net Position - W	1,399,734	8,997,808	(7,598,074)	-84.44%
Change in Net Position - S	2,090,099	1,588,008	502,091	31.62%
Change in Net Position - R	(878,760)	(613,326)	(265,434)	43.28%
Beginning Net Position	194,305,020	184,332,530	9,972,490	5.41%
Ending Net Position	\$ 196,916,093	\$ 194,305,020	\$ 2,611,073	1.34%

The Statement of Revenues, Expenses and Changes in Net Position provides the nature and source of these changes. As can be seen in the preceding table, the loss before capital contributions of \$2,826,471 and capital contributions of \$5,437,544 were the source of the increase in Net Position of \$2,611,073 in Fiscal Year 2016.

On January 17, 2014, Governor Brown issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions. On April 25, 2014, Governor Brown issued a proclamation of a continued state of emergency based on continued drought. Yucaipa Valley Water District has taken steps over the years to reduce drinking water use by implementing an extensive recycled water system and asking customers to cut back usage, resulting in \$856,582 decreased water services revenue.

The recycled water operations continues to expand resulting in increased overall expenses.

Fiscal year 2015 the Yucaipa Valley Regional Filtration Facility was shut down for four months due to extended maintenance and drought conditions. During this time Yucaipa Valley Water District used ground water in lieu of imported state water. Fiscal year 2016 the plant was shut down for the one month annual scheduled maintenance attributing the increased water purchases.

The fiscal year 2015 water capital contributions increase was attributed to the Statewide Community Infrastructure Program (SCIP), formed to finance the construction and installation of a reservoir that will service properties located within Community Facilities District AD-14-01. Bonds were issued by community facilities districts for construction funding for the Reservoir 12.4. Yucaipa Valley Water District is not liable for the bonds, but is an acting agent for the bondholders. Additional information can be found in Note 18 of the report.

In fiscal year 2015 bond issuance of \$244,101 was the cost of the Series 2015A Refunding Bonds sold to refund Series 2004A Certificates of Participation, resulting in \$451,224 interest savings in Fiscal Year 2016.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

At the end of Fiscal Year 2016, the District had invested \$256,658,483 in a broad range of infrastructure as shown below.

DRAFT COPY 10/05/16

Schedule of Capital Assets				
	2016	2015	Change	% Change
Non-Depreciable Assets				
Land & Easements	\$ 5,587,305	\$ 5,587,306	\$ (1)	0.00%
Water Rights	5,919,976	5,919,976	-	0.00%
Construction in Progress	15,742,545	10,845,469	4,897,076	45.15%
Total Non-Depreciable Assets	27,249,826	22,352,751	4,897,075	21.91%
Depreciable Assets				
Structures & Improvements	330,304,418	326,869,552	3,434,866	1.05%
Equipment	6,101,285	6,094,449	6,836	0.11%
Total Depreciable Assets	336,405,703	332,964,001	3,441,702	1.03%
Less Accumulated Depreciation	(106,997,046)	(99,013,860)	(7,983,186)	8.06%
Net Depreciable Assets	229,408,657	233,950,141	(4,541,484)	-1.94%
Total Capital Assets, Net	\$ 256,658,483	\$ 256,302,892	\$ 355,591	0.14%

As of June 30, 2016, construction in progress increased \$4,897,075, primarily in the water and sewer enterprise funds with the construction the SCIP reservoir project R-12.4 and digester cleaning and cover replacement project. The closure of infrastructure projects increased the value of structures and improvements.

Additional information on the District's capital assets can be found in Note 3 of this report.

Long-term obligations, including current portion, total \$86,578,961 as of June 30, 2016, and \$91,892,397 as of June 30, 2015. The long-term obligations were comprised of compensated absences, water revenue bonds and sewer fund state revolving fund (SRF) loans for the WRWRF plant expansion, Regional Brineline Extension, (WISE) Wochholz Improved Salinity Effluent Project, Non-Potable Reservoir NR-10.3.1 project and the Crow Street Recycled Project.

Schedule of Liabilities

	2016	2015	Change	% Change
Long Term Obligations:				
Compensated absences	\$ 869,121	\$ 797,172	\$ 71,949	9.03%
Refunding Revenue Bonds - Water	31,980,145	33,180,510	(1,200,365)	-3.62%
State Revolving Fund Loan - Sewer	42,003,486	44,742,442	(2,738,956)	-6.12%
Net Pension Liability	4,320,667	4,947,010	(626,343)	-12.66%
Total Long Term Obligations	79,173,419	83,667,134	(4,493,715)	-5.37%
Current Portion of Obligations:				
Compensated Absences	429,655	390,914	38,741	9.91%
Refunding Revenue Bonds - Water	1,030,000	980,000	50,000	5.10%
State Revolving Fund Loan - Sewer	2,738,957	2,675,337	63,620	2.38%
Other Current Liabilities	3,206,930	4,179,012	(972,082)	-23.26%
Total Current Obligations	7,405,542	8,225,263	(819,721)	-9.97%
Total Liabilities	\$ 86,578,961	\$ 91,892,397	\$ (5,313,436)	-5.78%

Additional information on the District's long-term obligations can be found in Notes 4 through 12 of this report.

Requests for Information

This financial report is designed to provide a general overview of the financial position of the Yucaipa Valley Water District for all those with an interest in the government's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Vicky Elisalda, Controller at 12770 Second Street, Yucaipa, California 92399.

Financial Statements
Audited Financial Statements - Fiscal Year 2016

DRAFT COPY 10/05/16

Financial Statements

YUCAIPA VALLEY WATER DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

DRAFT COPY 10/05/16

	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
ASSETS				
Current Assets:				
Cash and investments	\$ 8,610,998	\$ 7,798,477	\$ 1,920,990	\$ 18,330,465
Accounts receivable, net	1,317,267	1,502,576	85,587	2,905,430
Taxes and assessments receivable	82,000			82,000
Grants receivable				-
Interest receivable	11,095	11,095	2,466	24,656
Inventory	712,246			712,246
Prepayments and deposits	810,900			810,900
Total Current Assets	11,544,506	9,312,148	2,009,043	22,865,697
Noncurrent Assets:				
Restricted investments	2,941,847	893,163	394,035	4,229,045
Capital assets not being depreciated	12,174,139	9,183,555	5,892,134	27,249,828
Capital assets being depreciated, net	91,935,489	117,668,215	19,804,954	229,408,658
Total Noncurrent Assets	107,051,475	127,744,933	26,091,123	260,887,531
TOTAL ASSETS	118,595,981	137,057,081	28,100,166	283,753,228
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	550,974	411,885	7,915	970,774
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	398,180	391,512	25,516	815,208
Customer deposits	142,700			142,700
Developer/construction deposits	1,060,912			1,060,912
Accrued interest payable	427,038	761,072		1,188,110
Current portion of long-term liabilities:				
Compensated absences	243,208	186,447		429,655
Certificates of participation	1,030,000			1,030,000
State revolving fund loans		2,738,957		2,738,957
Total Current Liabilities	3,302,038	4,077,988	25,516	7,405,542
Long-Term Liabilities:				
Compensated absences	522,862	346,259		869,121
Certificates of participation	31,980,145			31,980,145
State revolving fund loans		42,003,486		42,003,486
Net pension liability	2,452,250	1,833,202	35,215	4,320,667
Total Long-Term Liabilities	34,955,257	44,182,947	35,215	79,173,419
TOTAL LIABILITIES	38,257,295	48,260,935	60,731	86,578,961
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	697,505	521,425	10,018	1,228,948
NET POSITION				
Net investment in capital assets	71,099,483	82,109,327	25,697,088	178,905,898
Restricted for:				
Debt service		893,163		893,163
Capital projects	2,941,847		394,035	3,335,882
Unrestricted	6,150,825	5,684,116	1,946,209	13,781,150
TOTAL NET POSITION	\$ 80,192,155	\$ 88,686,606	\$ 28,037,332	\$ 196,916,093

The accompanying notes are an integral part of these financial statements.



YUCAIPA VALLEY WATER DISTRICT

DRAFT COPY 10/05/16

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
OPERATING REVENUES				
Charges for current services	\$ 8,646,298	\$ 11,196,247	\$ 398,567	\$ 20,241,112
Interfund services provided	160,000			160,000
Other revenue		1,905		1,905
Total Operating Revenues	<u>8,806,298</u>	<u>11,198,152</u>	<u>398,567</u>	<u>20,403,017</u>
OPERATING EXPENSES				
Salaries and employee benefits	3,499,728	2,624,212	261,717	6,385,657
Electrical power	1,228,136	961,273	103,162	2,292,571
Water purchases	920,056			920,056
Administrative services	781,378	390,692	56,362	1,228,432
Operating supplies	175,672	443,589	4,426	623,687
Maintenance and repairs	1,023,418	710,769	68,509	1,802,696
Crystal Creek Water Treatment	757,125			757,125
Brineline charges		150,194		150,194
Depreciation	3,312,043	4,086,215	784,075	8,182,333
Insurance	99,933	100,522		200,455
Professional fees	355,256	529,284	199,934	1,084,474
Other	127,338	322,548	20,696	470,582
Total Operating Expenses	<u>12,280,083</u>	<u>10,319,298</u>	<u>1,498,881</u>	<u>24,098,262</u>
Operating Income (Loss)	<u>(3,473,785)</u>	<u>878,854</u>	<u>(1,100,314)</u>	<u>(3,695,245)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	42,332	40,695	7,668	90,695
Property taxes	2,770,043	146,500	18,000	2,934,543
Other income	86,030	2,875		88,905
Loss on disposal of assets	(12,116)			(12,116)
Interest expense	(1,121,714)	(1,111,539)		(2,233,253)
Total Non-Operating Revenues (Expenses)	<u>1,764,575</u>	<u>(921,469)</u>	<u>25,668</u>	<u>868,774</u>
Income (Loss) Before Contributions	<u>(1,709,210)</u>	<u>(42,615)</u>	<u>(1,074,646)</u>	<u>(2,826,471)</u>
CONTRIBUTIONS				
Capital contributions	3,108,944	2,132,714	195,886	5,437,544
Change in Net Position	1,399,734	2,090,099	(878,760)	2,611,073
Net Position, Beginning of Year	78,792,421	86,596,507	28,916,092	194,305,020
Net Position, End of Year	<u>\$ 80,192,155</u>	<u>\$ 88,686,606</u>	<u>\$ 28,037,332</u>	<u>\$ 196,916,093</u>

The accompanying notes are an integral part of these financial statements.



YUCAIPA VALLEY WATER DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

DRAFT COPY 10/05/16

	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 8,641,720	\$ 11,207,067	\$ 379,161	\$ 20,227,948
Receipts (payments) from interfund services provided	160,000	(160,000)		
Payments to suppliers	(5,559,686)	(3,267,036)	(501,506)	(9,328,228)
Employment related payments	(3,960,078)	(2,955,991)	(269,137)	(7,185,206)
Net Cash Provided by Operating Activities	(718,044)	4,824,040	(391,482)	3,714,514
CASH FLOWS FROM CAPITAL AND AND RELATED FINANCING ACTIVITIES				
Capital contributions	3,011,541	1,904,105	107,303	5,022,949
Cash paid for capital assets	(5,723,299)	(2,502,617)	(878,412)	(9,104,328)
Principal paid on capital debt	(980,000)	(2,675,336)		(3,655,336)
Interest paid on capital debt	(1,314,013)	(1,156,388)		(2,470,401)
Net Cash Provided/(Used) for Capital and Related Financing Activities	(5,005,771)	(4,430,236)	(771,109)	(10,207,116)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property taxes received	2,758,584	146,500	18,000	2,923,084
Other receipts	86,030	2,875		88,905
Net Cash Provided by Non-Capital Financing Activities	2,844,614	149,375	18,000	3,011,989
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	36,806	35,169	6,440	78,415
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,842,395)	578,348	(1,138,151)	(3,402,198)
Balances, Beginning of Year	14,395,240	8,113,292	3,453,176	25,961,708
Balances, End of Year	\$ 11,552,845	\$ 8,691,640	\$ 2,315,025	\$ 22,559,510
Reconciliation to Statement of Net Position:				
Cash and investments	\$ 8,610,998	\$ 7,798,477	\$ 1,920,990	\$ 18,330,465
Restricted cash and investments - Non-current	2,941,847	893,163	394,035	4,229,045
Total Cash and Investments	\$ 11,552,845	\$ 8,691,640	\$ 2,315,025	\$ 22,559,510

The accompanying notes are an integral part of these financial statements.



YUCAIPA VALLEY WATER DISTRICT
STATEMENT OF CASH FLOWS, Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

DRAFT COPY 10/05/16

	Enterprise Funds			Total
	Water	Sewer	Recycled Water	
RECONCILIATION OF OPERATING Income (Loss) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (loss)	\$ (3,473,785)	\$ 878,854	\$ (1,100,314)	\$ (3,695,245)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	3,312,043	4,086,215	784,075	8,182,333
Loss on disposal	12,116			12,116
Change in assets and liabilities:				
Receivables, net	(49,927)	8,915	(19,406)	(60,418)
Compensated absences	56,267	54,423		110,690
Prepayments and deposits	(81,914)			(81,914)
Developer and customer deposits	45,349			45,349
Inventory	105,726			105,726
Accounts and other payables (non-capital)	(127,302)	181,835	(48,417)	6,116
Net pension liability	(355,489)	(265,749)	(5,105)	(626,343)
Change in deferred outflows of resources related to pensions	(180,062)	(134,606)	(2,588)	(317,256)
Change in deferred inflows of resources related to pensions	18,934	14,153	273	33,360
Net Cash Provided by Operating Activities	<u>\$ (718,044)</u>	<u>\$ 4,824,040</u>	<u>\$ (391,482)</u>	<u>\$ 3,714,514</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital assets	<u>\$ 97,403</u>	<u>\$ 228,609</u>	<u>\$ 88,583</u>	<u>\$ 414,595</u>

The accompanying notes are an integral part of these financial statements.



YUCAIPA VALLEY WATER DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2016

DRAFT COPY 10/05/16

	SCIP R-12.4 Reservoir Agency Fund
ASSETS	
Cash and cash equivalents	<u>\$ 988,193</u>
LIABILITIES	
Due to other governments	<u>\$ 988,193</u>

The accompanying notes are an integral part of these financial statements.



Financial Statements
Audited Financial Statements - Fiscal Year 2016

DRAFT COPY 10/05/16

Notes to the Financial Statements



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Yucaipa Valley Water District (the District) is a special-purpose government district providing water distribution and sewer collection and treatment for consumers within its service area. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Basis of Presentation

Fund Financial Statements - The District solely operates as a Special-Purpose Government which means it is only engaged in business-type activities, accordingly activities are reported in proprietary funds.

The District has the following major proprietary funds:

- Water – This fund accounts for the activities of the District's drinking water supply system.
- Sewer – This fund accounts for the activities of the District's sewage treatment plant, pumping stations, and collection systems.
- Recycled Water – This fund accounts for the activities of the District's recycled water supply system.

The SCIP R-12.4 Reservoir agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities. This fund is used to account for receipts and disbursements associated with Assessment District AD-14-01, which is administered by, but is not the liability of, the District.

C. Basis of Accounting

Proprietary fund financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes apply. Property taxes are collected for the District by the Counties of San Bernardino and Riverside. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses include the costs of sales and services, the costs of employee benefits, maintenance of capital assets, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Capital Assets

Capital assets purchased or constructed are carried at cost. Constructed costs include labor, materials and construction period interest expense (net of interest income, where applicable). Capitalization threshold is \$5,000. Contributed assets are stated at estimated fair market value at the time received by the District. Depreciation is calculated on the straight-line method over the following estimated useful lives of the assets:

Structures and improvements	10 – 50 years
Equipment	4 – 10 years

E. Restricted Investments

Various resources of the District are limited as to their use by law or by debt covenants and are classified on the balance sheet as restricted investments. Undisbursed debt proceeds are restricted for repayment of the debt and project costs. Also, fees imposed on new real estate development are restricted by law for the construction of capital improvements which benefit the development projects.

F. Inventory

Inventory is stated at the lower of cost, using the average cost method, or market.

G. Cash and Cash Equivalents

All cash and investments are held in the District's cash management pool. Therefore, for purposes of the statement of cash flows, the District considers the entire pooled cash and investment balance to be cash and cash equivalents.

H. Investments

Investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. All fair values are determined by external consultants. Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Management reviews investments for events that might affect fair value measurements of investments on a monthly basis. The evaluation is performed at the lowest level of identifiable unit of account.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J. Uncollectible Accounts

The District provides an allowance for doubtful accounts for all accounts deemed uncollectible. As of June 30, 2016, this allowance was estimated at \$10,546 in the Water Fund and \$14,357 in the Sewer Fund.

K. Credit/Market Risk

The District provides water, sewer, and recycled water services to local residential and commercial customers. As part of normal operating practices, credit is granted to local customers, on an unsecured basis.

L. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

M. Net Position

Net investment in capital assets consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets.

Restricted net position consists of those restricted assets reduced by liabilities related to those assets.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, pension expense, information about the fiduciary net position of the District's California Public Employees Retirement System (CalPERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The government only has one item that qualifies for reporting in this category. It is the deferred outflow related to pensions which is the result of the implementation of GASB 68 representing the District's pension contributions made subsequent to the measurement date and change in proportion.

YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (*Continued*)

O. Deferred Outflows/Inflows of Resources, (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The government has only one type of item, deferred amounts related to pensions. This item is the result of the implementation of GASB 68 representing the change in proportion and the difference between projected and actual earnings on investments.

P. New Accounting Pronouncements

Effective in this Fiscal Year

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The primary objective of this statement is to define fair value and describe how fair value should be measured, define what assets and liabilities should be measured at fair value, and determine what information about fair value should be disclosed in the notes to the financial statements. The Statement is effective for periods beginning after June 15, 2015, or the 2015-16 fiscal year. The District implemented this statements as of July 1, 2015.

Effective in Future Fiscal Years

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of the Statement is to address the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated. The Statement is effective for periods beginning after June 15, 2016, or the 2016-2017 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or the 2017-2018 fiscal year. The District has not determined the effect of the statement.

GASB Statement No. 77 – In August 2015, GASB issued Statement No 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for the periods beginning after December 15, 2015, or the 2016-2017 fiscal year. The District has not determined the effect of the statement.

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016****DRAFT COPY 10/05/16****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)****P. New Accounting Pronouncements, (Continued)**Effective in Future Fiscal Years (Continued)

GASB Statement No. 78 – In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement amends the scope and applicability of Statement No. 68. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The district has not determined the effect on the financial statements.

GASB Statement No. 80 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for reporting periods beginning after December 15, 2016. The district has not determined the effect on the financial statements.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for reporting periods beginning after December 15, 2016. The district has not determined the effect on the financial statements.

GASB Statement No. 82 – In March, 2016, GASB issued Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for the employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified as the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 18,330,465
Restricted investments - Non-current	4,229,045
Statement of Fiduciary Assets and Liabilities	
Cash and cash equivalents	988,193
Total Cash and Investments	<u>\$ 23,547,703</u>

Cash and investments as of June 30, 2016, consist of the following:

Petty cash	\$ 800
Cash	1,038,505
Investments	22,508,398
Total Cash and Investments	<u>\$ 23,547,703</u>

Investments Authorized by the California Government Code and the Yucaipa Valley Water District's Investment Policy

The table below identifies the investment types that are authorized for the Yucaipa Valley Water District by the California Government Code and the District's policy, whichever is more restrictive. The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Yucaipa Valley Water District, rather than the general provisions of the California Government Code.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
Money Market Accounts	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 2 – CASH AND INVESTMENTS, (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee is governed by provisions of the debt agreement, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of the debt agreement that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Repurchase Agreements	365 days	None	None
Negotiable Certificates of Deposit	None	30%	None
Money Market Mutual Funds	None	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Yucaipa Valley Water District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Fair Value	Maturity 12 Months or Less
LAIIF	\$ 19,133,251	\$ 19,133,251
U.S. Treasury Bills	499,795	499,795
Money Market Funds	2,875,352	2,875,352
Total	<u>\$ 22,508,398</u>	<u>\$ 22,508,398</u>

YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 2 – CASH AND INVESTMENTS, (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the rating as of year-end for each investment type:

	Fair Value	S&P Rating at June 30, 2016
L AIF	\$ 19,133,251	Unrated
U.S. Treasury Bills	499,795	AA+
Money Market Funds	2,875,352	AAAm
Total	\$ 22,508,398	

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Yucaipa Valley Water District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. Bank deposits are covered by the federal depository insurance (FDIC) for the first \$250,000. As of June 30, 2016, the District has \$1,172,388 of cash in excess of the FDIC limit. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the District's deposits as noted above.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF has a portion of the pool invested in structured notes and asset backed securities. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals to and from LAIF are transferred on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy, LAIF is uncategorized.



YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 2 – CASH AND INVESTMENTS, (Continued)

Fair Value Hierarchy

The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The district has the following recurring fair value measurements as of year-end.

As of June 30, 2016:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S Treasury Bills	\$ 499,795	\$ -	\$ 499,795	\$ -
Total Investments by Fair Value Level	<u>\$ 499,795</u>	<u>\$ -</u>	<u>\$ 499,795</u>	<u>\$ -</u>
Local Agency Investment Fund	19,133,251			
Money Market Funds	<u>2,875,352</u>			
Total Investments	<u>\$ 22,508,398</u>			

In determining fair value, the district’s custodians use various methods including market and income approaches. Based on these approaches, the district’s custodians utilize certain assumptions that market participants would use in pricing the asset or liability. The district’s custodians utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Various inputs are used in determining the value of the district’s investments and other financial instruments. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. These inputs are summarized in the three broad levels: Level 1 - quoted prices in active markets for identical investments, Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) and Level 3 - significant unobservable inputs (including the district’s own assumptions in determining the fair value of investments).

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016****DRAFT COPY 10/05/16****NOTE 3 – CAPITAL ASSETS**

The following tables summarize capital asset activity during 2015-2016:

Water Fund	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land and easements	\$ 4,111,106			\$ 4,111,106
Water rights	432,941			432,941
Construction in progress	4,833,568	\$ 4,835,654	\$ (2,039,130)	7,630,092
Total capital assets not being depreciated	<u>9,377,615</u>	<u>4,835,654</u>	<u>(2,039,130)</u>	<u>12,174,139</u>
Capital assets being depreciated:				
Structures and improvements	128,481,254	1,875,285	(7,842)	130,348,697
Equipment	4,358,181	180,014	(176,898)	4,361,297
Total capital assets being depreciated	<u>132,839,435</u>	<u>2,055,299</u>	<u>(184,740)</u>	<u>134,709,994</u>
Less accumulated depreciation for:				
Structures and improvements	(36,040,228)	(3,126,212)	7,842	(39,158,598)
Equipment	(3,594,857)	(185,831)	164,781	(3,615,907)
Total accumulated depreciation	<u>(39,635,085)</u>	<u>(3,312,043)</u>	<u>172,623</u>	<u>(42,774,505)</u>
Total capital assets being depreciated, net	<u>93,204,350</u>	<u>(1,256,744)</u>	<u>(12,117)</u>	<u>91,935,489</u>
Water Fund capital assets, net	<u>\$ 102,581,965</u>	<u>\$ 3,578,910</u>	<u>\$ (2,051,247)</u>	<u>\$ 104,109,628</u>

Depreciation expense was \$3,312,043 for the year ended June 30, 2016.



YUCAIPA VALLEY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 3 – CAPITAL ASSETS, (Continued)

Sewer Fund	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land and easements	\$ 4,111,106			\$ 4,111,106
Water rights	432,941			432,941
Construction in progress	351,097	\$ 2,523,920	\$ (654,697)	2,220,320
Total capital assets not being depreciated	7,314,332	2,523,920	(654,697)	9,183,555
Capital assets being depreciated:				
Structures and improvements	173,668,697	831,758		174,500,455
Equipment	1,589,268	30,245	(26,525)	1,592,988
Total capital assets being depreciated	175,257,965	862,003	(26,525)	176,093,443
Less accumulated depreciation for:				
Structures and improvements	(53,017,151)	(4,052,737)		(57,069,888)
Equipment	(1,348,387)	(33,478)	26,525	(1,355,340)
Total accumulated depreciation	(54,365,538)	(4,086,215)	26,525	(58,425,228)
Total capital assets being depreciated, net	120,892,427	(3,224,212)		117,668,215
Sewer Fund capital assets, net	<u>\$ 128,206,759</u>	<u>\$ (700,292)</u>	<u>\$ (654,697)</u>	<u>\$ 126,851,770</u>

Depreciation expense was \$4,086,215 for the year ended June 30, 2016.

YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 3 – CAPITAL ASSETS, (Continued)

Recycled Water Fund	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated				
Construction in progress	\$ 5,660,804	\$ 882,087	\$ (650,757)	5,892,134
Capital assets being depreciated:				
Structures and improvements	24,719,600	735,665	\$ -	25,455,265
Equipment	147,000	-	-	147,000
Total capital assets being depreciated	24,866,600	735,665	-	25,602,265
Less accumulated depreciation for:				
Structures and improvements	(4,983,836)	(769,375)	-	(5,753,211)
Equipment	(29,400)	(14,700)	-	(44,100)
Total accumulated depreciation	(5,013,236)	(784,075)	-	(5,797,311)
Total capital assets being depreciated, net	19,853,364	(48,410)	-	19,804,954
Recycled Water Fund capital assets, net	\$ 25,514,168	\$ 833,677	\$ (650,757)	\$ 25,697,088

Depreciation expense was \$784,075 for the year ended June 30, 2016.

NOTE 4 – REFUNDING REVENUE BONDS SERIES 2015 A

In 2015, the District sold certificates of participation in the amount of \$30,810,000 to refund the 2004 Certificates of Participation and to pay delivery costs of the certificates.

Certificates began maturing on September 1, 2015 with semi-annual interest payments due March 1 and September 1 at various interest rates from 3.00 to 5.00 percent. Principal payments are due annually September 1 at various amounts from \$980,000 to \$2,240,000. The final principal payment of the certificates is scheduled for September 1, 2034. See Note 12 for revenues pledged. The Bonds are recorded in the Water Fund.

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016****DRAFT COPY 10/05/16****NOTE 4 – REFUNDING REVENUE BONDS SERIES 2015 A, (Continued)**

Maturities of the revenue refunding bonds are as follows:

Fiscal Year Ending	2015 Refunding Revenue Bonds Series A		
	Principal	Interest	Total
2017	\$ 1,030,000	\$ 1,265,662	\$ 2,295,662
2018	1,065,000	1,228,912	2,293,912
2019	1,115,000	1,179,737	2,294,737
2020	1,170,000	1,122,612	2,292,612
2021	1,230,000	1,062,612	2,292,612
2022-2026	7,005,000	4,463,685	11,468,685
2027-2031	8,790,000	2,674,516	11,464,516
2032-2035	8,425,000	752,962	9,177,962
Total	\$ 29,830,000	\$ 13,750,698	\$ 43,580,698

NOTE 5 – STATE REVOLVING FUND LOAN - 2006

In August 2006, the District entered into a loan agreement with the State of California Water Resources Control Board to provide funding for the expansion and modification of the Henry N. Wochholz Wastewater Treatment Plant. The maximum amount of \$44,748,356 has been drawn. The loan accrues interest at a rate of 2.4 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred in September 2009. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2006 State Revolving Fund Loan		
	Principal	Interest	Total
2017	\$ 2,147,973	\$ 775,696	\$ 2,923,669
2018	2,199,524	724,145	2,923,669
2019	2,252,313	671,356	2,923,669
2020	2,306,368	617,301	2,923,669
2021	2,361,721	561,948	2,923,669
2022-2026	12,686,525	1,931,819	14,618,344
2027-2029	8,366,252	404,755	8,771,007
Total	\$ 32,320,676	\$ 5,687,020	\$ 38,007,696

YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 6 – STATE REVOLVING FUND LOAN - 2010

In June 2010, the District entered into a loan agreement with the State of California Water Resources Control Board (SWRCB) to provide the funding for the construction of the Regional Brineline Extension Project. The maximum amount of \$9,752,100 has been drawn plus interest accrued during the period of construction of \$183,714. The loan accrues interest at a rate of 2.7 percent annually. Principal and interest payments are due in 20 annual installments. In accordance with Amendment No. 1 of the loan agreement, the first payment occurred in December 2013. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2010 State Revolving Fund Loan		
	Principal	Interest	Total
2017	\$ 412,791	\$ 236,483	\$ 649,274
2018	423,936	225,337	649,273
2019	435,383	213,891	649,274
2020	447,138	202,136	649,274
2021	459,211	190,063	649,274
2022-2026	2,488,866	757,502	3,246,368
2027-2031	2,843,503	402,865	3,246,368
2032-2033	1,247,786	50,760	1,298,546
Total	\$ 8,758,614	\$ 2,279,037	\$ 11,037,651

NOTE 7 – STATE REVOLVING FUND LOAN – 2013 (WISE)

In December 2011, the District entered into a loan agreement (Wise) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The maximum amount of the loan is \$2,988,364. The loan accrues interest at a rate of 2.2 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred in March 2014. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (Wise) State Revolving Fund Loan		
	Principal	Interest	Total
2017	\$ 127,966	\$ 57,285	\$ 185,251
2018	130,782	54,470	185,252
2019	133,659	51,592	185,251
2020	136,599	48,652	185,251
2021	139,605	45,647	185,252
2022-2026	745,466	180,790	926,256
2027-2031	831,156	95,101	926,257
2032-2033	358,625	11,876	370,501
Total	\$ 2,603,858	\$ 545,413	\$ 3,149,271

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016****DRAFT COPY 10/05/16****NOTE 8 – STATE REVOLVING FUND LOAN – 2013 (R-10.3)**

In December 2011, the District entered into a loan agreement (R-10.3) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The maximum amount of the loan is \$871,570. The loan accrues interest at a rate of 2.2 percent annually. Principal and interest payments are due in 20 annual installments. The first payment occurred in March 2014. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (R-10.3) State Revolving Fund Loan		
	Principal	Interest	Total
2017	\$ 37,493	\$ 16,784	\$ 54,277
2018	38,318	15,959	54,277
2019	39,161	15,116	54,277
2020	40,023	14,254	54,277
2021	40,903	13,374	54,277
2022-2026	218,416	52,970	271,386
2027-2031	243,522	27,864	271,386
2032-2033	105,075	3,480	108,555
Total	\$ 762,911	\$ 159,801	\$ 922,712

NOTE 9 – STATE REVOLVING FUND LOAN – 2013 (CROW)

In December 2011, the District entered into a loan agreement (Crow Street) with the State of California Water Resources Control Board (SWRCB) to provide the funding for Recycled Water Fund projects. The District received the amount of \$310,179. The loan accrues interest at a rate of 2.2 percent annually on amounts drawn. Repayment will be made in 20 annual installments. The first payment occurred in March 2016. The District has pledged all revenues and amounts legally available to repay the loan. The loan is recorded in the Sewer Fund.

Fiscal Year Ending	2013 (Crow) State Revolving Fund Loan		
	Principal	Interest	Total
2017	\$ 12,734	\$ 6,520	\$ 19,254
2018	13,014	6,240	19,254
2019	13,300	5,954	19,254
2020	13,593	5,661	19,254
2021	13,892	5,362	19,254
2022-2026	74,181	22,091	96,272
2027-2031	82,708	13,564	96,272
2032-2035	72,962	4,056	77,018
Total	\$ 296,384	\$ 69,448	\$ 365,832

YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 10 – COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation, sick leave and comp time, a portion of which will be paid to employees upon separation from the District. At June 30, 2016, total accruals for Water, Sewer and Recycled Water funds amount to \$766,070, \$536,706, and \$0 respectively. The District estimated, based on historical trends, that approximately \$243,208, \$186,447, and \$0 of the Water, Sewer, and Recycled Water balances, respectively, will come due during fiscal year 2016-2017.

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities balances for the fiscal year ended June 30, 2016:

	Balance June 30, 2015	Additions	Repayments	Balance June 30, 2016	Amount Due in 2016-17
2015 Refunding Revenue Bonds	\$ 30,810,000	\$ -	\$ (980,000)	\$ 29,830,000	\$ 1,030,000
Unamortized premium	3,350,510	-	(170,365)	3,180,145	
Total Certificates of Participation	34,160,510	-	(1,150,365)	33,010,145	1,030,000
State Revolving Fund Loan - 2006	34,418,304	-	(2,097,629)	32,320,675	2,147,973
State Revolving Fund Loan - 2010	9,160,553	\$ -	(401,939)	8,758,614	412,791
State Revolving Fund Loan - 2013 Wise	2,729,141	-	(125,283)	2,603,858	127,966
State Revolving Fund Loan - 2013 R-10.3	799,602	-	(36,690)	762,912	37,493
State Revolving Fund Loan - 2013 Crow	310,179	-	(13,795)	296,384	12,734
Total State Revolving Fund Loans	47,417,779	-	(2,675,336)	44,742,443	2,738,957
Compensated absences	1,188,086	110,690		1,298,776	429,655
Net pension liability	4,947,010		(626,343)	4,320,667	
Total Long-term Liabilities	<u>\$ 87,713,385</u>	<u>\$ 110,690</u>	<u>\$ (4,452,044)</u>	<u>\$ 83,372,031</u>	<u>\$ 4,198,612</u>

NOTE 12 – REVENUE PLEDGED

The District has pledged future water fund revenues, net of specified operating expenses, to repay \$30,810,000 in refunding revenue bonds (2015 bonds) issued in 2015 as disclosed in Note 4. Net revenues are defined in the 2015 bond documents as operating income, less specified operating expenses, plus specified non-operating income. The 2015 bonds refunded the 2004 Certificates of Participation (COP). Proceeds from the COPs provided financing for the construction of the Yucaipa Valley Regional Water Filtration Facility (YVRWFF). The 2015 bonds are payable through 2035. Net revenues are anticipated to equal at least 110 percent of annual principal and interest payments. The total principal and interest remaining to be paid on the 2015 bonds is \$43,580,696. Principal and interest paid for the current year and total customer net revenues were \$2,294,014 and \$5,356,965, respectively.

For the state revolving fund loans recorded in the Sewer Fund, the District has pledged all revenues and amounts legally available to repay the loans.

YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

DRAFT COPY 10/05/16

NOTE 13 – DEFINED BENEFIT PENSION PLAN

Plan Description – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and may be amended by District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information. These reports can be found on the CalPERS website.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 60 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA - Miscellaneous</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rates	7%	6.250%
Required employer contribution rates	15.915%	6.237%

Contributions – Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. Contributions to the pension plan from the District were \$882,127 for the year ended June 30, 2016.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2016, the District reported a liability of \$4,320,667 for its proportionate share of the collective net pension liability.

YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using actuarial procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportion of the net collective pension liability as of June 30, 2014 and 2015, was as follows:

Proportion - June 30, 2014	0.07950%
Proportion - June 30, 2015	0.06295%
Change - Increase (Decrease)	(0.01655%)

For the year ended June 30, 2016, the District recognized a pension credit of \$28,111. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 882,127	
Changes between expected and actual experience	36,869	
Changes in proportion and differences between actual contributions and proportionate share of contributions	51,774	\$ 705,259
Changes in assumptions	-	348,818
Net difference between projected and actual earnings on pension plan investments	-	174,867
	<u>\$ 970,770</u>	<u>\$ 1,228,944</u>

\$882,127 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2017	\$ (378,242)
2018	(383,995)
2019	(334,348)
2020	(43,716)
	<u>\$ (1,140,301)</u>



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

DRAFT COPY 10/05/16

NOTE 13 – DEFINED BENEFIT PENSION PLAN, *(Continued)*

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions.

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.65%
Mortality	Derived using CalPERS' Membership Data

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.



YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

DRAFT COPY 10/07/16

NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

In determining the long-term expected 7.65 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees’ Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long term, the present value of benefits was calculated for each fund. The expected rate for return was set by calculating the single equivalent expected return of return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for each Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return Years 1-10	Long-Term Expected Real Rate of Return Years 11+
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99	2.43
Inflation Sensitive	6%	0.45	3.36
Private Equity	10%	6.83	6.95
Real Estate	10%	4.50	5.13
Infrastructure and Forestland	2%	4.50	5.09
Liquidity	2%	(0.55)	(1.05)
Total	<u>100%</u>		

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.65%
Net Pension Liability	\$	7,054,835
Current Discount Rate		7.65%
Net Pension Liability	\$	4,320,667
1% Increase		8.65%
Net Pension Liability	\$	2,072,112

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

YUCAIPA VALLEY WATER DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

DRAFT COPY 10/05/16

NOTE 14 – COMMITMENTS

The District has entered into contracts for various services and projects that will require payments in future fiscal years. The contract amounts and remaining commitments as of June 30, 2016, are summarized below:

<u>Description</u>	<u>Contract Amounts</u>	<u>Remaining Commitment</u>
Water fund and General Operating projects	\$ 9,683,202	\$ 1,722,147
Sewer fund projects	2,571,947	190,193
Recycled Water fund projects	894,003	137,849
Total	\$ 13,149,152	\$ 2,050,189

NOTE 15 – INTERFUND ACTIVITY

Interfund Services Provided

The Sewer fund reimburses the Water fund for the expenses related to administration, accounting and general services. The reimbursement is reflected in the statement of revenues, expenses and changes in net position as the revenue "Interfund services provided" in the Water Fund and included in the expense "Administrative services" in the Sewer Fund. The amount reimbursed for these services was \$160,000 as of June 30, 2016.

NOTE 16 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2016, the District purchased insurance through various commercial carriers to cover these risks with various limits including the Real Property & Business Personal Property blanket limit of \$95,041,921. The District has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

NOTE 17 – PROPERTY TAXES

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to entities based on complex formulas. The property tax calendar for San Bernardino and Riverside County is as follows:

Lien date	January 1
Levy date	July 1
Due date	November 1 and February 1
Collection dates	December 10 and April 10

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016****NOTE 18 – ASSESSMENT DISTRICT**

The District acts in a fiduciary capacity for an assessment district that was formed to finance the construction and installation of a reservoir that will service properties located within the assessment district. The bonds issued by the assessment district are payable solely from the revenues of annual special taxes levied against land within the district and do not constitute an indebtedness of the Yucaipa Valley Water District. Yucaipa Valley Water District is not liable for the bonds, but acts as an agent for the bondholders. Since the District is acting in an agency capacity, the assets and liabilities of the assessment district have been excluded from the District's statement of net position. The amount outstanding on the bonds at June 30, 2016 was \$11,015,000.

DRAFT COPY 10/05/16



Financial Statements
Audited Financial Statements - Fiscal Year 2016

DRAFT COPY 10/05/16

Required Supplementary Information

YUCAIPA VALLEY WATER DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY – LAST TEN YEARS*
AS OF THE FISCAL YEAR ENDING JUNE 30, 2016**

	<u>2016</u>	<u>2015</u>
Proportion of the collective net pension liability	0.06295%	0.07950%
Proportionate share of the collective net pension liability	\$ 4,320,667	\$ 4,947,010
Covered - employee payroll	\$ 3,953,813	\$ 4,616,557
Proportionate Share of the collective net pension liability as a percentage of covered-employee payroll	109.28%	107.16%
Plan fiduciary net position as a percentage of the total pension liability	78.40%	79.82%

* - Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.



YUCAIPA VALLEY WATER DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS LAST TEN YEARS*
AS OF THE FISCAL YEAR ENDING JUNE 30, 2016**

	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 550,441	\$ 570,529
Contributions in relation to the actuarially determined contribution	882,127	570,529
Contribution deficiency (excess)	<u>\$ (331,686)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,165,826	\$ 3,953,813
Contributions as a percentage of covered-employee payroll	21.18%	14.43%

* - Fiscal year 2015 was the first year of implementation, therefore, only two years are shown.

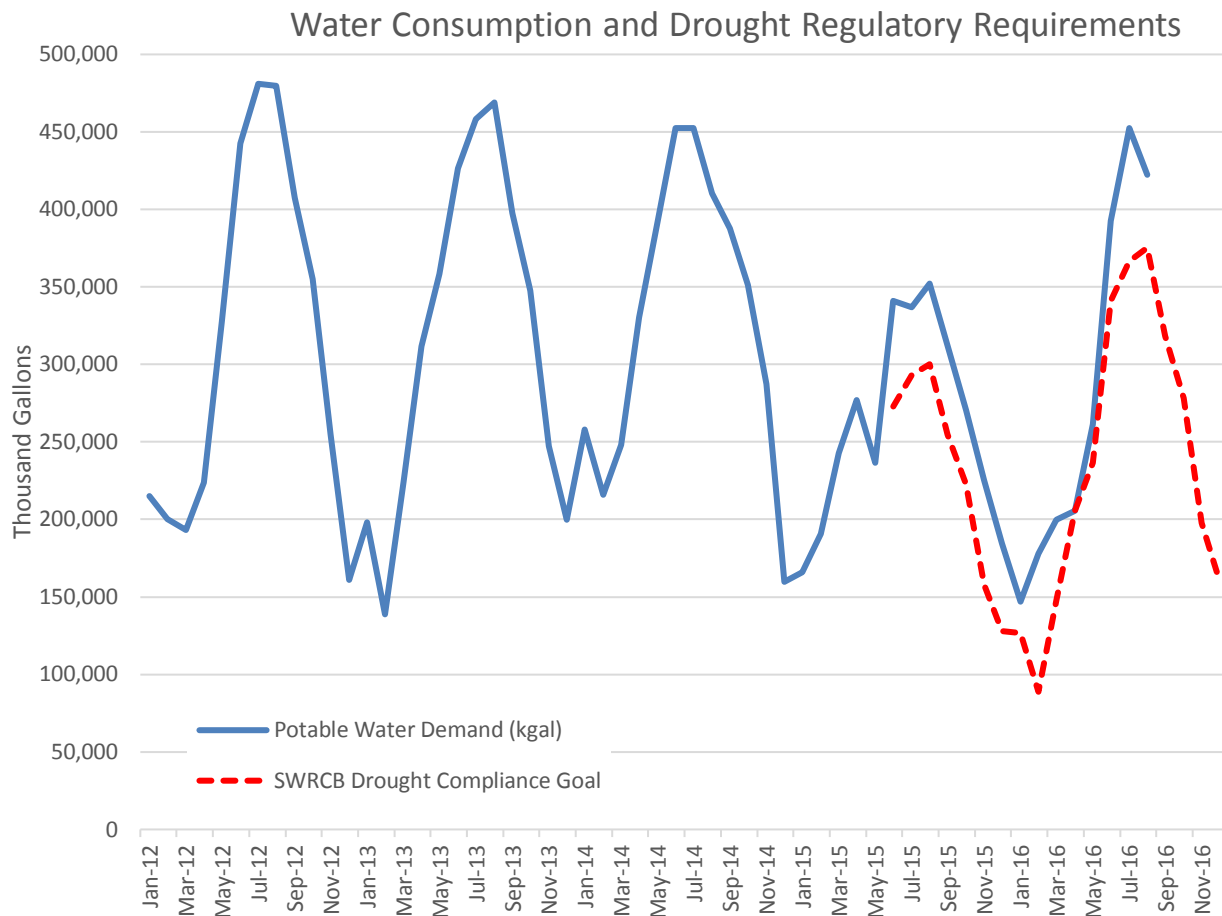




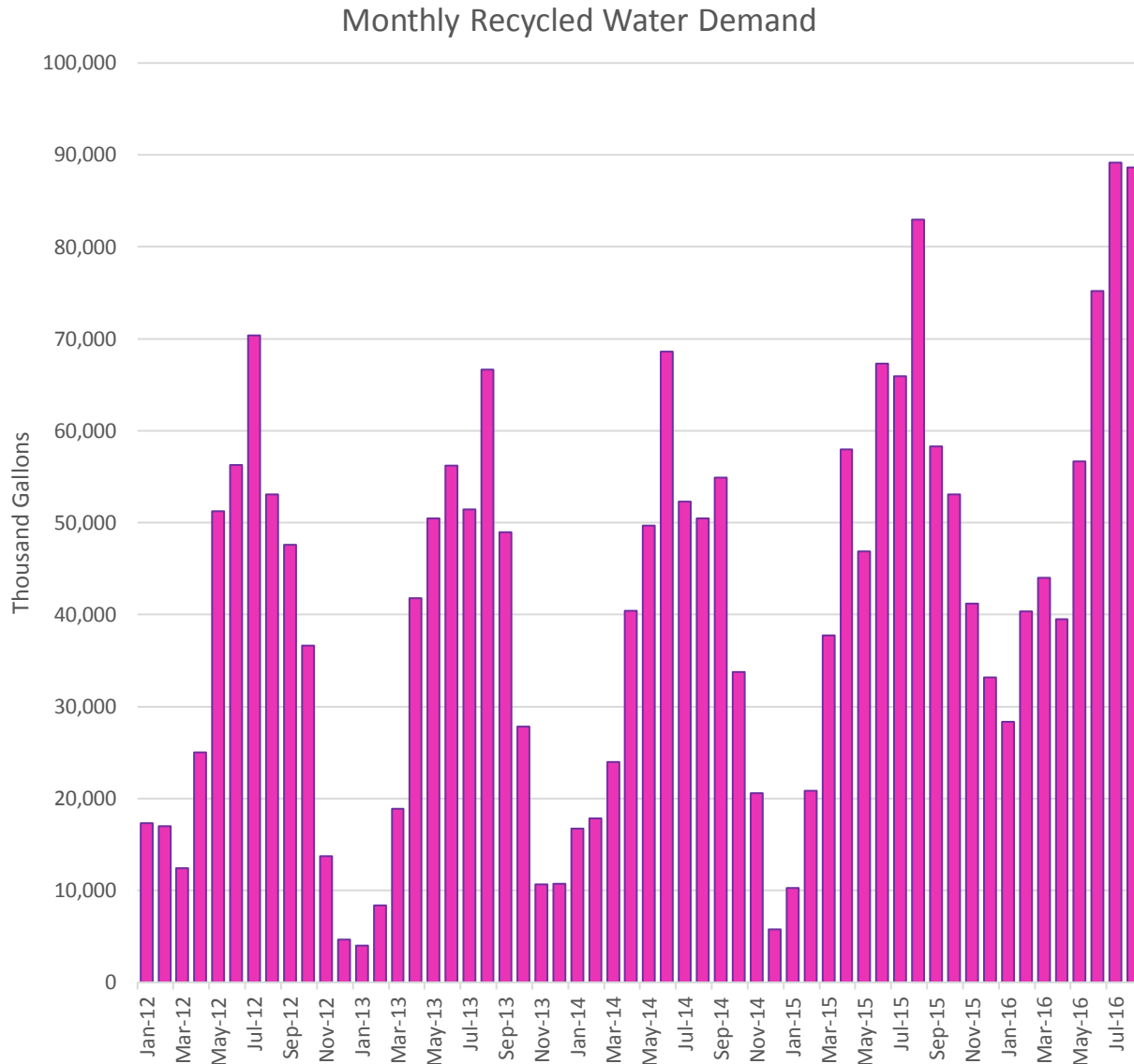
Date: October 11, 2016

Subject: Overview of the California Drought and Yucaipa Valley Water District's Action Plan Related to the State Water Resources Control Board Water Conservation Restrictions

On May 5, 2015, the State Water Resources Control Board ("SWRCB") adopted emergency regulations to achieve a 25% statewide reduction in potable urban water use. These stringent water use regulations required the Yucaipa Valley Water District to achieve a 36% reduction from the amount of drinking water produced in 2013. In March 2016, the SWRCB modified the emergency water conservation requirements for Yucaipa Valley Water District to a 34% reduction from the amount of drinking water produced in 2013. In June 2016, the District self-certified a water conservation reduction of 20%. Each level of regulated water conservation requirement is illustrated in the chart below as the red-dashed line.



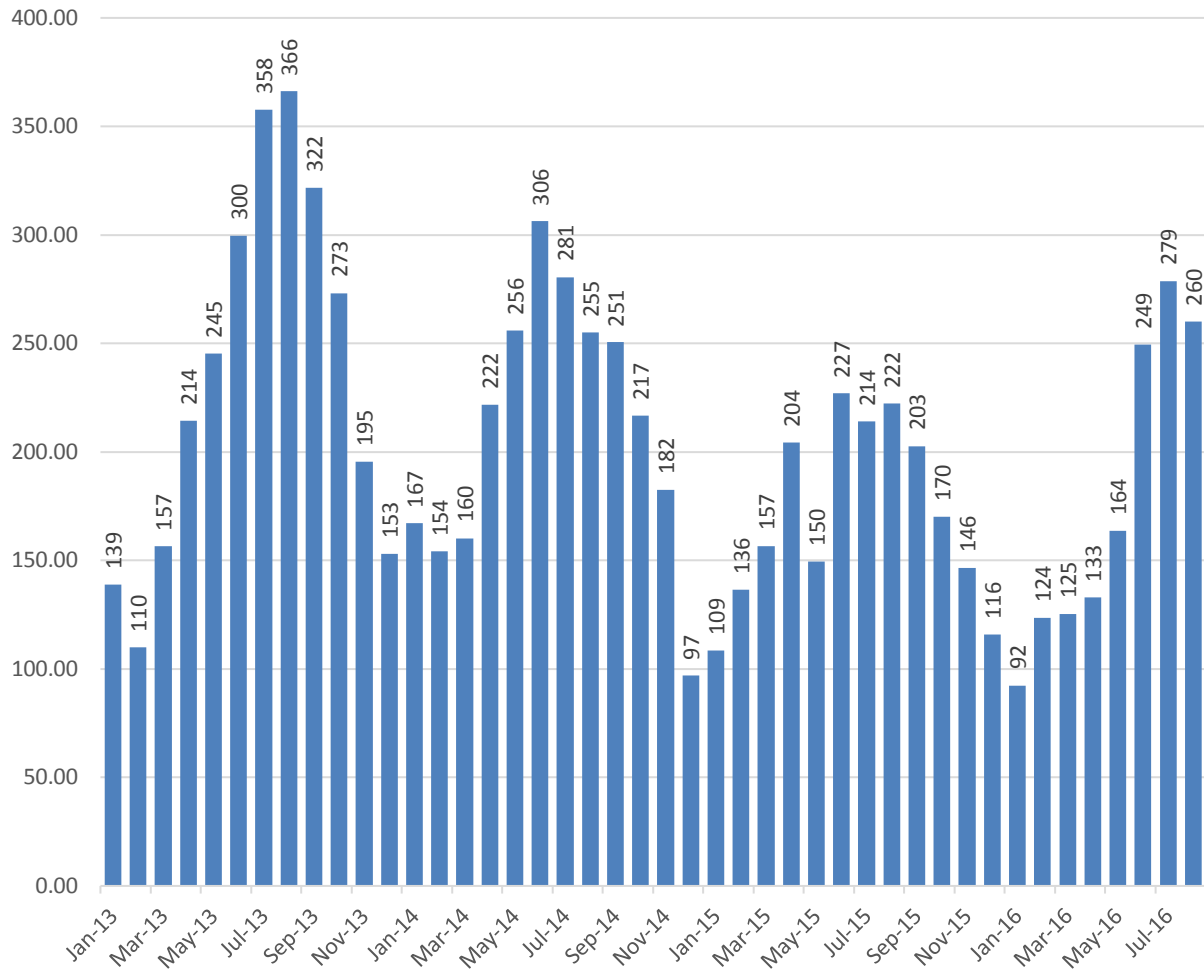
During the current drought, the Yucaipa Valley Water District has been able to increase the amount of recycled water delivered throughout our service area. The chart below shows the monthly delivery quantity to District customers.



The customers of the Yucaipa Valley Water District responded accordingly and significantly reduced the amount of drinking water consumed per person. As shown below, the per capita drinking water consumption dropped significantly from 366 R-GPCD¹ in August 2013 to 222 R-GPCD in August 2015, representing a decrease of 39%. However, due to the hot weather this summer and the eased water conservation requirements statewide, the R-GPCD jumped significantly.

¹ R-GPCD - Residential gallons per capita per day.

Monthly Water Consumption Residential Gallons per Capita per Day





**Self-Certification of Supply Reliability for Three Additional Years of Drought
Pursuant to Section 864.5 of Title 23 of the California Code of Regulations
for the Yucaipa Valley Water District**

Supporting Analysis and Calculations
June 20, 2016

Background

On April 1, 2015, Governor Brown issued Executive Order B-29-15 that directed the State Water Resources Control Board to impose water supplier restrictions to achieve a statewide 25 percent reduction in potable urban usage through February 2016. As a result of this Executive Order, the Yucaipa Valley Water District was required to achieve an emergency water conservation standard of 36% based on a reported Residential Gallons per Capita per Day (R-GPCD) of 265.0 for the period of July 2014 to September 2014. The regulations were approved by the State of California, Office of Administrative Law on May 18, 2015 and required compliance with the emergency water conservation standard through February 2016.

On November 13, 2015, Governor Brown issued Executive Order B-36-15 that directed the State Water Resources Control Board to extend water conservation restrictions until October 31, 2016 if drought conditions persist through January 2016. The State of California, Office of Administrative Law subsequently approved regulations that provided more flexibility to urban water suppliers by considering specific factors that influence water use throughout California. The regulations changed the emergency water conservation standard for the Yucaipa Valley Water District from a 36% conservation standard to a 34% conservation standard based on monthly water use during the same month in Calendar Year 2013.

On May 9, 2016, Governor Brown issued Executive Order B-37-16 that directed the State Water Resources Control Board to extend water conservation restrictions through January 2017 and make adjustments in recognition of the differing water supply conditions throughout California. This Executive Order is based on the likelihood that drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will be necessary to prevent waste and the unreasonable use of water. Based on the recently released regulations, Urban Water Retail Suppliers are required to develop a localized "stress test" approach to ensure at least a three year supply of water is available to customers under the ongoing drought conditions.

The Yucaipa Valley Water District recognizes the importance of the newly enacted regulations and has based the data sources and calculations on the following requirements and assumptions:

- The current conditions to use in the self-certification calculations are as of October 1, 2016.
- The precipitation in Water Year 2017 mirrors that of Water Year 2013, precipitation in Water Year 2018 mirrors that of Water Year 2014, precipitation in Water Year 2019 mirrors that of Water Year 2015. (Section 864.5(b)(1)). Only precipitation data from the California Data Exchange Center (e.g., <http://cdec.water.ca.gov/cgi-progs/prevprecip/PRECIPOUT>), or CIMIS station data or an equivalent source may be used. **Do not average precipitation.**

- There are no temporary change orders that increase the availability of water to any urban water supplier are issued by the State Water Resources Control Board in the next three years.
- Potable water supply only includes sources of supply available to the supplier that could realistically be used for potable drinking water purposes during the time period identified in the regulation.
- If a water source is not of sufficient quality to be realistically treated and use as potable water by the water retailer, it shall not be included as a water supply.
- Consider requirements and assumptions that are used that impact supply reliability, for example, in the case of groundwater, if your water agency has its own requirement not to lower the water level of an aquifer below a certain amount, provide an explanation in the "Notes and comments".
- Groundwater: use the quantity of groundwater that is accessible, **without** addition of new wells or completion of treatment projects that would fall outside the three-year projection period (2016-17 through 2018-19).
- If new diversions or treatment equipment or facilities will come on-line between now until the end of Water Year 2019, sufficient evidence must be provided to indicate is it going to be implemented (e.g., funds have been allocated, contract with a builder has been approved).
- If a water supply is dedicated for another purpose (e.g., agriculture) and is therefore committed for another use, it is not available and shall be **subtracted** for the subtotal of water supplies.
- Identify all sources of data used (e.g., "our water product information is from Supervisor Control and Data Acquisition (SCADA)" and include a link to the source and identify a pinpoint citation to the pertinent information).
- Provide supporting documentation the covers each water source. For example, when the amount of water obtained from one river is summed in one number and there are multiple diversion or treatment points, then the supporting documentation shall describe each diversion and/or treatment point and the amount of water from each that are summed together and equal the amount on the worksheet.
- Recycled water for purple pipe systems is not a potable supply and is not included as a supply on Worksheet 1. You may use the "Notes and Comments" section in this section to describe non-potable recycled water

Given the requirements and assumptions above, the Yucaipa Valley Water District decided to take a conservative approach by adding additional stress to the anticipated water sources of supply thereby implementing a proactive water conservation strategy for our community. Without the certainty of knowing what the future holds for our water resources, it is prudent and reasonable to increase the probability of severe/extreme drought conditions in California.

Determine the Annual Total Potable Water Demand

Available Water Supplies – Wholesaler Supplied

The Yucaipa Valley Water District relied upon water production data generated monthly by the Water Resources Department to tabulate the amount of potable water production in calendar year 2013 and calendar year 2014. The total amount of potable water produced by the Yucaipa Valley Water District is provided below.

	Potable Water Production for Calendar Year 2013	Potable Water Production for Calendar Year 2014	Calculated Annual Potable Water Demand
Potable Water Production (acre feet)	12,040	12,011	12,026

Estimate the Annual Total Potable Water Supply

The Yucaipa Valley Water District receives imported water from two State Water Contractors: San Bernardino Valley Municipal Water District and San Gorgonio Pass Water Agency.



Both State Water Contractors have provided the Yucaipa Valley Water District with anticipated water deliveries for Water Years 2017, 2018, and 2019 as shown below:

	San Bernardino Valley Municipal Water District	San Gorgonio Pass Water Agency	Total Wholesale Supply by Water Year
Water Year 2017 (acre feet)	7,763	500	8,263
Water Year 2018 (acre feet)	4,324	500	4,824
Water Year 2019 (acre feet)	4,997	500	5,497
Total Anticipated Supply (acre feet)	17,084	1,500	18,584

Internet reference for San Bernardino Valley Municipal Water District: <http://www.sbvmd.com/home/showdocument?id=4188>
 Internet reference for San Gorgonio Pass Water Agency: <http://www.sgpwa.com/wp-content/uploads/2016/06/SWRCB-Emergency-Conservation-Regs-Three-Year-Projection-June-2016.pdf>

In order to perform the “stress test” of the water supply sources based on the SWRCB criteria outlined above, the Yucaipa Valley Water District reduced the anticipated quantity of imported supply included in SWRCB *Worksheet 1: Total Available Water Supply for Individual Water Supplier* to represent an average of the lowest two years of imported water projected to be delivered to Yucaipa Valley Water District by the San Bernardino Valley Municipal Water District [7,763 + 4,324 + 4,997 = 17,084 / 3 = 4,661 acre feet per year]. This conservative approach will directly reduce the calculated imported water supply from the San Bernardino Valley Municipal Water District by 3,101 acre feet over the next three years [17,084 – 13,983 = 3,101].

	San Bernardino Valley Municipal Water District	San Gorgonio Pass Water Agency	Total Wholesale Supply by Water Year
Water Year 2017 (acre feet)	7,763 4,661	500	8,263 5,161
Water Year 2018 (acre feet)	4,324 4,661	500	4,824 5,161
Water Year 2019 (acre feet)	4,997 4,661	500	5,497 5,161
Total Anticipated Supply (acre feet)	17,084 13,983	1,500	18,584 15,483

The calculated reduction in imported water does not mean the water supply will not be used by the Yucaipa Valley Water District. Rather, by de-obligating the dependency of 3,101 acre feet of imported water supply, the Yucaipa Valley Water District will purchase this water supply and recharge the local groundwater supply to hedge against unexpected water supply issues during the next three years, or to reduce the impacts of future drought conditions beyond Water Year 2019.

Available Water Supplies – Surface Water Sources

The Yucaipa Valley Water District receives potable water from the Oak Glen Surface Water Filtration Facility. Based on the SWRCB criteria outlined above, the quantity of potable water for the “Stress test” will be less than the anticipated quantity of potable water received from these surface water sources of supply.

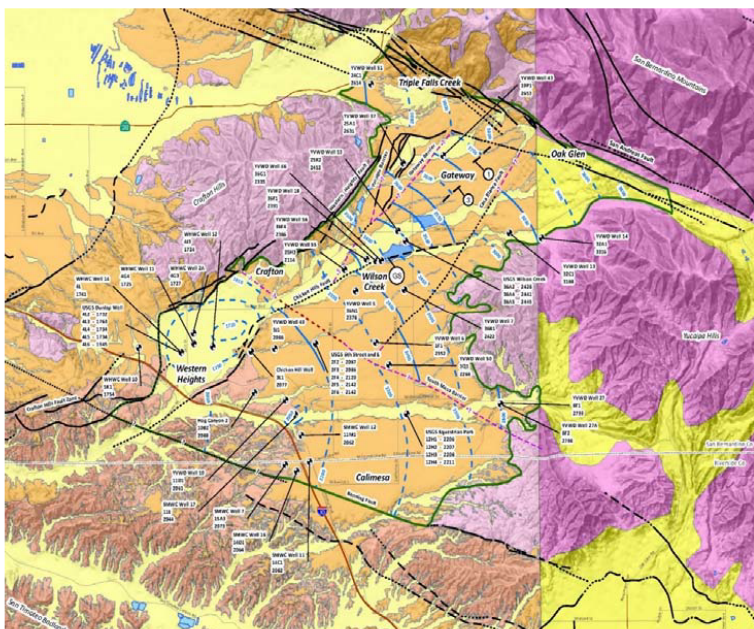
	Anticipated Quantity of Potable Water from the Oak Glen Surface Water Filtration Facility	“Stress Test” Quantity of Potable Water from the Oak Glen Surface Water Filtration Facility
Water Year 2017 (acre feet)	240	220
Water Year 2018 (acre feet)	229	220
Water Year 2019 (acre feet)	234	220
Total Anticipated Supply (acre feet)	703	660

The Yucaipa Valley Water District believes that based on the criteria required for the self-certification, the quantity of water provided by the Oak Glen Surface Water Filtration Facility will be consistent at 220 acre feet per year for the next three water years. The difference between the anticipated quantity of potable water from surface water sources of 43 acre feet [703 acre feet – 660 acre feet = 43 acre feet] will provide additional surface water supplies that can be recharged into the local groundwater supply for future use.

Available Water Supplies – Local Groundwater Water Sources

The Yucaipa Valley Water District produces groundwater from local groundwater basins. In recent years, the following quantity of local groundwater was produced by the Yucaipa Valley Water District:

- Calendar Year 2013:
 - 7,243 acre feet
- Calendar Year 2014:
 - 9,027 acre feet
- Calendar Year 2015:
 - 4,905 acre feet

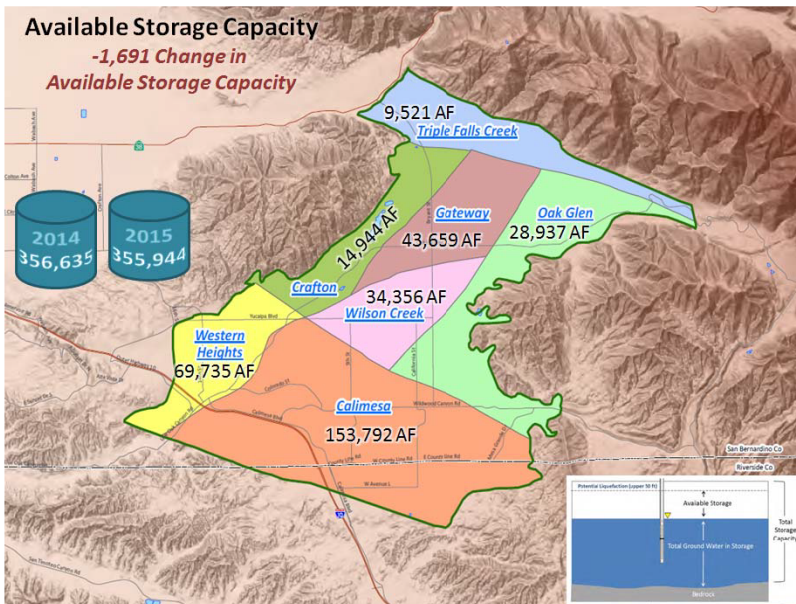


Based on the SWRCB criteria outlined above, the quantity of potable water for the “Stress test” from groundwater sources will be based on the least amount of water received from groundwater sources of supply over the past three years, or 4,905 acre feet per year. By reducing the reliance on local groundwater supplies for the next three years, the Yucaipa Valley Water District estimates that approximately 1,500 acre feet to 2,000 acre feet of groundwater can be saved each year for future use. The specific quantity depends on the amount of groundwater produced by other water producers that have access to the Yucaipa Groundwater Basins.

"Stress Test" Quantity of Treated Water from local groundwater sources	
Water Year 2017 (acre feet)	4,905
Water Year 2018 (acre feet)	4,905
Water Year 2019 (acre feet)	4,905
Total Anticipated Supply (acre feet)	14,715

The Yucaipa Valley Water District believes that based on the criteria required for the self-certification, the 4,905 acre feet of groundwater produced per year will result in sustainable groundwater levels and a possibility that groundwater levels may increase throughout the Yucaipa basin area.

The reduction in groundwater production over the past two years has resulted in more groundwater in storage. For example, from calendar year 2014 to calendar year 2015, the change in storage space above the groundwater table decreased from 356,635 acre feet to 355,944 acre feet. This is a good indicator that an additional 1,691 acre feet of groundwater was saved in the local groundwater basin.



Additional information about the Yucaipa Basin area and the reports prepared by the Yucaipa Valley Water District can be downloaded from the following link:

http://documents.yvwd.dst.ca.us/government/california/self-certification/140417_yucaipa_sy_full_report_geoscience.pdf

On June 15, 2016, the Yucaipa Valley Water District Board of Directors authorized the continuation and refinement of the original study. Information about the future anticipated scope of work can be downloaded from the following link:

http://documents.yvwd.dst.ca.us/government/california/self-certification/160615_16-058_geoscience.pdf

These reports provide important groundwater monitoring data that will be available to monitor the conditions of the groundwater basins in the future.

Los Angeles Times

Weaker water conservation numbers prompt fears that California is going back to its old bad habits

Matt Stevens - October 5, 2016



Sprinklers water the front lawn of a house on Zelzah Avenue in Encino earlier this year. (Michael Owen Baker / For The Times)

Californians' water conservation slipped for the third consecutive month in August, prompting new alarm from regulators about whether relaxed water restrictions may be causing residents to revert to old habits as the state enters its sixth year of severe drought.

The trend raises new questions about Californians' willingness to continue austere conservation after spending the last two years dramatically reducing their water use by ripping out lawns, installing water-sipping appliances and shortening their showers.

Conservation numbers varied widely across the state, with some places actually saving more water compared with 2015 levels. But other communities are turning the spigot back on, and state data show that several of the worst offenders are the affluent cities that previously have been criticized for heavy consumption.

Regulators on Wednesday singled out Malibu as one example of a city returning to profligate water use. The water district that serves the city saw its water-savings drop

from 20.4% in August 2015 to just 7.9% in August 2016. The 22,000 residents served by the district used about 300 gallons per person per day, according to state data. By contrast, Los Angeles residents used an average of only 84 gallons per day in August.

The Santa Fe Irrigation District, which serves upscale pockets of northern San Diego County, including Rancho Santa Fe, saw its residents use about 525 gallons per person per day. The district had ramped up conservation efforts after being tagged as one of the state's heaviest water users and had managed to save 36.6% in August 2015. But this August, the savings fell to 14%.

Beverly Hills, long a target of regulators' scorn, actually increased its water savings in August by about two percentage points compared with the same month in 2015.

"Everybody liked to pick on Beverly Hills in the beginning, but Beverly Hills is using less than half of what Malibu is," State Water Resources Control Board Chairwoman Felicia Marcus said.

Statewide, people in cities and towns cut their water use by just 17.7% in August, compared with the same month in 2013, state board staff members said. That's a dip from August 2015, when Californians reduced their consumption by 27%, beating the target of a 25% reduction set by Gov. Jerry Brown.

"We're at yellow alert," Marcus said. "I'm not ready to go to red alert until we see the details."

Regulators lifted mandatory conservation for the vast majority of the state's water suppliers beginning in June. That month, water savings fell sharply to 21.5%, and conservation has continued to flag each month since.

Water board members have defended their decision to ease the rules, saying that while a 25% statewide reduction in urban water use was necessary for a time, it could not continue indefinitely. They cite significant rains and snow in Northern California, which replenished some reservoirs, as helping reduce the need for conservation.

But faced with lower conservation numbers, officials on Wednesday acknowledged that easing the restrictions may have contributed to increased water consumption.

"There are some communities back over 500 gallons [per person] per day," Marcus said. "I'm not going to say, 'What's the story there?' But that's a question. ... Did they stop messaging, or what's happening?"

Mark Gold, UCLA's associate vice chancellor for environment and sustainability, called the August numbers "completely predictable."

"This is what we've come to expect when there are strong messages from Sacramento that the crisis isn't as bad as we thought it was," Gold said. "People, on their own, in a voluntary way, don't do as much to conserve."

California is broken down into 10 so-called hydrologic regions, and in every one, residents used more water per person per day in August 2016 than they did during the same month in 2015.

On average, Southern Californians used about 104 gallons per person per day, about 10 gallons more than they had the year prior, making them the fourth-lowest users among the 10 regions.

In April 2015, Brown ordered a 25% statewide reduction in urban water use, which the board tried to achieve by assigning conservation “standards” to each of the state’s urban suppliers. Some were told to slash their usage by as much as 36%; others could cut as little as 4% and remain in compliance.

The suppliers were required to hit their targets beginning in June 2015. In the 15 months since, Californians have cumulatively cut their consumption by about 23%, state officials said. They have saved almost 660 billion gallons of water over that period — enough to provide water for 10 million residents for a year.

Some water officials were more optimistic than others about the August conservation numbers. Rob Hunter, general manager of the Municipal Water District of Orange County, noted that this August was two degrees warmer than August 2013, the baseline against which water savings was measured. So an 18% statewide reduction is something “we should be congratulating people for, not castigating people for,” he said.

“That’s an incredible achievement,” Hunter said. “There was some concern there would be zero conservation, that everybody would start using more,” he added. “That’s not happening.”

But water board staff members also said conservation efforts tend to start sliding around this time of year, as the temperatures cool and water use dips. As urban Californians use less water, there is less savings to be had, officials say.

When the water year ended last week, forecasters and water officials warned that it will be hard to predict whether this winter will bring the rain and snow the state so desperately needs. And if a sixth year of drought is on the horizon, regulators have warned that they could return to mandatory conservation.

“While last year’s rain and snow brought a respite for urban California, we are still in drought, and we can’t know what this winter will bring,” Marcus said in a statement released later Wednesday. “What we do know is that climate change will continue to make our water years even more unpredictable, so we need to retain our conservation habits for the long term, rain or shine, drought or no drought.”

Source: <http://www.latimes.com/local/lanow/la-me-ln-water-conservation-20161005-snap-story.html>



Date: October 11, 2016

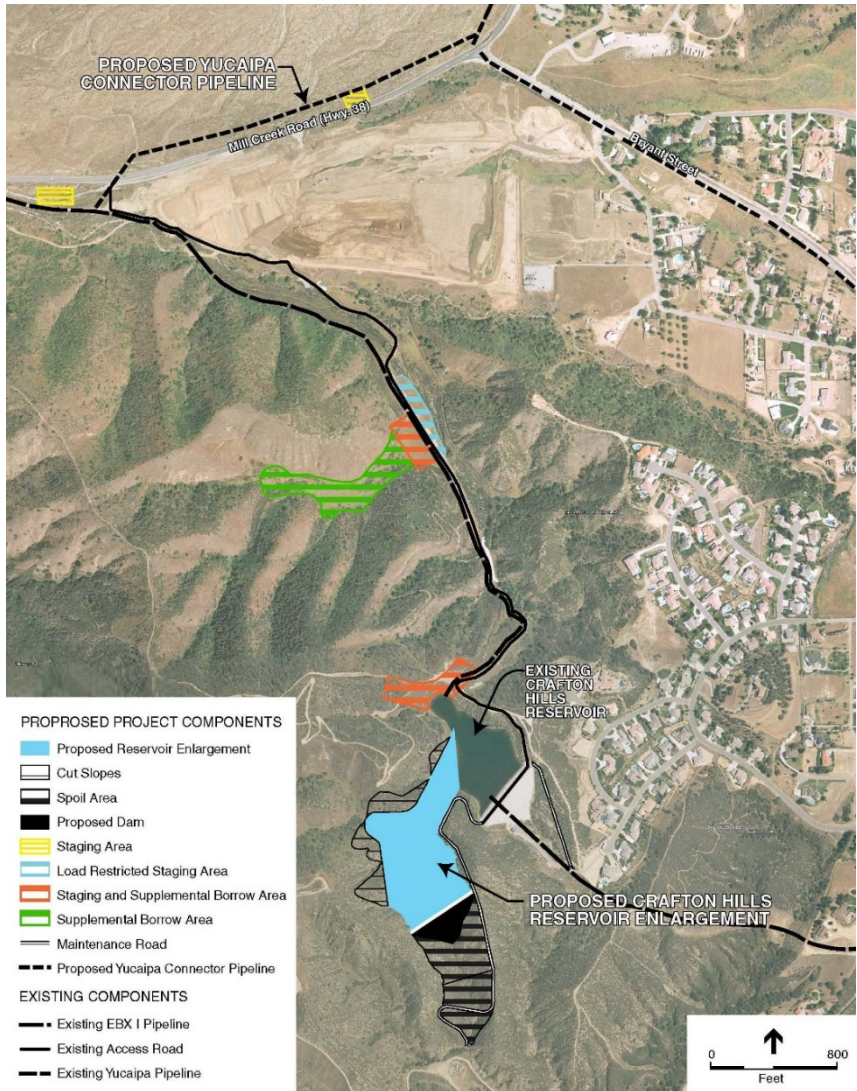
Subject: Report on Water Quality and the State Water Project Crafton Hills Reservoir

The Crafton Hills Reservoir Enlargement Project increased the operating storage capacity of the Crafton Hills Reservoir from 85 acre-feet (27.7 million gallons) to about 225 acre-feet (73.3 million gallons). The expanded storage capacity was designed to enhance the overall operational flexibility and reliability of imported water delivered to Yucaipa, Calimesa, Beaumont, Banning and Cabazon.

This summer, several lakes experienced severe algae growth that resulted in taste and odor issues for water treatment plants throughout the State.

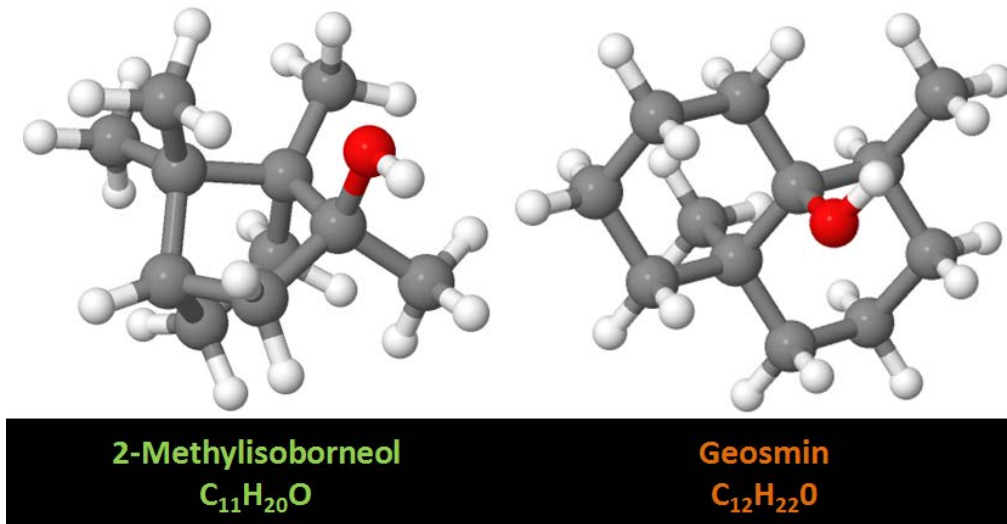
The Yucaipa Valley Water District received numerous taste and odor complaints due to increased levels of Geosmin¹ and MIB².

Both Geosmin and MIB are low molecular weight volatile tertiary alcohols. In water sources, these compounds are produced by some species of algae and bacteria.

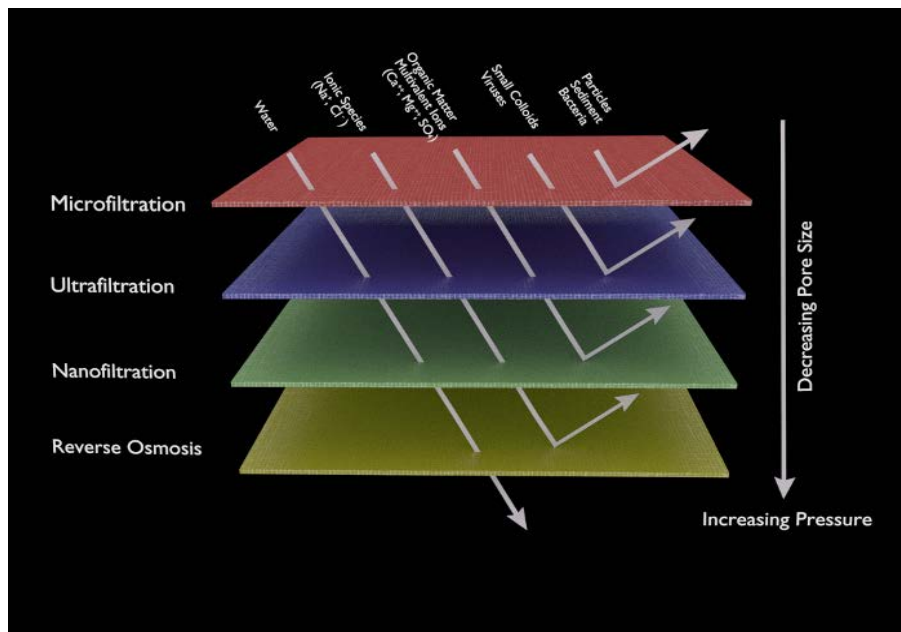
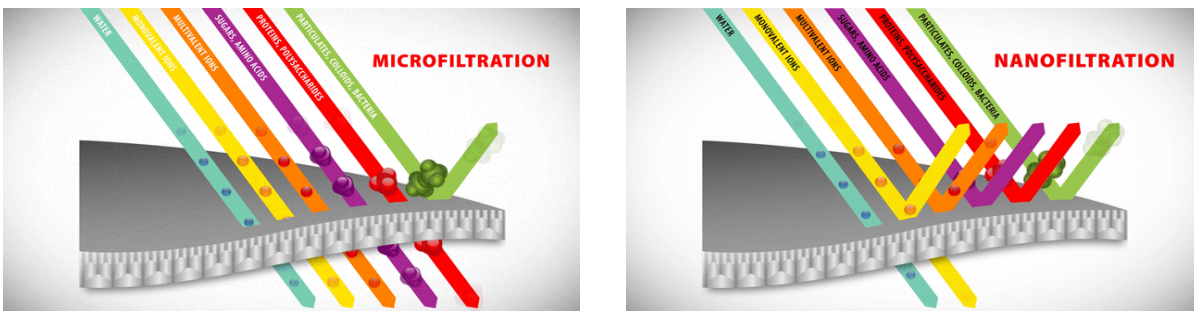


¹ Geosmin, chemically known as 1,2,7,7-tetramethyl-2-norborneol.

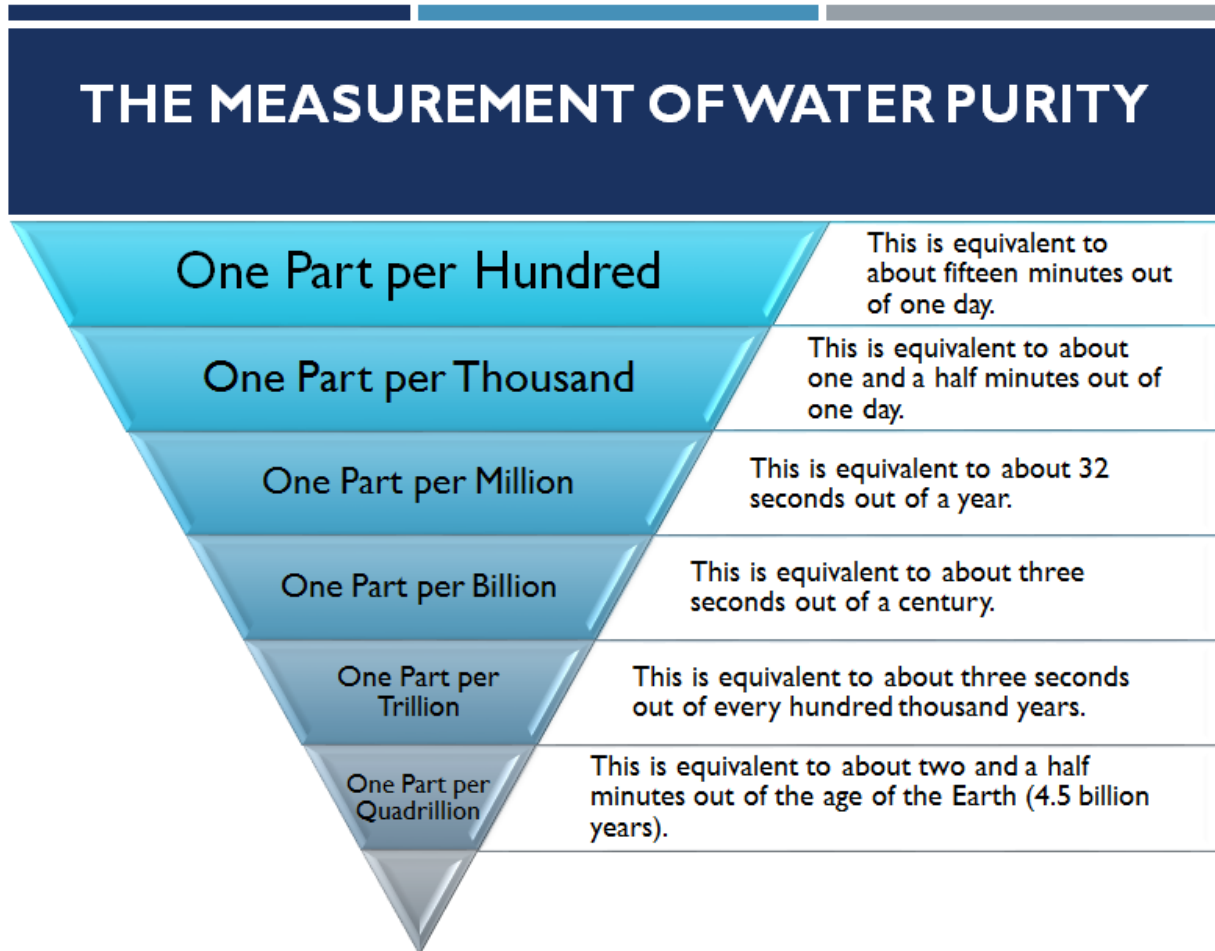
² MIB, is chemically known as 2-methylisoborneol.



While the microfiltration system at the water filtration facility is a physical barrier to algae and bacteria, the chemical compounds are able to pass through the microfiltration system, but these compounds are significantly reduced by the nanofiltration membranes.



Both Geosmin and MIB have extremely low odor thresholds to humans. It is not uncommon for the average person to detect the presence of these compounds in the 10 to 30 part per trillion (ng/L) concentration range.



Often during the summer months, water systems that depend upon surface water sources will experience complaints from consumers regarding taste and odor which can directly be attributed to Geosmin and MIB.

The purpose of this agenda item is to provide an update on the current status of the statewide and local algae issues.

**The Department of Water Resources
begins to fill the Crafton Hills Reservoir
- September 2014**





Draining of the Crafton Hills Reservoir
by the Department of Water Resources
due to construction issues in Mentone.
- June 2016



Date: October 11, 2016

Subject: Overview of the Planned Purchase of Additional Water Rights by the San Gorgonio Pass Water Agency

On July 27, 2015, the San Gorgonio Pass Water Agency (“SGPWA”) adopted a Facility Capacity Fee that consists of an infrastructure charge of \$171 per equivalent dwelling unit and a fee to purchase additional water rights of \$6,231 per acre foot¹. The Facility Capacity Fee charged by the San Gorgonio Pass Water Agency is a new fee that will be collected prior to the issuance of building permits in order to secure water rights needed for new development.

On October 10, 2016, the San Gorgonio Pass Water Agency will be conducting a board workshop to discuss the attached report.

The purpose of this agenda item is to discuss the availability and purchase of water rights by the San Gorgonio Pass Water Agency for new development.

¹ The San Gorgonio Pass Water Agency (“SGPWA”) published rate for the purchase of new water rights at \$6,231 per acre foot will need to be calculated for each new development since the purchase of new water rights will be directly dependent on the State Water Project annual average reliability factor and the amount of water rights needed to serve each project. For example, a new dual-plumbed home will only need to purchase water rights for the drinking water portion of the anticipated water demand and not to meet irrigation needs. **The SGPWA published cost for the purchase of water rights of \$6,231 does not include the cost of transporting water in the State Water Project for delivery to the Yucaipa Valley Water District.**



286 W. Cromwell Avenue
Fresno, CA 93711-6162
Tel: (559) 449-2700
Fax: (559) 449-2715
www.ppeng.com

Memorandum

To: Jeff Davis, General Manager
San Geronio Pass Water Agency

From: Dale Melville & Dan Flory

Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016

This memorandum is structured to provide the San Geronio Pass Water Agency ("SGPWA") pertinent background information on potential water transfer opportunities, with a focus on presenting water purchase opportunities, water partnering opportunities, and issues related to accomplishing water transfers into or within the State Water Project service area.

Introduction

In accordance with your authorization dated July 12 to our June 24, 2016 proposal, Provost & Pritchard Consulting Group ("P&P") has prepared this memorandum to assist SGPWA in assessing options available to acquire additional long-term water supplies. This memorandum has been updated from our August 26 draft, to incorporate your comments and our discussion last week for additional information on selected items.

Based on our previous discussions, SGPWA desires to supplement its current 17,300 acre-feet ("af") of State Water Project ("SWP") Table A amount with an additional 2,500 af of reliable annual supply by 2020, and ultimately 17,000 to 23,000 af/y of additional reliable annual supply at build-out of the service area; additionally, we discussed that with the groundwater banking facilities existing (Beaumont Cherry Valley WD) and planned (SGPWA), there appears to be sufficient groundwater recharge facilities within the SGPWA service area to meet demands for the next 15 years, assuming the surface water for those programs is available. This memorandum is intended to provide SGPWA with a listing of the surface water options that may be available for SGPWA to consider acquiring to reliably meet their long-term demand. In addition to identifying potential sources of long-term water supplies for SGPWA, issues associated with those supplies are also presented.

In July 2013, Kennedy/Jenks Consultants prepared a memorandum evaluating potential water transfer opportunities for SGPWA. A lot has changed in the past three years! First, California has endured continuation of drought (2012-2016) that significantly reduced SWP and CVP deliveries south of the Delta (65%, 35%, 5%, 20%, 60%, respectively for the SWP and 30%, 25%, 0%, 0%, 5%, respectively for ag Westside CVP). Second, the Sustainable Groundwater Management Act ("SGMA") was enacted

To: Jeff Davis, SGPWA
Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
Page 2 of 17

in 2014 which has already had significant changes in water resource planning although implementing agencies are just forming and initial groundwater sustainability plans are at least three years away. These two conditions have had a huge impact on the value of the water resource.

In addition to the need for an increased reliable water supply, the information developed herein may have a side benefit by providing information on alternative water supplies that may be helpful to the SGPWA in evaluating the business case for participating in the California WaterFix ("CWF"). One of the considerations in evaluating the water supply benefits of the CWF is to compare the relative availability, costs, and risks associated with alternative water supplies.

This memorandum addresses the alternative water supplies that could be acquired and transferred to the SGPWA. These alternative supplies include discussions on the viability of additional Table A water from the SWP, contract water from the Central Valley Project ("CVP"), and appropriated water rights water. Additionally, this study reviews the water supply alternatives and partnerships described in the July 24, 2013 memorandum prepared by Kennedy/Jenks and provide an update to the status of those water supply alternatives. To the extent the information is readily available (or otherwise known to P&P), this memorandum also addresses the potential availability, market costs, and risks of these water supply alternatives. The scope of this request was to address the issues related to acquiring and transferring long-term supplemental water supplies, but not to identify specific pricing or terms with individual sellers.

Water Acquisition Opportunities

SWP Table A Amounts – Ag Contractors

Permanent sale of approximately 150,000 acre-feet ("af") of SWP Table A have occurred since the Department of Water Resources ("DWR") and most of the SWP contractors executed the Monterey Amendment in 1995. The seller in each situation has been ag contractors, primarily from Kern County. The 130,000 af limit place by Kern County Water Agency ("KCWA") on permanent sales from their service area has been achieved, whereby member unit districts in KCWA have completed sales to SWP urban contractors; no additional Table A sales are allowed from KCWA without a major policy shift by KCWA. Since then, the only permanent Table A sales were by Dudley Ridge WD ("DRWD"), Tulare Lake Basin WSD ("TLBWSD"), or (related to the QSA) the Metropolitan Water District of Southern California ("MWDSC") as shown in **Table 1**. In DRWD and TLBWSD Table A sales, the transfers were from individual landowners within districts that had adopted policies allowing landowners to sell their Table A amount, subject to certain conditions that limit the impact to other district landowners. In each situation, the initial sales terms were negotiated outside the transferring districts, directly between the selling landowner and a water user (buyer) in the transferee agency. Once the seller-buyer agreements were brought to the districts, the districts developed appropriate agreements with the seller, buyer, and the other SWP contractor,

To: Jeff Davis, SGPWA
 Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
 Page 3 of 17

after which a formal request and necessary documentation (including CEQA compliance) were prepared and submitted to DWR for contract amendments to reflect the change in the Table A amount of the two SWP contractors.

In early August, we brought to SGPWA's attention a landowner in TLBWSD with 411 af of Table A amount for sale at about \$5,100/af. These are more typical of the agricultural ("ag") Table A sales anticipated in the future...smaller landowners deciding to either get out of farming or to reduce their reliance on relatively high-cost SWP water. Some of this is due to pending realities of SGMA in an over-drafted groundwater basin as well as other increasing regulations on farming, scales of economy for smaller growers, and similar constraints.

The other SWP ag contractor with a similar landowner transfer policy as DRWD and TLBWSD is Empire West Side ID ("EWSID"); landowners in EWSID have SWP Table A allocated at 0.4 af/acre. The two remaining ag contractors (Oak Flat WD and Kings County) do not have similar transfer policies. Discussion with the general manager of Oak Flat WD indicated that the district and landowners are in a water acquisition mode, not a selling mode. In conversation with the Kings County Administrative Officer, the County has contracts with others for the use of the water until 2035.

Table 1. Recent Long-Term Table A Water Sales

Year	Transferor	Transferee	Quantity	Price / Terms
2001	TLBWSD	Antelope Valley – East Kern WA	3,000 af	NA
2001	TLBWSD	DRWD	3,973 af	from/to same landowner
2003	TLBWSD	Alameda - Zone 7	400 af	NA
2004	TLBWSD	Kings County	5,000 af	NA
2004	MWDSC	Coachella WD (per QSA)	88,100 af	NA
2005	MWDSC	Desert WA (per QSA)	11,900 af	NA
2005	TLBWSD	Coachella WD	9,900 af	NA
2006	TLBWSD	Kings County	305 af	from/to same landowner
2009	DRWD	Mojave WA	14,000 af	\$5,200/af, phased over 10 year period
2010	DRWD	Antelope Valley – East Kern WA	1,998 af	\$5,850/af
2010	TLBWSD	Antelope Valley – East Kern WA	1,446 af	\$5,850/af

To: Jeff Davis, SGPWA
 Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
 Page 4 of 17

SWP Table A Amounts – Urban Contractors

Ventura County (officially the Ventura County Watershed Protection District) is comprised of three water agencies, specifically: City of Ventura (“City”), Casitas MWD (“Casitas”) and United Water Conservation District (“United”) with 10,000 af, 5,000 af, and 5,000 af, respectively. Historically, Ventura County has used only a small portion of its SWP supplies; United typically take delivery of about 2 taf/y and the other two entities are currently not taking SWP water. Ventura County has traditionally been a seller into the Turnback Pool and the four-year (2013-2016) demonstration Multi-Year Water Pool. We discussed with each of the general managers their intentions to more fully utilize their SWP water. They each indicated that they are currently exploring infrastructure improvements to deliver their allocations from their full Table A supply. In the interim, further discussions with one or more of these three entities could develop creative multi-year programs whereby SGPWA could lease or acquire water the three agencies can’t deliver to their own service area. Saying that, they appear reserved in doing something different with their SWP supplies.

Issues with each agency and examples of potential multi-year programs are discussed below.

1. City (known locally as Ventura Water) has reportedly been discussing with MWDSC about constructing an intertie where by MWDSC could use the City’s water when allocations are beyond the City’s demand. In our discussions, the City showed some interest in banking or similar arrangements during periods where their SWP water is not being fully utilized (bank for future delivery to their service area). It was also learned that the City’s long-term plans may include direct potable reuse of about 6 taf/y treated wastewater, which could satisfy much of their future demand. Assuming an arrangement between the City and MWDSC is not imminent or pre-ordained, SGPWA could offer to recover a portion of the City’s SWP costs in exchange for the SWP water that the City is allocated but can’t deliver; in effect, this would be a multi-year sale or lease of City water, which is not addressed or prohibited in the SWP Water Supply Contracts. Alternately, SGPWA and Ventura County (on behalf of the City) could engage in a 2 for 1 exchange with a cost reimbursement component similar to the 2016 AVEK-SB¹ and AVEK-SCVWD² exchange agreements, but for multiple years.
2. Lake Casitas has storage capacity (254 taf) to withstand a 20 year drought cycle for Casitas; storage is now at 37% of capacity, which has Casitas more incentivized to make better use of their SWP water, especially if the drought continues. Casitas and the City are planning a 4 taf/y emergency connection

¹ 2016 AVEK-SB (Santa Barbara CFC&WCD) agreement is a one-year agreement (SWPAO #16017) where AVEK provides up to 10 taf to SB in 2016, with SB returning 50% of the water to AVEK by 2026; SB also paid AVEK \$500/af for the water retained by SB (total \$2.5M if the full 10 taf is delivered, yielding \$500/af for the water retained by SB).

² 2016 AVEK-SCVWD (Santa Clara Valley WD) agreement is a one-year agreement (SWPAO #16019) where AVEK provides up to 10 taf to SCVWD in 2016, with SCVWD returning 50% of the water to AVEK by 2026; SCVWD also paid AVEK \$300/af for the water delivered to SCVWD, plus \$250,000 (total of \$3.25M if the full 10 taf is delivered, yielding \$650/af for the water retained by SCVWD).

To: Jeff Davis, SGPWA
Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
Page 5 of 17

(potentially with others) to be constructed in the next 3 years, but this would not escalate their regular use of SWP water. The general manager indicated that Casitas wants their 5 taf Table A amount for future needs. An example of a potential interim program with Casitas would be for SGPWA to backstop Casitas's demands in exchange for a larger quantity of Casitas's SWP water in the future (i.e., an unbalanced exchange or banking arrangement in favor of SGPWA).

3. United is dealing with multiple challenges...currently, United can only get its SWP water via Piru Creek (experiencing ESA issues) and Lake Piru (experiencing quagga mussel infestation). Lake Piru storage is currently at 12 taf of its 100 taf capacity; United is considering a new facility to bring SWP water from Lake Pyramid to Lake Piru (instead of delivery via Piru Creek). This may be an opportunity for SGPWA to fund a portion of United's new facilities, in exchange for a percentage of United's SWP water, or alternately, SGPWA's payback for its investment could be receiving all of United's SWP water above its demands.

Central Coast Water Authority ("CCWA") represents two SWP contractors at the State Water Contractors ("SWC") board and at most other SWP functions. The two SWP contractors are San Luis County and Santa Barbara County. In discussions with CCWA's general manager, the following information was revealed.

1. **San Luis Obispo County ("SLO")** has 25,000 af of Table A and typically uses about 5 taf/y; SLO is experiencing groundwater overdraft and is currently looking for additional water. However, they have limited capacity in the California Aqueduct, only 5 taf/y treatment capacity with CCWA, and limited capacity in the Coastal Branch (4,830 af/y for their 25,000 af Table A). At Reach 31A in the Coastal Branch, there is capacity for 25 taf/y for SLO and 45 taf/y for Santa Barbara County ("SB"), but at Reach 33A, capacity decreases to 48.3 taf/y total (10% for SLO and 90% for SB). Historically, SLO has carried over any Table A above their demand. However, a program is being developed whereby CCWA agrees to provide additional treatment capacity to SLO in exchange for CCWA receiving 1 af of SLO's Table A for every 1 af that CCWA treats above SLO's treatment capacity; the water derived by CCWA would be distributed to all of CCWA's customers on a pro-rata basis, to the extent that distribution capacity is available.
2. **Santa Barbara County ("SB")** is in the process of re-acquiring their 12 taf of "suspended Table A amount" of their total 45,486 af and has no interest in selling a portion of their Table A supply. Of the 12 taf of Table A being re-acquired, 9.4 taf will be allocated to Santa Maria, who under a recent judgment must supply surface water to Nipomo; the balance is to be distributed to others in SLO. Unlike SLO, SB does have sufficient distribution capacity to deliver their Table A. However, Carpinteria WD at south end of SB's system, has 1,000 af Table A they have indicated an interest to sell. CCWA's policy states that a seller must provide a first-right-of-refusal to others within CCWA; with both SLO and SB both interested in additional water, it is unlikely the Carpinteria water would leave the

To: Jeff Davis, SGPWA
Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
Page 6 of 17

region. However, as Carpentaria is at the far end of the distribution system, its fixed costs would need to be recovered, which are higher than other areas within CCWA (~\$1,800/af Table A)...a potential detraction for local purchasers.

A potential partnership between SGPWA and CCWA (SLO and/or SB) could exist whereby SGPWA could acquire the water in excess of CCWA's needs or ability to convey to SLO and/or SB. An example exchange program that could benefit both SGPWA and CCWA would be similar to the 2016 AVEK-SB program discussed previously (but on a long-term arrangement) and/or a banking program (as SB/SLO have minimal groundwater storage facilities and in recent years has relied on water acquisitions to meet demand). Developing an unbalanced exchange or banking program that could provide SB or SLO water in drier years would allow SGPWA to retain one or more acre-foot for every 2 acre-feet provided by SB or SLO.

However, CCWA has recently engaged in discussions with AVEK to develop a banking program to store and recover CCWA's (SLO and SB's) Table A water to increase their annually reliability. As of today, CCWA is not wedded to AVEK, but AVEK is an appealing partner due to their large Table A amount and ability to draw from their groundwater supplies in years of low SWP allocations, resulting in a high level of AVEK's Table A water being available for CCWA. Given this information, to compete with AVEK, SGPWA would need to provide a compelling offer that would make a better business case than what AVEK may offer.

CVP Contract Water

South of Delta CVP supplies are within either the San Luis Unit or Delta-Mendota Canal ("DMC") contractors (Westside deliveries from the Delta) or the Friant Unit (Eastside deliveries from Millerton Reservoir).

1. **South of Delta Westside** CVP ag water deliveries, as noted in the Introduction section, have been bleak the past several years. A portion of the low allocations has been due to the drought hydrology, but a large portion is due to regulatory issues, particularly the Endangered Species Act ("ESA"), which even in the near average hydrology experienced this year, has resulted in only a 5% delivery to CVP ag contractors south of the Delta. Pursuing long-term water purchases from Westside CVP ag contractors is considered a low priority due to the low yield from the CVP supply. Urban CVP contractors that obtain their supply via the Delta have fared better during the 2012-2016 period (75%, 75%, 50%, 25%, 55%, respectively), but they have not indicated any interest to reduce their CVP contracts.

However, about a decade ago, Mercy Springs Water District (a DMC CVP contractor) sold 1,000 af of its contract water to a private party for a proposed development in Santa Nella. At that time, the price was \$2,000/af; the development has not progressed and the water may be available, albeit a relatively unreliable Westside CVP ag supply (see previous discussion) and more

To: Jeff Davis, SGPWA
 Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
 Page 7 of 17

difficult to transfer due to the 1992 Central Valley Improvement Act ("CVPIA") which provides first rights-of-refusal to other CVP contractors.

2. For the **Friant Unit** on the eastside of the San Joaquin Valley, CVP contractors are primarily ag districts, with a few small municipal users. Fresno Irrigation District ("FID") has both Kings River and CVP supplies and has developed groundwater banking facilities to capture flood water for later use by themselves and others. FID has historically been active in water transfers and exchanges, but in conversation with their General Manager, SGMA is causing FID to hold back from any long-term commitments until any transfers can be evaluated in context to the pending Groundwater Sustainability Plan for the subbasin. Other Friant contractors have been even more impacted by reduced water supplies due to the San Joaquin River Settlement and compounded by the current drought and pending SGMA actions in a groundwater basin in severe overdraft. CVP water deliveries to the Friant contractors for 2012-2016 have been, respectively, 50%, 62%, 0%, 0%, 75% for Class 1 (firm) supplies and 0% in each of the last 5 years for Class 2 (non-firm) supplies.

Water Rights Water

In 2000, KCWA and the Nickel Family made an agreement that provided KCWA the **Nickel water rights** on the Kern River in exchange for 10 taf/y of firm SWP water from KCWA's Table A amount. Since then, various transitions have occurred resulting in the following holdings of the 10,000 af/y of "Nickel Water":

1. 1,607 af/y purchased by Newhall Land & Farming in 2001 for development in Santa Clarita;
2. 6,693 af/y purchased by Tejon Ranchcorp in 2013 for their Grapevine development; and
3. 1,700 af /y purchased by CV Communities in 2013 for developments in the AVEK service area.

In a June 2016 agreement between CV Communities and AVEK, 1,187 af/y of the Nickel Water was reserved for CV Communities and the remainder (513 af/y) was made available for AVEK to acquire and use and/or market. AVEK is currently discussing a multi-year transfer to Montecito (via CCWA to Santa Barbara County's service area) to make this water available for \$2,000/af. Time is of the essence, but SGPWA could pursue and potentially compete with Montecito for the 513 af/y of firm water (costs to convey the water by SGPWA should be less than via CCWA).

As background information on market conditions, prior to the above repurchases, in 2007 the Nickel Family transferred 8,393 af to DMB Associates for \$525/af/y, escalated each year at CPI or by 3%, whichever is greater; the term was for 35 years, with the ability to extend another 35 years.

San Joaquin Tributaries Authority (Oakdale ID, South San Joaquin ID, Modesto ID, Turlock ID, City and County of San Francisco) have occasionally attempted to transfer

To: Jeff Davis, SGPWA
Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
Page 8 of 17

portions of their surplus water to Westside CVP contractors, generally in the same counties as the Authority. Public opposition, high conveyance losses and costs regularly defeated those efforts. Although the area is rich in water supplies, transferring water from this area has been highly contentious, and with SGMA is anticipated to be more so.

Transfers from **northern California water rights holders** is also an option for SGPWA, however, the major obstacles are (a) conveyance across the Delta (refer to discussion later in this memo on Potential Water Transfer Issues), (b) establishing an equitable basis for sharing the risk in years the water can't be conveyed through the Delta, and (c) pricing schedule to cover the term of the transfer. It should be noted that the transfer from Western Canal WD to Palmdale WD discussed in the 2013 Kennedy/Jenks memorandum was never agreed to. Water transfers across the Delta from northern California water districts have been almost exclusively limited to 1-year transfers under the DWR and USBR Dry Year Transfer Programs.

The **Cadiz Valley Water Conservation, Recovery, and Storage Project** is under development and is working to remove remaining political opposition to the project; all litigation has been recently cleared for the project. The project is designed to capture and store up to 1 maf of local surface and groundwater flow in the Cadiz Valley, water that if not stored and/or used would be lost/outflow to a salt water sink. The project requires construction of a 44-mile pipeline from wells in Cadiz Valley to the Colorado Aqueduct where the water would be exchanged by MWDSC for SWP water in San Luis Reservoir (it is our understanding that MWDSC has not yet committed to the exchange). The project is more fully described on the website at www.cadizinc.com. According to the Cadiz website, project participants for a portion of the first tranche of 50 taf/y yield, include six southern California water providers (Santa Margarita WD, Three Valleys MWD, Suburban Water Systems, Golden State WC, Jurupa CSD, and California Water Service Company. San Luis WD and a mutual water company made up of growers in the San Joaquin Valley have also executed contracts with Cadiz. Whether all of these participants will stay "in" is unknown.

Estimated water costs are approximately \$1,000/af in San Luis Reservoir (was \$960/af in 2015 dollars) via take or pay contract, but an option to carryover storage in the groundwater basin for a one-time payment of \$1,500/af (rational is that if the water is not used, it increases the potential to spill to the salt sink). This is a long-term water supply that may be of interest to SGPWA; this program could be structured to add yield for SGPWA on a timetable consistent with projected demand increases in the service area.

Semitropic WSD is in the development stages of a project that would utilize high flow Kings River floodwater, store it temporarily in floodwater basins in Kings County, and convey regulated water into the California Aqueduct downstream to Semitropic WSD for in-lieu and direct recharge. Water that can be captured in excess of the needs of Semitropic's landowners would be marketed to interested third parties. The project is several years away from completion, and the quantity, frequency, and pricing of any

To: Jeff Davis, SGPWA
 Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
 Page 9 of 17

third party water is yet undetermined; however, this may be another program to add to SGPWA's water portfolio to increase its future firm water supply.

Renewable Resources Group, an asset management firm focused on water/energy resources, primarily in California. It has various holdings of water rights and water projects in California; recent contact with them indicated that they may have water available on the spot market, but nothing currently available for sale long-term.

Sites Reservoir Project, is a proposed off-stream reservoir in northern California that in late July 2016, SGPWA submitted a request to participate at a 14,000 af level as a member of the Reservoir Project Agreement Committee for Phase 1 of the Sites Reservoir Project being administered by the Sites Project Authority.

Table 2 provides a summary of the water opportunities we've identified that SGPWA may consider pursuing. We have prioritized these opportunities based primarily on the criteria of those most likely to be successful in a step-by-step approach of meeting SGPWA's long-term water supply goals.

Table 2. Potential Long-Term Water Sales

Potential Seller	Quantity	Pricing	Description / Issues	Priority
Landowners in TLBWSD (total Table A 87,471 af)	TBD	Est. \$5,000-6,000/af	Small landowners may be interested; larger landowners have been contacted and some may be interested at higher pricing	1
Landowners in EWSID (total Table A 3,000 af)	TBD	Est. \$5,000-6,000/af	Small landowners may be interested; larger landowners have been contacted and are not currently interested	1
Ventura County	TBD (portion of 20 taf)	TBN	Multi-year program where SGPWA acquires water that Ventura can't deliver locally	1
CCWA (SLO and SB Counties)	TBD (portion of 70.486 taf)	TBN	Multi-year program where SGPWA acquires water that CCWA can't deliver locally; also, potential acquisition of Table A from Carpentaria WD	1
Sites Reservoir Project	14,000 af	~\$1,000/af	SGPWA has requested to participate in Phase 1 of this off-stream surface water storage project	1

To: Jeff Davis, SGPWA
 Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
 Page 10 of 17

Nickel Water held by AVEK	513 af	~\$2,000/af	AVEK beginning negotiations with Montecito (in CCWA)	①
Landowners in DRWD (total Table A 45,350 af)	TBD	Est. \$5,000-6,000/af	Small landowners may be interested; larger landowners have been contacted and are not currently interested	②
Renewable Resources Group	TBD	TBD	RRG has a portfolio of water (short-term and long-term); product varies with time	②
Cadiz Valley Project	TBD	~\$1,000/af	Water would be available in San Luis Reservoir	②
Wathen-Castanos Homes	1,000 af	TBN	Availability uncertain (CVP contract amount purchased from Mercy Springs WD)	③
Semitropic Kings River Project	TBD	TBD	Early stages of development; uncertain if water will be available for third parties	③

For reference only, **Table 3** has been prepared to provide the relative cost of SWP water to SGPWA versus the SWP costs to various upstream SWP contractors discussed in this memorandum.

Table 3. Fixed and Variable Costs for Selected SWP Contractors

Contractor	SWP Fixed Cost per Acre-Foot of Table A ¹	SWP Variable Cost per Acre-Foot Delivered ²
SGPWA	\$1,123	\$292
Empire West Side ID	112	23
Tulare Lake Basin WSD	109	23
Dudley Ridge WD	102	23
San Luis Obispo County (CCWA)	246	156

G:\San Geronio Pass Water Agency-2537\253716002 - Water Acquisition Options\DOCS\Reports\FINAL memo 9-2016.doc

To: Jeff Davis, SGPWA
 Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
 Page 11 of 17

Santa Barbara County (CCWA)	825	156
Castaic Lake WA	198	171
Ventura County	187	186
Antelope Valley – East Kern WA	161	178
Mojave WA	218	214

¹ Source: DWR Bulletin B132-15, B tables 4, 15, 16A, 21, 22, 31

² Source: DWR Bulletin B132-15, B tables 5B, 16B, 18

Partnering Opportunities

If increasing SGPWA’s firm supply cannot be achieved solely through direct purchases of long-term contract or water rights supplies, other strategies may need to be taken. Having a portfolio of multi-year or long-term exchange programs that can complement SGPWA’s Table A supply and banking programs are worthy of consideration. Potential programs are discussed below.

1. Antelope Valley East-Kern Water Agency (“AVEK”)

AVEK is the third largest SWP contractor, with a contract SWP Table A of 144,844 af, but presently has a local annual demand for SWP water of only about 50-60,000 af. In recent years AVEK has developed a groundwater bank to meet local water quality needs and to firm up its SWP supply; the combination of a large groundwater basin, relatively large Table A, and recharge and extraction capability make AVEK a viable storage and exchange partner for SGPWA. Although it is unlikely that AVEK would permanently transfer any of its Table A or water right water to SGPWA, if a new source of water could be acquired by SGPWA that from time to time may not be available during times when SGPWA could not take direct delivery of the water, AVEK could help regulate and store those supplies. Because of its flexibility and large Table A, AVEK has the ability to return water to SGPWA at low allocation levels when other storage programs may not be able to deliver because of local needs. Additionally, if SGPWA were to move quickly, the 513 af/y of Nickel Water being managed by AVEK (refer to Water Rights Water section above) could be pursued to bolster its firm water supply. Otherwise, AVEK’s long-term interests are similar with SGPWA’s, in that they both want to end up with additional water as a result of water management programs (albeit AVEK has accommodated annual exchanges that resulted in less water for AVEK).

To: Jeff Davis, SGPWA
 Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
 Page 12 of 17

2. Mojave Water Agency ("MWA")

MWA has an 85,800 af Table A amount, with current annual needs of about 11,000 af/y. In the near- to mid-term, MWA has indicated an interest in unbalanced exchanges, whereby MWA gives up water in exchange for recovering a portion of their SWP fixed costs. The recent proposed exchange between MWA and SCVWD³ is an example of the types of programs that work for MWA.

3. San Bernardino Valley MWD ("SBVMWD")

SBVMWD has 102,600 af of Table A contract amount; in 2016 they were able to fully use their 60% allocation, which was their highest historical demand. SBVMWD's general manager indicated that they will eventually use their full Table A. As you have stated, SGPWA is currently finalizing a multi-year agreement with SBVMWD to receive up to 5 taf/y as first priority (above MWDSC) when SBVMWD has water surplus to their needs. SBVMWD appears that they will have surplus water in the near- to mid-term when the SWP allocation is above average (>60%) and even more often when/if the California WaterFix is implemented.

4. Ventura County

As noted in Table 2 and discussion prior to the table, the three SWP water purveyors in Ventura County provide an opportunity to develop a multi-year program where SGPWA acquires water that Ventura can't deliver locally.

5. Castaic Lake WA ("CLWA")

CLWA has 95,200 af of Table A and in 2007 purchased 11,000 af/y rights to water purchased from the Buena Vista/Rosedale–Rio Bravo Water Banking and Recovery Program ("BV/RRB Water"). Recent discussions with CLWA indicated that it was highly unlikely that it would be interested in selling either of these supplies on a long-term basis, however, by the end of this year it will be completing a water reliability report intended to better define its water asset mix. CLWA has sold some of the BV/RRB Water on the spot market, but pending annexations to CLWA are anticipated which would reduce the availability of that water over time. Historically, CLWA has sold the BV/RRB Water only in years when CLWA's board has declared a surplus of water available; sales were made to the San Luis Water District in 2012 (5.5 taf) and to the Westside 5 (refer to #7 below) in 2012 (16.5 taf) and 2013 (22 taf).

³ 2016 MWA-SCVWD proposal (pending DWR approval) is a one-year agreement where MWA provides SCVWD up to 8 taf in 2016, with SCVWD returning a varying quantity of water to MWA by 2026 based on a sliding scale between 16.7% of the water in a 15% SWP year up to 100% of the water in a year when the SWP allocation is 65% or more; SCVWD would also pay MWA \$166/af for the water delivered SCVWD in 2016 (total \$1.328M if the full 8 taf is delivered, yielding \$332/af for the water retained by SCVWD).

To: Jeff Davis, SGPWA
Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
Page 13 of 17

6. Crestline – Lake Arrowhead Water Agency (“CLAWA”)

Although CLAWA has only 5,800 af of Table A, it only uses about 1,200 af/y of SWP water and can meet its remaining demands from local supplies. As the unbalanced 2 for 1 exchange was negotiated in 2016 between SGPWA and CLAWA (SWPAO #16013), a similar program could be developed on a long-term basis to address the years when CLAWA has surplus Table A. With SGPWA's water bank in place, higher banking ratios could be considered to provide firm water to CLAWA.

7. Westside Districts (“Westside 5”)

DRWD and four member units within KCWA, with a combined Table A of 575,656 af, have been collaborating since 2008 to acquire supplemental water supplies to meet their ag demands. Due to their large demand and various groundwater storage programs available to them (Kern Water Bank, Berrenda Mesa Water Bank, and others), they are almost always able to take supplemental water into their service areas. Similar to what was discussed for AVEK, should SGPWA have water (SWP or other acquired water) in excess of its demand and/or delivery capacity, the Westside 5 could be a good partner for developing short- or long-term exchange and/or banking programs to regulate if water supplies cannot be directly delivered to SGPWA; however, the objectives of the Westside 5 are similar to SGPWA's, in that they are both attempting to increase their net water supply.

8. Another opportunity may exist by partnering with one of at least two water recovery projects being undertaken in the San Joaquin Valley by Element Renewal. They are working with Tulare Lake Drainage District and Panoche Water District to treat irrigation drainage water with pre-treatment and reverse osmosis to a level where the water can be discharged into the California Aqueduct. These efforts are still in the early stages, but tentative projects are that water can be produced in the \$800-1,500/af range. The water would be firm, assuming the lands that are being drained continue to be irrigated; with SGMA implementation on the horizon, the long-term reliability of the water supply is questionable.

9. Lastly, all SWP supplemental water purchase programs should be pursued, either to add to annual supply, increase groundwater storage, or as opportunity-water to develop exchange or programs with other water purveyors. Such SWP programs include the Turnback Pool (to the extent it remains), Yuba Accord Water, and the Dry Year Water Purchase Program.

Market Pricing

The value of water has been increasing rapidly during the recent drought and increasing regulatory constraints in California. With the future implementation of the SGMA, the value of water in California will continue to rise. **Table 4** provides an overview of our assessment of spot market water prices under drier, average, and wetter conditions in

To: Jeff Davis, SGPWA
 Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
 Page 14 of 17

the San Joaquin Valley. It should be noted that these water prices are more typical for the conditions listed, but specific situations and prior years' water conditions will result in pricing of future individual water transfers that could be lower or substantially higher than the prices shown. This is a dynamic market, subject to price fluctuations based on (a) conveyance losses, availability, and risks; (b) time of year when deliveries are made; (c) institutional barriers and risks; (d) environmental and/or third party issues; and (e) quantity of water delivered.

The "future estimates" below are strictly those of the authors based on past and current personal experience with negotiating and implementing water transfers. At best, they are intended to indicate an upward trend versus specific pricing levels. The "future estimates" are also intended to represent pricing in a 2 to 3-year drought, versus the 4-year drought we recently (or perhaps still are) experiencing.

Table 4. Overview of Water Pricing for Annual Transfer Water (\$/acre-foot)

Time Period	Drier Conditions	Average Conditions	Wetter Conditions
Pre-drought (prior to 2012)	\$250-350	\$100-200	\$25-100
1 st year of drought (2012)	\$150-250	NA	NA
4 th year of drought (2015)	\$900-1,500	NA	NA
Future estimates (pre-SGMA implementation) ¹	\$450-900	\$300-600	\$100-200
Future estimates (post-SGMA implementation) ²	\$900-1,800	\$600-1,200	\$200-400

¹ Assumes pricing 50% higher than average market in 2013 & 2014 (i.e., 2nd or 3rd year of drought)

² Assumes pricing twice that of future market pre-SGMA implementation (again, in 2nd or 3rd year of drought)

Potential Water Transfer Issues

Although water transfers have occurred for many years, recent developments have raised new issues that SGPWA should consider as it evaluates transfer opportunities. Transfer issues are associated with each of the potential supplies described above.

Conveyance Capacity SWP in Facilities

The SWP Water Supply Contracts allocate the cost of building and maintaining the Aqueduct and other SWP facilities to the contractors by a somewhat arcane formula. The formula is meant to equitably allocate the cost of each reach to the contractors that use that reach to deliver their Table A amount. Therefore, SGPWA pays for a small portion of the Aqueduct from Banks Pumping Plant to its service area. Since the formula was envisioned to cover only Table A amounts, any other type of water is evaluated by DWR to determine if there is a financial or water supply impact on other contractors.

To: Jeff Davis, SGPWA
Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
Page 15 of 17

Reach repayment capacity is often less than the actual constructed physical capacity of the SWP facilities. Depending on the location within the system, some areas have ample capacity to move both full SWP Table A amounts plus other supplies. If there is unused capacity, it is usually not an issue; but if the capacity is being fully used by participating contractors, DWR goes through a prioritization process. Since DWR is less and less likely to deliver full Table A amounts to contractors in the future because of regulatory constraints, it may not be an issue for SGPWA to "borrow" unused capacity, or pay an additional charge for conveyance, but the reliability of a long-term transfer using excess capacity should be carefully considered, especially considering SGPWA's location is essentially at the end of the East Branch. Therefore, SGPWA will need to evaluate the delivery reliability of the various supplies described herein vs. SWP capacity limits and non-Table A delivery priorities. In certain high demand year types, this could require SGPWA to accept deliveries at non-ideal times or sacrifice the delivery altogether.

Export Capability and San Luis Reservoir Storage

The water year 2016 showed that tightening restrictions on export pumping would make transfers across the Delta from northern California even more challenging. In past years, the opportunity to implement transfers from northern California was driven primarily by hydrology. If the export users had a demand and there was a supply north of the Delta, whether it was a contractual or water right supply, there was a possibility for transfer. This year showed that even if there is a water supply available in the north, getting it across the Delta and exported could be difficult. Shasta, Oroville, and Folsom were all essentially full, but export capacity was limited. Any available pumping capacity was committed to Project purposes and unavailable for transfer water. There is now limited capacity to export the water and a restricted time frame for transfers to take place (July through September). Other SWP and CVP contractors engaging in transfers from northern California are attempting to move water within this same three month transfer window.

A byproduct of this situation is that the State and Federal Projects have not been able to export as much water, which reduces the amount of water that can be stored in San Luis Reservoir. This is likely to continue into the future without some isolated conveyance facility in place, as proposed with the California WaterFix. If water can be more readily moved south of the Delta, under current conditions there is more available capacity in San Luis Reservoir storage to regulate deliveries of supplemental water.

Reduced Reliance

The Delta Reform Act of 2009 established the Delta Stewardship Council. The Council's mission is to achieve the co-equal goals of a more reliable water supply and the protection, restoration and enhancement of the Delta ecosystem. One of the ways the Council proposes to accomplish this is "*to reduce reliance on the Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency*". One interpretation

To: Jeff Davis, SGPWA
Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
Page 16 of 17

of this language is that simply less water would be exported from the Delta. This means that SGPWA could export no more from the Delta than it has in the past. Another interpretation is that the percentage of water from the Delta in an agency's total water supply must (also) be smaller. If this interpretation prevails, there is likely to be a much more restrictive approach to transfers across the Delta by the State. A water transfer would be considered a "covered action" requiring approval by the Council to determine if the action was consistent with the Delta Plan and if it would "reduce" the reliance on the Delta.

California WaterFix

The present proposal includes two tunnels (pipelines) that would divert water from the Sacramento River and convey water more directly to the Banks Pumping Plant in the south Delta. To allocate the costs and benefits of the proposed Delta conveyance, the DWR envisions a contract amendment to the long-term Water Supply Contract. Recent informal discussions regarding the amendment and the SWP have explored four areas that may impact transfers and SGPWA's future SWP supplies.

1. Increase the Reliability of the Contractor's Existing Table A:

The present reliability or delivery capability of the SWP is about 58% to 60%. If completed, the California WaterFix should increase the conveyance across the Delta and increase overall SWP reliability to about 85%; SGPWA's existing reliability would be improved and should also be less susceptible to future pumping restrictions in the south Delta.

2. Additional Delta Conveyance:

In 2016 the pumping at Banks Pumping Plant was totally committed to Project purposes. This left no excess capacity for non-Project transfers across the Delta. A new isolated facility would provide additional conveyance and therefore more opportunities for transfer from northern California sources.

3. Options for Increased Participation:

If existing SWP contractors are given the option, some may decide not to participate in the WaterFix for financial or policy reasons. This may provide an opportunity for participating contractors to take part at a different level than their Table A percentage. One benefit of additional capacity could be for Delta transfers.

4. Water Management Tools:

Many of the present contract provisions make transfers and exchanges between contractors somewhat cumbersome and expensive. The argument has been made by some SWP contractors that the costs of the WaterFix can only be justified if contractors have additional water management tools to allow more flexibility to use their existing Table A as efficiently as possible. The SWC are working on these issues now, with Jeff Davis serving as chair for the SWP contractors' effort.

To: Jeff Davis, SGPWA
Subject: Water Acquisition Options for SGPWA

Date: September 29, 2016
Page 17 of 17

Local Resistance to Additional Supplies

In some areas, there is a concern that additional water leads directly to increased growth. Many SWP contractors have faced considerable resistance and sometimes litigation from local groups opposed to urban growth. SGPWA's service area is in a high growth region and is likely to face opposition if additional water supplies are being considered. A common method of challenging additional water supply projects has been through CEQA. Additional reliability or water obtained through transfers could be considered as growth inducing and subject to local or regional scrutiny and evaluation.

Administrative Processes Related to Transfers

The 2013 Kennedy/Jenks memo included a section on this subject; if additional information is needed, Provost & Pritchard Consulting Group has staff familiar and highly experienced in regularly advising, processing, and working with other SWP contractors, DWR staff, and others to move water transfer and exchange programs through the administrative and CEQA processes.

////////

Operational Updates



Yucaipa Valley Water District



Date: October 11, 2016

Subject: Status Report on the Operation of the Yucaipa Valley Water District's Recycled Water Fill Station at Crystal Creek

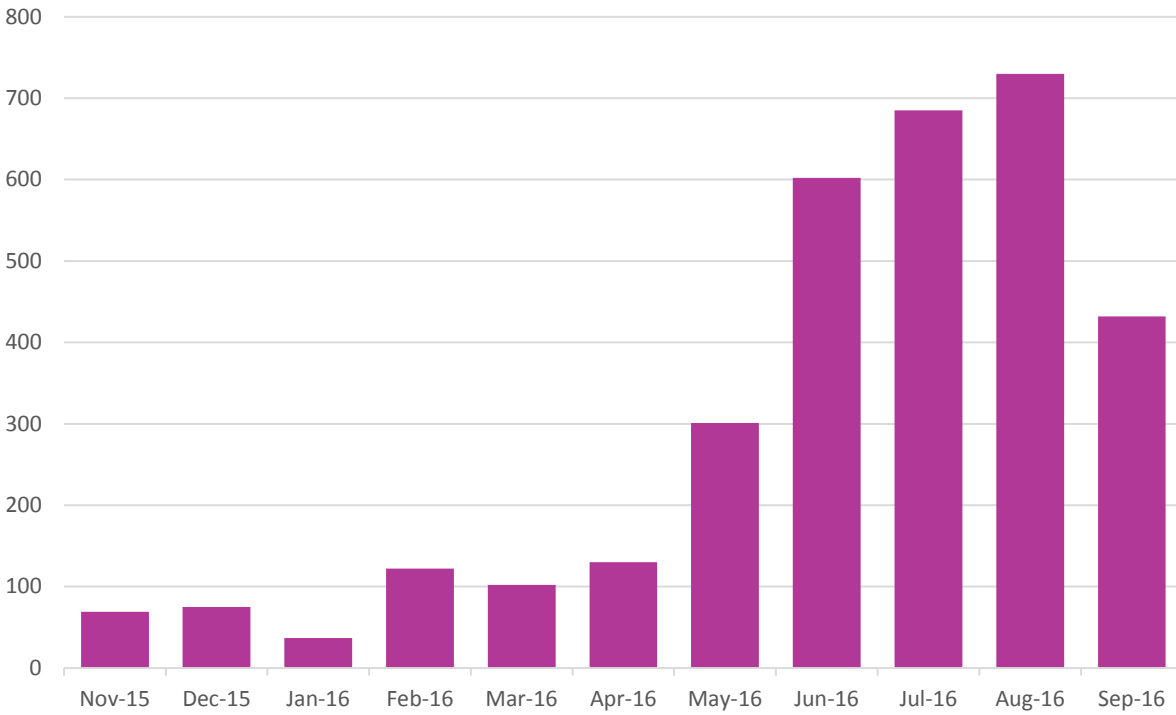
On August 5, 2015, the Board of Directors authorized the District staff to proceed with the implementation of a recycled water fill station. On November 2, 2015, the District received a permit to operate the system from the State Water Resources Control Board, Division of Drinking Water.

Over the past several months, the District has hosted a series of meetings to train residential customers interested in receiving the recycled water from this facility. The purpose of this workshop item is to provide an update on the operation of the facility.

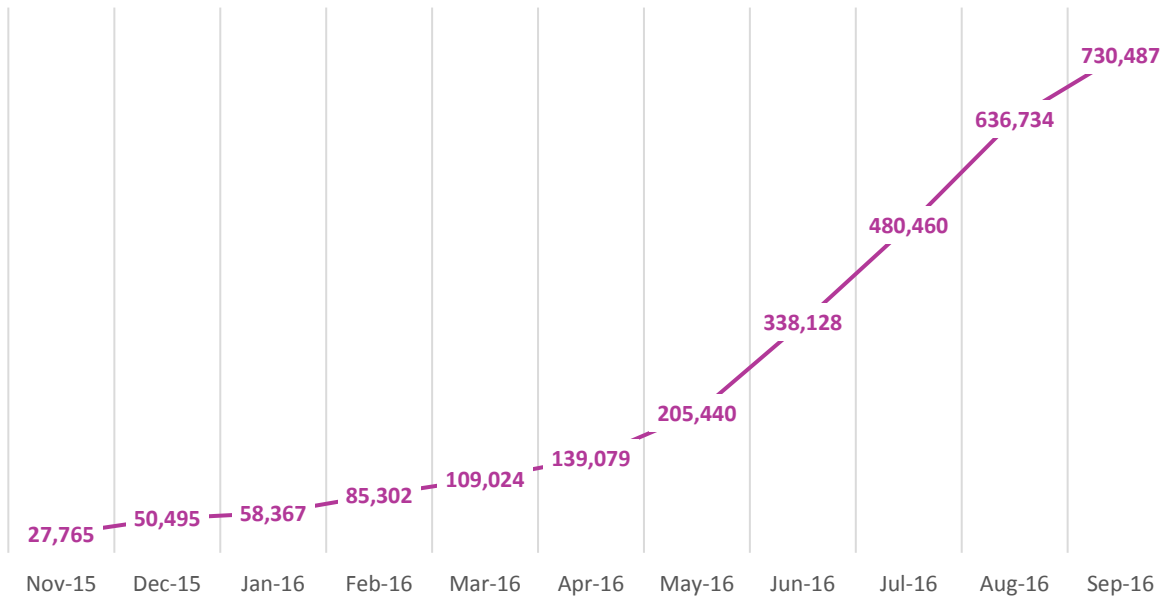


As of September 30, 2016, the Yucaipa Valley Water District provided 730,487 gallons of recycled water to customers at the recycled water fill station. A total of 103 customers have been trained to properly transfer and use recycled water at their homes.

Number of Recycled Water Loads



Cumulative Quantity of Recycled Water (Gallons)





Date: October 11, 2016

Subject: Overview of the Draft Sanitary Sewer Management Plan

A Sewer System Management Plan, also called an SSMP, is a document that describes the activities the District uses to manage our sewer collection system effectively. Typically, the effective operation and management of a sewer collection system includes:

- Maintaining or improving the condition of the collection system infrastructure in order to provide reliable service into the future.
- Cost-effectively minimizing infiltration/inflow (I/I) and providing adequate sewer capacity; and
- Minimizing the number and impact of sanitary sewer overflows (SSOs) that occur;

In order to achieve the above goals, sewer collection system agencies develop and implement an SSMP.

The attached update of the District's SSMP will be finalized and presented at the next board meeting for adoption.



SEWER SYSTEM MANAGEMENT PLAN



**12770 Second Street
Yucaipa, CA 92399**

(909) 797-5117

Developed By:



**Originated: July 2009
Revised: June 2016**

TABLE OF CONTENTS

Introduction	2
System Description	2
Document Organization	2
Definitions	4
Goal	8
Organization	9
Authorized Representatives	9
Administrative and Maintenance Personnel	10
SSO Chain of Communication	13
Legal Authority	14
Illicit Discharges	14
Design and Construction	14
Access	15
FOG Discharge	15
Enforcement	15
Operations and Maintenance Program	16
Sewer Maps	16
Preventive Maintenance	17
Rehabilitation and Replacement Plan	19
Training	19
Equipment and Replacement Parts	20
Design and Performance Provisions	21
Design Criteria and Standard Construction Design	21
Inspection and Testing	21
Overflow Emergency Response Plan	22
Notification and Response Procedures	26
Training	28
Emergency Operations	28
Minimize Impacts	28
FOG Control Program	29
Public Education	29
FOG Disposal	30

Legal Authority..... 30

Requirements for Grease Removal Devices..... 31

Authority to Inspect 31

FOG Problem Areas and Maintenance Schedule..... 31

System Evaluation and Capacity Assurance Plan 32

Monitoring, Measurement, and Program Modifications 34

 Maintain Information 34

 Monitor Implementation of SSMP 35

 Assessment of Preventive Maintenance Program 35

 Program Elements 35

 SSO Trends 35

SSMP Program Audits 36

Communication Program 37

LIST OF FIGURES

Figure 1 – Organization 9

LIST OF TABLES

Table 1 - Responsible Position..... 10

Table 2 - Responsible Staff for SSMP Elements..... 11

Table 3 – Spill Response Team and Responsibility 27

INTRODUCTION

This Sewer System Management Plan (SSMP) has been developed by the Yucaipa Valley Water District (District) to comply with California State Water Resources Control Board Order No. 2006-0003-DWQ -Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (WDRs), and its recent amendment Order No. WQ 2013-0058-EXEC. On May 2, 2006, the State Water Resources Control Board adopted the WDRs requiring owners and operators of sanitary sewer systems greater than one mile in length that collect or convey untreated or partially treated wastewater to a Publicly Owned Treatment Facility, to apply for coverage and abide by its provisions and prohibitions. Its purpose is to prevent sanitary sewer overflows (SSOs) and establish uniform procedures for monitoring and reporting.

On June 26, 2006 the District applied for coverage under this order by submitting a Notice of Intent (NOI) to the State Water Board. On November 16, 2006, the District obtained an account on the State of California SSO Database (California Integrated Water Quality System [CIWQS]). This provides the District with a mechanism to report Sanitary Sewer Overflows (SSOs) in accordance with the WDRs. The WDRs also require the development and implementation of a Sewer System Management Plan (SSMP). A SSMP must include provisions to provide proper and efficient management, operation, and maintenance of sanitary sewer systems, while taking into consideration risk management and cost benefit analysis. Additionally, a SSMP must contain a spill response plan that establishes standard procedures for immediate response to an SSO in a manner designed to minimize water quality impacts and potential nuisance conditions.

System Description

The District owns and operates a sanitary sewer collection system (collection system) consisting of approximately 225 miles of gravity draining sewer lines ranging in sizes, with the majority being 8 inches in diameter. The District also has 5 pump stations located throughout the District area providing service to those areas of geographic need. Treatment is provided at the Wochholz Regional Water Recycling Facility (WRWRF), which provides preliminary, primary, secondary, and tertiary treatments, as well as solids removal handling, for a rated capacity of approximately 8 million gallons per day (mgd).

Document Organization

To fulfill the requirements of the WDRs, this SSMP contains 11 elements which detail the management, operation, and maintenance of all parts of the sanitary sewer system.

1. Goal
2. Organization
3. Legal Authority
4. Operations and Maintenance Program
5. Design and Performance Provisions
6. Overflow Emergency Response Plan
7. Fats, Oils, and Grease (FOG) Control Program
8. System Evaluation and Capacity Assurance Plan

Introduction

9. Monitoring, Measurement, and Program Modifications
10. SSMP Program Audits
11. Communication Program

At the beginning of each elemental section the required contents (as defined in the WDRs) are outlined to inform the reader of the section contents. Following this introduction, each section contains the policies, practices, descriptions, and references used to address element requirements.

DEFINITIONS

Best Management Practices (BMP): Refers to the procedures employed in commercial kitchens to minimize the quantity of grease that is discharged to the sanitary sewer system. Examples include scraping food scraps into a garbage can and dry wiping dishes and utensils prior to washing.

California Integrated Water Quality System (CIWQS): Refers to the State Water Resources Control Board online electronic reporting system that is used to report SSOs, certify completion of the SSMP, and provide information on the sanitary sewer system.

California Water Environment Association (CWEA): Means the California Water Environment Association, which is a recognized voluntary certification program for wastewater personnel in several disciplinary areas including collection system, environmental compliance inspection, laboratory, and industrial pretreatment operators.

Capital Assurance Plan (CAP): Means a plan that addresses current and future anticipated sewer capacity needs based upon general planning documents, growth projections, etc.

Capital Improvement Plan (CIP): Refers to the document that identifies future capital improvements to the District's sanitary sewer system.

Category 1 SSO: A Discharge of untreated or partially treated wastewater of any volume resulting from a sanitary sewer system failure or flow condition that:

- a. Reach surface water and/or reach a drainage channel tributary to a surface water; or
- b. Reach a MS4 and are not fully captured and returned to the sanitary sewer system or not otherwise captured and disposed of properly. Any volume of wastewater not recovered from the MS4 is considered to have reached surface water unless the storm drain system discharges to a dedicated storm water or groundwater infiltration basin (e.g., infiltration pit, percolation pond).

Category 2 SSO: A Discharges of untreated or partially treated wastewater greater than or equal to 1,000 gallons resulting from a sanitary sewer system failure or flow condition that does not reach a surface water, a drainage channel, or the MS4 unless the entire SSO volume discharged to the storm drain system is fully recovered and disposed of properly.

Category 3 SSO: All other discharges of untreated or partially treated wastewater resulting from a sanitary sewer system failure or flow condition.

Closed Circuit Television (CCTV): Refers to the process and equipment that is used to internally inspect the condition of gravity sewers.

Corrective Maintenance (CM): Is a term that refers to reactive maintenance (i.e., respond to equipment failure) rather than preventative or predictive type maintenance.

District: Refers to the Yucaipa Valley Water District (YVWD).

Enforcement Response Plan (ERP): Refers to the District's procedures for responding to wastewater Ordinance and/or Wastewater Permit violations. The responses are designed to induce compliance in a timely manner and to protect the POTW.

Definitions

Fats, Oils, and Grease (FOG): Refers to fats, oils, and grease typically associated with food preparation and cooking activities that can cause blockages in the sanitary sewer system.

Food Service Establishment (FSE): Refers to commercial or industrial facilities where food is handled/prepared/served that discharge to the sanitary sewer system.

Full-time Equivalent (FTE): Refers to the equivalent of 2,080 paid labor hours per year by a regular, temporary, or contract employee.

General Waste Discharge Requirements (GWDR): Refers to the State Water Resources Control Board Order No. 2006-0003, Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, dated May 2, 2006.

Infiltration/Inflow (I/I): Refers to water that enters the sanitary sewer system from storm water and groundwater that increases the quantity of flow. Infiltration enters through defects in the sanitary sewer system after flowing through the soil. Inflow enters the sanitary sewer without flowing through the soil. Typical points of inflow are holes in manhole lids and direct connections to the sanitary sewer (e.g. storm drains, area drains, and roof leaders).

Lateral: Refers to the piping that conveys sewage from a building to the District's sewer system. Also referred to as a private lateral because the ownership and responsibility for maintaining belongs to the private party (resident or commercial property owner) rather than the District.

Legally Responsible Official (LRO): Refers to the individual who has the authority and accountability for certifying regulatory reports and other actions that are submitted through the State's electronic reporting database, CIWQS.

Monitoring and Reporting Program (MRP): Refers to the section of the WDR that contains the regulatory requirements for monitoring and reporting activities and wastewater quality to document compliance.

National Pollution Discharge Elimination System (NPDES): Refers to the federal permitting system that contains general and specific monitoring and reporting requirements related to water discharges from identified sources that are directed to waters of the US.

Office of Emergency Services (OES): Refers to the California State Governor's Office of Emergency Services.

Private Lateral Sewage Discharges (PLSD): Sewage discharges that are caused by blockages or other problems within privately owned laterals or collection systems, which are tributary to the District's sanitary sewer system. The District on a voluntary basis submits reports of these events. This type of sewage discharge is the responsibility of the private lateral or collection system owner.

Preventative Maintenance (PM): Refers to maintenance activities intended to prevent failures of the sanitary sewer system facilities (e.g. cleaning, CCTV, repair).

Regional Water Recycling Facility: Refers to the Henry N. Wochholz Regional Water Recycling Facility.

Regional Water Quality Control Board (RWQCB): Refers to the Santa Ana Regional Water Quality Control Board, which is Region 8 of the State Water Resources Control Board.

Definitions

Sanitary Sewer Overflow Response Plan (SSORP): Synonymous with the District's Overflow Emergency Response Plan, which is the element of this SSMP that addresses the District's response to SSO events.

Sanitary Sewer Overflow (SSO): An SSO is any overflow, spill, release, discharge or diversion of wastewater from a sanitary sewer system. SSOs include:

- Overflows or releases of untreated or partially treated wastewater that reach waters of the United States;
- Overflows or releases of wastewater that do not reach waters of the United States; and,
- Wastewater backups into buildings and on private property that are caused by blockages or flow conditions in a sanitary sewer system, other than a building lateral. Wastewater backups into buildings caused by a blockage or other malfunction of a building lateral that is privately owned is a SSO when sewage is discharged off a private property into streets, storm drains, or waters of the State.

Sanitary Sewer System: Any system of pipes, lift stations, sewer lines, etc., used to collect and convey sewage to a treatment plant. Temporary storage and conveyance facilities (such as vaults, temporary piping, construction trenches, wet wells, impoundments, tanks, highlights, etc.) are considered part of the sanitary sewer system, and discharges of sewage to these facilities are not SSOs.

Sewage: Shall mean any liquid waste and water borne solid waste resulting from residential, commercial, industrial, or institutional activities or uses.

Sewer System Management Plan (SSMP): A written plan that provides the necessary guidelines, procedures, and policies to effectively operate and maintain a sewer collection system in a publicly and environmentally responsible manner both now and in the future.

State of California Water Resources Control Board (SWRCB): Refers to the State Water Resources Control Board and staff responsible for protecting the State's water resources.

Surface Waters: All waters of the United States as defined in 40 CFR 122.2 such as navigable waters, rivers, streams, lakes, natural ponds, wetlands, etc. SSOs to storm drains tributary to surface waters shall be reported as discharges to surface waters.

Unavoidable Overflows: SSOs from the collection system are deemed unavoidable if they meet the criteria listed below.

1. The discharge resulted from a temporary, exceptional incident that was:
 - Necessary to prevent loss of life, personal injury, or severe property damage, or
 - Beyond the reasonable control of the operator. Incidents beyond the reasonable control of the operator would include:
 - exceptional acts of nature;
 - third party actions that could not be reasonably prevented; including vandalism that could not be avoided by reasonable measures;
 - blockages that could not be avoided by reasonable measures, and
 - unforeseeable sudden structural, mechanical, or electrical failure that could not be avoided by reasonable measures.
2. There was no feasible alternative to the discharge.

Definitions

3. The discharge was not caused by any of the following:
 - Operational error;
 - Improperly designed or constructed collection system facilities;
 - Inadequate collection system facilities or components;
 - Lack of appropriate preventive maintenance; or
 - Careless or improper oversight.

Waste Discharge Requirements (WDR): Means a conditional use permit that contains regulatory requirements related to the discharge of water to streets, recycled water ponds, or other locations that do not require an NPDES Permit.

GOAL

The goal of the SSMP is to provide a plan and schedule to properly manage, operate, and maintain all parts of the sanitary sewer system owned by the Enrollee. This will help reduce and prevent SSOs, as well as mitigate any SSOs that do occur.

The District's mission is to provide water supply, wastewater disposal, and water resource management to the public in a safe, reliable, financially responsible, and environmentally sensitive manner. As such, the District is committed to the goal of maintaining an SSMP to properly manage, operate, and maintain all aspects of its sanitary sewer system to help reduce and prevent SSOs, as well as mitigate the impacts of any SSOs that may occur.

This SSMP has been developed and is implemented with the intent of properly managing, operating, and maintaining all parts of the District's sanitary sewer system. The District has identified specific goals that it believes achievable through the implementation of the contents of this plan. With this regard, the SSMP establishes the following goals:

- To effectively manage, operate, maintain, and improve the District's wastewater collection system;
- To provide adequate capacity to convey peak flows;
- To provide notifications and reports to all required regulatory agencies in a timely manner;
- To minimize the frequencies of preventable SSOs throughout the District's collection system;
- To effectively mitigate the effects of any SSO that may occur; and
- To provide public education to increase awareness of FOG issues and how they can affect the collection system.

ORGANIZATION

The SSMP must identify:

- a) *The name of the responsible or authorized representative as described in Section J of Order No. 2006-0003-DWQ – Statewide General WDR For Wastewater Collection Agencies.*
- b) *The names and telephone numbers for management, administrative, and maintenance positions responsible for implementing specific measures in the SSMP program. The SSMP must identify lines of authority through an organization chart or similar document with a narrative explanation; and*
- c) *The chain of communication for reporting SSOs, from receipt of a complaint or other information, including the person responsible for reporting SSOs to the State and Regional Water Board and other agencies if applicable (such as County Health Officer, County Environmental Health Agency, Regional Water Board, and/or).*

*****NOTE: Reporting requirement has been amended. Notification is only required to the Office of Emergency Services (OES).*****

The administration and implementation of the SSMP is directed through the Public Works Department. The Department’s offices are located at:

Yucaipa Valley Water District
 12770 Second Street
 Yucaipa, CA 92399
 Phone: (909) 797-5117, Fax: (951) 351-6267

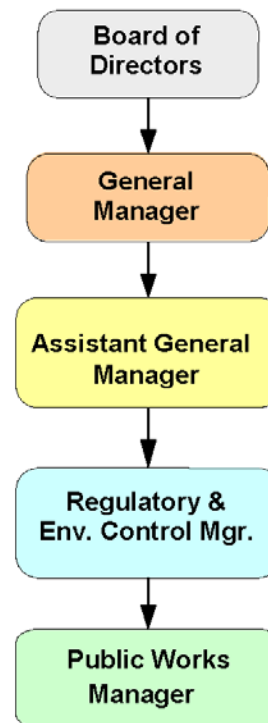
Authorized Representatives

The District has authorized certain individuals to serve as Authorized Representatives for all sanitary sewer related issues in the City and within the District boundary. These representatives are authorized to sign and certify all reports required by the State WDRs and other information required by the State or Regional Water Board. These individuals are also authorized to electronically sign and certify reports made through CIWQS. The titles of these individuals are:

- General Manager
- Assistant General Manager
- Regulatory & Environmental Control Manager
- Public Works Manager

The names and contact information of the individuals listed above can be found at the beginning of this document on page 1.

Figure 1 - Organization



Organization

Administrative and Maintenance Personnel

The Public Works Department employs 17 individuals to manage, operate, maintain, and improve the sewer system. Within the Public Works Department is the Environmental Control Section, which is headed by Regulatory & Environmental Control Manager (REC Manager) who provides immediate oversight over all sanitary sewer related issues in the District. **Figure 1** above describes the organization by which the Public Works Manager receives direction from the General Manager and District Board members. **Tables 1 and 2** below give the names and phone numbers of positions responsible for implementing the SSMP and the positions responsible for implementing specific elements of the SSMP, respectively. These Tables are key components to the proper implementation of the SSMP and its effectiveness. A complete organizational chart identifying lines of authority for all District employees can be found here:

<http://documents.yvwd.dst.ca.us/personnel/organizationalchart.pdf>

Table 1 - Responsible Positions

Position	Name	Phone Number	Cellular Number
General Manager	Joe Zoba	909-797-5119	909-208-6425
Assistant General Manager	Jack Nelson	909-797-5119	909-208-6427
Engineering Manager	Brent Anton	909-797-5118	909-322-3934
Operations Manager	Kevin King	909-795-2491	909-208-5918
Senior Plant Operator	Kevin Lee	909-795-2491	909-208-9783
Public Works Manager	John Hull	909-797-5117	909-322-3932
Regulatory & Environmental Control Manager	John Wrobel	909-797-5117	909-208-6347
Pretreatment/FOG Program	Consultants (G&G Environmental Compliance, Inc.)	951-683-3538	951-858-1453

Organization

Table 2 - Responsible Staff for SSMP Elements

Element	Responsible Staff
<p>I. Goals</p>	<ul style="list-style-type: none"> • General Manager • Assistant General Manager
<p>II. Organization</p> <p>a. Name of the Responsible or authorized representative(s)</p> <p>b. Names and telephone numbers of management, administrative, and maintenance positions</p> <p>c. Chain of communication for reporting SSOs</p>	<ul style="list-style-type: none"> • General Manager • Assistant General Manager • Regulatory & Environmental Control Manager • Public Works Manager • Consultants (G&G Environmental Compliance, Inc.) • Operations Manager
<p>III. Legal Authority</p> <p>a. Prevent illicit discharges to the collection system</p> <p>b. Require that sewers and laterals be properly designed and constructed</p> <p>c. Ensure access to the collection system</p> <p>d. Limit discharge of FOG and other debris that may cause blockages</p> <p>e. Enforcement of Ordinance</p>	<ul style="list-style-type: none"> • General Manager • Assistant General Manager • Regulatory & Environmental Control Manager • Public Works Manager • Consultants (G&G Environmental Compliance, Inc.) • Operations Manager
<p>IV. Operations and Maintenance Program</p> <p>a. Maintain current map of collection system and storm drain system</p> <p>b. Describe routine and preventative operation and maintenance of collection system</p> <p>c. Develop a rehabilitation and replacement plan. (See SSMP Plan Chapter specifics)</p> <p>d. Develop and implement a training program</p> <p>e. Provide equipment and training parts inventories</p>	<ul style="list-style-type: none"> • General Manager • Assistant General Manager • Regulatory & Environmental Control Manager • Public Works Manager • Consultants (G&G Environmental Compliance, Inc.) • Operations Manager • Public Works Supervisors • Plant Operators • Utility Service Workers
<p>V. Design and Performance</p> <p>a. Design, construction and specification standards for installation and rehabilitation of new and existing sewers.</p> <p>b. Procedures and standards for the inspection of new or rehabilitated sewers and appurtenances.</p>	<ul style="list-style-type: none"> • General Manager • Assistant General Manager • Engineering Manager • Regulatory & Environmental Control Manager • Public Works Manager • Operations Manager
<p>VI. Overflow Emergency Response Plan</p> <p>a. Notification procedures for regulatory agencies</p> <p>b. Response and mitigation procedures</p> <p>c. Staff and contractor training</p> <p>d. Emergency operations</p> <p>e. Containment and monitoring plans</p>	<ul style="list-style-type: none"> • General Manager • Assistant General Manager • Regulatory & Environmental Control Manager • Public Works Manager • Consultants (G&G Environmental Compliance, Inc.) • Operations Manager • Public Works Supervisors • Plant Operators • Utility Service Workers

Organization

Element	Responsible Staff
<p>VII. Fats, Oils, and Grease (FOG) Control Program</p> <ul style="list-style-type: none"> a. Identification of "hot spot" areas of collection system b. Identification of food service businesses in "hot spot" areas of collection system c. Administrative controls (permits) for potential grease dischargers d. Requirement to install grease removal equipment e. Encouragement to use BMPs to reduce grease discharges f. Periodic inspections g. Enforcement actions h. Public Education 	<ul style="list-style-type: none"> • Regulatory & Environmental Control Manager • Public Works Manager • Consultants (G&G Environmental Compliance, Inc.) • Operations Manager • Public Works Supervisors • Plant Operators • Utility Service Workers
<p>VIII. System Evaluation and Capacity Assurance Plan</p> <ul style="list-style-type: none"> a. Capacity evaluation b. Identification of capacity needs c. Project schedule 	<ul style="list-style-type: none"> • Assistant General Manager • Engineering Manager • Engineering Technicians • Public Works Manager • Operations Manager • Public Works Supervisors • Plant Operators • Utility Service Workers
<p>IX. Monitoring, Measurement, and Plant Modifications</p> <ul style="list-style-type: none"> a. Maintain records and data b. Monitor implementation of SSMP c. Assess the success of preventive maintenance program d. Update program elements e. Identify and track SSO trends 	<ul style="list-style-type: none"> • Regulatory & Environmental Control Manager • Public Works Manager • Consultants (G&G Environmental Compliance, Inc.) • Operations Manager • Public Works Supervisors • Plant Operators • Utility Service Workers
<p>X. SSMP Program Audits</p> <ul style="list-style-type: none"> a. Person responsible for the Audit b. Scope of the Audit c. Audit work product d. Schedule for the Audit, minimum every two years 	<ul style="list-style-type: none"> • Regulatory & Environmental Control Manager • Consultants (G&G Environmental Compliance, Inc.)
<p>XI. Communication Program</p> <ul style="list-style-type: none"> a. Notification that an SSMP is being prepared. b. Website use is suggested 	<ul style="list-style-type: none"> • Regulatory & Environmental Control Manager • Consultants (G&G Environmental Compliance, Inc.)

Organization

SSO Chain of Communication

The District utilizes a systematic approach to SSO response and notification. From receipt of a complaint or observation to cleanup of a verified spill, various positions are responsible to ensure that proper procedures are followed. A complete description of spill response is found in the Overflow Emergency Response Plan maintained by the District. In summary, SSO communication begins with a call to the District front desk, who then gathers all the pertinent information related to the SSO then dispatches a staff member from the Environmental Control Section to respond. Upon arrival, the staff member will relay all information back to the Environmental Control Section who will send out notifications to responsible positions as defined in this section. Notifications to various other agencies are made by dispatch as required depending on the nature of the SSO. One of the Authorized Representatives may perform other notifications for Category 1 SSOs.

LEGAL AUTHORITY

Each Enrollee must demonstrate, through sanitary sewer system use ordinances, service agreements, or other legally binding procedures, that it possesses the necessary legal authority to:

- a) Prevent illicit discharges into its sanitary sewer system (examples may include I/I, stormwater, chemical dumping, unauthorized debris and cut roots, etc.);*
 - b) Require that sewers and connections be properly designed and constructed;*
 - c) Ensure access for maintenance, inspection, or repairs for portions of the lateral owned or maintained by the Public Agency;*
 - d) Limit the discharge of fats, oils, and grease and other debris that may cause blockages, and*
 - e) Enforce any violation of its sewer ordinances.*
-

The District's legal authority is comprised of several documents and codes that enable the District to protect its sewer system from harmful discharges and activities. Among the documents and codes used are the District's Ordinance No. 57-2016 (Ordinance), the District's Developer Handbook, Greenbook Standard Specifications for Public Works Construction, Uniform Plumbing Code, and the District's easement policies. The following summarizes the District's legal authority:

Illicit Discharges

District Ordinance Article 1 – Section 1.02 AUTHORITY, Article 4 – Section 4.03 SPECIFIC PROHIBITIONS and Article 5 – Section 5.01 SPECIFIC POLLUTANT LIMITATIONS provide legal authority to prevent illicit discharges to the sewer system. These sections include prohibitions against the discharge of any material or waste that could harm the collection system, POTW, or jeopardize the safety of the District's collection system personnel and provides the District with the legal authority to enforce non-compliance activities.

Design and Construction

Sewers and sewer connections are required to meet the criteria contained in the Engineering Department's Developer Handbook, Greenbook Standard Specifications for Public Works Construction, latest edition, and the latest edition of the Uniform Plumbing Code. District Ordinance Article 7 – Section 7.04 GRAVITY SEPARATION INTERCEPTOR provides design and construction criteria for interceptors installed within the District. These drawings include the following:

- Typical Plan layout Sewer Systems
- Typical Pipe Bedding Vitrified Clay Pipe Extra Strength
- Sewer Lateral "Normal Cut"
- Sewer Lateral "Deep Cut"
- Precast Concrete Manhole
- Sewer Precast Concrete Sampling Manhole
- Drop manhole
- Sewer Clean Out & Terminus Manhole

Legal Authority

- Manhole Cover & Frame
- Connection to Existing Main
- 5" Diameter with Cast in Place Base
- Shallow Manhole
- 4" and 6" Sewer Cut-In Wye Connections
- Sewer On-Site Cleanout
- Sewer Sample Wye

Access

The District has secured sewer easements to ensure access for maintenance, inspection, or repairs of District owned collection systems on private property and for portions of the lateral owned or maintained by the District. The District has a variety of methods for obtaining easements to construct and maintain sewer lines through private property by:

1. Acquisition of the easement through voluntary purchase from the owner
2. Acquisition through condemnation for a sewer line easement
3. As a condition of development, the property owner is requested to dedicate or grant an easement to the City for sewer line installation

These easements permit the District to conduct periodic and scheduled sewer line cleaning to prevent SSOs. If there is a problem in a sewer line in an area where the District has been unable to acquire a sewer easement, the District will work closely with the City of Yucaipa and the property owner to resolve the easement issue.

FOG Discharge

District Ordinance has several sections that contribute to the limitation of discharges of fats, oils, greases and other debris that may cause blockages in the collection system. These include:

- § 4.02 GENERAL PROHIBITIONS
- § 4.03 SPECIFIC PROHIBITIONS
- § 4.07 INTERFERENCE WITH DISTRICT EQUIPMENT OR FACILITIES
- § 6.11 PRETREATMENT OF INDUSTRIAL WASTE
- § 7.04 GRAVITY SEPARATION INTERCEPTORS

The District's Ordinance, in its entirety, can be found here:

<http://www.yvwd.dst.ca.us/services/pretreatment>

Enforcement

The Environmental Control Section enforces the Ordinance through its federally approved pretreatment inspection program. This program helps reduce illicit discharges including discharges of fats, oils, and grease (FOG). Other Public Works personnel ensure that sewers are properly designed, constructed, and that access to the sewer system is available.

OPERATIONS AND MAINTENANCE PROGRAM

The SSMP must include those elements listed below that are appropriate and applicable to the Enrollee's system:

- a) Maintain an up-to-date map of the sanitary sewer system, showing all gravity line segments and manholes, pumping facilities, pressure pipes and valves, and applicable stormwater conveyance facilities;*
 - b) Describe routine preventive operation and maintenance activities by staff and contractors, including a system for scheduling regular maintenance and cleaning of the sanitary sewer system with more frequent cleaning and maintenance targeted at known problem areas. The Preventative Maintenance (PM) program should have a system to document scheduled and conducted activities, such as work orders;*
 - c) Develop a rehabilitation and replacement plan to identify and prioritize system deficiencies and implement short-term and long-term rehabilitation actions to address each deficiency. The program should include regular visual and TV inspections of manholes and sewer pipes, and a system for ranking the condition of sewer pipes and scheduling rehabilitation. Rehabilitation and replacement should focus on sewer pipes that are at risk of collapse or prone to more frequent blockages due to pipe defects. Finally, the rehabilitation and replacement plan should include a capital improvement plan that addresses proper management and protection of the infrastructure assets. The plan shall include a time schedule for implementing the short- and long-term plans plus a schedule for developing the funds needed for the capital improvement plan;*
 - d) Provide training on a regular basis for staff in sanitary sewer system operations and maintenance, and require contractors to be appropriately trained; and*
 - e) Provide equipment and replacement part inventories, including identification of critical replacement parts.*
-

Operation and maintenance activities in the District are performed regularly and are enabled through technology. The District maintains a detailed database containing information on all aspects of the sewer system. Each manhole, pump, line segment, etc. is designated as an asset and assigned an identification number (asset ID). This information is used to aide operations and maintenance staff in their efforts to obtain the goal of cleaning the entire sewer system every 18 months.

In addition to regular cleaning, the City maintains up-to-date maps and a rehabilitation and replacement plan. It also provides regular training for staff and maintains equipment and replacement part inventories. All of these are components of the operations and maintenance program and help ensure a properly maintained sewer system.

Sewer Maps

The District maintains a GIS based mapping system that provides up-to-date maps of the sanitary sewer system showing all gravity line segments and manholes, pumping facilities, pressure pipes and valves,

Operations and Maintenance Program

and other conveyance facilities features. This system has the functionality to access all information related to any sewer asset and can be used to make printed maps as necessary. This is maintained by the District's Engineering Department.

The Public Works Department has access to the ArcGIS, which is an online database system that provides up to date information of the collection system. This program has many data "layers" that can be applied to a single map request, including sewer line location, type, size, and length. When the collection crews discover differences with the field conditions and the computer information, the differences are recorded and a work order submitted to revise the computer record.

Past maps, including architectural, engineering, and construction drawings (blueprints) are stored electronically on a central computer system. This includes historical blueprints that have been scanned and new construction submittals.

Preventative Maintenance

Collections System staff perform a variety of operations and maintenance activities to ensure the reliable performance of the collection system. Sewer lines are cleaned of roots, debris, grease, etc. at varying intervals. Sewer cleaning is performed by using high pressure hydro-jetting equipment, specialized root cutters, and other equipment. As cleaning is performed, Collections System staff also perform visual inspections of manholes to check for evidence of surcharge, vandalism, structural damage, and other conditions of concern. The Collection System's goal is to clean the entire system every 18 months.

Collection System cleaning is accomplished through the implementation of a work order based system which provides staff a daily scheduled cleaning route. After a section has been cleaned, collections crews complete a cleaning record which includes the following information:

- Date and time of cleaning
- Method of cleaning
- Names of collections workers
- Location and cause of any blockage
- Recommendation of necessary further actions

The District also tracks the following collection system maintenance area:

- Routine cleaning
- Preventative cleaning and maintenance
- Repairs
- High frequency cleaning and maintenance
- Roach control
- Closed Circuit Television (CCTV)

Upon completion of the day's activities, all cleaning information and work orders are entered into the District's Computerized Maintenance Management System (CMMS). The CMMS enables timely maintenance scheduling, adequate parts inventories, and easy tracking of trends to assist in predicting and therefore preventing many of the events that could contribute to system failures and potential SSOs.

Operations and Maintenance Program

Another integral part of the District's preventive maintenance program involves regularly inspecting each of the District's five (5) sewer pump stations. Each station is monitored daily through SCADA with additional on-site inspections being performed regularly. These inspections allow collections crews to visually check for any signs of abnormal activity and respond accordingly.

The pump stations are equipped with telemetry communication abilities enabling the stations to be monitored on a continuous basis. Any abnormalities are reported and addressed in a timely manner. Portable generators are used when power outages occur. In all instances, if power is lost and the station(s) cannot pump the wastewater, then several vacuum truck companies are called to pump the lift station(s) wet well until the stations are operational. Operation logs are maintained for all of the stations.

The District also has an active program to inspect manholes as part of the preventative maintenance plan. If deficiencies are found, then a work order is created to correct the problem. All manholes are inspected every 2 years. When the manholes and the sewer lines are inspected, the following observations are recorded:

- Conditions of the manhole frame and cover
- Evidence of surcharge Offsets or misalignments
- Details of the primary cause of cracks or breaks in the manhole or pipe, including blockages
- Presence of corrosion (only if extreme)
- If repairs are necessary
- Manhole identifying number and location
- Wastewater flow only if surcharged or backed up
- Presence of infiltration, location, and estimated quantity
- Accumulations of grease, debris, or grit

The District conducts CCTV on a frequent basis and contracts sewer line video inspections CCTV work to Innerline Engineering. The video inspections address the following:

- Pipe size, type, length, and joint spacing
- Distances are recorded
- Structural deficiencies
- Corrosion
- Inflow/Infiltration
- Illegal connections
- Results of the video inspection
- CCTV operator name
- Cleanliness of the line
- Location and identification of the line and manholes being examined

Once the CCTV examination is completed, the sewer line is rated based upon the defects discovered during the video examination.

CCTV work is critical in the predictive maintenance area and helps establish priorities for future collection system maintenance scheduling.

Operations and Maintenance Program

Rehabilitation and Replacement Plan

The Sewer Rehabilitation and Replacement Program is one component of the District's overall Capital Improvement Plan (CIP). Regular visual and CCTV inspections of manholes and sewer pipes throughout the District's sewer system is used to verify and/or update rehabilitation or replacement priority areas.

The District contracted with Water 3 Engineering, Inc. to complete a Sewer Master Plan (November 2001), which includes a flow capacity model for the District's entire collection system. The Sewer Master Plan provides the District with a planning document that will outline the potential service area boundaries, available capacity of existing facilities, location and sizing of future sewer conveyance facilities, and costs and potential connection fees for capital cost recovery. The District is in the process of updating this Plan.

The District's Environmental Control crews are constantly inspecting and evaluating the District's sewer system as part of their daily work routine. While cleaning and video inspecting the sewer system, problems can be discovered that aid in the rehabilitation and replacement program. The problems detected can include cracked pipes, structural failure, blockages (roots, oil/grease) and surcharge conditions. Most problems are handled directly through the Environmental Control Section. The more severe issues or problems are reported to the District's Engineering group and tracked for future, rehabilitation and/or replacement and inclusion in the District's CIP project list.

Training

Collections systems personnel receive several trainings to enhance their job knowledge, skills, and abilities. These trainings include:

- SSO/Emergency Response
- Sewer Cleaning
- Forklift Operation
- HAZWOPER Training
- Lockout/Tagout Procedures
- Confined Space Entry and Rescue
- General Safety – PPE
- Traffic Control
- Pipe Repair
- Public Relations
- Pump Station Operations and Maintenance
- CCTV and trench shoring

All training is recorded in a training database maintained by the District.

Operations and Maintenance Program

Equipment and Replacement Parts

The Collection Systems Section utilizes several vehicles and equipment to maintain the sewer system. Among the vehicles in operation are:

- One – U.S. Jetter
- Two – Aquatechs
- 6” Gorman Rupp Pump
- Two – 2 ton dump trucks
- One – 6 ton dump truck
- Four – Stake-bed Utility Trucks
- Three – Backhoes
- One – Loader
- One – Spill Response Trailer
- One – Push Camera

A variety of replacement parts are retained for collections equipment. These parts include nozzles, whip hoses, reel hose, and high pressure valves. Certain collections crew members are trained to perform high pressure hose repairs. All other repairs are performed at the District’s vehicle maintenance facility, including scheduled preventive maintenance.

DESIGN AND PERFORMANCE PROVISIONS

- a) *Design and construction standards and specifications for the installation of new sanitary sewer systems, pump stations and other appurtenances; and for the rehabilitation and repair of existing sanitary sewer systems; and*
 - b) *Procedures and standards for inspecting and testing the installation of new sewers, pumps, and other appurtenances and for rehabilitation and repair projects.*
-

Design Criteria and Standard Construction Design

The District's Engineering Department is responsible for capital sewer projects that include repair, replacement, and new installation of sanitary sewer systems, pump stations, and other appurtenances. All design and construction is subject to the approval of the District's Engineer. To facilitate and streamline the approval process, the District has developed design guidelines for construction of sewer projects which are contained in the District's [Developer Handbook & Standard Drawings](#). In addition to these standard drawings, the District uses the Greenbook Standard Specifications for Public Works Construction and the Uniform Plumbing Code for guidance on sewer design.

In addition to specific design guidelines, the District's Ordinance and Sewer Master Plan provides general direction on where and how sewer lines should be installed. These documents and guidelines set forth various sewer construction requirements that ensure the proper function of the sewer system. When plans are submitted to engineering staff, they are closely reviewed for sewer line sizing, depth, clearances, manhole spacing, etc. As the review process progresses, plans meeting all required specifications will be approved for project construction. When construction is not approved, affected parties are notified of the plan discrepancies.

Inspection and Testing

While installing new sewers, pumps, and other appurtenances, testing and inspection of the new sewer system is performed to ensure quality installation. The District's procedures and standards for inspecting and testing the installation of new sewers and, pumps and other appurtenances and for rehabilitation are outlined in District's "Developer Handbook & Standard Drawings."

The District contracts out the inspection duties to Kriegert & Stewart (K&S). K&S personnel inspect all of the sewer construction projects, both during and after the construction are completed.

New manholes that are installed are visually tested to determine if there are any conditions of inflow or infiltration. This activity is particularly important in areas with traditionally shallow groundwater tables and if groundwater is detected in the construction trenches during the project life.

All new sewer projects are CCTV inspected after completion. This includes all private sewer systems in commercial projects. The video inspection and inclinometer testing is quite useful to determine if the private sewer systems were built according to design and that all construction debris has been removed from the sewer line(s).

OVERFLOW EMERGENCY RESPONSE PLAN

Each Enrollee shall develop and implement an overflow emergency response plan that identifies measures to protect public health and the environment. At a minimum, this plan must include the following:

- a) Proper notification procedures so that the primary responders and regulatory agencies are informed of all SSOs in a timely manner;*
 - b) A program to ensure an appropriate response to all overflows;*
 - c) Procedures to ensure prompt notification to appropriate regulatory agencies and other potentially affected entities (e.g. health agencies, Regional Water Boards, water suppliers, etc.) of all SSOs that potentially affect public health or reach the waters of the State in accordance with the MRP. All SSOs shall be reported in accordance with this MRP, the California Water Code, other State Law, and other applicable Regional Water Board WDRs or NPDES permit requirements. The SSMP should identify the officials who will receive immediate notification;*
 - d) Procedures to ensure that appropriate staff and contractor personnel are aware of and follow the Emergency Response Plan and are appropriately trained;*
 - e) Procedures to address emergency operations, such as traffic and crowd control and other necessary response activities; and*
 - f) A program to ensure that all reasonable steps are taken to contain and prevent the discharge of untreated and partially treated wastewater to waters of the United States and to minimize or correct any adverse impact on the environment resulting from the SSOs, including such accelerated or additional monitoring as may be necessary to determine the nature and impact of the discharge.*
-

The District has created several documents to ensure it utilizes a systematic approach to SSO response and notification procedures. All District staff continually review these documents in an effort to constantly improve public and environmental health.

The Goals of the SSO Response Plan are to:

- Ensure all reported SSOs are responded to immediately;
- Identify and allocate adequate resources needed in the response;
- Provide timely and adequate training, equipment and qualified staff to ensure effective response; and,
- Ensure all SSOs are accurately reported and any SSO trends are identified and used to provide opportunities for continuous improvement.

The objectives of the SSO Response Plan are to:

- Reduce the occurrence and the magnitude of SSOs;
- Protect the collection system, wastewater treatment facilities, and all appurtenances;
- Protect public and private property;
- Protect water quality; and
- Protect Public Health, Safety, environment and property from SSOs.

Overflow and Emergency Response Plan

- Prevent the discharge of sewage into surface waters.
- Contain the sewage discharged to the maximum extent possible.
- Establish perimeters and control zones to control public access to SSO area.
- Prompt notification of spill information and potential impacts.

SSO can occur in any of the three (3) areas of the collection/treatment system:

1. Collection System (main line or laterals)
2. Lift Station
3. Wastewater Treatment Plant

The response procedures for SSOs are determined by the classification and location of the SSO. While the objectives of the response remain the same, the coordination and personnel chain of communication is slightly different. The following summarizes response actions for SSOs in the three (3) areas:

Collection System SSO:

If the District receives a reported SSO during regular business hours (8:00 am – 4:00 pm), a representative from the Environmental Control Section is assigned to investigate the report. SSOs reported after hours are received by the District's answering service. The answering service routes the information to the on-call representative from the Public Works Department. The on-call person will evaluate the situation, determine an appropriate response and contact the applicable supervisory level staff for additional direction, as needed.

SSOs observed by District personnel in the course of performing their normal duties are to be reported immediately to the Regulatory & Environmental Control Manager, or their designee. The Regulatory & Environmental Control Manager records and prepares the necessary reports with the relevant overflow information, and dispatches additional resources as necessary. The Regulatory & Environmental Control Manager (or designee) shall confirm the sanitary sewer overflow.

For Private Property SSOs, the District will respond to all SSOs within their service area. If determined that a SSO originated from a sewer lateral or septic system on private property, the District will assist in the control and containment to ensure that the wastewater does not enter into storm drains, spillways, etc. The property owner will be informed of the blockage, and will be responsible to remove the blockage. If the SSO was a result of the sewer trunkline, the response crew will correct the problem. In each case, the District will report the spill in accordance with this Plan.

The Regulatory & Environmental Control Manager shall complete a Sanitary Sewer Overflow Report Form and submit within the State required timeframe. See Attachment A for a copy of the Sanitary Sewer Overflow Report Form.

Lift Station Overflow/Bypass:

If the District receives notification regarding an overflow/bypass of a lift station during regular business

Overflow and Emergency Response Plan

hours (8:00 am – 4:00 pm), a representative from the Environmental Control Section and the Wastewater Treatment Plant Department will be contacted to investigate the report. An overflow/bypass of a lift station after hours will be received by the District's answering service and forwarded to the on-call representative from the Public Works Department. The District employee contacted will evaluate the situation and contact the applicable personnel from the Environmental Control Section and Wastewater Treatment Department for review.

Wastewater Treatment Plant Overflow/Bypass:

The treatment plant is monitored both physically and remotely 24-hrs a day, therefore, most overflows will be reported by plant personnel. Overflows/bypasses occurring within the confines of a treatment plant are reported to the shift supervisor. Most if not all overflows/bypasses will be contained onsite within the storm water detention basin. The Operations Manager at the Wastewater Treatment Plant makes operational decisions regarding the containment, recovery, clean up, documentation, OES notification, and reporting of the spill. All documentation and reporting of the spill (SSO Report Form) is performed by the Wastewater Treatment Plant Department Operations Manager or their designee.

Every effort will be made to ensure that all reported SSOs are responded to within the first hour of notification of the SSO.

Initial SSO Response Procedures:

When a call of a potential SSO is received, all relevant information (e.g., time and date call was received, specific location, description of problem, time possible SSO occurred, caller's name and telephone number, any other observations made by the caller, etc.) is collected by the District. Information is relayed to staff member(s) who is (are) dispatched to the location. Staff notifications are made by telephone or mobile radio. The Regulatory & Environmental Control Manager (or designee) will receive information from the responding staff and decide if additional crews, materials, equipment and supplies are needed.

The primary responsibilities of each employee in the Spill Response Team are shown in **Table 3** below.

Assessment, Containment, Traffic Control, Clean-up, and Monitoring Procedures:

All of the Districts employees are responsible for minimizing the effects of any SSO. The following steps provide guidance in the event of a SSO.

Preliminary Assessment

The first person at the scene gathers pertinent information and determines if the spill is a SSO. Once determined to be an SSO, a determination is made regarding the classification of spill. Regardless of the classification, all SSOs will be contained and cleaned up before the SSO reaches the storm drains. Photographs will also be taken as supporting documentation of the spill, and the proper procedures used for containment and cleanup. The first person on the scene, along with the first person who received the call should complete the Reportable Incident Notification Log.

Overflow and Emergency Response Plan

Containment

After the initial assessment, all reasonable efforts will be made to contain the SSO (e.g., install plugs, sandbags, sand/rock, etc.) .

Traffic Control

The traffic and crowd control used for the SSO situations can be summarized as follows:

Spills (less than 1,000 gallons):

- Setup traffic cones to direct traffic from spill area.
- Use staff personnel to control traffic and pedestrians.

Spills (1,000 to 10,000 gallons):

- Contact Mutual Aid Contract cities as needed.
- Perform lane closures as needed.
- Close any affected entrances or exits from all public and private facilities.
- Place proper signage for any lane closures including contaminated area signs.
- Use caution tape and barricades to protect pedestrians from contaminated area.

Spills (> 10,000 gallons):

- Assess spill situation.
- Contact Mutual Aid contract cities as needed.
- Inform local police and sheriff's department of any law enforcement needed road closures and traffic control.
- Delegate the responsibilities to Mutual Aid team members to inform public of hazards also use signage to inform public of potential hazards to public health and safety.
- Block public access to hazard using barricades, cones and caution tape.

Initial Estimate of Flow Volume

Initial estimates of flow volumes are through on-site observations using best professional judgment and guidelines established by recognized engineering firms and other municipal agencies. Final numbers are confirmed during cleanup and recovery efforts based upon volumes returned to the sewer and estimates of unrecovered volumes.

Clean-up

All SSO sites are to be thoroughly cleaned (i.e., no readily identifiable residue is to remain) using the following procedures:

- Where practical the area is thoroughly flushed and cleaned of any sewage using high-pressure water hose or Vactor truck. Solids and debris are flushed, picked-up and hauled away. All flush water will be contained and collected for proper disposal.

Overflow and Emergency Response Plan

- The SSO site is secured to prevent contact by members of the public until the site has been thoroughly cleaned. Posting of signs, if required, concerning public health and safety will be undertaken pursuant to District guideline.
- The SSO site should be disinfected and deodorized using liquid bleach (sodium hypochlorite), etc. Caution needs to be used to ensure that any disinfection chemicals used, do not contribute to or cause violations of other NPDES Permit requirements related to chlorine levels in waterways.
- Ensure proper contact time for proper disinfection.
- Where sewage has resulted in ponding, pump dry and remove all residues.
- If sewage has discharged into a body of water that may contain fish or other aquatic life, do not disinfect, contact appropriate agency for further instructions.

Monitoring

For Surface Water SSO:

- Water quality samples must be taken in the event sewage enters surface water.
- Samples must be taken upstream and downstream of any surface water.
- The sample location and time will need to be logged on the chain of custody form.
- A map of the sample location(s) should be made so that follow-up testing is performed at the same location(s).
- The employee taking the samples will start at point of entry. When taking the sample, submerge the bottle below the surface of the water with the cap on. Once the bottle is under the surface, remove the cap and fill the bottle. Gloves will be worn while sampling to avoid infecting any open wounds.
- Spills should be analyzed, at a minimum for:
 - pH
 - E/C
 - Ammonia Nitrogen
 - Biochemical Oxygen Demand (BOD)
 - Dissolved Oxygen (DO)
 - Total Fecal Coliform
 - Total Suspended Solids (TSS); and
 - Any other constituents as directed by the RWQCB or by the District's Environmental Control Section.

For Non-surface SSO:

- SSOs to the ground that do not reach surface waters are monitored in accordance with any requirements stipulated by the Regional Water Quality Control Board (RWQCB).

Notification and Response Procedures

SSO Communication follows a defined procedure to ensure that all SSOs are reported and responded to in an appropriate manner. Within this process, primary responders (usually a collection systems or operations crew member) are notified of potential spills and respond to the location in question. Upon arrival, the staff member will relay information back to Dispatch who will send out email notifications to responsible positions as defined in this section. Notifications to various other agencies are made by dispatch as required depending on the nature of the SSO.

Overflow and Emergency Response Plan

One of the Authorized Representatives may perform other notifications for Category 1 SSOs. Concurrent with notification procedures, primary responders work to correct the problem and minimize its affects.

Table 3 - Spill Response Team and Responsibility

Position	Responsibility	Contact Numbers
First Responder	<ul style="list-style-type: none"> • Provide initial evaluation of spill severity • Call emergency services, as required • Notify Regulatory & Environmental Control Manager • Stop spill and secure area as instructed by Public Works Superintendent 	P - (909) 797-5117
Regulatory & Environmental Control Manager	<ul style="list-style-type: none"> • Direct First Responder in initial actions to control spill and prevent public exposures to spill • Evaluate spill and determine actions to control and cleanup • Notify Public Works Manager • Mobilize District personnel/equipment to respond to spill • Contact and direct outside services, as required, to respond to spill • Will ensure/or complete the SSO Response Report and provide agency notifications 	P - (909) 797-5117 C -(909) 208-6347
FOG Control Program Services (Consultant)	<ul style="list-style-type: none"> • Determine required sampling for spill and initiate investigation of possible commercial sources. 	P - (951) 683-3538 C- (951) 858-1453 & (951) 858-1542
Public Works Manager	<ul style="list-style-type: none"> • Authorize District resources to respond to spill • Communicate with Asst. General Manager, and other Executive Management as directed. 	P - (909) 797-5117 C - (909) 208-6436
Asst. General Manager	<ul style="list-style-type: none"> • Ensure adequate response to SSO • Certify all regulatory reports related to the SSO • Evaluate resources and response procedures to determine if response to SSO followed prescribed process 	P - (909) 797-5119 C - (909) 208-6427

Overflow and Emergency Response Plan

Training

The District provides regular training on the Overflow Emergency Response Plan for all personnel involved in overflow response. The District utilizes several different types of training exercises. In each of these trainings, the SSMP is reviewed and discussed to ensure proper procedures are understood. Real life experiences and scenarios are shared and reviewed to enhance training sessions. The Training exercises include:

- Orientation Exercise: The orientation exercise is an exercise consisting of a brief lecture; overview of the requirements; and past experiences. The training orients District Wastewater Collection staff regarding SSO response requirements.
- Tabletop Exercise: SSO is simulated, without actual deployment of equipment or resources. Staff participates through discussion and the use of a facilitator. Exercise effectiveness is determined by the feedback from participants and impact on revisions to plans, procedures and systems.
- Functional Full Scale Exercise: A spill event is simulated during the exercise. Staff actions are monitored and observations are recorded. The exercise provides an opportunity to evaluate the SSO Plan's objectives. It will also test equipment, response time, training, resources and work force capabilities.

Records of training and event participation will be recorded and maintained. At this time, no certification requirements have been imposed, but those requirements may be imposed, if required later by the RWQCB.

Emergency Operations

Aside from those emergency procedures outlined in the preceding, other procedures such as traffic control and crowd control may be necessary in the event of a major sewer overflow. Collections systems crews are equipped with traffic cones, barricades, caution tape and other items that enable the control of traffic and crowds during minor events. In the event of a major spill, other Public Works crews, law enforcement, and fire personnel may be contacted to assist in emergency operations. These crews are experienced in closing lanes or streets, establishing detour routes, crowd control, and other emergency operations.

Minimize Impacts

The Overflow and Emergency Response Plan is designed to ensure that all reasonable steps are taken to contain and prevent the discharge of sewer overflows to waters of the United States. While the proper implementation of this plan will prevent most discharges to waters of the United States, there are situations when these waters become affected. Should this occur and if receiving water monitoring is necessary, the receiving water is evaluated and sampled in accordance with District's Water Quality Monitoring Program.

FOG CONTROL PROGRAM

Each Enrollee shall evaluate its service area to determine whether a FOG control program is needed. If an Enrollee determines that a FOG program is not needed, the Enrollee must provide justification for why it is not needed. If FOG is found to be a problem, the Enrollee must prepare and implement a FOG source control program to reduce the amount of these substances discharged to the sanitary sewer system. This plan shall include the following as appropriate:

- a) An implementation plan and schedule for a public education outreach program that promotes proper disposal of FOG;*
- b) A plan and schedule for the disposal of FOG generated within the sanitary sewer system service area. This may include a list of acceptable disposal facilities and/or additional facilities needed to adequately dispose of FOG generated within a sanitary sewer system service area;*
- c) The legal authority to prohibit discharges to the system and identify measures to prevent SSOs and blockages caused by FOG;*
- d) Requirements to install grease removal devices (such as traps or interceptors), design standards for the removal devices, maintenance requirements, BMP requirements, record keeping and reporting requirements;*
- e) Authority to inspect grease producing facilities, enforcement authorities, and whether the Enrollee has sufficient staff to inspect and enforce the FOG ordinance;*
- f) An identification of sanitary sewer system sections subject to FOG blockages and establishment of a cleaning maintenance schedule for each section; and*
- g) Development and implementation of source control measures for all sources of FOG discharged to the sanitary sewer system for each section identified in (f) above.*

The District has determined it benefits from a Fats, Oil, & Grease (FOG) Source Control Program and has implemented various policies and practices in an attempt to limit FOG disturbances to the sewer system. This program is administered by the Environmental Control Section and the Pretreatment Program Consultant (G&G Environmental Compliance, Inc.).

Public Education

Public education and outreach is performed through a variety of activities primarily performed by the Environmental Control Section. This Section participates in local events each year sponsored by other agencies to educate the public about FOG and other sewer related issues. While the general public receives education through local events, the District's Consultant who conducts inspections on behalf of the District, also educates business owners and restaurants on the requirements and the importance of the District's FOG Source Control Program during the inspection. The Environmental Control Consultant conducts inspections at all restaurants in the District area on a regular basis. During these inspections, they check drains, grease interceptors, waste oil containers, records, etc. to verify compliance with local ordinances. These activities provide an opportunity to educate business owners about FOG and its effect on the sewer system.

FOG Control Program

Topics discussed during these inspections include:

1. Product usage and substitution,
2. Good housekeeping practices,
3. Grease interceptor evaluation,
4. Ordinance overview, and
5. District permit requirements

Throughout all of the Environmental Control Section's interactions, a variety of promotional items are available for distribution. The District also includes informational inserts in residents' sewer bills.

FOG Disposal

As mentioned above, Environmental Control Consultant Inspectors visit restaurants, kitchens, and other known FOG producing facilities on a regular basis to verify compliance with the District's Ordinance. During these visits, facility records including waste oil disposal and grease interceptor maintenance are checked to ensure proper disposal of FOG. In addition, the Environmental Control Section Consultant Inspectors provide education and offer educational materials that inform on how to properly dispose of FOG.

Legal Authority

The District has established legal authority to prohibit discharges of FOG to the sanitary sewer system. This is accomplished through the District's Ordinance, primarily Section 4.02 GENERAL DISCHARGE PROHIBITIONS and Section 4.03 SPECIFIC PROHIBITIONS, which explicitly prohibits grease and other viscous materials from entering the sewer system.

In addition to these prohibitions, Section 7.04 GRAVITY SEPARATION INTERCEPTOR requires users to separate FOG to the maximum extent practicable for off-site disposal. This section also requires restaurants seek a determination from the EC Section on whether or not a grease interceptor must be installed. Finally, this section requires users to properly maintain their interceptors utilizing the 25% rule and establishing other standards to the regular interceptor cleaning process.

Requirements for Grease Removal Devices

The District's Ordinance, Section 7.04 GRAVITY SEPARATION INTERCEPTOR states "Each User discharging wastewater containing quantities of Oil and Grease and/or Suspended Solids that could exceed the District standards set for the in Articles 4 and 5 herein shall install and maintain a gravity separation interceptor (interceptor) designed to retain all Oil and Grease that will float and any Suspended Solids that will settle." All food processing facilities, including restaurants shall meet the design and installation requirements of a gravity separation interceptor in accordance with the District's Ordinance and current version of the Uniform Plumbing Code.

FOG Control Program

Additional interceptor requirements including accessibility tee, and sample box requirements are found in Section 7.04.4 INTERCEPTOR REQUIREMENTS. This section also describes the maintenance requirements. An interceptor is not considered to be properly maintained, if for any reason the interceptor is not in good working condition or if the operational fluid capacity has been reduced by more than twenty-five percent by the accumulation of floating material, sediment, oil, grease, or other liquids that have limited or no solubility in water.

Article 8 - RECORD KEEPING & REPORTING REQUIREMENTS requires users to keep records of waste hauling, reclamations, wastewater pretreatment, monitoring device recording charts and calibration reports, effluent flow, and sample analysis data, on the site and to make them available for review and copying, upon request. Records must be kept onsite for a minimum of three years.

Authority to Inspect

Section 14.12.215 INSPECTION provides the authority to inspect businesses in order to ascertain if all municipal code requirements are being met. This section requires users to provide access and have personnel available who are knowledgeable of all facility processes. The EC Section administers the FOG inspection program through its Consultant.

FOG Problem Areas and Maintenance Schedule

Several areas throughout the District have been identified as being subject to FOG blockages. These areas are maintained on an aggressive schedule. To help prevent sewer line blockages in these areas, operations and maintenance crews clean these lines every month. This enhanced cleaning schedule helps to keep these sewer sections properly maintained.

As detailed in this element, the District's multi-faceted source control program consists of inspections, public education and other activities. When problems in commercial/retail areas are identified, the Environmental Control staff and/or Consultant staff increase efforts in these areas in an attempt to locate specific causes of the problem.

SYSTEM EVALUATION AND CAPACITY ASSURANCE PLAN

The Enrollee shall prepare and implement a capital improvement plan (CIP) that will provide hydraulic capacity of key sanitary sewer system elements for dry weather peak flow conditions, as well as the appropriate design storm or wet weather event. At a minimum, the plan must include:

- a) Evaluation: Actions needed to evaluate those portions of the sanitary sewer system that are experiencing or contributing to an SSO discharge caused by hydraulic deficiency. The evaluation must provide estimates of peak flows (including flows from SSOs that escape from the system) associated with conditions similar to those causing overflow events, estimates of the capacity of key system components, hydraulic deficiencies (including components of the system with limiting capacity) and the major sources that contribute to the peak flows associated with overflow events;*
- b) Design Criteria: Where design criteria do not exist or are deficient, undertake the evaluation identified in (a) above to establish appropriate design criteria; and*
- c) Capacity Enhancement Measures: The steps needed to establish a short- and long-term CIP to address identified hydraulic deficiencies, including prioritization, alternatives analysis, and schedules. The CIP may include increases in pipe size, I/I reduction programs, increases and redundancy in pumping capacity, and storage facilities. The CIP shall include an implementation schedule and shall identify sources of funding.*
- d) Schedule: The Enrollee shall develop a schedule of completion dates for all portions of the capital improvement program developed in (a)-(c) above. This schedule shall be reviewed and updated consistent with the SSMP review and update requirements as described in Section D. 14.*

In 2009, the District prepared a planning document for facility planning for its conveyance system and Wastewater Treatment Facilities called the [District's Wastewater Master Plan](#) (Plan). This plan was developed to continue to reliably provide wastewater treatment to the District area as wastewater flows and the community's population continue to grow. This Plan identifies and plans for expansion and replacement needs through the year 2020.

The Plan consists of the following:

Evaluation:

The portions of the collection system, which could experience or contribute to an SSO discharge caused by hydraulic deficiency, have been identified. Included in the evaluation are estimates of peak flows (including from SSOs that escape from the system) associated with conditions similar to those causing overflow events, estimates of the capacity of key system components, hydraulic deficiencies (including components of the system with limiting capacity), and the major sources that contribute to the peak flows associated with overflow events.

System Evaluation and Capacity Assurance Plan

Design Criteria:

Facility design criteria fall into one of the following wastewater facility components:

- Conveyance Facilities
- Wastewater Treatment Facilities

Each of these components is discussed in detail in the District's Wastewater Master Plan.

Capacity Enhancement Measures:

The District has established steps to establish the short and long-term capital improvement programs (CIP) to address identified hydraulic deficiencies. The CIP includes project cost estimates, project prioritization, alternatives analysis, and construction schedules. These can be found in The District's Wastewater Master Plan.

Plan Updates and Schedules:

This CAP will be updated annually. The updates will describe any significant changes in proposed actions and/or implementation schedules, and will include information on the performance of measures that have been implemented. The District has design standards and guidelines to ensure adequate capacity. The District's CAP assures that older facilities are upgraded as needed to ensure adequate capacity through the system. These programs are formally addressed and described more extensively in the Wastewater Master Plan as Appendix G. Included in the Wastewater Master Plan are schedules for all portions of the CIP and CAP.

The District works under annual and long-range plans that have proven effective and the District is not currently experiencing capacity-related problems. Indications of possible capacity problems seen by the Environmental Control Section are brought to the attention of the Engineering Department for further evaluation.

MONITORING, MEASUREMENT, AND PROGRAM MODIFICATIONS

The Enrollee shall:

- a) Maintain relevant information that can be used to establish and prioritize appropriate SSMP activities;*
 - b) Monitor the implementation and, where appropriate, measure the effectiveness of each element of the SSMP;*
 - c) Assess the success of the preventative maintenance program;*
 - d) Update program elements, as appropriate, based on monitoring or performance evaluations; and*
 - e) Identify and illustrate SSO trends, including: frequency, location, and volume.*
-

The SSMP and the programs described therein are continually reviewed to monitor and measure the performance of the sewer system. This review, in conjunction with the SSMP Program Audits element, is used to identify the strengths and weaknesses of current programs and modify them as found necessary.

Maintain Information

To monitor and measure the SSMP's effectiveness, the District maintains detailed records of the sewer system and its maintenance. Records of line cleaning, televising, SSO's, and other pertinent information provide the necessary data required to identify areas of concern. Among the data tracked are:

- Miles of sewer line cleaned
- Miles of sewer line inspected
- # of service requests completed
- # of SSOs
- Causes of SSOs
- Locations of SSOs
- Quantity spilled
- Repair replacement of sewer lines
- Public Education events/activities

Detailed information relevant to specific sewer lines, manholes, or other assets is also maintained. Databases enable quick access to CCTV videos, SSO details, dates of specific line cleanings, and much more.

Monitoring, Measurement, and Program Modifications

Monitor Implementation of SSMP

The District's robust database management system facilitates the process by which each element of the SSMP is measured for its effectiveness in fulfilling the goals of the SSMP. This process is performed in conjunction with the biannual audit. Key statistics for a designated time period are reviewed and compared to various sewer issues including SSOs. Further detail of this process is shown in the proceeding sections.

Assessment of Preventive Maintenance Program

As outlined in the Operations and Maintenance Program Element, the preventive maintenance program is a critical component of the SSMP on which its effectiveness is dependent. The processes described in that element are tracked and recorded as outlined in the preceding. When the necessary data is gathered and reviewed, it is then used to assess the success of the preventative maintenance program. This assessment is primarily done in conjunction with the biannual program audit. The audit is described in the following SSMP element and includes both quantitative and qualitative analysis of SSMP program elements.

Program Elements

Program audits evaluate the SSMP's effectiveness and explore opportunities which can lead to improvement of the sewer system. When an opportunity for improvement is found and it is determined there will be limited negative impact on other aspects of the sewer system, then the corresponding SSMP element is updated with the changes. Recommendations on program changes are included in the audits.

SSO Trends

Identifying trends in SSOs can be extremely valuable and help to identify problem areas. The District's database includes detailed information about SSOs including their location, volume, cause, response time, notifications, etc. Through analysis of the database as well as analysis using GIS mapping software, SSO trends can be identified that can uncover unknown issues with the sewer system. Much of this analysis is described and detailed in program audits. When trends are found, changes in practices including revisions to the operations and maintenance schedule can be made to reduce future SSOs.

SSMP PROGRAM AUDITS

As part of the SSMP, the Enrollee shall conduct periodic internal audits, appropriate to the size of the system and the number of SSOs. At a minimum, these audits must occur every two years and a report must be prepared and kept on file. This audit shall focus on evaluating the effectiveness of the SSMP and the Enrollee's compliance with the SSMP requirements identified in this subsection (D.13), including identification of any deficiencies in the SSMP and steps to correct them.

The use of program audits is a valuable tool to assess the performance of the SSMP and to determine if any improvements or changes must be made. Audits are conducted at a minimum every two years.

Audits

The use of program audits is a valuable tool to assess the performance of the elements of the SSMP and to determine if any improvements or changes must be made.

The scope of the audit will focus on each of the major elements of the SSMP and the achievement, year to date (YTD) of established goals: line cleaning, video inspections, service requests, work orders, and SSO responses, mitigation and reporting.

An SSMP Audit Checklist is used and the information collected as part of an audit will be used to initiate any program and/or procedures revisions necessary to improve the SSMP's performance.

The District will audit its implementation and compliance with the provisions of this SSMP on an annual basis. The audit process allows for corrections and improvements to ensure that the annual goals are achieved. A SSMP Audit was completed in 2015.

The final work product derived from the audit process is a summary of organization changes, operations and maintenance activities, FOG inspections, CIP projects, public education events, and other pertinent activities and systematic changes. This summary consists of narrative, graphical, and cartographic descriptions and information as well as recommendations on further progress.

SSMP Updates

The District will determine the need to update its SSMP based on the results of the audit and the performance of its wastewater collection system based on information from the Monitoring and Measuring program Modifications Element of the SSMP. In the event that the District decides that an update is warranted, the process to complete the update will be identified. The District will complete the update within one year of completion of the audit.

COMMUNICATION PROGRAM

The Enrollee shall communicate on a regular basis with the public on the development, implementation, and performance of its SSMP. The communication system shall provide the public the opportunity to provide input to the Enrollee as the program is developed and implemented.

The Enrollee shall also create a plan of communication with systems that are tributary and/or satellite to the Enrollee's sanitary sewer system.

The District utilizes an informative communication program designed to provide the public with information and enable them to comment on all facets of the sewer system. This is accomplished through the publication of various sewer system documents on the District's website, including the SSMP. These can be found at <http://www.yvwd.dst.ca.us/>. Viewers of any sewer related information can contact the Sewer Division by phone or email and ask questions and provide feedback on any aspect of the sewer system.

The Sewer Division also offers tours of the Wastewater Treatment Plant where treatment plant processes are shown and information is shared about other aspects of the collection system. These tours also allow the general public to ask questions and comment on any aspect of the sewer system.

Public education and outreach is performed through a variety of activities primarily performed by the Environmental Control Section. This Section participates in local events each year sponsored by other agencies to educate the public about FOG and other sewer related issues. While the general public receives education through local events, the District's Consultant who conducts inspections on behalf of the District, also educates business owners and restaurants on the requirements and the importance of the District's FOG Source Control Program during the inspection. The Environmental Control Consultant conducts inspections at all restaurants in the District area on a regular basis. During these inspections, they check drains, grease interceptors, waste oil containers, records, etc. to verify compliance with local ordinances. These activities provide an opportunity to educate business owners about FOG and its effect on the sewer system.

The District communicates with other sewerage agencies on a regular basis. The District regularly meets and communicates with the City of Yucaipa, as well as other neighboring cities to discuss issues concerning wastewater, pretreatment, FOG and other SMMP related topics. All of these agencies are invited to view the City's website and documents found there and ask questions or provide comments through phone or email.

ATTACHMENT “A”

Sanitary Sewer Overflow Report Form



Sanitary Sewer Overflow (SSO) Report Form

Use this form to enter sanitary sewer overflow data for submittal into the State Water Resources Control Board CIWQS SSO Online Database.

Date/time spill was first discovered or reported to District: Date: _____ Time: _____ : _____ am/pm

Identify the SSO spill type and enter below:

- Category 1 SSO – Spills of any volume that reach surface water
- Category 2 SSO – Spills greater than or equal to 1,000 gallons that do not reach surface water
- Category 3 SSO – Spills less than 1,000 gallons that do not reach surface water
- PSL SSO – Private Sewer Lateral

SSO Spill Type (Check one): Category 1 Category 2 Category 3 PSL

Name (person completing this form): _____ Phone: _____

Spill location description: _____

Estimated spill start date/time: Date: _____ Time: _____ : _____ am/pm

Estimated operator arrival date/time: Date: _____ Time: _____ : _____ am/pm

Estimated spill end date/time: Date: _____ Time: _____ : _____ am/pm

Final spill destination (Check all that apply):

- Building/Structure Street Curb/Gutter Paved Surface Unpaved Surface
- Storm Drain Surface Water Drainage Channel
- Storm Water Infiltration/Retention Structure/Field Other (specify): _____

Did spill discharge to land? (Includes discharges directly to land, and discharges to a storm drain system or drainage channel that flows to a storm water infiltration/retention structure, field, or other non-surface water location) Yes No

- If Yes, estimated spill volume discharged to land: _____ gallons
- Estimated spill volume recovered from discharge to land: (Do not include water used for clean-up): _____ gallons

Did spill reach storm drain? Yes No

- If Yes, estimated spill volume that reached storm drain : _____ gallons
- Estimated spill volume recovered from storm drain: _____ gallons

Did spill reach drainage channel? Yes No

- If Yes, estimated spill volume that reached discharge channel: _____ gallons
- Estimated spill volume recovered from drainage channel: _____ gallons



Sanitary Sewer Overflow (SSO) Report Form

Methods used to estimate spill volumes (Check all that apply. Use Volume Estimation Forms to document spill dimensions, shapes and other volume estimation information):

- | | | |
|--|---|--|
| <input type="checkbox"/> Eyeball Method | <input type="checkbox"/> Calculations from Spill Dimensions | <input type="checkbox"/> Duration and Flow Rate |
| <input type="checkbox"/> Open Channel Spill Estimation | <input type="checkbox"/> Drop Bucket Method | <input type="checkbox"/> Calculations Based on Pipe Size |
| <input type="checkbox"/> Flow from Vent or Pick Holes | <input type="checkbox"/> Flow around Manhole Cover | <input type="checkbox"/> Flow from Manhole w/o a Cover |

Spill appearance point (Check all that apply. See next page for complete list):

- Gravity Mainline
 Inside Building or Structure
 Manhole
 Other Sewer System Structure (specify): _____

Spill cause (Check all that apply. See next page for complete list):

- Debris - General
 Debris – Rags
 Root Intrusion
 Debris from Construction
 Construction Diversion Failure
 Collection System Maintenance Caused Spill/Damage
 Damage by Others Not Related to Collection System
 Other (specify) _____

Where did failure occur? (Check all that apply. See next page for complete list):

- Gravity Mainline
 Manhole
 Inside Building or Structure
 Other (specify): _____

Was this spill associated with a storm event? Yes No

Diameter of sewer pipe at the point of blockage or failure: _____ inches

Spill response activities (Check all that apply):

- Cleaned-up
 Contained All or Portion of Spill
 Mitigated Effects of Spill
 Restored Flow
 Returned All of Spill to Sanitary Sewer System
 Other Enforcement Agency Notified
 Other (specify): _____

Spill Response Completion Date: _____

Spill corrective action taken: (Check all that apply. See next page for complete list):

- Added Sewer to Preventive Maintenance Program
 Adjusted Schedule/Method of Preventive Maintenance
 Inspected Sewer Using CCTV to Determine Cause
 Plan Rehabilitation or Replacement of Sewer
 Repaired Facilities or Replaced Defect
 Other (specify) _____

Cal OES Control Number (required for Category 1 SSOs): _____

Cal OES Called Date/Time (required for Category 1 SSOs): Date: _____ Time: _____: _____ am/pm

Phone Numbers:

- Cal OES – (800) 852-7550
- Santa Ana Regional Water Quality Control Board - (951) 782-4130, FAX (951) 781-6288



Date: October 11, 2016

Subject: Overview of Proposed Pretreatment Standards for Dental Facilities

In the State of California, compliance with the federally mandated pretreatment program (40 CFR Part 403) is enforced by the Environmental Protection Agency (EPA) and managed by the Regional Water Quality Control Board. The EPA is proposing pretreatment standards for discharges of pollutants to Wastewater Treatment Facilities from certain existing and new dental practices. With this new standard, dentists would be required to control discharges of dental amalgam pollutants into the sewer system.

Mercury-containing amalgam wastes may find their way into the environment when new fillings are placed or old mercury-containing fillings are drilled out and waste amalgam materials that are flushed into chair-side drains enter the wastewater stream. Some of the waste amalgam particles that reach the sewer system settle out in the sewers, and some are carried to wastewater treatment plants. The physical treatment processes used at wastewater treatment plants remove about 90 percent of the mercury received in wastewater. The mercury removed from wastewater resides in the biosolids or sewage sludge generated during primary and secondary treatment processes.

Across the United States, many states and municipal wastewater treatment plants are working toward the goal of reducing discharges of mercury. Mercury is a persistent bioaccumulative toxic element. In a 2003 study conducted by the EPA, it was found that an estimated 50% of the mercury discharged to the sewer system came from dental facilities.

If the proposed pretreatment standards are approved, the EPA will make the changes to 40 CFR Part 403 which will require the District to permit the dental facilities that discharge to our sewer system.



Office of Water
EPA 821-F-16-002
June 2016

Fact Sheet: Preliminary 2016 Effluent Guidelines Program Plan

Summary

EPA published its *Preliminary 2016 Effluent Guidelines Program Plan*. The *Plan* describes EPA's Clean Water Act rulemakings and other actions designed to control industrial wastewater pollution. EPA solicits public review and comment on the *Preliminary Plan* to help inform the content of the Final Plan. Comments will be accepted for 30 days from the date of publication in the *Federal Register*.

Background

Effluent limitations guidelines and standards are national, technology-based requirements for controlling industrial wastewater discharges to surface waters and into publicly owned treatment works (also called municipal sewage treatment plants).

Clean Water Act section 304(m) requires EPA to biennially publish a plan for new and revised effluent limitations guidelines, after public review and comment. EPA typically publishes a preliminary plan upon which the public is invited to comment, and then publishes a final plan.

Decisions and actions in the 2016 Preliminary Plan

This *Preliminary Plan* does not announce any new or revised regulations for industrial wastewater discharges, beyond those that are already underway (which have been announced in prior Plans).

Those underway include:

- Pretreatment standards for the Dental Category,
- Pretreatment standards for Unconventional Oil and Gas Extraction, and
- Effluent limitations for the Canned and Preserved Seafood Category covering Alaska Seafood Processing.

This *Preliminary Plan* also provides updates on three ongoing industry studies announced in prior Plans:

- Petroleum Refining,
- Centralized Waste Treatment Facilities, and
- Metal Finishing.

This *Plan* describes that EPA is reviewing the following categories given changes in these industries since the original guidelines were developed in the 1980s:

- Battery Manufacturing, and
- Electrical and Electronic Components Manufacturing.

In addition, the *Plan* explains that EPA is further investigating certain pollutants being discharged by the following categories which may not be adequately regulated by current effluent guidelines:

- Iron and Steel Manufacturing;
- Organic Chemicals, Plastics, and Synthetic Fibers (OCPSF); and
- Pulp, Paper, and Paperboard Categories.

Finally, the *Plan* solicits data and information from the public on several industrial wastewater discharge questions and issues that are fully described in the *Federal Register* notice.

Where can I find more information?

You can access the *Federal Register* notice, the *Preliminary 2016 Plan* and all supporting documents on EPA's Effluent Guidelines Plan website at: <https://www.epa.gov/eg/effluent-guidelines-plan>.

For other related information, contact Mr. William F. Swietlik by phone at (202) 566-1129, by e-mail at: swietlik.william@epa.gov, or by mail at:

U.S. EPA, Office of Water, Engineering and Analysis Division (4303T), 1200 Pennsylvania Avenue, NW, Washington, D.C., 20460.

Capital Improvement Projects



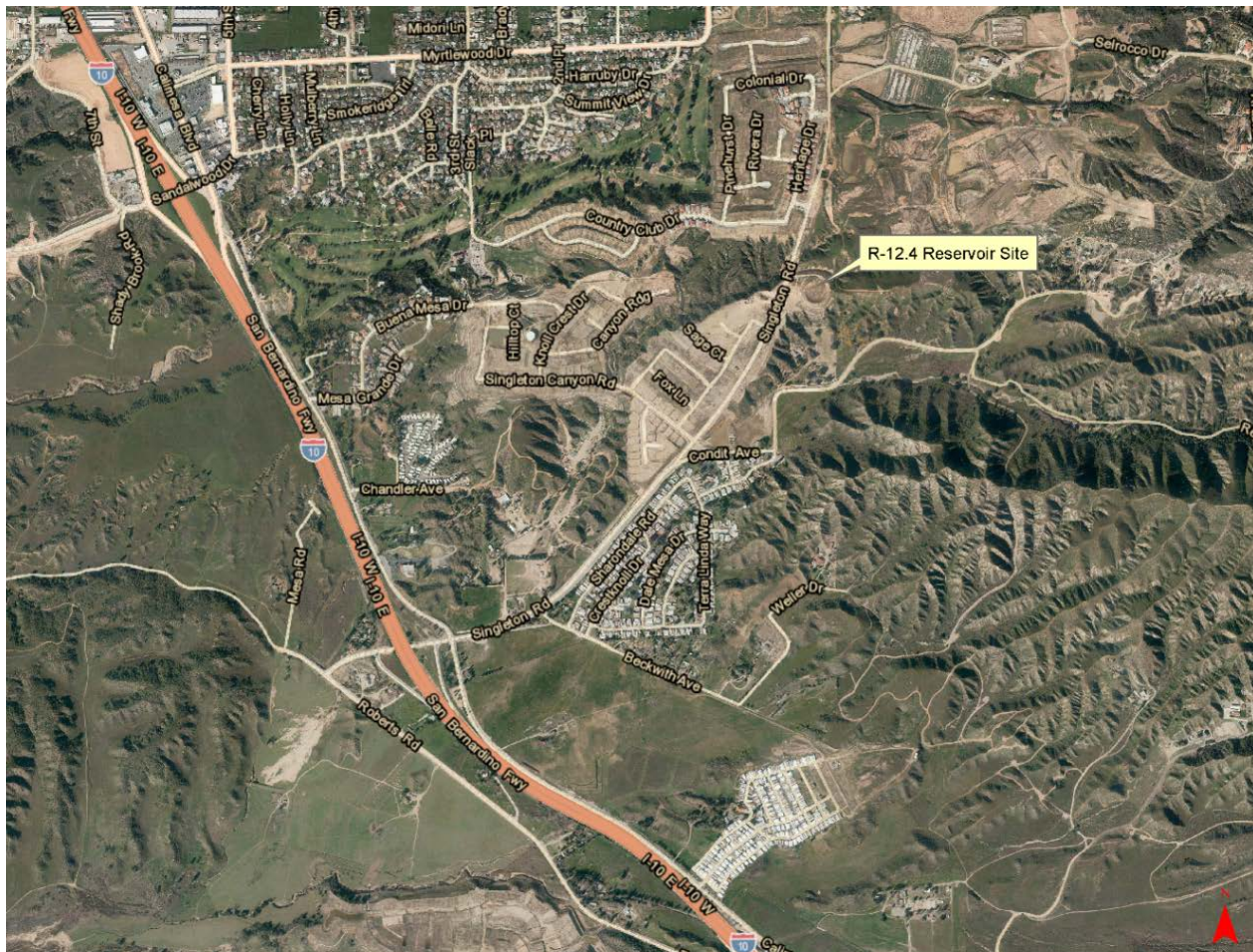
Yucaipa Valley Water District



Date: October 11, 2016

Subject: Status Report on the Construction of a 6.0 Million Gallon Drinking Water Reservoir R-12.4 - Calimesa

At the regular meeting on July 16, 2014, the Board authorized the solicitation of bids for the construction of a 6.0 Million Gallon R-12.4 Reservoir located on Singleton Road in Calimesa [Director Memorandum No. 14-060]. On November 19, 2014, the Board of Directors awarded the construction contract for the reservoir facility to Gateway Pacific Contractors [Director Memorandum No. 14-091].

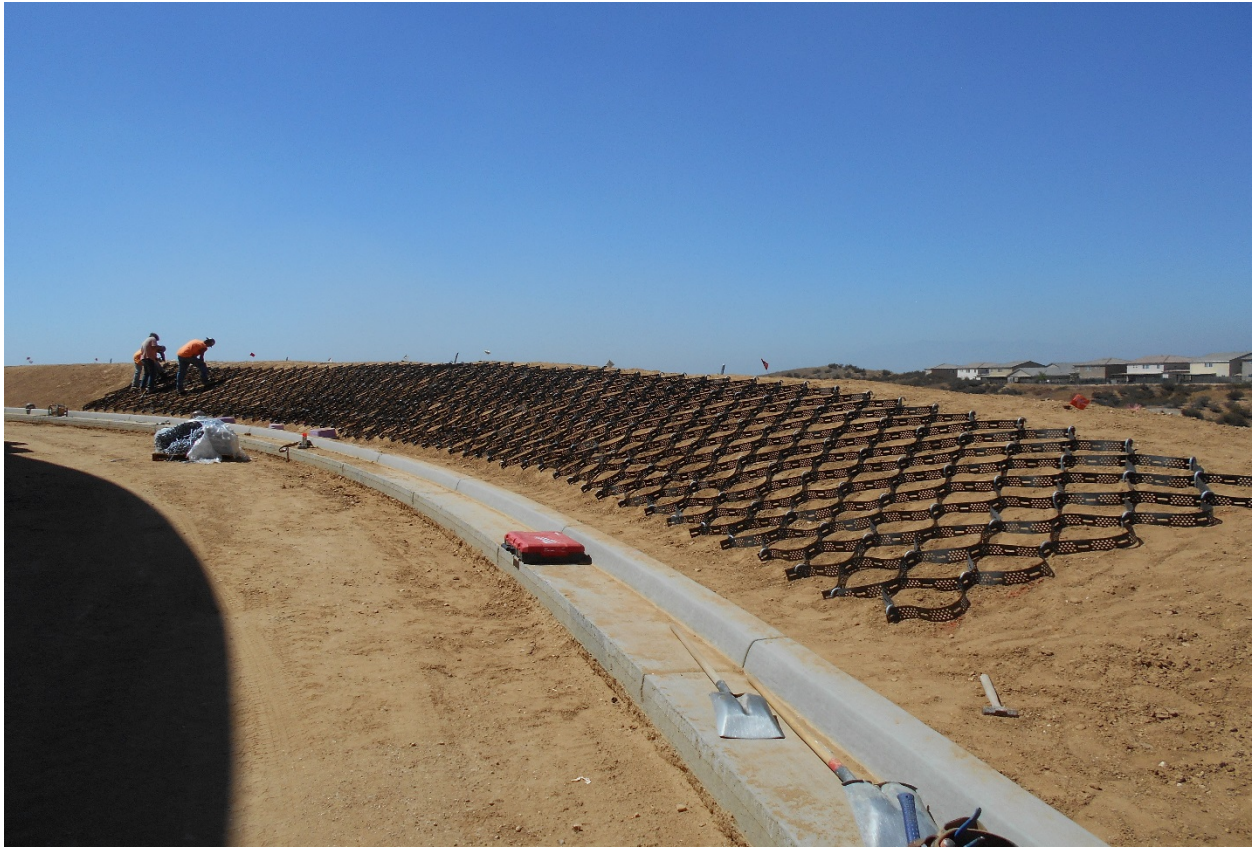


The purpose of this agenda item is to provide an update on the progress of the reservoir construction project.















Date: October 11, 2016

Subject: Overview of Change Order Associated with the Wochholz Regional Water Recycling Facility Digester Cleaning and Cover Replacement Project

The Yucaipa Valley Water District operates and maintains four anaerobic digesters for sludge conditioning, each with a diameter of 45 feet and a side water depth of 22 feet, yielding a working capacity of approximately 262,000 gallons per digester. The digesters treat sludge drawn from both the primary clarifiers and from the dissolved air flotation thickeners. Digested sludge flows by gravity and can be stored temporarily in a sludge holding tank before being conveyed to the belt presses for dewatering. To keep the digesters functioning properly they should be cleaned every 8-10 years in order to remove the accumulated build-up of sand, grit, and other debris.

Projects	Construction Timeline	Summary of Work
Wastewater Treatment Plant	1976-design 1984-constr	<ul style="list-style-type: none"> Construction of Digester Nos. 1 and 2 and appurtenant equipment, (e.g. heaters) Digester No. 1 equipped with a fixed cover and Digester No. 2 equipped with a floating cover
Stage I Expansion Project	1992	<ul style="list-style-type: none"> Construction of Digester Nos. 3 and 4 Both Digester No. 3 and Digester No. 4 equipped with fixed covers
Digester No. 2 Cover Modifications	1994	<ul style="list-style-type: none"> Digester No. 2 cover converted from floating to fixed configuration
Digester Cleaning	2004	<ul style="list-style-type: none"> Digester Nos. 1-4 Cleaning
Digester Coating	2005	<ul style="list-style-type: none"> Digester Nos. 1-4 Coating of Cover
Digester and Sludge Holding Tank Modifications Project	2005	<ul style="list-style-type: none"> Digester Nos. 1-4 and Digester Holding Tank Pump Mix System installation

When the digesters were cleaned in 2005, the District staff assessed the condition of the digesters and related equipment. Based on corrosion identified at this time, the District made a decision to replace at least two covers the next time the digesters were scheduled to be cleaned.

In 2015, the District staff worked with RMC to develop a construction bid schedule that included a series of construction alternatives for cleaning and/or replacement of the digester covers. After carefully evaluating the cleaning/construction bids received for this project, the Board of Directors decided to award a construction contract to Pascal & Ludwig for the cleaning and replacement of four digester covers for a sum not to exceed \$2,175,000. [DM 15-041]

On January 12, 2016, the Board of Directors approved Change Order No. 1 in the amount of \$67,347 for sand blasting and epoxy coating on the interior of the domes instead of a polyurethane coating [Director Memorandum No. 16-008].

Additional Project Change Orders

Change Order No. 2 - After the completion of the cleaning of Digesters No. 3 and 4, the District staff and the contractor identified spalling on the digester walls that required addition work to repair. Pascal and Ludwig conducted the repairs on the digester walls pursuant to the District staff direction to maintain the schedule for the project. The total cost for Change Order No. 2 is \$3,319.60.

Change Order No. 3 - After the completion of the cleaning of Digesters No. 3 and 4, the District staff and the contractor found the digesters had circular joints on the digester floors which were not the same as the floors in Digesters No. 1 and 2. The circular joints required extra material and labor to properly seal which were authorized by District staff to maintain the schedule for the project. The total cost for Change Order No. 3 is \$4,757.55.

Change Order No. 4 - The original bid anticipated the need to process 349,322 gallons of sludge from all digesters during the construction project. Due to the quality of the sludge it was necessary to process an additional 166,869 gallons of sludge. The original bid allowed a processing fee of \$0.60 per gallon of additional sludge plus a %15 mark up for Pascal and Ludwig. The total cost for Change Order No. 4 is \$115,139.61.

	Contract Changes	Contract Amount	Percentage Change from Original Bid Amount	Reference
Original Bid Amount		\$2,175,000.00	- -	DM 15-041
Change Order No. 1	\$67,347	\$2,242,347.00	3.10% increase	DM 16-008
Change Order No. 2	\$3,319.60	\$2,245,666.60	0.02% increase	DM 16-0xx
Change Order No. 3	\$4,757.55	\$2,250,424.15	0.02% increase	DM 16-0xx
Change Order No. 4	\$115,139.61	\$2,365,563.76	5.29% increase	DM 16-0xx

The total change orders for this project increased the project cost by \$190,563.76, or 8.76%.

Change Order No. 2

PASCAL & LUDWIG CONSTRUCTORS

2049 EAST FRANCIS STREET
ONTARIO, CALIFORNIA 91761



TELEPHONE:
(909) 947-4631
FAX: (909) 947-4722

E
N
G
I
N
E
E
R
S
&
C
O
N
S
T
R
U
C
T
O
R
S

September 12, 2016

Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

Attention: Kevin King

Reference: WRWRF Digester Cleaning and Cover Replacement Project

Subject: Spall Repair Change Order Request

Gentlemen:

We have completed the Spall Repairs in Digesters 3 and 4, as directed. Find attached Daily Record of Extra Work for the repairs. The total cost for the repairs are:

Labor:	\$1,732.78
Equipment:	\$377.30
Materials:	<u>\$701.19</u>
Subtotal:	\$2,811.27
Markup:	<u>\$508.33</u>
Total:	\$3,319.60

Please contact me if you have any questions or need additional information.

Sincerely,
PASCAL & LUDWIG CONSTRUCTORS

Rob Temple
President





PASCAL & LUDWIG CONSTRUCTORS

2049 EAST FRANCIS STREET
ONTARIO, CALIFORNIA 91761

TELEPHONE
(909) 947-4631

DAILY RECORD OF EXTRA WORK

Work Performed for YVWD Job No. 3169
 Description of work POURED CONCRETE FOR PATCHING Location YUCAIPA
ON INSIDE DIGESTER STRIPPED FORMS Date 8-23-16
RAISE PIPE SUPPORTS AFTER PAINTED Report No. 2 of 3

LABOR (CLASSIFY)		NUMBER	TOTAL HOURS	HOURLY RATE	EXTENDED AMOUNT
<u>LABORERS</u>		<u>2</u>	<u>12</u>		
	<u>DANIEL WILLIAMS</u>	<u>1</u>	<u>6</u>		
	<u>ROBERT HICKS</u>	<u>1</u>	<u>6</u>		
TOTAL LABOR					\$
EQUIP. NO.	EQUIPMENT (COMPLETE DESCRIPTION)	NUMBER	TOTAL HOURS	HOURLY RATE	
<u>1132</u>	<u>Truck w/Tools</u>		<u>6</u>		
TOTAL EQUIPMENT					\$
MATERIALS		UNIT	QUAN.	RATE	
<u>HUB - Sika Products</u>		<u>1</u>	<u>LS</u>	<u>270.63</u>	
TOTAL MATERIALS w/delivery/taxes					\$ 270.63
Comment:		SUBTOTAL			
		OVERHEAD/PROFIT/BOND:			
		TOTAL COST			\$

By [Signature]

By _____



American Subcontractors Assoc. Supplier of the Year So. California - 2013, 2014 & 2015

B06016856

RECEIPT

Customer Copy

DELIVERY HUB SAN BERNARDINO RETAI CHARGE SALE
 379 SOUTH I STREET
 San Bernardino, CA 92410

Page: 01

Phn:(909)379-2100 Fax:(909)885-0983 Mgr:Randy Cooper



San Bernardino	Ontario	Indio	Murrieta	Santa Ana	National City	San Marcos	Long Beach/Paramount		
Oakland	Bakersfield	Fresno	Rancho Cordova	Glendale	Lake Havasu, AZ	Hub Fabrication			
A C C T	PASCAL & LUDWIG ENGR				J O B	HENRY H WOCHOLZ PLANT			
	2049 E FRANCIS ST ONTARIO CA 91761 (909) 706-7689					880 W. COUNTY LINE ROAD *25 MPH THRU RESIDENTIAL* Yucaipa CA 92399			
Job Number	Order	Customer	SLM	Ship Via	Ship Date	Customer P.O	Purchased By		
03169	560488	000603	057	WILL CALL	8-23-16	3169	DANIEL WILLIAMS		
H M	SKU	Description	Qty Ord.	Qty Backord	Qty Shipped	Tx?	Unit Price	UOM	Ext.Amount
	560170	SIKATOP 111 (BAG & JU	4	0	4	Y	50.00	EACH	200.00
	560173	SIKATOP 123 (BAG & JU	1	0	1	Y	50.00	EACH	50.00
Job Site Phone: (909) 706-7689					TAX	@	8.25%:		20.63
Time: 07:47am							*TOTAL:		270.63
NOTE: ALL CLAIMS FOR SHORTAGES MUST BE MADE AT TIME OF DELIVERY					! ALL RETURNS SUBJECT TO RESTOCKING CHARGE				
Sign:									
Print:	_____								
Print and Sign Name.....							For the latest product information, please refer to manufacturer's website or contact the manufacturer directly. Sale is subject to additional Terms and Conditions as stated at www.hubhasit.com		

Emergency Response / MSDS Information - Call (800) 535-5053 Notice: Sale of Used Equipment or Material is made 'As Is'



PASCAL & LUDWIG CONSTRUCTORS

2049 EAST FRANCIS STREET
ONTARIO, CA 91761

TELEPHONE
(909) 947-4631

DAILY RECORD OF EXTRA WORK

WORK PERFORMED FOR: YUCAIPA VALLEY WATER DISTRICT

JOB NO.: 3169

DESCRIPTION OF WORK; CLEAN DIGESTER AFTER PAINTING, REGRIND JOINTS
FOR KITSON TO REMOVE PAINT

LOCATION: WRFWF DIGESTER CLEANING

DATE: 8/24/16

REPORT NO. 1 OF 1

LABOR		TOTAL HOURS	HOURLY RATE	EXTENDED AMOUNT	
CARPENTER FOREMAN - D. WILLIAMS		3.00	\$62.89	\$188.67	
CARPENTER - R. HICKS		3.00	\$60.88	\$182.64	
					\$371.31
SUBCONTRACTOR		TOTAL HOURS	HOURLY RATE	EXTENDED AMOUNT	
TOTAL SUBCONTRACT:					\$0.00
EQUIP. NO.	EQUIPMENT (COMPLETE DESCRIPTION)	NO HRS	DAY/HR	HOURLY RATE	EXTENDED AMOUNT
1132	12' F-350 DIESEL SERVICE BODY	3	HRLY	\$26.95	\$80.85
TOTAL EQUIPMENT:					\$80.85
MATERIALS		UNIT	QUAN.	RATE	EXTENDED AMOUNT
TOTAL MATERIALS W/DELIVERY/TAXES:					\$0.00
COMMENT:					
SUBTOTAL:					\$452.16
OVERHEAD/PROFIT/BOND:					
TOTAL COST:					\$452.16



PASCAL & LUDWIG CONSTRUCTORS

2049 EAST FRANCIS STREET
ONTARIO, CALIFORNIA 91761

TELEPHONE
(909) 947-4631

DAILY RECORD OF EXTRA WORK

Work Performed for YVWD Job No. 3169
 Description of work CLEAN DIGESTER AFTER Location YUCAIPA
PAINTERS, REGRIND JOINTS FOR KITSON Date 8-24-16
TO REMOVE PAINT Report No. 3 of 3

LABOR (CLASSIFY)		NUMBER	TOTAL HOURS	HOURLY RATE	EXTENDED AMOUNT
<u>LABORERS</u>		<u>2</u>	<u>6</u>		
	<u>DANIEL WILLIAMS</u>	<u>1</u>	<u>3</u>		
	<u>ROBERT HICKS</u>	<u>1</u>	<u>3</u>		
TOTAL LABOR					\$
EQUIP. NO.	EQUIPMENT (COMPLETE DESCRIPTION)	NUMBER	TOTAL HOURS	HOURLY RATE	
<u>1132</u>	<u>TRUCK w/TOOLS</u>		<u>3</u>		
TOTAL EQUIPMENT					\$
MATERIALS		UNIT	QUAN.	RATE	
TOTAL MATERIALS w/delivery/taxes					\$
Comment:		SUBTOTAL			
		OVERHEAD/PROFIT/BOND:			
		TOTAL COST			\$

By [Signature]

By _____



PASCAL & LUDWIG CONSTRUCTORS

2049 EAST FRANCIS STREET
ONTARIO, CA 91761

TELEPHONE
(909) 947-4631

DAILY RECORD OF EXTRA WORK

WORK PERFORMED FOR: YUCAIPA VALLEY WATER DISTRICT JOB NO.: 3169
 DESCRIPTION OF WORK: FORMING FOR CONCRETE PATCHING ON DIGESTERS
AND INSTALLING REBAR LOCATION: WRWF DIGESTER CLEANING
 DATE: 8/22/16
 REPORT NO. 1 OF 1

LABOR		TOTAL HOURS	HOURLY RATE	EXTENDED AMOUNT	
CARPENTER FOREMAN - D. WILLIAMS		5.00	\$62.89	\$314.45	
CARPENTER - R. HICKS		5.00	\$60.88	\$304.40	
				\$618.85	
SUBCONTRACTOR		TOTAL HOURS	HOURLY RATE	EXTENDED AMOUNT	
TOTAL SUBCONTRACT:				\$0.00	
EQUIP. NO.	EQUIPMENT (COMPLETE DESCRIPTION)	NO HRS	DAY/HR	HOURLY RATE	EXTENDED AMOUNT
1132	12' F-350 DIESEL SERVICE BODY	5	HRLY	\$26.95	\$134.75
TOTAL EQUIPMENT:				\$134.75	
MATERIALS		UNIT	QUAN.	RATE	EXTENDED AMOUNT
HUB - SIKA MATERIALS				LS	\$430.56
TOTAL MATERIALS W/DELIVERY/TAXES:				\$430.56	
COMMENT:					
SUBTOTAL:				\$1,184.16	
OVERHEAD/PROFIT/BOND:					
TOTAL COST:				\$1,184.16	



PASCAL & LUDWIG CONSTRUCTORS

2049 EAST FRANCIS STREET
ONTARIO, CALIFORNIA 91761

TELEPHONE
(909) 947-4631

DAILY RECORD OF EXTRA WORK

Work Performed for YUWD Job No. 3169
 Description of work FORMING FOR CONCRETE Location YUCAIPA
PATCHING ON DIGESTERS, INSTALLING REBAR Date 8-22-16
 Report No. 1 of 3

LABOR (CLASSIFY)		NUMBER	TOTAL HOURS	HOURLY RATE	EXTENDED AMOUNT
<u>LABORER</u>		<u>2</u>	<u>10</u>		
	<u>DANIEL WILLIAMS</u>	<u>1</u>	<u>5</u>		
	<u>ROBERT HICKS</u>	<u>1</u>	<u>5</u>		
TOTAL LABOR					\$
EQUIP. NO.	EQUIPMENT (COMPLETE DESCRIPTION)	NUMBER	TOTAL HOURS	HOURLY RATE	
<u>1132</u>	<u>TRUCK W/TOOLS</u>		<u>5</u>		
TOTAL EQUIPMENT					\$
MATERIALS		UNIT	QUAN.	RATE	
<u>HUBS - SIKKA MATCHINGS</u>		<u>1</u>	<u>CS</u>	<u>430.56</u>	
TOTAL MATERIALS w/delivery/taxes					\$ <u>430.56</u>
Comment:		SUBTOTAL			
		OVERHEAD/PROFIT/BOND:			
		TOTAL COST			\$

By [Signature]

By _____



American Subcontractors Assoc. Supplier of the Year So. California - 2013, 2014 & 2015

B06015868

RECEIPT

Customer Copy

***DELIVERY* HUB SAN BERNARDINO RETAI CHARGE SALE**
 379 SOUTH I STREET
 San Bernardino, CA 92410

Page: 01



Phn:(909)379-2100 Fax:(909)885-0983 Mgr:Randy Cooper

San Bernardino	Ontario	Indio	Murietta	Santa Ana	National City	San Marcos	Long Beach/Paramount
Oakland	Bakersfield	Fresno	Rancho Cordova	Girdale	Lake Havasu, AZ	Hub Fabrication	

A C C T	PASCAL & LUDWIG ENGR	J O B	HENRY H WOCHOLZ PLANT
	2049 E FRANCIS ST		880 W. COUNTY LINE ROAD
	ONTARIO CA 91761		*25 MPH THRU RESIDENTIAL*
	(909) 947-4631		Yucaipa CA 92399

Job Number	Order	Customer	SLM	Ship Via	Ship Date	Customer P.O	Purchased By
03169	559495	000603	290	WILL CALL	8-22-16	3169	EVERY ORDER (90

SKU	Description	Qty Ord.	Qty Backord	Qty Shipped	Tx?	Unit Price	UOM	Ext.Amount
750060	MIXING PADDLE	1	0	1	Y	31.75	EACH	31.75
170200	ARMATEC 110 1.65GAL K	1	0	1	Y	166.00	EACH	166.00
560170	SIKATOP 111 (BAG & JU	3	0	3	Y	50.00	EACH	150.00
560173	SIKATOP 123 (BAG & JU	1	0	1	Y	50.00	EACH	50.00

Job Site Phone: (909) 947-4631

Time: 08:20am

TAX	@	8.25%:	32.81
*TOTAL:			430.56

NOTE: ALL CLAIMS FOR SHORTAGES MUST BE MADE AT TIME OF DELIVERY
 ! ALL RETURNS SUBJECT TO RESTOCKING CHARGE

Sign:

Print: _____

Print and Sign Name.....

For the latest product information, please refer to manufacturer's website or contact the manufacturer directly.

Sale is subject to additional Terms and Conditions as stated at www.hubhasit.com

Emergency Response / MSDS Information - Call (800) 535-5053 Notice: Sale of Used Equipment or Material is made 'As Is'

Change Order No. 3

PASCAL & LUDWIG CONSTRUCTORS

2049 EAST FRANCIS STREET
ONTARIO, CALIFORNIA 91761



TELEPHONE:
(909) 947-4631
FAX: (909) 947-4722

E
N
G
I
N
E
E
R
S
&
C
O
N
S
T
R
U
C
T
O
R
S

August 2, 2016

Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

RECEIVED
AUG 05 2016
YUCAIPA VALLEY
WATER DISTRICT

Attention: Kevin King

Reference: WRWRF Digester Cleaning and Cover Replacement Project

Subject: Kitson Change Order Request

Gentlemen:

In response to direction given in RFI #7 Kitson is requesting a change order in the amount of \$4,137.00 to seal the circular joints in Digesters 3 and 4. If this is acceptable please issue a change order for \$4,137.00 plus 15% markup for a total of \$4,757.55.

Please contact me if you have any questions or need additional information.

Sincerely,
PASCAL & LUDWIG CONSTRUCTORS

Rob Temple
President

Change Order Request

There is a changed condition in joint configuration. We have discovered that there are two circular joints approx 21' each (1 per tank). The installation will require installing pie shaped pieces cut to fit with a heat welded piece to seam together. This will be a time consuming process as well as use a considerable amount of material:

Total Cost of Change Order \$4137.90

Rob Mayes
Kitson Contracting Inc.
(626) 441-2372 Fax (626) 441-2381
Cell# (562) 229-2642
E-mail: rmayes@Kitsoncontracting.com

Visit our web page at: www.KitsonContracting.com

CONFIDENTIALITY NOTICE: This electronic mail message is intended solely for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited pursuant to 18 U.S.C. Sec. 2150, et seq. If you have received this communication in error, please immediately delete it and notify the sender by phone at (562) 941-1949.

Change Order No. 4

PASCAL & LUDWIG CONSTRUCTORS

2049 EAST FRANCIS STREET
ONTARIO, CALIFORNIA 91761



TELEPHONE:
(909) 947-4631
FAX: (909) 947-4722

August 2, 2016

Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

RECEIVED
AUG 05 2016
YUCAIPA VALLEY
WATER DISTRICT

E
N
G
I
N
E
E
R
S
&
C
O
N
S
T
R
U
C
T
O
R
S

Attention: Kevin King

Reference: WRWRF Digester Cleaning and Cover Replacement Project

Subject: Synagro Change Order Request

Gentlemen:

Per the attached, Synagro is requesting a change order for additional volume of materials removed from the digesters in excess of the volumes stated in the Contract Documents. The total volume removed was 516,191 gallons which is 166,869 gallons in excess of the amount given in Section 13200. The additional fee requested, as allowed in Section 13200, is as follows:

Synagro fee: 166,869 gallons @ \$0.60/gallon = \$100,121.40. Pascal & Ludwig markup @ 15% = \$15,018.21. Total amount requested for this change is \$115,139.61

I have attached a copy of Synagro's quote which shows the \$0.60/gallon cost is independent of their mobilization and demobilization cost. Please contact me if you have any questions or need additional information.

Sincerely,
PASCAL & LUDWIG CONSTRUCTORS

Rob Temple
President



CHANGE ORDER FORM

CHANGE ORDER # 1

DATE: July 25, 2016

C U S T O M E R	Customer Legal Name Pascal & Ludwig Constructors											
	Street Address 880 W County Line Road											
	City / Town Calimesa	County San Bernardino	State CA92320	Zip Code								
C O N T R A C T O R	Synagro Legal Name Synagro WWT, Inc.											
	Street Address 435 Williams Court, Suite 100											
	City / Town Baltimore	State MD	Zip Code 21220									
PROJECT DESCRIPTION/ SCOPE OF SERVICE(S):												
CLEAN DIGESTERS 1 THROUGH 4 IN THE FOLLOWING SEQUENCE, 2015 – CLEAN DIGESTERS 1 AND 2, 2016 CLEAN DIGESTERS 3 AND 4, SEPARATE MOBILIZATION FOR SETS 1-2 AND 3-4. PER CONTRACT DATED MAY 20, 2015 BETWEEN SYNAGRO WWT, INC. AND PACSCAL AND LUDWIG CONSGRUCTORS.												
CHANGE ORDER SUMMARY:												
Total gallons removed are in excess of the stated volume in the contract of 349,322. Actual volume removed was 516, 191 for a difference of 166,869 gallons. Gallons removed per digester are as follows:												
Digester #1 143,475												
Digester #2 48,749												
Digester #3 – 129,805												
Digester #4 194,162												
Total 516,191												
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Total Value of base contract</td> <td style="text-align: right;">\$279,559.20</td> </tr> <tr> <td>Value of ChangeOrder Request #1:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">166,869 gallons(in excess of contract stated amount of 349,322) @ \$0.60 per gallon</td> <td style="text-align: right;"><u>\$100,121.40</u></td> </tr> <tr> <td>Total Value of Contract – as proposed</td> <td style="text-align: right;"><u>\$379,680.60</u></td> </tr> </table>					Total Value of base contract	\$279,559.20	Value of ChangeOrder Request #1:		166,869 gallons(in excess of contract stated amount of 349,322) @ \$0.60 per gallon	<u>\$100,121.40</u>	Total Value of Contract – as proposed	<u>\$379,680.60</u>
Total Value of base contract	\$279,559.20											
Value of ChangeOrder Request #1:												
166,869 gallons(in excess of contract stated amount of 349,322) @ \$0.60 per gallon	<u>\$100,121.40</u>											
Total Value of Contract – as proposed	<u>\$379,680.60</u>											

CHANGE ORDER ACCEPTANCE

CUSTOMER SIGNATURE: _____
 PRINTED NAME: _____
 DATE: _____

CONTRACTOR NAME: _____
 PRINTED NAME: _____
 DATE: _____

- At completion, an insignificant amount of clean liquid is expected to be on floor/sump of aeration basins.
- Proposal is based on a maximum filtrate return flow of 200GPM
- Sufficient plant water shall be made available, both in PSI and total GPM

Customer to Provide:

- Certification:** Certification that material is non-hazardous according to all applicable local, state, federal regulatory authorities and/or entities.
- Access:** Ingress to and Egress from worksite. *5 days/week, transporting trips limited to 7am to 4pm, work hours may vary.*
- Work Space:** *Sufficient laydown are for digester cleaning equipment (BFP's, mix tank, generator, transportation equipment, conveyors)*
- Water Source:** Source of hydrant pressure water at no cost to Synagro for purposes of washing the interior of tanks and/or dilution.
- Sampling:** *Owner to provide analytical results for the purpose of landfill profiling and/or alternate disposal*

Pricing

Service Provided	Volume (not to exceed)	Price
Clean Digesters 1&2	87,333 gallons per digester	\$104,799.60
Clean Digesters 3&4	87,333 gallons per digester	\$104,799.60
Mobilization/Demob	Two mob/demob	\$70,000 (\$35k each trip)
	Total	\$279,599.20

Should you have any questions or wish to discuss this estimate further, please feel free to contact me at (909) 289-3350. Thank you for your consideration and we look forward to working with you on this project and any possible future projects.

Very truly yours,

Brian Voss

Brian Voss
 Business Development Manager
 Synagro Technologies, Inc.

**Please note that this proposal is based on Synagro's standard terms and conditions and shall be strictly non-binding upon Synagro until the parties negotiate and execute a binding contract. This proposal shall not obligate Synagro to negotiate an agreement and any of the terms of the contract shall be subject to Synagro's approval, at its discretion.*

34761 Boros Blvd., Beaumont, CA 92223
 Phone: 909-289-3350 ♦ Fax: 951-755-8931

Administrative Issues



Yucaipa Valley Water District



Date: October 11, 2016

Subject: Overview of a Grant Opportunity with the Santa Ana Watershed Project Authority and OmniEarth/Dropcount

The Santa Ana Watershed Project Authority is offering a grant program with OmniEarth/Dropcount to assist water agencies calculate outdoor irrigation demands. This program uses aerial images and Geographical Information Systems to differentiate between irrigated areas and non-irrigated areas for every parcel within the District's service area.

The grant offered by the Santa Ana Watershed Project Authority will fully fund the data analysis to generate indoor/outdoor water budgets. The only cost to the Yucaipa Valley Water District will be a participation fee of \$5,000.





Automatically Identify Which Homes Have the Most Potential to Save Water

With lawmakers, regulators and the media focused on the effects of the drought, many states have issued mandates to reduce water consumption, with water agencies under constant pressure to meet strict conservation targets. OmniEarth's scalable, cloud-based Water Resource Management platform helps water resource managers quickly identify which consumers have the greatest potential to save water and conduct cost-effective conservation outreach campaigns to meet state-mandated water conservation targets.

TARGET INEFFICIENT USERS IN 30 DAYS OR LESS

By automatically comparing ideal water allocations with actual water usage, OmniEarth's proprietary, efficiency-based analytics platform combines physically-verifiable data, such as satellite and aerial imagery, with parcel boundaries and water usage data to provide water districts with scientific, accurate and defensible land cover classifications and water allocations parcel by parcel to target inefficient water users in 30 days or less.

PRIORITIZE CONSERVATION EFFORTS ON OVER-USERS

OmniEarth helps water agencies prioritize conservation efforts without wasting time and resources chasing consumers who are already super-savers and are less likely to reduce water consumption. OmniEarth's easy-to-use dashboards provide detailed water usage by parcel, savings across the water district and the encompassing region, as well as water allocation summaries for required monthly monitoring to manage conservation efforts.



BENEFITS

Calculate a consistent and equitable water allocation for all consumers

Automatically identify inefficient users with the most potential to save water

Identify under-users to locate non-revenue water

Focus water conservation outreach efforts to meet conservation goals

FEATURES

Patent-pending, efficiency-based water allocation analysis

Automatic land cover classification and water budget datasets

Quantified savings potential identified in every home

Cost-effective targeted outreach for real water savings



OmniEarth's cloud-based solution combines satellite and aerial imagery, parcel boundaries and water meter data to help water resource managers maximize conservation outreach.



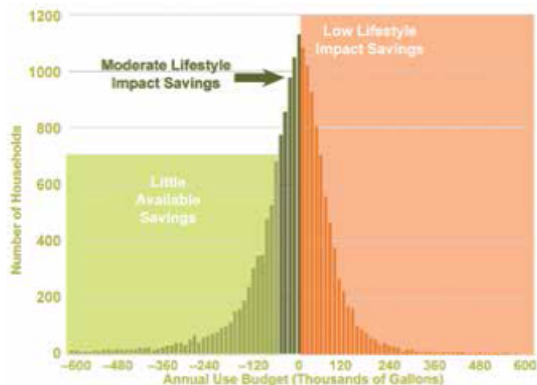


How OmniEarth Analytics Help Water Agencies Reduce Consumption

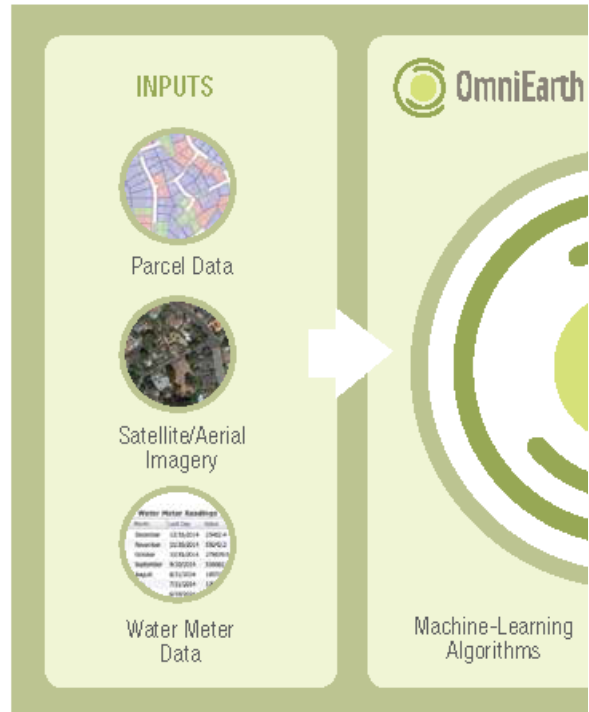
Traditional social norming-based approaches only reduce water consumption behavior by five percent on average by comparing household water usage with neighbors. OmniEarth's efficiency-based analytics platform allows water districts to automatically identify and selectively target consumers with the greatest potential to save the most water.

By comparing actual water meter usage data with scientifically-derived water allocations for each consumer, OmniEarth helps retail water agencies prioritize conservation outreach efforts on inefficient consumers. Our targeted solution allows agencies to achieve 30-60% usage reductions, typically through improvements in irrigation practices.

This approach allows water districts to focus on cost-effective outreach campaigns targeting consumers with a lower lifestyle impact who can more easily reduce water consumption. These consumers (right) provide lower-cost, higher-returns than higher-cost conservation targets (left) who provide diminishing returns and require more drastic cuts to achieve savings.



OmniEarth helps water districts target inefficient consumers to obtain higher returns and identify under-users for potential non-revenue water

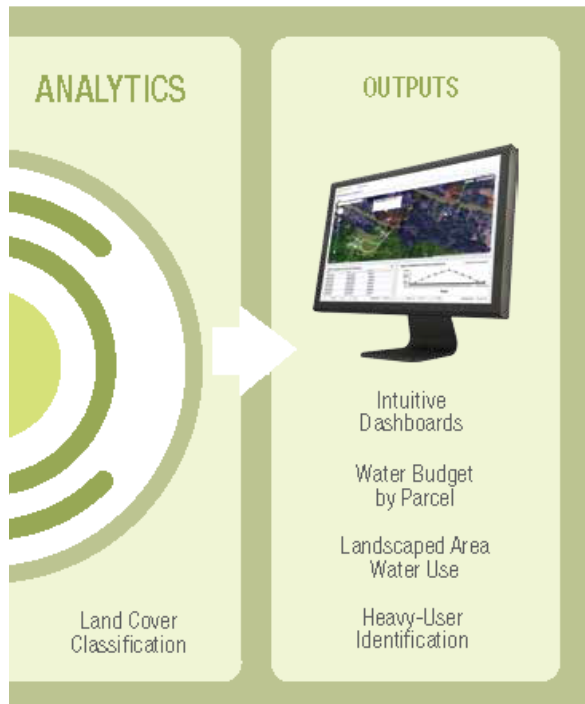


EFFICIENCY-BASED METHODOLOGY

OmniEarth's efficiency-based methodology provides water agencies with a consistent, scientific, accurate and defensible method for calculating individual water allocations and efficiency ratings. OmniEarth combines parcel boundaries, satellite and aerial imagery with water meter data to generate outdoor and indoor water allocations and efficiency calculations to help optimize agency outreach.

OUTDOOR ALLOCATION

OmniEarth generates accurate outdoor water allocations by incorporating climate, parcel size and state-specific legislation metrics with proprietary, patent-pending, machine-learning algorithms. This fast, scalable process analyzes satellite and aerial imagery and automatically classifies land cover per parcel, including grass, trees and shrubs, non-irrigated, man-made surfaces, pools, natural water bodies and artificial turf.



INDOOR ALLOCATION

OmniEarth calculates an indoor water allocation for each account using household occupancy numbers derived from existing demographic data or the latest U.S. Census. OmniEarth combines this data with agency-specific Gallons Per Capita Daily (GPCD) values and Advanced Metering Infrastructure (AMI) data where available to determine the proportion of indoor to outdoor use, enabling precise parcel water usage estimates.

EFFICIENCY CALCULATION

OmniEarth then determines the efficiency of each consumer by comparing the total combined indoor and outdoor water allocation budget with the actual water meter data from the same billing period. This efficiency-based approach identifies the maximum potential water savings achievable for each account and illustrates how each individual potential savings contributes to the overall conservation goals of the water district.

Easily Manage and Monitor Ongoing Water Conservation Progress

SCALABLE, CLOUD-BASED PLATFORM

OmniEarth's scalable, cloud-based Water Resource Management platform is capable of analyzing large imagery data sets in as little as 5 days to rapidly complete water allocations and is delivered as a secure, monthly subscription service, accessible on a laptop, desktop or mobile device.

INTUITIVE ANALYTICS DASHBOARD

The OmniEarth dashboard is designed to help water managers meet all of their state reporting needs. Managers can easily filter any data to gain instant insight into trends related to water consumption and conservation, as well as view per parcel and aggregate statistics over their entire service area.

DETAILED MONTHLY REPORTING

OmniEarth's online dashboard helps ease the hassles of monthly and yearly reporting, providing water districts with aggregate production/usage totals, potential savings calculations, progress towards conservation goals, residential usage estimates and other insights.



OmniEarth analyzes satellite and aerial imagery to automatically classify land use by cover types, such as grass, trees or man-made surfaces.



Water Resource Management

PROVEN SOLUTION FOR CALIFORNIA WATER AGENCIES

OmniEarth has been implemented throughout California in response to the historic drought in order to meet state-mandated conservation targets of 20-36%. OmniEarth customers include the East Bay Municipal Water District, the City of Folsom, the Inland Empire Utility Agency and seven of its retail agencies. The Santa Ana Watershed Project Authority (SAWPA) also selected OmniEarth to support its digital water conservation outreach for over 75 retail water agencies through California's Emergency Drought Grant program.

CONTINUOUS COMPLIANCE WITH STATE REGULATIONS

OmniEarth tracks ongoing changes to legislative standards and state regulations to ensure retail agency customers are automatically in compliance with state legislation. OmniEarth's proprietary algorithms were developed directly from calculations defined in California SB x7-7 and AB 1881 and are continuously updated to rapidly reflect policy changes and address new standards, such as EO-B-29-15, the Model Water Efficient Landscape Ordinance (MWELO), the Emergency Drought Grant Program guidelines or Prop 84.

BUILT BY LEADERS IN EFFICIENCY-BASED ANALYTICS

OmniEarth is a leader in efficiency-based analytics comprised of a rapidly growing and agile team of doctoral-level scientists, physicists, engineers and GIS product experts with significant experience providing global-scale geospatial analytics. The team's early work on NASA missions, combined with its recent work on the California drought, makes OmniEarth uniquely capable of balancing data quality with cost – providing data-driven insights to water districts as they face challenging water resource decisions.

About OmniEarth

OmniEarth is an innovative Earth observation and change-detection analytics firm focused on turning the "big data" of global imaging into actionable intelligence for unserved and under-served markets. We improve our subscribers ability to visualize the world around them by enhancing their ability to see, analyze and react to change in near real time. Through a constant stream of geoinformatics, OmniEarth subscribers always have access to imagery and derived-information products from any location on Earth – on demand and over time.

OmniEarth provides next-generation, cloud-based geospatial intelligence and analytics for government and defense agencies and commercial enterprises in the water, agriculture, transportation and energy industries. OmniEarth leverages a variety of satellite and aerial imagery to provide subscription-based monitoring of defined areas of interest. Change-detection algorithms identify differences in the Earth's surface each day, providing customers with up-to-date information to assess, manage and predict the world around them.

INLAND EMPIRE UTILITIES AGENCY

"OmniEarth provides a more efficient, cost-effective and accurate approach for IEUA to help our retail agencies target water conservation efforts to the right customers to meet state-mandated conservation goals. Their technology is a win-win solution for state and local water providers that wasn't possible before OmniEarth."

Tom Ash,
Senior Environmental Planner/
Water Use Efficiency
Inland Empire Utilities Agency, California

CITY OF FOLSOM

"The City of Folsom is always looking for ways to reduce water waste and OmniEarth's Analytics platform uses GIS technology and data science to determine consumption measured against an estimated water budget."

Don Smith,
Water Management Coordinator,
City of Folsom, California



251 18th Street South, Suite 650
Arlington, Virginia 22202

Office: 888-838-6318
Email: sales@omniearth.net
Website: water.omniearth.net

© OmniEarth, Inc., 2015. All rights reserved.
Information is subject to change without notice.



Working with OmniEarth

Congratulations on choosing the OmniEarth Water Resource Management platform, the most comprehensive and accurate source for water budget information. All of our water budgets are physically verifiable via satellite or aerial imagery, and provide the most in depth view of the water budget and water consumption in your region. Please find an outline of expected timelines and contributions for the project below. Our Implementation Team looks forward to working with you, and if you have any questions throughout the process, please contact one of our team members.

What Am I Receiving from OmniEarth?

OmniEarth's web-based Water Resource Management Retailer Application includes:

- **Data Integration:** OmniEarth normally ingests 3 main datasets:
 - Parcel data
 - Aerial or Satellite Imagery*
 - Water Meter data
- **Ongoing, automatic updates of water budget data:** See your analysis results automatically update each month
- **Logins** for 5+ Users
- **System Security:** Control over who can view and administer your system
- **Dashboards:** Up to 5 dashboard views, depending on the product level your agency has selected for residential accounts.

Custom Analytics Results datasets, including:

- **Water budget dataset by parcel or region:** Tells you how much water this parcel or region should use, based on MWELO standards, local ET rates, and indoor water usage standard.
- **Indoor water budget attribute calculated using one of the following methods (SAWPA preference)**
 - The information about lifestyle and use captured through the Dropcounter mobile application (where available)
 - 55 GPCD, multiplied by one the average household members by residence type, determined by the census average of the agency's region
- **Agency Conservation Analysis:** Shows you which users have the greatest potential savings in GPCD, and how their individual savings can contribute to



your agency's overall conservation target (if water meter data is provided by participating agency)

General Support, including:

- **Training Sessions:** in-person half-day sessions (locations to be determined by SAWPA)
- **Help documentation**
- **Support:** Phone and email service and support for duration of your subscription

Implementation Timeline

<u>Phase</u>	<u>Includes:</u>	<u>Duration (Weeks)</u>
<i>Phase I: Project Initiation</i>	<ul style="list-style-type: none"> ● Prior to kick-off: <ul style="list-style-type: none"> ● Pre-sales support ● Opt-in ● Signed contracts and non-disclosure agreement (if applicable) ● Data and system configuration consultation ● Kick-off meeting 	Prior to project start
<i>Phase II: System Configuration</i>	<ul style="list-style-type: none"> ● Platform configuration ● Initial dataset ingestion ● Setup of initial logins 	1
<i>Phase III: Analysis and Platform Delivery</i>	<ul style="list-style-type: none"> ● Generation of parcel-level water budget ● Generation of agency-level summaries ● Dashboard delivery 	2
<i>Phase IV: Training and Handoff</i>	<ul style="list-style-type: none"> ● Platform Training ● Customer Review 	1
<i>Post-Implementation</i>	<ul style="list-style-type: none"> ● Support for the duration of your subscription ● Automated updating of your data 	Ongoing during subscription

Assumptions:



- All districts will follow same application template per product level (same result datasets, same attributes, same dashboards)
- All meetings include prep time and meeting time for 2 individuals (a project lead and technical lead)

What Do I Need to Contribute?

Data and Information

- **List of Beta Access Users**
 - Must include: User Name, Email Address
 - *.csv or .xls is preferred.*
 - *Ideally project stakeholders will provide login information at kickoff meeting*
 - *These users will be given administrator access at the end of implementation, and will have the capability to add additional users*

Time (in Hours)

- Data Prep and Delivery time (varies)
- 4 hours (total) of individual agency meetings:
 - **Project Kickoff Meeting**
 - **Data Discovery and System Configuration Meeting:** Review the quirks of your meter data with technical leads, and discussion of any organizational requirements for the system configuration.
 - **Update Meeting:** Let us fill you in on where we are!
 - **Delivery Meeting:** OmniEarth turns over the product for review and feedback
- Training (1 hour)

Want More?

Additionally, you have the option to upgrade your Water Resource Management Application to OmniEarth's Plus product. As a Plus customer, OmniEarth will ingest your water meter data to provide the following insights and visualizations:

- **Water Efficiency by Parcel:** Compares actual usage to budgeted usage
- **2013 Baseline Savings:** Compares the current billing period's use to the corresponding period in 2013, and is compliant with the CA Governor's executive order. Requires historical billing data from 2013 onward.
- **Total Agency Savings:** View the cumulative water savings in your agency over time in Acre Feet



- **Inefficient Parcel identification layer:** A mapped data layer that identifies inefficient users by percent & gallons over budget (if water meter data is provided by participating agency)

Water meter data analysis requires that you provide the meter data for your agency.

The water meter data should include the following information:

- Billed consumption monthly total (and measuring units)
- Billing date
- Field that links to the parcel data (either APN or locid)
- Customer ID in parcel or water meter data (if you want the data to be searchable by customer)
- Data dictionary that explains acronyms, code numbers, etc.

Please provide the raw export format from your billing system. Acceptable file formats may include:

- .xls (spreadsheet format used by Microsoft Excel)
- .csv (database file format that can be opened in text editors, spreadsheet editors, or database tools like Microsoft Access)
- .dbf (database file format used by ESRI ArcGIS, and can be opened in some spreadsheet editors)

Want *Even More?*

OmniEarth provides a suite of premium solutions that enable custom data functionality, integration, and perspectives. We can provide access to updated imagery, lidar data, and a number of other data types. Please inquire for a separate quote to deliver enhanced value for your agency or wholesale region.



Date: October 11, 2016

Subject: Review of the Unaudited Financial Report for the Period Ending on September 30, 2016

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

Cash Fund Balance Report

[Detailed information can be found on page 5 to 6 of 28]

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

Fund Source	Operating Funds	Restricted Funds	Total Funds
Water Division	\$8,210,647.99	\$411,167.15	\$8,621,815.14
Sewer Division	\$10,663,444.26	(\$7,165,992.61)	\$3,497,451.65
Recycled Water Division	<u>\$1,692,704.88</u>	<u>\$461,702.32</u>	<u>\$2,154,407.20</u>
Total	\$20,566,797.13	(\$6,293,123.14)	\$14,273,673.99

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

Check Register

[Detailed information can be found on pages 7 to 10 of 28]

The check register lists each check processed during the month of September 2016. The District processed 200 checks during the month of September for a total sum of \$4,148,566.93. All checks are reviewed by District staff for accuracy and completeness, and usually signed by the General Manager and one Director, but may be signed by two Directors.

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

Financial Account Information

[Detailed information can be found on pages 11 to 14 of 28]

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

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

Investment Summary

[Detailed information can be found on pages 15 to 16 of 28]

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

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

Monthly Revenue Allocation

[Detailed information can be found on pages 17 to 18 of 28]

During the month of September 2016 the District's deposit checking account received a sum total of \$2,396,705.64 in revenues from the following categories:

- A total of \$2,136,186.45 was received from 14,196 customers for utility bill payments. This is the total amount of utility bill payments received from water, sewer and recycled services.
- A total of \$4,664.00 was received for construction meter deposits, customer deposits and internet fee payments.
- A total of \$157,061.75 was received from miscellaneous water related activities (other than utility bill charges).
- A total of \$98,793.44 was received from miscellaneous sewer related activities (other than utility bill charges).
- A total of \$0.00 was received from miscellaneous recycled related activities (other than utility bill charges).

Fiscal Year 2017 Budget Status

[Detailed information can be found on pages 19 to 28 of 28]

The revenue and expense budget status for the 2017 Fiscal Year is provided for your review.

**Summary of Revenue Budget
As of September 30, 2016 (21% of Budget Cycle)**

<u>Division</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Water	13,781,800	1,169,706	2,510,250	18.21%
Sewer	12,202,227	964,462	2,224,442	18.23%
Recycled Water	657,100	364,165	624,143	94.98%
District Revenue	<u>26,641,127</u>	<u>2,498,333</u>	<u>5,358,835</u>	<u>20.11%</u>

**Summary of Water Budget Expenses
As of September 30, 2016 (21% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Water Resources	5,005,900	331,676	1,138,406	22.74%
Public works	2,569,500	251,570	622,056	24.21%
Administration	3,910,735	290,670	822,753	21.04%
Long Term Debt	2,295,665	0	1,670,556	72.77%
Asset Acquisition	0	0	0	0.00%
TOTAL	<u>13,781,800</u>	<u>873,916</u>	<u>4,253,771</u>	<u>30.87%</u>

**Summary of Sewer Budget Expenses
As of September 30, 2016 (21% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Treatment	3,838,400	303,446	775,500	20.20%
Administration	3,298,095	271,161	734,347	22.27%
Environmental Control	1,234,000	112,589	298,114	24.16%
Long Term Debt	3,831,732	2,912,558	2,923,669	76.30%
Asset Acquisition-Palmer	0	0	0	0.00%
TOTAL	<u>12,202,227</u>	<u>3,599,754</u>	<u>4,731,630</u>	<u>38.78%</u>

**Summary of Recycled Water Budget Expenses
As of September 30, 2016 (21% of Budget Cycle)**

<u>Department</u>	<u>Budget Amount</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Percentage</u>
Administration	657,100	70,838	621,712	94.61%
TOTAL	<u>657,100</u>	<u>70,838</u>	<u>621,712</u>	<u>94.61%</u>
District Expenses	<u>26,641,127</u>	<u>4,544,508</u>	<u>9,607,113</u>	<u>36.06%</u>

Investment Policy Disclosure

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

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

Questions or Comments

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

Cash Fund Balance Report - September 2016

Water Division	GL#	Balance
*ID 1 Construction Funds	02-10216	\$ 293,145.85
*ID 2 Construction Funds	02-10217	\$ 80,409.31
*FCC - Debt Service YVRWFF Phase I	02-10401	\$ (2,282,652.15)
*FCC - Future YVRWFF Phase II & III	02-10403	\$ 386,924.24
*FCC - Recycled System	02-10410	\$ (915,881.29)
*FCC - Booster Pumping Plants	02-10411	\$ 634,728.69
*FCC - Pipeline Facilities	02-10412	\$ 11,038.77
*FCC - Water Storage Reservoirs	02-10413	\$ 2,203,453.73
Depreciation Reserves	02-10310	\$ 1,147,826.82
Infrastructure Reserves	02-10311	\$ 3,212,965.00
Sustainability Fund	02-10313	\$ 780,997.96
Rate Stabilization Fund	02-10314	\$ 500,209.14
Imported Water Fund - MUNI	02-10315	\$ 20,802.06
Imported Water Fund - SGPWA	02-10316	\$ 837,324.58
Operating Funds:		\$ 1,710,522.43
Total Water Division		\$ 8,621,815.14

Sewer Division	GL#	Balance
*SRF Reserve Fund - Brineline	03-10218	\$ 637,449.00
*SRF Reserve Fund - WISE	03-10219	\$ 184,928.00
*SRF Reserve Fund - R 10.3	03-10220	\$ 51,531.00
*SRF Reserve Fund - Crow St	03-10221	\$ 19,255.00
*FCC - Debt Service WWTP Expansion & Upgrade	03-10405	\$ 1,533,806.56
*FCC - Future WWTP Expansion	03-10407	\$ 1,239,923.38
*FCC - Sewer Interceptors	03-10415	\$ (885,885.37)
*FCC - Lift Stations	03-10416	\$ 305,727.73
*FCC - Effluent Disposal Facilities	03-10417	\$ (1,660,940.91)
*FCC - Salt Mitigation Facilities	03-10418	\$ (8,591,787.00)
Project Fund - Encumbered	03-10215	\$ 249,000.00
Depreciation Reserves	03-10310	\$ 3,274,193.31
Infrastructure Reserves	03-10311	\$ 4,161,330.00
Rate Stabilization Fund	03-10314	\$ 1,464,394.90
Operating Funds:		\$ 1,514,526.05
Total Wastewater Division		\$ 3,497,451.65

Recycled Water Division	GL#	Balance
*FCC - Recycled System	04-10410	\$ 51,868.32
*FCC - Booster Pumping Plants	04-10411	\$ 55,477.60
*FCC - Pipeline Facilities	04-10412	\$ 182,053.68
*FCC - Water Storage Reservoirs	04-10413	\$ 172,302.72
Project Fund - Encumbered	04-10215	\$ 200,000.00
Depreciation Reserves	04-10310	\$ 55,089.84
Infrastructure Reserves	04-10311	\$ 259,200.00
Operating Funds:		\$ 1,178,415.04
Total Recycled Water Division		\$ 2,154,407.20

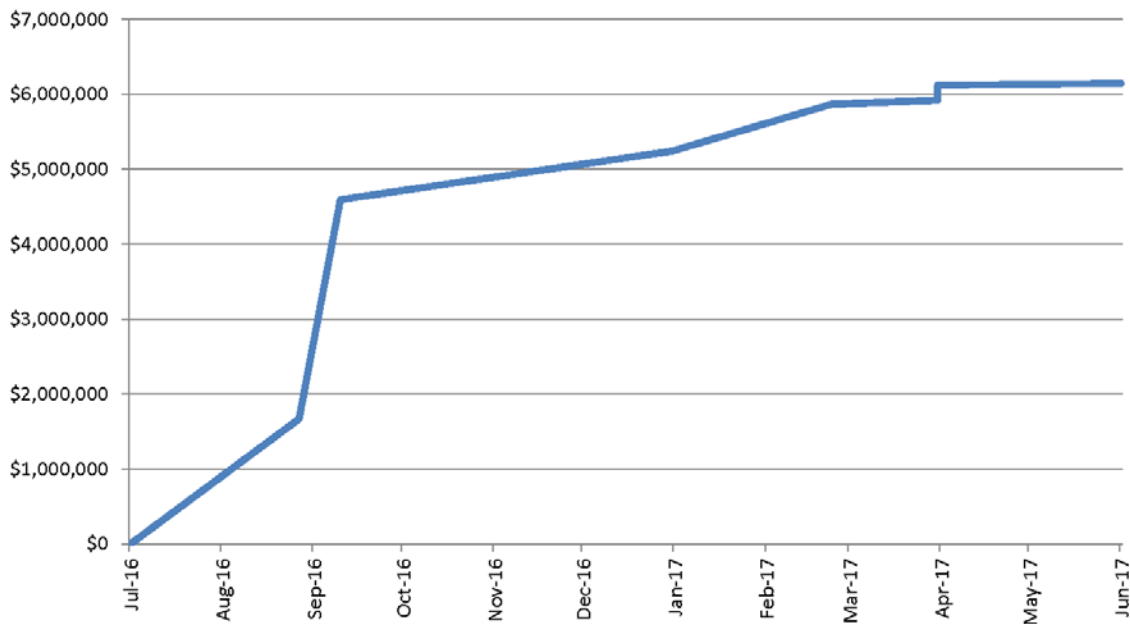
DISTRICT TOTAL \$ 14,273,673.99

*=Restricted Funds

Cash Fund Balance Report - September 2016

Pending Financial Obligations for Fiscal Year 2015/16				
Due Date	Fund	Description	Term of Obligation	Amount
08/27/2016	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 1,670,556.25
09/10/2016	Sewer	SRF Payment - WRWRF	2009-2028	\$ 2,923,688.75
12/31/2016	Sewer	SRF Payment - Yucaipa Regional Brineline	2013-2032	\$ 649,273.50
02/23/2017	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 625,106.25
03/31/2017	Sewer	SRF Payment - Recycled Reservoir R-10.3	2014-2033	\$ 54,277.31
03/31/2017	Sewer	SRF Payment - Desalinization at WRWRF	2014-2033	\$ 185,251.30
03/31/2017	Sewer	SRF Payment - Crow Street/Recycled Booster B-12.1	2016-2035	\$ 19,254.37
06/01/2017	Sewer	SBVMWD - Inland Empire Brineline Payment	2013-2016	\$ 20,000.00
Total				\$ 6,147,407.73

**Payment Schedule and Cash Flow Requirements
for Fiscal Year 2016-2017**



Check Register - September 2016

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/02/2016	26955	PAYROLL CHECK	2,194.27
09/02/2016	26956	WageWorks, Inc.	1,462.27
09/02/2016	26957	Public Employees' Retirement S	24,541.55
09/02/2016	26958	Hong Nelson	125.00
09/02/2016	26959	IBEW Local 1436	168.00
09/02/2016	26960	California State Disbursement	115.38
09/02/2016	26961	California State Disbursement	476.30
09/02/2016	26962	Department of the Treasury - I	125.00
09/06/2016	26963	State Water Resources Control	2,923,668.75
09/06/2016	26964	Ameripride Uniform Services	521.73
09/06/2016	26965	Coverall North America, Inc.	1,021.00
09/06/2016	26966	Fedex	24.82
09/06/2016	26967	Raiset R. Santana and Adriana	64.75
09/06/2016	26968	Kelly Services, Inc.	440.64
09/06/2016	26969	Konica Minolta Business Soluti	935.64
09/06/2016	26970	Management Action Programs Inc	3,000.00
09/06/2016	26971	The Gas Company	53.05
09/06/2016	26972	Brenntag Pacific, Inc	8,262.32
09/06/2016	26973	California Water Technologies,	4,107.10
09/06/2016	26974	Cemex Inc. USA	1,747.93
09/06/2016	26975	Center Electric	377.26
09/06/2016	26976	CHJ Consultants	4,717.00
09/06/2016	26977	Evoqua Water Technologies LLC	2,960.70
09/06/2016	26978	Fuel Equipment Services, Inc.	272.65
09/06/2016	26979	Grainger	154.01
09/06/2016	26980	Hemet Valley Tool & Supply	232.90
09/06/2016	26981	Inland Water Works Supply Co.	3,314.25
09/06/2016	26982	J.L. Wingert Co.	1,866.44
09/06/2016	26983	Johnson Power Systems	580.81
09/06/2016	26984	Lowe's Companies, Inc.	101.57
09/06/2016	26985	Nuckles Oil Company, Inc.	2,251.54
09/06/2016	26986	Nagem, Inc.	2,085.34
09/06/2016	26987	Polydyne Inc.	5,713.20
09/06/2016	26988	Pro-Pipe & Supply, Inc.	552.22
09/06/2016	26989	Redlands Automotive Sales, Inc	204.02
09/06/2016	26990	Steven Enterprises, Inc	1,021.50
09/06/2016	26991	Uline, Inc.	82.41
09/06/2016	26992	YVWD-Petty Cash	270.89
09/06/2016	26993	James Rowell	264.88
09/06/2016	26994	Standard Insurance Company	2,802.84
09/06/2016	26995	Anthem Blue Cross L and H	391.56
09/06/2016	26996	Standard Insurance Company	3,280.34
09/06/2016	26997	Standard Insurance Vision Plan	680.44
09/06/2016	26998	MetLife Small Business Center	544.60
09/06/2016	26999	Jennifer Ares	83.16
09/12/2016	27000	Ameripride Uniform Services	533.14
09/12/2016	27001	AT&T Mobility	1,515.90
09/12/2016	27002	Auto Care Clinic	84.19
09/12/2016	27003	Central Communications	576.71
09/12/2016	27004	Corelogic, Inc.	330.00
09/12/2016	27005	Crown Ace Hardware - Yucaipa	760.22
09/12/2016	27006	First American Data Tree, LLC	50.00
09/12/2016	27007	Dinosaur Tire Inc.	12.50
09/12/2016	27008	Fedex	116.94
09/12/2016	27009	Frontier Communications	139.40
09/12/2016	27010	Geoscience Support Services, I	3,297.50
09/12/2016	27011	Alan L. Grubel Automotive Inc.	15.00
09/12/2016	27012	House Of Quality, Parts Plus	1,412.15
09/12/2016	27013	InfoSend, Inc.	5,119.34

Check Register - September 2016

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/12/2016	27014	Kelly Services, Inc.	1,101.60
09/12/2016	27015	NetComp Technologies, Inc.	3,650.00
09/12/2016	27016	San Gorgonio Pass Water Agency	26,984.97
09/12/2016	27017	Southern CA Emergency Medicine	300.00
09/12/2016	27018	Time Warner Cable	389.99
09/12/2016	27019	Underground Service Alert Of S	196.50
09/12/2016	27020	News Mirror Publishing, Inc.	292.25
09/12/2016	27021	Yucaipa Valley Water District	261,884.43
09/12/2016	27022	All American Sewer Tools	2,935.61
09/12/2016	27023	Brenntag Pacific, Inc	7,545.58
09/12/2016	27024	Emergency Power Controls, Inc.	5,200.00
09/12/2016	27025	Fastenal Company	324.62
09/12/2016	27026	Grainger	254.58
09/12/2016	27027	Hach Company	2,398.26
09/12/2016	27028	Industrial Safety Supply Corp	476.33
09/12/2016	27029	Industrial Scientific Corporat	911.80
09/12/2016	27030	Inland Water Works Supply Co.	2,175.83
09/12/2016	27031	J.L. Wingert Co.	476.10
09/12/2016	27032	NCL Of Wisconsin Inc	1,576.90
09/12/2016	27033	Office Solutions Business Prod	407.48
09/12/2016	27034	Patton Sales Corporation	119.39
09/12/2016	27035	Riverside Winnelson Company	367.46
09/12/2016	27036	Calmat Company	2,491.12
09/16/2016	27037	PAYROLL CHECK	2,025.11
09/16/2016	27038	PAYROLL CHECK	189.97
09/16/2016	27039	WageWorks, Inc.	1,462.27
09/16/2016	27040	Public Employees' Retirement S	24,548.27
09/16/2016	27041	Hong Nelson	125.00
09/16/2016	27042	California State Disbursement	115.38
09/16/2016	27043	California State Disbursement	476.30
09/16/2016	27044	Department of the Treasury - I	125.00
09/19/2016	27045	Citizens Business Bank	1,851.00
09/19/2016	27046	Delta Partners, LLC	7,500.00
09/19/2016	27047	Dudek & Associates, Inc	2,686.23
09/19/2016	27048	Geoscience Support Services, I	11,487.25
09/19/2016	27049	J. Colon Coatings, Inc.	9,900.00
09/19/2016	27050	Krieger & Stewart	24,046.33
09/19/2016	27051	One Stop Landscape Supply Inc	22,427.50
09/19/2016	27052	Pascal & Ludwig Constructors I	35,150.00
09/19/2016	27053	Platinum Advisors, LLC	5,125.00
09/19/2016	27054	RMC Water and Environment	19,681.45
09/19/2016	27055	Sacramento Bank of Commerce	7,340.00
09/19/2016	27056	VTD, Vavrinek, Trine, Day & CO	8,000.00
09/19/2016	27057	David L. Wysocki	3,750.00
09/19/2016	27058	PROPERTY MNGMT , HOM	53.73
09/19/2016	27059	California Water Environment A	344.00
09/19/2016	27060	Ameripride Uniform Services	539.63
09/19/2016	27061	Fedex	35.13
09/19/2016	27062	InfoSend, Inc.	3,407.09
09/19/2016	27063	Kelly Services, Inc.	1,762.56
09/19/2016	27064	Krieger & Stewart	1,884.05
09/19/2016	27065	RMC Water and Environment	1,703.25
09/19/2016	27066	San Bernardino County Dept of	924.81
09/19/2016	27067	Southern CA Emergency Medicine	225.00
09/19/2016	27068	Brenntag Pacific, Inc	12,906.26
09/19/2016	27069	Charles P. Crowley Company, In	114.65
09/19/2016	27070	Cal-Mesa Steel Supply, Inc.	289.44
09/19/2016	27071	Cemex Inc. USA	640.87
09/19/2016	27072	Clean Diesel Specialists So Ca	14,395.46

Check Register - September 2016

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/19/2016	27073	G&G Environmental Compliance,I	5,372.64
09/19/2016	27074	Grainger	610.74
09/19/2016	27075	Hasa, Inc.	11,371.39
09/19/2016	27076	Inland Water Works Supply Co.	889.92
09/19/2016	27077	Kevin E. French	156.00
09/19/2016	27078	Micro Motion, Inc.	1,414.80
09/19/2016	27079	Microflex Corp #774353	1,018.97
09/19/2016	27080	NCL Of Wisconsin Inc	961.95
09/19/2016	27081	Page Locksmith	64.80
09/19/2016	27082	RDO Equipment Co.	63.84
09/19/2016	27083	UPS Store#1504/ Mail Boxes Etc	151.68
09/19/2016	27084	American Family Life Assurance	3,794.53
09/19/2016	27085	Cobb's Printing, LLC	66.96
09/19/2016	27086	Rodd Greene	624.31
09/19/2016	27087	Dennis Neff	565.53
09/19/2016	27088	James Rowell	264.88
09/19/2016	27089	US Healthworks Medical Group,	319.51
09/19/2016	27090	Robert Wall	575.46
09/19/2016	27091	Western Dental Services, Inc.	306.86
09/19/2016	27092	Charlie Bailey	542.83
09/19/2016	27093	WageWorks, Inc.	212.75
09/19/2016	27094	CalPERS - HEALTH	65,444.45
09/26/2016	27095	Atkinson, Andelson, Loya, Ruud	772.42
09/26/2016	27096	California Water Environment A	344.00
09/26/2016	27097	Ralph C. Casas	89.70
09/26/2016	27098	AmeriGas Propane LP	2,024.16
09/26/2016	27099	Ameripride Uniform Services	533.14
09/26/2016	27100	Fedex	30.59
09/26/2016	27101	Frontier Communications	145.97
09/26/2016	27102	Hershey Business Products	398.76
09/26/2016	27103	Kevin E. French	10,000.00
09/26/2016	27104	Lorie Knudsen	1,529.77
09/26/2016	27105	LUZ Investment Corp.	531.03
09/26/2016	27106	McCall's Meter Sales & Service	2,300.00
09/26/2016	27107	NetComp Technologies, Inc.	3,567.92
09/26/2016	27108	VOID CHECK	0.00
09/26/2016	27109	SCE Rosemead	251,299.77
09/26/2016	27110	Separation Processes, Inc.	7,023.88
09/26/2016	27111	U.S. Telepacific Corp	4,023.64
09/26/2016	27112	The Counseling Team Internatio	180.00
09/26/2016	27113	Vision Internet Providers, Inc	6,930.00
09/26/2016	27114	Walter L. Ferar	227.50
09/26/2016	27115	Airgas, Inc.	259.86
09/26/2016	27116	All American Sewer Tools	2,168.33
09/26/2016	27117	BofA Credit Card	2,302.14
09/26/2016	27118	Bernell Hydraulics, Inc.	435.73
09/26/2016	27119	Brenntag Pacific, Inc	23,039.30
09/26/2016	27120	Jeanntte Wisdom	13,475.06
09/26/2016	27121	Charles P. Crowley Company, In	343.08
09/26/2016	27122	CHJ Consultants	2,077.00
09/26/2016	27123	Clinical Laboratory of San Ber	21,199.50
09/26/2016	27124	Victor James Valenti	4,726.36
09/26/2016	27125	Evoqua Water Technologies LLC	3,196.77
09/26/2016	27126	Frost Company	2,868.00
09/26/2016	27127	Grainger	1,015.17
09/26/2016	27128	Alan L. Grubel Automotive Inc.	387.63
09/26/2016	27129	Harper & Associates Eng., Inc.	7,188.00
09/26/2016	27130	Hemet Valley Tool & Supply	99.51
09/26/2016	27131	Inland Water Works Supply Co.	12,802.22

Check Register - September 2016

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
09/26/2016	27132	Innerline Engineering	3,500.00
09/26/2016	27133	J.L. Wingert Co.	6,907.96
09/26/2016	27134	Lowe's Companies, Inc.	427.55
09/26/2016	27135	Nuckles Oil Company, Inc.	10,273.40
09/26/2016	27136	Nagem, Inc.	1,413.05
09/26/2016	27137	Nalco Company	5,176.48
09/26/2016	27138	NCL Of Wisconsin Inc	86.04
09/26/2016	27139	Office Solutions Business Prod	119.32
09/26/2016	27140	P & R Paper Supply Co., Inc.	921.08
09/26/2016	27141	Q Versa, LLC	14,620.32
09/26/2016	27142	Riverside Winnelson Company	875.80
09/26/2016	27143	Smart & Final Stores, LLC	292.80
09/26/2016	27144	Steven Enterprises, Inc	864.88
09/26/2016	27145	Tri County Pump Company	16,281.64
09/26/2016	27146	UPS Store#1504/ Mail Boxes Etc	64.71
09/26/2016	27147	ZEP Manufacturing Company	233.69
09/26/2016	27148	SB CNTY-Fire Protection Distri	2,702.00
09/30/2016	27149	PAYROLL CHECK	2,028.58
09/30/2016	27150	WageWorks, Inc.	1,385.35
09/30/2016	27151	Public Employees' Retirement S	23,821.08
09/30/2016	27152	California State Disbursement	115.38
09/30/2016	27153	California State Disbursement	476.30
09/30/2016	27154	Department of the Treasury - I	125.00
September 2016 Check Register Total			4,148,566.93

Financial Account Information - September 2016

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
08/31/2016	bal forward	2,962,764.62	30,000.00	29,790.64	504,189.69	13,157,905.95	16,684,650.90
8/31	rev retained in MM				(4,394.74)		(4,394.74)
09/01/2016	Deposit	27,552.90					27,552.90
	Credit Card-8/31	416.74					416.74
	Credit Card-9/1	2,666.77					2,666.77
	Electronic	21,571.47					21,571.47
	Website-9/1	5,078.64					5,078.64
	Website-9/2	1,570.42					1,570.42
9/2/16-PR	Federal Taxes		(51,267.59)				(51,267.59)
9/2/16-PR	State Taxes		(8,539.14)				(8,539.14)
9/2/16-PR	PR Direct Deposit		(120,389.21)				(120,389.21)
9/2/16-PR	VOYA 457		(6,677.21)				(6,677.21)
9/2/16-PR	CalPERS 457		(19,215.36)				(19,215.36)
	Ck#26955-26962		(29,207.77)				(29,207.77)
	TRF#1454- AP & PR	(235,296.28)	235,296.28				0.00
09/02/2016	Deposit	33,669.20					33,669.20
	Credit Card-9/1	190.36					190.36
	Credit Card-9/2	5,023.17					5,023.17
	Electronic	31,087.04					31,087.04
	Website-9/2	4,574.22					4,574.22
	Website-9/3	3,657.46					3,657.46
	Website-9/4	100.00					100.00
	Website-9/4	1,864.13					1,864.13
	Website-9/5	2,676.30					2,676.30
	Website-9/6	90.00					90.00
	Website-9/6	1,277.18					1,277.18
	ETS Fees	(2,028.41)					(2,028.41)
	ETS Fees	(1,783.03)					(1,783.03)
09/06/2016	Deposit	98,758.05					98,758.05
	Credit Card-9/2	436.92					436.92
	Credit Card-9/6	4,744.83					4,744.83
	Electronic	36,637.12					36,637.12
	Website-9/6	5,453.76					5,453.76
	Website-9/7	388.25					388.25
	Website-9/7	2,575.97					2,575.97
	ACH pymts	67,540.90					67,540.90
09/07/2016	Deposit	18,551.46					18,551.46
	Credit Card-9/6	911.12					911.12
	Credit Card-9/7	11,131.51					11,131.51
	Electronic	30,821.47					30,821.47
	Website-9/7	3,338.74					3,338.74
	Website-9/8	63.23					63.23
	Website-9/8	165.44					165.44
	Ck#26963		(2,923,668.75)				(2,923,668.75)
	TRF#1455- ck# 26963	(2,923,668.75)	2,923,668.75				0.00
09/08/2016	Deposit	6,279.85					6,279.85
	Credit Card-9/7	905.63					905.63
	Credit Card-9/8	2,813.90					2,813.90
	Electronic	14,232.29					14,232.29
	Website-9/8	1,678.59					1,678.59
	Website-9/9	1,198.88					1,198.88
	Ck#26964-26999		(54,985.51)				(54,985.51)
	TRF#1456- AP	(54,985.51)	54,985.51				0.00

Financial Account Information - September 2016

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
08/31/2016	bal forward	2,962,764.62	30,000.00	29,790.64	504,189.69	13,157,905.95	16,684,650.90
09/09/2016	Deposit	60,603.58					60,603.58
	Deposit - MC	55,666.88					55,666.88
	Credit Card-9/8	446.39					446.39
	Credit Card-9/9	3,336.19					3,336.19
	Electronic	16,066.99					16,066.99
	Website-9/9	3,259.86					3,259.86
	Website-9/10	389.34					389.34
	Website-9/10	1,685.70					1,685.70
	Website-9/11	2,066.77					2,066.77
	Website-9/12	214.45					214.45
	Website-9/12	438.23					438.23
09/12/2016	Deposit	116,071.37					116,071.37
	Credit Card-9/9	459.54					459.54
	Credit Card-9/12	3,906.53					3,906.53
	Electronic	17,724.60					17,724.60
	Website-9/12	6,571.52					6,571.52
	Website-9/13	334.32					334.32
	Website-9/13	309.62					309.62
	ACH pymts	74,667.01					74,667.01
09/13/2016	Deposit	8,976.30					8,976.30
	Credit Card-9/12	1,118.63					1,118.63
	Credit Card-9/13	1,817.59					1,817.59
	Electronic	18,242.00					18,242.00
	Website-9/13	4,344.52					4,344.52
	Website-9/14	336.92					336.92
	Website-9/14	1,304.48					1,304.48
09/14/2016	Deposit	17,263.33					17,263.33
	Credit Card-9/13	1,932.00					1,932.00
	Credit Card-9/14	3,930.96					3,930.96
	Electronic	16,825.97					16,825.97
	Website-9/14	2,726.60					2,726.60
	Website-9/15	1,260.39					1,260.39
9/16/16-PR	Federal Taxes		(52,925.17)				(52,925.17)
9/16/16-PR	State Taxes		(8,717.01)				(8,717.01)
9/16/16-PR	PR Direct Deposit		(124,724.15)				(124,724.15)
9/16/16-PR	VOYA 457		(6,677.21)				(6,677.21)
9/16/16-PR	CalPERS 457		(21,694.10)				(21,694.10)
	Ck#27000-27044		(365,491.09)				(365,491.09)
	TRF#1457 - AP & PR	(580,228.73)	580,228.73				0.00
09/15/2016	Deposit	28,758.87					28,758.87
	Credit Card-9/14	2,197.25					2,197.25
	Credit Card-9/15	2,793.07					2,793.07
	Electronic	16,515.23					16,515.23
	Website-9/15	2,823.55					2,823.55
	Website-9/16	520.25					520.25
	ACH pymts	85,803.21					85,803.21
09/16/2016	Deposit	21,147.85					21,147.85
	Credit Card-9/15	1,071.56					1,071.56
	Credit Card-9/16	2,112.09					2,112.09
	Electronic	23,691.38					23,691.38
	Website-9/16	3,110.93					3,110.93
	Website-9/17	151.53					151.53
	Website-9/17	2,187.40					2,187.40
	Website-9/18	2,706.85					2,706.85
	Website-9/19	395.51					395.51

Financial Account Information - September 2016

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
08/31/2016	bal forward	2,962,764.62	30,000.00	29,790.64	504,189.69	13,157,905.95	16,684,650.90
09/19/2016	Deposit	348,735.08					348,735.08
	Credit Card-9/16	1,512.04					1,512.04
	Credit Card-9/19	4,747.05					4,747.05
	Electronic	17,290.63					17,290.63
	Website-9/19	4,080.15					4,080.15
	Website-9/20	77.00					77.00
	Website-9/20	634.69					634.69
09/20/2016	Deposit	8,561.55					8,561.55
	Credit Card-9/19	1,306.42					1,306.42
	Credit Card-9/20	3,056.56					3,056.56
	Electronic	27,785.64					27,785.64
	Website-9/20	3,508.00					3,508.00
	Website-9/21	449.95					449.95
	Website-9/21	402.70					402.70
	ACH pymts	44,825.61					44,825.61
	Ck#27045-27094		(292,965.49)				(292,965.49)
	TRF#1458 - AP	(292,965.49)	292,965.49				0.00
09/21/2016	Deposit	65,678.10					65,678.10
	Credit Card-9/20	1,598.28					1,598.28
	Credit Card-9/21	6,924.33					6,924.33
	Electronic	13,667.06					13,667.06
	Website-9/21	3,513.41					3,513.41
	Website-9/22	358.97					358.97
	Website-9/22	945.43					945.43
09/22/2016	Deposit	27,427.44					27,427.44
	Credit Card-9/21	3,954.55					3,954.55
	Credit Card-9/22	3,239.47					3,239.47
	Electronic	11,693.76					11,693.76
	Website-9/22	2,471.48					2,471.48
	Website-9/23	1,187.41					1,187.41
09/23/2016	Deposit	34,040.30					34,040.30
	Deposit - MC	3,847.07					3,847.07
	Credit Card-9/22	806.71					806.71
	Credit Card-9/23	3,557.22					3,557.22
	Electronic	21,471.51					21,471.51
	Website-9/23	2,544.42					2,544.42
	Website-9/24	42.43					42.43
	Website-9/24	1,981.82					1,981.82
	Website-9/25	2,746.10					2,746.10
	Website-9/26	566.03					566.03
	Website-9/26	554.79					554.79
09/26/2016	Deposit	63,697.20					63,697.20
	Deposit - Tract#26811	195,636.00					195,636.00
	Credit Card-9/23	1,503.45					1,503.45
	Credit Card-9/26	3,219.67					3,219.67
	Electronic	19,151.89					19,151.89
	Website-9/26	3,516.04					3,516.04
	Website-9/27	287.51					287.51
	Website-9/27	418.26					418.26
	ACH pymts	100,873.18					100,873.18

Financial Account Information - September 2016

DATE	DESCRIPTION	Deposit Checking	General Checking	Investment Checking	Treasuries at cost	LAIF Invest. Fund	TOTAL ACTIVITY
08/31/2016	bal forward	2,962,764.62	30,000.00	29,790.64	504,189.69	13,157,905.95	16,684,650.90
09/27/2016	Deposit	8,581.39					8,581.39
	Credit Card-9/26	1,347.47					1,347.47
	Credit Card-9/27	2,386.48					2,386.48
	Electronic	20,500.84					20,500.84
	Website-9/27	2,812.94					2,812.94
	Website-9/28	141.60					141.60
	Website-9/28	1,444.06					1,444.06
09/28/2016	Deposit	40,892.33					40,892.33
	Credit Card-9/27	965.23					965.23
	Credit Card-9/28	6,689.60					6,689.60
	Electronic	12,066.56					12,066.56
	Website-9/28	2,518.11					2,518.11
	Website-9/29	602.83					602.83
9/28/16-PR	Federal Taxes		(60,263.93)				(60,263.93)
9/28/16-PR	State Taxes		(10,909.15)				(10,909.15)
9/28/16-PR	PR Direct Deposit		(132,767.25)				(132,767.25)
9/28/16-PR	VOYA 457		(5,329.37)				(5,329.37)
9/28/16-PR	CalPERS 457		(25,208.37)				(25,208.37)
	Ck#27095-27154		(482,248.32)				(482,248.32)
	TRF#1459 - AP & PR	(716,726.39)	716,726.39				0.00
09/29/2016	Deposit	43,070.37					43,070.37
	Deposit - MC	597.13					597.13
	Credit Card-9/28	2,524.73					2,524.73
	Credit Card-9/29	1,496.49					1,496.49
	Electronic	21,200.03					21,200.03
	Website-9/29	1,577.36					1,577.36
	Website-9/30	1,962.48					1,962.48
09/30/2016	Deposit	20,169.01					20,169.01
	Credit Card-9/29	398.92					398.92
	Credit Card-9/30	3,434.36					3,434.36
	Electronic	22,246.05					22,246.05
	Website-9/30	3,967.35					3,967.35
	Website-10/1	5,026.12					5,026.12
	Website-10/2	5,122.09					5,122.09
	Website-10/3	1,866.68					1,866.68
	September '16 NSF's	(976.35)					(976.35)
9/30	retained in MM				4,394.78		4,394.78
TOTALS		551,787.67	30,000.00	29,790.64	504,189.73	13,157,905.95	14,273,673.99

14,273,673.99

Investment Summary - September 2016

U.S. TREASURIES

Quantity	Description	Cusip	Maturity Date	Yield	Cost of Purchase	Market Value
496,000	US Treasury Note	912828WP1	June 15, 2017	0.875%	499,794.95	496,947.36
496,000	Total Values				499,794.95	496,947.36

Money Market Account Activity-Beginning Balance	4,394.74
9/30/16 - Dividend/Interest Income	<u>0.04</u> 0.04
Intra-Bank Transfers to/from Investment Checking Fund Transfers	<u>0.00</u> 0.00
Cusip Maturity Redemptions	<u>0.00</u> 0.00
Cusip Purchase Purchases	<u>0.00</u> 0.00
 Ending Balance - Money Market	 4,394.78
 US Treasury Securities Investment Principal	 <u>499,794.95</u>
 Total Assets	 <u><u>504,189.73</u></u>

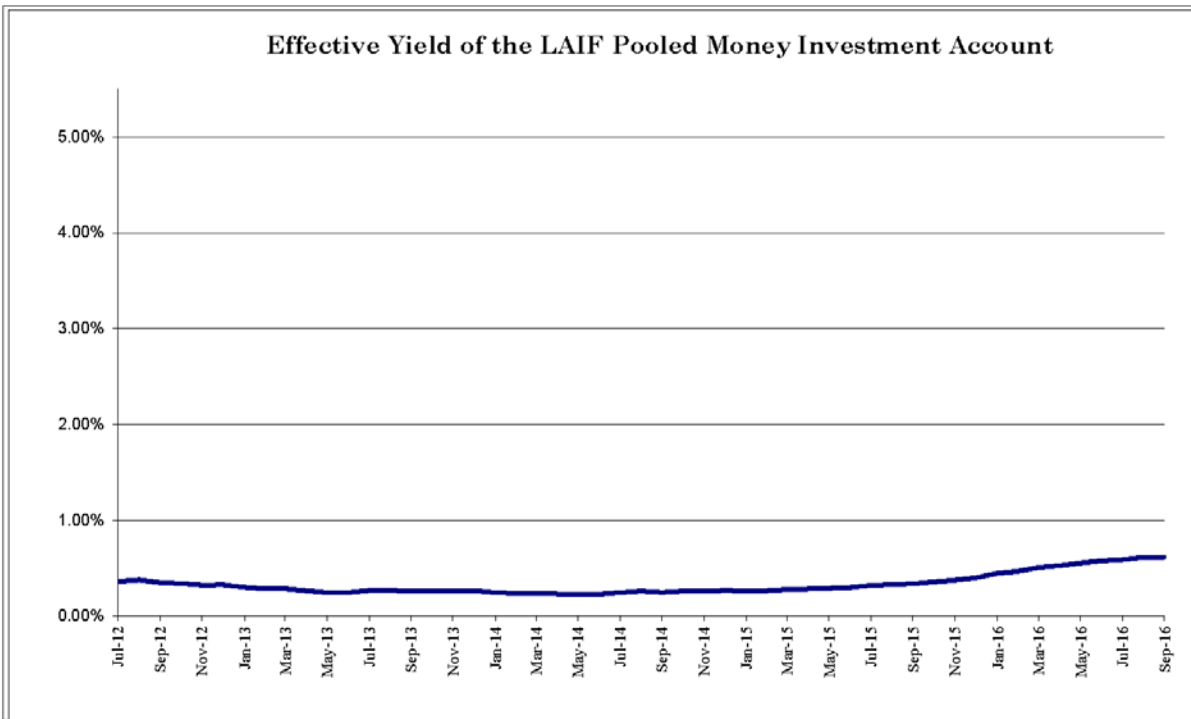
Investment Summary - September 2016

LOCAL AGENCY INVESTMENT FUND

PERIOD	TOTAL WITHDRAWAL AMOUNT	TOTAL DEPOSIT AMOUNT	ACCRUED INTEREST (QUARTERLY)	ENDING BALANCE
July 31, 2016	(\$3,000,000.00)	\$0.00	\$24,655.18	\$16,157,905.95
August 31, 2016	(\$3,000,000.00)	\$0.00	\$0.00	\$13,157,905.95
September 30, 2016	\$0.00	\$0.00	\$0.00	\$13,157,905.95
October 31, 2016	\$0.00	\$0.00	\$0.00	\$13,157,905.95
November 30, 2016	\$0.00	\$0.00	\$0.00	\$13,157,905.95
December 31, 2016	\$0.00	\$0.00	\$0.00	\$13,157,905.95
January 31, 2017	\$0.00	\$0.00	\$0.00	\$13,157,905.95
February 28, 2017	\$0.00	\$0.00	\$0.00	\$13,157,905.95
March 31, 2017	\$0.00	\$0.00	\$0.00	\$13,157,905.95
April 30, 2017	\$0.00	\$0.00	\$0.00	\$13,157,905.95
May 31, 2017	\$0.00	\$0.00	\$0.00	\$13,157,905.95
June 30, 2017	\$0.00	\$0.00	\$0.00	\$13,157,905.95

L.A.I.F. INCOME SUMMARY

	<u>CURRENT QUARTER</u>	<u>FY YEAR-TO-DATE</u>
<u>INCOME RECEIVED</u>	<u>\$24,655.18</u>	<u>\$24,655.18</u>



Monthly Revenue Allocation - September 2016

DATE	DESCRIPTION	QTY	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
09/01/2016	Mail & Counter	232	27,552.90	27,552.90						27,552.90					27,552.90
	Credit Cards	26	3,083.51			3,083.51				3,083.51					3,083.51
	Electronic	203	21,571.47				21,571.47			21,571.47					21,571.47
	Website	68	6,649.06					6,530.06		6,530.06	119.00				6,649.06
09/02/2016	Mail & Counter	310	33,669.20	33,669.20						33,669.20					33,669.20
	Credit Cards	50	5,213.53			5,213.53				5,213.53					5,213.53
	Electronic	325	31,087.04				31,087.04			31,087.04					31,087.04
	Website - 138 fees	141	14,239.29							14,239.29					14,239.29
09/06/2016	Mail & Counter	700	98,758.05	98,758.05						98,758.05					98,758.05
	Credit Cards	51	5,181.75			5,181.75				5,181.75					5,181.75
	Electronic	302	36,637.12				36,637.12			36,637.12					36,637.12
	Website - 65 fees	67	8,417.98							8,417.98					8,417.98
	ACH payment	516	67,540.90					8,304.23		67,540.90	113.75				67,540.90
09/07/2016	Mail & Counter	185	18,551.46	18,551.46						18,551.46					18,551.46
	Credit Cards	49	12,042.63			12,042.63				12,042.63					12,042.63
	Electronic	349	30,821.47				30,821.47			30,821.47					30,821.47
	Website - 34 fees	36	3,567.41							3,567.41					3,567.41
	Mail & Counter	66	6,279.85	6,279.85				3,507.91		6,279.85	58.50				6,279.85
	Credit Cards	30	3,719.53			3,719.53				3,719.53					3,719.53
	Electronic	152	14,232.29				14,232.29			14,232.29					14,232.29
	Website	30	2,877.47							2,877.47					2,877.47
09/09/2016	Mail & Counter	334	60,603.58	60,603.58						60,603.58					60,603.58
	Deposit - MIC	-	55,666.88							0.00		108.11			55,666.88
	Credit Cards	29	3,782.58			3,782.58				3,782.58					3,782.58
	Electronic	153	16,066.99				16,066.99			16,066.99					16,066.99
	Website	84	8,054.35							8,054.35					8,054.35
09/12/2016	Mail & Counter	418	116,071.37	116,071.37						116,071.37					116,071.37
	Credit Cards	46	4,366.07			4,366.07				4,366.07					4,366.07
	Electronic	143	17,724.60				17,724.60			17,724.60					17,724.60
	Website - 44 fees	46	7,215.46							7,215.46					7,215.46
	ACH pymnts	588	74,667.01							74,667.01					74,667.01
09/13/2016	Mail & Counter	80	8,976.30	8,976.30						8,976.30					8,976.30
	Credit Cards	27	2,936.22			2,936.22				2,936.22					2,936.22
	Electronic	170	18,242.00				18,242.00			18,242.00					18,242.00
	Website	46	5,985.92							5,985.92					5,985.92
09/14/2016	Mail & Counter	189	17,263.33	17,263.33						17,263.33					17,263.33
	Credit Cards	46	5,862.96			5,862.96				5,862.96					5,862.96
	Electronic	160	16,825.97				16,825.97			16,825.97					16,825.97
	Website	37	3,966.99							3,966.99					3,966.99
09/15/2016	Mail & Counter	190	28,758.87	28,758.87						28,758.87					28,758.87
	Credit Cards	36	4,990.32			4,990.32				4,990.32					4,990.32
	Electronic	159	16,515.23				16,515.23			16,515.23					16,515.23
	Website	30	3,343.80							3,343.80					3,343.80
	ACH payment	668	85,803.21							85,803.21					85,803.21
09/16/2016	Mail & Counter	173	21,147.85	21,147.85						21,147.85					21,147.85
	Credit Cards	34	3,183.65			3,183.65				3,183.65					3,183.65
	Electronic	231	23,691.38				23,691.38			23,691.38					23,691.38
	Website	85	8,552.22							8,552.22					8,552.22
09/19/2016	Mail & Counter	515	348,735.08	348,735.08						348,735.08					348,735.08
	Credit Cards	52	6,259.09			6,259.09				6,259.09					6,259.09
	Electronic	155	17,290.63				17,290.63			17,290.63					17,290.63
	Website - 43 fees	45	4,791.84							4,791.84					4,791.84
09/20/2016	Mail & Counter	93	8,561.55	8,561.55						8,561.55					8,561.55

Monthly Revenue Allocation - September 2016

DATE	Description	Qty	DEPOSIT CHECKING DEPOSITS	AR Mail & Counter	AR Payment Centers	AR Credit Card	AR Electronic Rapid Pay	AR Web Site	AR ACH Auto Pay	AR TOTAL	AR Water Customer Deposits	Water Allocation	Sewer Allocation	Recycled Allocation	RECAP TOTAL
	Credit Cards	36	4,362.98			4,362.98				4,362.98					4,362.98
	Electronic	279	27,785.64				27,785.64			27,785.64					27,785.64
	Website - 39 fees	40	4,360.65					4,292.40		4,292.40	68.25				4,360.65
	ACH payment	539	44,825.61						44,825.61	44,825.61					44,825.61
09/21/2016	Mail & Counter	317	65,678.10	65,678.10						65,678.10					65,678.10
	Credit Cards	63	8,522.61			8,522.61				8,522.61					8,522.61
	Electronic	144	13,667.06				13,667.06			13,667.06					13,667.06
	Website - 38 fees	40	4,817.81					4,751.31		4,751.31	66.50				4,817.81
09/22/2016	Mail & Counter	192	27,427.44	27,427.44						27,427.44					27,427.44
	Credit Cards	45	7,194.02			7,194.02				7,194.02					7,194.02
	Electronic	118	11,693.76				11,693.76			11,693.76					11,693.76
	Website	31	3,659.89					3,604.64		3,604.64	54.25				3,659.89
09/23/2016	Mail & Counter	187	34,040.30	32,540.30						32,540.30	1,500.00				34,040.30
	Deposit - M/C	-	3,847.07							0.00		3,847.07			3,847.07
	Credit Cards	33	4,363.93			4,363.93				4,363.93					4,363.93
	Electronic	181	21,471.51				21,471.51			21,471.51					21,471.51
	Website	76	8,435.59					8,302.59		8,302.59	133.00				8,435.59
09/26/2016	Mail & Counter	396	63,697.20	63,697.20						63,697.20					63,697.20
	Deposit - Tract#26811	-	195,636.00							0.00		96,984.00	98,652.00		195,636.00
	Credit Cards	37	4,723.12			4,723.12				4,723.12					4,723.12
	Electronic	174	19,151.89				19,151.89			19,151.89					19,151.89
	Website	37	4,221.81					4,157.06		4,157.06	64.75				4,221.81
09/27/2016	ACH payment	613	100,873.18						100,873.18	100,873.18					100,873.18
	Mail & Counter	98	8,581.39	8,581.39						8,581.39					8,581.39
	Credit Cards	36	3,733.95			3,733.95				3,733.95					3,733.95
	Electronic	193	20,500.84				20,500.84			20,500.84					20,500.84
	Website - 45 fees	47	4,398.60					4,319.85		4,319.85	78.75				4,398.60
09/28/2016	Mail & Counter	280	40,892.33	40,892.33						40,892.33					40,892.33
	Credit Cards	56	7,654.83			7,654.83				7,654.83					7,654.83
	Electronic	97	12,066.56				12,066.56			12,066.56					12,066.56
	Website	28	3,120.94					3,071.94		3,071.94	49.00				3,120.94
09/29/2016	Mail & Counter	163	43,070.37	43,070.37						43,070.37					43,070.37
	Deposit - M/C	-	597.13							0.00		455.68	141.44		597.13
	Credit Cards	28	4,021.22			4,021.22				4,021.22					4,021.22
	Electronic	105	21,200.03				21,200.03			21,200.03					21,200.03
	Website - 30 fees	31	3,539.84					3,487.34		3,487.34	52.50				3,539.84
09/30/2016	Mail & Counter	166	20,169.01	20,169.01						20,169.01					20,169.01
	Credit Cards	29	3,833.28			3,833.28				3,833.28					3,833.28
	Electronic	171	22,246.05				22,246.05			22,246.05					22,246.05
	Website	140	15,982.24					15,737.24		15,737.24	245.00				15,982.24
Sep-16	Utility Pmt Cntr-237			(21,805.56)	21,805.56					0.00					0.00
	Sep-16 NSF's		(976.35)	(976.35)						(976.35)					(976.35)
	TOTALS	14,196	2,396,705.64	1,072,975.51	21,805.56	109,031.78	430,489.53	128,174.16	373,709.91	2,136,186.45	4,664.00	157,061.75	98,793.44	0.00	2,396,705.64
	TOTAL # AR PAYMENTS			5,047	237	839	3,964	1,185	2,924	14,196					
	PERCENT OF TOTAL RECEIVED			35.55%	1.67%	5.91%	27.92%	8.35%	20.60%	100%					

FY 2017 - Water Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
02-40010	Sales - Water	6,054,000	136,788	609,298	755,930	1,502,016	24.81%
02-40011	Sales - Construction Water	20,000	33	1,554	872	2,459	12.29%
02-40012	Sales - Imported Water (SGPWA)	250,000	21,274	23,259	25,288	69,821	27.93%
02-40013	Sales - Imported Water (MUNI)	850,000	4,587	82,490	101,495	188,572	22.18%
02-40014	Sales Disc.-Multi Units Usage Chrg.	(105,000)	(2,280)	(9,996)	(12,334)	(24,610)	23.44%
02-40015	Water Wholesale Revenue	237,600	25,569	26,558	0	52,126	21.94%
02-40016	Service Establishment Fee	5,000	350	375	300	1,025	20.50%
02-41000	Service Demand Charges	3,173,000	66,257	260,783	259,458	586,498	18.48%
02-41001	Fire Service Standby Fees	30,000	1,311	3,491	3,495	8,297	27.66%
02-41003	Construction Service Charge	15,000	129	966	1,030	2,125	14.17%
02-41005	Sales Disc.-Multi Units Service Chrg.	(135,000)	(2,983)	(11,376)	(11,376)	(25,736)	19.06%
02-41010	Unauthorized Use of Water Charge	2,000	0	0	0	0	0.00%
02-41110	Meter/Lateral installation	65,000	4,875	5,250	5,250	15,375	23.65%
02-41112	Fire Flow Test Fees	3,500	0	300	0	300	8.57%
02-41113	Disconnect/Reconnect Fees	125,000	11,410	10,155	10,680	32,245	25.80%
02-41121	Penalty - Late Charges	125,000	11,746	13,503	12,141	37,391	29.91%
02-42123	Management & Accounting Fees	160,000	13,381	13,329	13,329	40,039	25.02%
02-41124	Bad Debt	(20,000)	0	0	0	0	0.00%
02-43010	Interest Earned	30,000	0	0	0	0	0.00%
02-43110	Property Tax - Unsecured	115,000	0	0	0	0	0.00%
02-43120	Property Tax - Secured	2,500,000	0	0	0	0	0.00%
02-43130	Tax Collection - Prior	20,000	0	0	0	0	0.00%
02-43140	Other Taxes	160,000	0	0	0	0	0.00%
02-49110	Rental Income (WATER STOCK)	1,700	0	0	0	0	
02-49150	Revenue - Misc. Non-Operating	100,000	3,892	14,265	4,149	22,306	22.31%
	WATER OPERATING REVENUE	13,781,800	296,339	1,044,204	1,169,706	2,510,250	18.21%
	Grants	0				0	
02-89901	Facility Capacity Charges	0	188,692	188,038	66,228	442,958	
02-89902	Sustainability	0	13,611	12,918	25,956	52,485	
	TOTAL WATER REVENUE	13,781,800	498,642	1,245,161	1,261,890	3,005,693	

FY 2017 - Sewer Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
03-40016	Sales - Establish Service Fee	500	425	25	0	450	90.00%
03-41000	Sales - Sewer Charges	11,952,045	307,983	951,755	973,573	2,233,311	18.69%
03-41005	Sales Disc-Multi Units Service Chrg.	(200,000)	(6,152)	(18,286)	(18,320)	(42,758)	21.38%
03-41110	Meter/Lateral Installation	2,500	0	0	0	0	0.00%
03-41121	Penalty - Late Charges	150,000	10,538	10,913	9,209	30,660	20.44%
03-41124	Bad Debt	(20,000)	0	0	0	0	0.00%
03-42122	Revenue - Other Operating	5,682	180	180	0	360	6.34%
03-43010	Interest Earned	35,000	0	0	0	0	0.00%
03-43110	Property Tax - Unsecured	50,000	0	0	0	0	0.00%
03-43120	Property Tax - Secured	175,000	0	0	0	0	0.00%
03-43130	Tax Collection - Prior	10,000	0	0	0	0	0.00%
03-43140	Other Taxes	1,500	0	0	0	0	0.00%
03-49150	Misc. Non-Oper Revenue	40,000	0	2,419	0	2,419	6.05%
	SEWER OPERATING REVENUE	12,202,227	312,975	947,006	964,462	2,224,442	18.23%
	Grants	0				0	
03-89901	Facility Capacity Charges	0	246,630	115,677	98,652	460,959	
03-89903	Contrib Capital-Front Footage Fees	0	0	0	0	0	
03-89905	Contrib Capital-Infrastructure	0	0	0	0	0	
	TOTAL SEWER REVENUE	12,202,227	559,605	1,062,683	1,063,114	2,685,401	

FY 2017 - Recycled Revenue

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
04-40010	Sales - Recycled Water	552,850	16,467	234,323	357,523	608,314	110.03%
04-40011	Sales - Construction Water	20,000	98	1,221	1,500	2,819	14.09%
04-41000	Sales - Service Demand Chrg.	50,000	1,478	4,532	4,815	10,825	21.65%
04-41003	Const. Water Minimum Chrg.	5,000	28	193	294	515	10.30%
04-41110	Meter/Lateral installation	2,000	0	1,570	0	1,570	78.50%
04-41121	Penalty - Late Charges	500	11	56	33	100	19.94%
04-41122	Revenue - Other Operating	250	0	0	0	0	0.00%
04-43010	Interest Earned	7,500	0	0	0	0	0.00%
04-43110	Property Tax - Unsecured	1,000	0	0	0	0	0.00%
04-43120	Property Tax - Secured	15,000	0	0	0	0	0.00%
04-43130	Property Tax - Prior	1,000	0	0	0	0	0.00%
04-43140	Property Tax - Other	1,000	0	0	0	0	0.00%
04-49150	Misc. Non-Operating Revenue	1,000	0	0	0	0	0.00%
	RECYCLED OPERATING REVENUE	657,100	18,082	241,895	364,165	624,143	94.98%
	Grants	0				0	
04-89901	Facility Capacity Charges	0	0	67,668	0	67,668	
	TOTAL RECYCLED REVENUE	657,100	18,082	309,563	364,165	691,811	

FY 2017 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
02-5-01-50010	Labor-Water Resources	935,000	40,367	59,332	86,783	186,482	19.94%
02-5-01-50011	Labor Credit	0	0	0	0	0	
02-5-01-50013	Benefits-Fica	65,000	3,302	4,832	7,154	15,288	23.52%
02-5-01-50014	Benefits-Life Insurance	3,000	290	242	272	804	26.78%
02-5-01-50016	Benefits-Health\Defrd Comp	180,000	11,028	13,266	24,784	49,077	27.27%
02-5-01-50017	Benefits-Disability Insurance	11,000	676	814	1,112	2,602	23.66%
02-5-01-50019	Benefits-Workers Compensation	43,000	8,026	0	0	8,026	18.67%
02-5-01-50021	Benefits-PERS	50,000	2,021	3,473	5,253	10,747	21.49%
02-5-01-50022	Benefits-PERS-Employer	100,000	2,390	3,964	5,976	12,321	12.32%
02-5-01-50023	Benefits-Uniforms	3,250	150	155	179	483	14.87%
02-5-01-50024	Benefits-Vacation & Sick Pay	3,000	617	617	852	2,085	69.51%
02-5-01-50025	Benefits-Boot Allowance	1,900	200	200	0	400	21.05%
02-5-01-51003	R&M - Structures	200,000	5,345	11,803	12,286	29,433	14.72%
02-5-01-51011	R&M - CLA Valves	7,500	667	1,030	357	2,044	27.26%
02-5-01-51140	General Supplies & Expenses	1,250	54	15	0	69	5.50%
02-5-01-51210	Utilities - Power Purchases	1,400,000	74,245	136,966	141,049	352,259	25.16%
02-5-01-51211	Utilities - Electricity & Fuel	5,000	206	341	343	890	17.79%
02-5-01-51316	Imported Water Purchases	1,100,000	135,791	130,917	0	266,708	24.25%
02-5-01-54019	Licenses & Permits	25,000	0	0	925	925	3.70%
02-5-01-54110	Laboratory Services	75,000	0	4,682	13,817	18,498	24.66%
02-5-01-57040	YVRWFF Operating Expense	797,000	79,581	69,146	30,536	179,263	22.49%
	WATER RESOURCE TOTALS	5,005,900	364,946	441,784	331,676	1,138,406	22.74%
02-5-03-50010	Labor-Public Works	1,200,000	54,076	81,158	123,083	258,318	21.53%
02-5-03-50011	Labor Credit	0	0	0	(830)	(830)	
02-5-03-50013	Benefits-Fica	82,500	4,404	6,634	10,041	21,079	25.55%
02-5-03-50014	Benefits-Life Insurance	5,500	657	723	666	2,045	37.18%
02-5-03-50016	Benefits-Health\Defrd Comp	300,000	31,345	32,014	57,360	120,719	40.24%
02-5-03-50017	Benefits-Disability Insurance	15,500	1,138	1,435	1,774	4,347	28.04%
02-5-03-50019	Benefits-Workers Compensation	45,000	8,026	0	320	8,346	18.55%
02-5-03-50021	Benefits-PERS	73,000	466	3,108	4,624	8,187	11.22%
02-5-03-50022	Benefits-PERS Employer	150,000	3,520	5,669	8,386	17,575	11.72%
02-5-03-50023	Benefits-Uniforms	7,500	436	447	412	1,295	17.27%
02-5-03-50024	Benefits-Vacation & Sick Pay	1,000	434	394	591	1,419	141.92%
02-5-03-50025	Benefits-Boot Allowance	3,500	0	200	0	200	5.71%
02-5-03-51001	R & M - Vehicles & Equipment	160,000	9,841	11,547	26,985	48,374	30.23%
02-5-03-51011	R&M - Valves	10,000	700	1,570	0	2,270	22.70%
02-5-03-51020	R&M - Pipelines	225,000	13,962	16,434	3,079	33,475	14.88%
02-5-03-51021	R&M - Service Lines	175,000	9,260	11,907	14,278	35,446	20.25%
02-5-03-51022	R&M - Fire Hydrants	40,000	1,709	3,918	(1,610)	4,017	10.04%
02-5-03-51030	R&M - Water Meters	75,000	13,115	40,150	2,820	56,086	74.78%
02-5-03-51092	Equipment Credits	0	0	0	(408)	(408)	
02-5-03-51140	General Supplies & Expenses	1,000	0	97	0	97	9.70%
	PUBLIC WORKS TOTALS	2,569,500	153,080	217,406	251,570	622,056	24.21%

FY 2017 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
02-5-06-50010	Labor-Administration	750,000	30,906	51,737	92,420	175,063	23.34%
02-5-06-50011	Labor Credit	0	0	0	0	0	
02-5-06-50012	Director Fees	20,000	0	1,407	1,548	2,955	14.78%
02-5-06-50013	Benefits-Fica	50,000	2,590	4,162	6,416	13,157	26.31%
02-5-06-50014	Benefits-Life Insurance	3,000	236	293	259	788	26.27%
02-5-06-50016	Benefits-Health/Defrd Comp	165,000	9,861	16,444	26,395	52,700	31.94%
02-5-06-50017	Benefits-Disability Insurance	7,000	450	663	805	1,908	27.25%
02-5-06-50019	Benefits-Workers Compensation	12,000	2,000	0	0	2,000	16.67%
02-5-06-50021	Benefits-PERS	42,000	1,889	3,354	4,868	10,112	24.08%
02-5-06-50022	Benefits PERS Employer	87,000	2,322	4,537	5,653	12,512	14.38%
02-5-06-50023	Uniforms	2,000	104	110	104	318	15.91%
02-5-06-50024	Benefits-Vacation & Sick Pay	12,000	479	521	976	1,977	16.47%
02-5-06-50025	Benefits-Boots	1,000	195	168	0	363	36.26%
02-5-06-51003	R&M - Structures	40,000	225	6,838	571	7,634	19.08%
02-5-06-51091	Expense Credits (overhead)	0	0	0	(872)	(872)	
02-5-06-51120	Safety Equipment/Supplies	25,000	1,221	2,242	1,219	4,681	18.72%
02-5-06-51125	Petroleum Products	100,000	4,643	5,368	11,325	21,336	21.34%
02-5-06-51130	Office Supplies & Expenses	30,000	3,946	4,112	1,621	9,679	32.26%
02-5-06-51140	General Supplies & Expenses	30,000	1,161	870	1,056	3,086	10.29%
02-5-06-51199	Disaster Incidences	0	0	0	0	0	
02-5-06-51211	Utilities - Electricity	30,000	2,120	3,508	3,827	9,455	31.52%
02-5-06-51213	Utilities - Natural Gas	3,000	30	29	0	59	1.98%
02-5-06-54002	Dues & Subscriptions	16,500	527	172	516	1,215	7.36%
02-5-06-54005	Computer Expenses	100,000	4,537	6,450	4,568	15,556	15.56%
02-5-06-54010	Postage	5,000	32	58	202	292	5.84%
02-5-06-54011	Printing & Publications	7,500	0	106	67	173	2.31%
02-5-06-54012	Education & Training	15,000	723	1,907	0	2,629	17.53%
02-5-06-54013	Utility Billing Expenses	150,000	13,102	18,636	7,569	39,307	26.20%
02-5-06-54014	Public Relations	50,000	399	0	200	599	1.20%
02-5-06-54016	Travel Related Expenses	10,000	0	42	168	210	2.10%
02-5-06-54017	Certifications & Renewals	7,000	360	669	0	1,029	14.70%
02-5-06-54020	Meeting Related Expenses	6,000	481	82	249	812	13.53%
02-5-06-54022	Utilities - YVWD Services	0	6,874	7,924	0	14,798	
02-5-06-54024	Utilities - Waste Disposal	2,500	177	177	0	355	14.20%
02-5-06-54025	Utilities - Telephone & Internet	92,000	5,957	1,043	2,535	9,534	10.36%
02-5-06-54099	Conservation & Rebates	250,000	(2,696)	(2,094)	0	(4,789)	-1.92%
02-5-06-54104	Contractual Services	80,000	16,622	3,220	1,776	21,619	27.02%
02-5-06-54107	Legal	40,000	3,372	1,875	386	5,633	14.08%
02-5-06-54108	Audit & Accounting	16,000	3,600	0	0	3,600	22.50%
02-5-06-54109	Professional Fees	250,000	30,620	17,800	5,619	54,038	21.62%
02-5-06-55500	Depreciation Reserves	209,235	17,435	17,435	17,435	52,320	25.01%
02-5-06-56001	Infrastructure Replacement	1,000,000	83,370	83,330	83,330	250,030	25.00%
02-5-06-56001	Insurance	100,000	7,847	7,860	7,860	23,567	23.57%
02-5-06-57030	Regulatory Compliance	25,000	572	741	0	1,313	5.25%
02-5-06-57090	Election Related Expenses	10,000	0	0	0	0	
02-5-06-57096	Beaumont Basin Watermaster	60,000	0	0	0	0	0.00%
02-5-06-57199	Suspense	0	0	0	0	0	
ADMINISTRATION TOTALS		3,910,735	258,307	273,776	290,670	822,753	21.04%

FY 2017 - Water Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
02-5-40-57201	Debt Srv-Series 2015A Princ.(25009)	1,030,000	0	1,030,000	0	1,030,000	100.00%
02-5-40-57402	Interest-Long-Term Debt Bonds	1,265,665	0	640,556	0	640,556	50.61%
	40 - Debt	2,295,665	0	1,670,556	0	1,670,556	72.77%
02-5-40-57001	Asset Acq. - Water Resources	0	0	0		0	-
02-5-40-57003	Asset Acq. - Public works	0	0	0		0	-
02-5-40-57006	Asset Acq. - Admin (fuel master)	0	0	0		0	-
	40 - Capital Outlay	0	0	0		0	-
						4,253,771	
	TOTAL WATER EXPENSES	13,781,800	776,332	2,603,523	873,917	4,253,771	30.87%

FY 2017 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
03-5-02-50010	Labor-S Treatment	895,000	33,541	65,784	97,404	196,729	21.98%
03-5-02-50013	Benefits-Fica	75,000	2,742	5,345	7,902	15,989	21.32%
03-5-02-50014	Benefits-Life Insurance	5,000	310	299	299	908	18.15%
03-5-02-50016	Benefits-Health\Defrd Comp	200,000	12,733	14,797	26,918	54,448	27.22%
03-5-02-50017	Benefits-Disability Insurance	15,000	795	933	1,228	2,955	19.70%
03-5-02-50019	Benefits-Workers Compensation	45,000	8,026	0	0	8,026	17.84%
03-5-02-50021	Benefits-PERS	60,000	2,251	3,798	5,960	12,008	20.01%
03-5-02-50022	Benefits-PERS Employer	130,000	2,640	4,494	6,745	13,879	10.68%
03-5-02-50023	Benefits-Uniforms	5,000	223	231	222	676	13.52%
03-5-02-50024	Benefits-Vacation & Sick Pay	5,000	332	332	425	1,090	21.80%
03-5-02-50025	Benefits-Boot Allowance	2,400	372	179	0	551	22.95%
03-5-02-51003	R&M - Structures	325,000	10,387	8,730	17,744	36,861	11.34%
03-5-02-51010	R&M - Automation Control	65,000	0	5,821	10,513	16,334	25.13%
03-5-02-51106	Chemicals	450,000	27,109	59,883	31,976	118,968	26.44%
03-5-02-51111	Propane	5,000	0	0	2,024	2,024	40.48%
03-5-02-51115	Laboratory Supplies	30,000	3,706	4,909	1,048	9,663	32.21%
03-5-02-51140	General Supplies & Expenses	1,000	0	0	0	0	0.00%
03-5-02-51210	Utilities - Power Purchases	850,000	49,327	79,680	78,674	207,681	24.43%
03-5-02-54110	Laboratory Services	120,000	4,677	9,867	9,469	24,013	20.01%
03-5-02-57031	Sludge Disposal	300,000	21,608	22,428	0	44,035	14.68%
03-5-02-57034	Brine Operating Expenses	255,000	247	3,520	4,895	8,662	3.40%
	TREATMENT TOTALS	3,838,400	181,025	291,030	303,446	775,500	20.20%

FY 2017 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
03-5-06-50010	Labor-Administration	700,000	27,316	48,146	87,035	162,497	23.21%
03-5-06-50011	Labor Credit	0	0	0	0	0	
03-5-06-50012	Directors Fees	20,000	0	1,407	1,548	2,955	14.78%
03-5-06-50013	Benefits-Fica	45,000	2,296	3,858	5,970	12,124	26.94%
03-5-06-50014	Benefits-Life Insurance	3,000	232	282	247	761	25.36%
03-5-06-50016	Benefits-HealthDefrd Comp	155,000	8,890	14,892	24,069	47,850	30.87%
03-5-06-50017	Benefits-Disability Insurance	7,500	305	619	753	1,676	22.35%
03-5-06-50019	Benefits-Workers Compensation	25,000	2,000	0	0	2,000	8.00%
03-5-06-50021	Benefits-PERS	40,000	1,737	2,766	4,200	8,703	21.76%
03-5-06-50022	Benefits PERS Employer	55,000	2,157	4,269	5,260	11,686	21.25%
03-5-06-50023	Benefits-Uniforms	2,000	58	58	58	174	8.68%
03-5-06-50024	Benefits-Vacation & Sick Pay	15,000	479	521	976	1,977	13.18%
03-5-06-50025	Benefits-Boot Allowance	1,750	0	0	0	0	0.00%
03-5-06-51120	Safety Equipment/Supplies	10,000	262	3,004	174	3,440	34.40%
03-5-06-51125	Petroleum Products	20,000	2,149	6,663	1,200	10,012	50.06%
03-5-06-51130	Office Supplies	4,000	107	0	760	867	21.68%
03-5-06-51140	General Supplies & Expenses	20,000	599	343	229	1,171	5.85%
03-5-06-51199	Disaster Repairs (lift station 2)	0	0	0	0	0	
03-5-06-54002	Dues & Subscriptions	10,000	414	1,213	172	1,799	17.99%
03-5-06-54003	Management & Admin Services	160,000	13,381	13,329	13,329	40,039	25.02%
03-5-06-54005	Computer Expenses	95,000	4,215	5,827	3,597	13,639	14.36%
03-5-06-54011	Printing & Publications	5,500	0	30	0	30	0.55%
03-5-06-54012	Education & Training	7,000	1,149	3,535	0	4,684	66.92%
03-5-06-54014	Public Relations	7,500	153	0	200	353	4.71%
03-5-06-54016	Travel Related Expenses	7,500	571	286	130	987	13.16%
03-5-06-54017	Certifications & Renewals	7,000	393	234	0	627	8.96%
03-5-06-54019	Licenses & Permits	60,000	0	0	0	0	0.00%
03-5-06-54020	Meeting Related Expenses	5,000	438	30	73	541	10.81%
03-5-06-54022	Utilities - YVWD Services	0	170	127	0	297	
03-5-06-54024	Utilities - Waste Disposal	13,000	1,058	1,217	0	2,275	17.50%
03-5-06-54025	Utilities - Telephone & Internet	152,045	2,520	559	1,190	4,268	2.81%
03-5-06-54030	Drinking Water	1,000	155	87	90	332	33.17%
03-5-06-54104	Contractual Services	35,000	10,912	1,014	769	12,695	36.27%
03-5-06-54107	Legal	45,000	1,947	1,875	386	4,208	9.35%
03-5-06-54108	Audit & Accounting	16,000	3,600	0	0	3,600	22.50%
03-5-06-54109	Professional Fees	150,000	14,963	10,973	5,619	31,555	21.04%
03-5-06-55500	Depreciation Reserves	563,300	46,960	46,940	46,940	140,840	25.00%
03-5-06-56001	Infrastructure Replacement	700,000	58,370	58,330	58,330	175,030	25.00%
03-5-06-57030	Insurance	100,000	7,947	7,860	7,860	23,667	23.67%
03-5-06-57030	Regulatory Compliance	35,000	2,692	2,297	0	4,989	14.25%
	ADMINISTRATION TOTALS	3,298,095	220,593	242,593	271,161	734,347	22.27%

FY 2017 - Sewer Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
03-5-07-50010	Labor-Environmental Control	465,000	18,281	43,195	64,628	126,104	27.12%
03-5-07-50011	Labor Credit	0	0	0	(370)	(370)	
03-5-07-50013	Benefits-Fica	34,000	1,453	3,430	5,168	10,051	29.56%
03-5-07-50014	Benefits-Life Insurance	2,000	142	142	142	426	21.32%
03-5-07-50016	Benefits-HealthDefrd Comp	100,000	7,858	9,420	17,550	34,829	34.83%
03-5-07-50017	Benefits-Disability Insurance	6,000	311	544	743	1,598	26.63%
03-5-07-50019	Benefits-Workers Compensation	30,000	3,000	0	0	3,000	10.00%
03-5-07-50021	Benefits-PERS	25,000	1,154	2,153	3,203	6,510	26.04%
03-5-07-50022	Benefits-PERS Employer	40,000	1,255	2,604	4,037	7,896	19.74%
03-5-07-50023	Benefits-Uniforms	3,000	125	133	125	382	12.74%
03-5-07-50024	Benefits-Vacation & Sick Pay	2,000	173	213	320	706	35.29%
03-5-07-50025	Benefits-Boot Allowance	1,000	162	0	0	162	16.24%
03-5-07-51003	R&M - Structures	270,000	20,681	14,472	7,396	42,549	15.76%
03-5-07-51140	General Supplies & Expenses	1,000	18	108	0	125	12.53%
03-5-07-51241	Lift Station #1	125,000	2,260	5,424	4,563	12,247	9.80%
03-5-07-51242	Lift Station #2	16,000	10,225	1,847	1,275	13,347	83.42%
03-5-07-51243	Lift Station #3	5,000	174	259	171	604	12.07%
03-5-07-51244	Lift Station #4	40,000	376	1,399	593	2,368	5.92%
03-5-07-51248	Lift Station #8	3,000	32	47	80	158	5.28%
03-5-07-54111	Pretreatment	66,000	28,185	4,269	2,966	35,421	53.67%
	ENVIRONMENTAL CONTROL TOTAL	1,234,000	95,865	89,659	112,589	298,114	24.16%
03-5-40-57202	Debt Service - Principal - WRWRF	2,147,975	0	0	2,147,973	2,147,973	100.00%
03-5-40-57203	Debt Service - Principal - Brineline	412,790	0	0	0	0	0.00%
03-5-40-57204	Debt Service - Principal - WISE	127,970	0	0	0	0	0.00%
03-5-40-57205	Debt Service - Principal - R 10.3	37,495	0	0	0	0	0.00%
03-5-40-57206	Debt Service - Principal - Crow & B12-1	13,795	0	0	0	0	0.00%
03-5-40-57403	Debt Service - Interest	1,091,707	0	0	775,696	775,696	71.05%
	40 - Debt	3,831,732	0	0	2,923,669	2,923,669	76.30%
03-5-40-57002	Asset Acq. - Treatment	0	0	0	0	0	
03-5-40-57006	Asset Acq. - Admin (fuel master)	0	0	0	0	0	
03-5-40-57007	Asset Acq. - EC (ADS flow monitors & smart covers)	0	0	0	0	0	
	40 - Capital Outlay	0	0	0	0	0	
	TOTAL SEWER EXPENSES	12,202,227	497,483	623,281	3,610,865	4,731,630	38.78%

FY 2017 - Recycled Expenses

ACCOUNT#	DESCRIPTION	BUDGET	July '16	Aug '16	Sept '16	Year to Date	Percentage YTD
04-5-06-50010	Labor-Recycled Water	275,000	17,305	17,169	29,274	63,747	23.18%
04-5-06-50012	Director Fees	2,500	0	0	0	0	0.00%
04-5-06-50013	Benefits-FICA	15,000	1,428	1,328	2,081	4,937	32.25%
04-5-06-50014	Benefits-Life Insurance	250	(3)	(3)	(3)	(8)	-3.25%
04-5-06-50016	Benefits-Health & Def Comp	25,000	2,181	2,116	3,764	8,062	32.25%
04-5-06-50017	Benefits-Disability Insurance	1,500	158	153	224	535	35.66%
04-5-06-50019	Benefits-Workers Compensation	3,000	394	400	0	794	26.46%
04-5-06-50021	Benefits-PERS Employee	2,000	656	781	1,187	2,624	131.20%
04-5-06-50022	Benefits-PERS Employer	2,800	1,075	1,198	1,760	4,033	144.04%
04-5-06-50023	Benefits-Uniforms	1,300	57	59	57	172	13.25%
04-5-06-50024	Benefits-Vacation & Sick Pay	500	84	84	145	313	62.68%
04-5-06-50025	Benefits-Boots	250	0	0	0	0	0.00%
04-5-06-51003	R & M-Structures	20,000	6,877	8,600	16,664	32,141	160.70%
04-5-06-51020	R & M-Pipelines	5,000	3,486	1,381	400	5,267	105.34%
04-5-06-51021	R & M-Service Lines	5,000	860	(1,503)	0	(643)	-12.87%
04-5-06-51022	R & M-Fire Hydrants	2,500	0	0	0	0	0.00%
04-5-06-51030	R & M-Meters	25,000	0	9	0	9	0.04%
04-5-06-51140	General Supplies & Expenses	2,000	0	38	0	38	1.91%
04-5-06-51210	Utilities-Power Purchases	85,000	5,199	10,030	9,700	24,929	29.33%
04-5-06-54002	Dues & Subscriptions	6,500	56	0	0	56	0.85%
04-5-06-54005	Computer Expense	7,500	0	0	64	64	0.85%
04-5-06-54011	Printing & Publications	1,000	0	83	0	83	8.30%
04-5-06-54012	Education & Training	4,000	205	542	0	747	18.66%
04-5-06-54014	Public Relations	2,500	34	0	200	234	9.36%
04-5-06-54016	Travel Related Expenses	5,000	0	42	93	135	2.70%
04-5-06-54017	Certifications & Renewals	1,000	0	0	0	0	0.00%
04-5-06-54019	Licenses & Permits	35,000	0	0	0	0	0.00%
04-5-06-54020	Meeting Related Expenses	1,000	91	0	30	121	12.07%
04-5-06-54022	Utilities - YWWD Services	0	179,153	253,833	0	432,987	
04-5-06-54025	Utilities - Telephone & Internet	1,000	140	140	0	280	28.00%
04-5-06-54010	Contractual Services	3,500	2,017	20	0	2,037	58.19%
04-5-06-54107	Legal	4,000	0	0	0	0	0.00%
04-5-06-54108	Audit & Accounting	2,500	800	0	0	800	
04-5-06-54109	Professional Fees	25,000	7,462	13,468	693	21,623	86.49%
04-5-06-54110	Laboratory Services	1,000	0	0	0	0	0.00%
04-5-06-55500	Depreciation	8,000	685	665	665	2,015	25.19%
04-5-06-56001	Infrastructure Replacement	25,000	2,120	2,080	2,080	6,280	25.12%
04-5-06-57030	Insurance	0	1,762	1,745	1,745	5,252	
04-5-06-57040	Regulatory Compliance	40,000	2,015	119	16	2,150	5.38%
04-5-06-57040	Environmental Compliance	10,000	0	0	0	0	0.00%
	TOTAL RECYCLED EXPENSES	657,100	236,298	314,576	70,838	621,712	94.61%

Director Comments



Yucaipa Valley Water District

Adjournment



Yucaipa Valley Water District



FACTS ABOUT THE YUCAIPA VALLEY WATER DISTRICT

Service Area Size: 40 square miles (sphere of influence is 68 square miles)

Elevation Change: 3,140 foot elevation change (from 2,044 to 5,184 feet)

Number of Employees: 5 elected board members
62 full time employees

Operating Budget: Water Division - \$13,397,500
Sewer Division - \$11,820,000
Recycled Water Division - \$537,250
Total Annual Budget - \$25,754,750

Number of Services: 12,434 water connections serving 17,179 units
13,559 sewer connections serving 20,519 units
64 recycled water connections

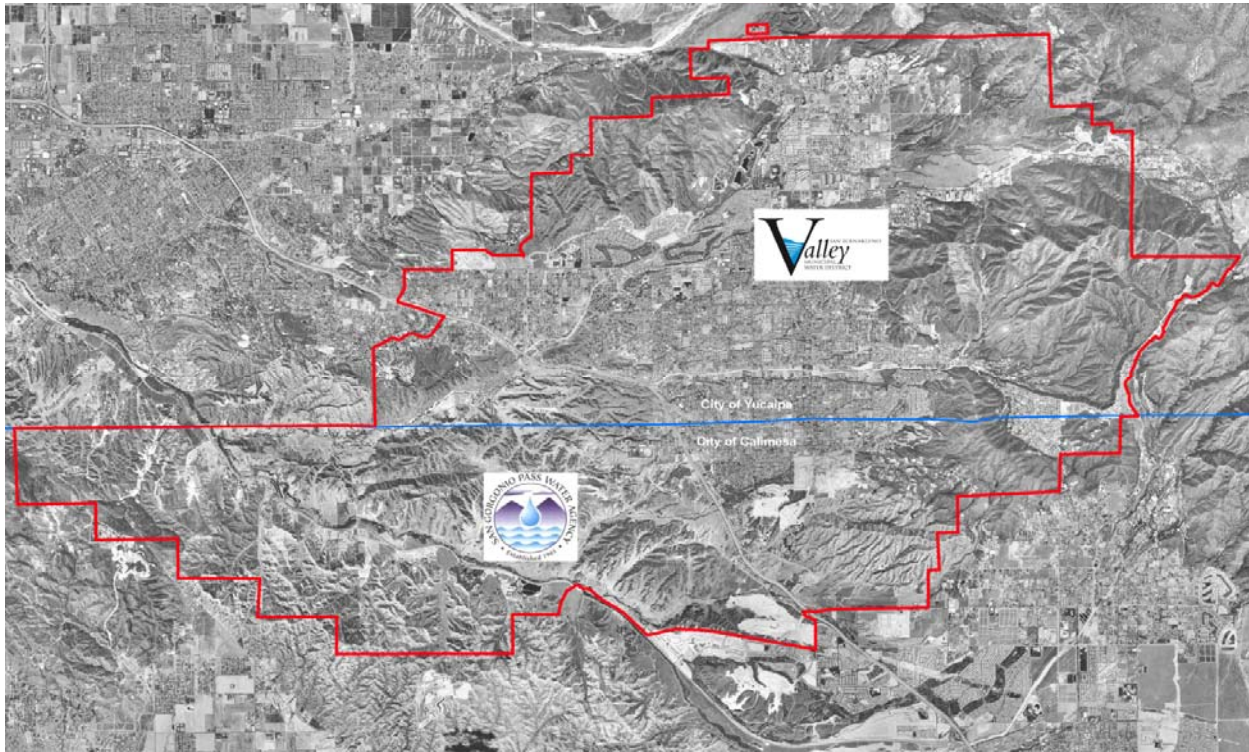
Water System: 215 miles of drinking water pipelines
27 reservoirs - 34 million gallons of storage capacity
18 pressure zones
12,000 ac-ft annual water demand (3.9 billion gallons)
Two water filtration facilities:
- 1 mgd at Oak Glen Surface Water Filtration Facility
- 12 mgd at Yucaipa Valley Regional Water Filtration Facility

Sewer System: 8.0 million gallon treatment capacity - current flow at 4.0 mgd
205 miles of sewer mainlines
5 sewer lift stations
4,500 ac-ft annual recycled water prod. (1.46 billion gallons)

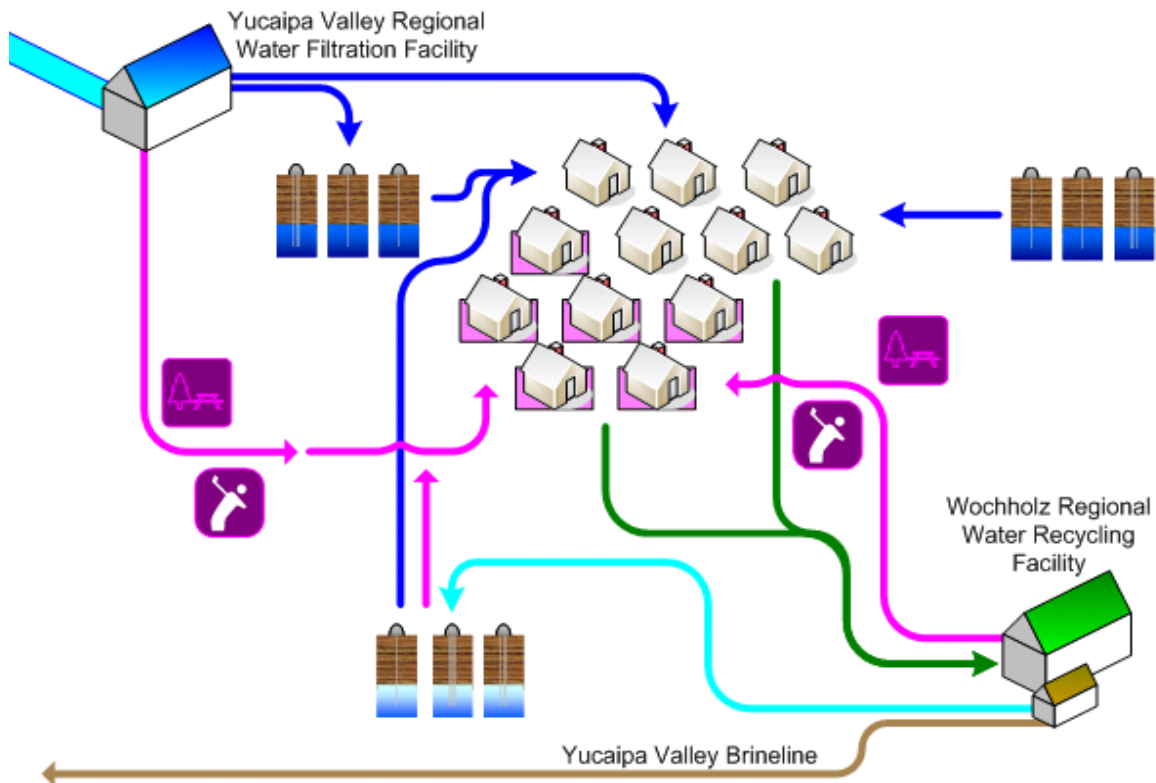
Recycled Water: 22 miles of recycled water pipelines
5 reservoirs - 12 million gallons of storage
1,200 ac-ft annual recycled demand (0.4 billion gallons)

Brine Disposal: 2.2 million gallon desalination facility at sewer treatment plant
1.108 million gallons of Inland Empire Brine Line capacity
0.295 million gallons of treatment capacity in Orange County

State Water Contractors: San Bernardino Valley Municipal Water District
San Geronimo Pass Water Agency



Sustainability Plan: A Strategic Plan for a Sustainable Future: The Integration and Preservation of Resources, adopted on August 20, 2008.





THE MEASUREMENT OF WATER PURITY

One part per hundred is generally represented by the percent (%).
This is equivalent to about fifteen minutes out of one day.

One part per thousand denotes one part per 1000 parts.
This is equivalent to about one and a half minutes out of one day.

One part per million (ppm) denotes one part per 1,000,000 parts.
This is equivalent to about 32 seconds out of a year.

One part per billion (ppb) denotes one part per 1,000,000,000 parts.
This is equivalent to about three seconds out of a century.

One part per trillion (ppt) denotes one part per 1,000,000,000,000 parts.
This is equivalent to about three seconds out of every hundred thousand years.

One part per quadrillion (ppq) denotes one part per 1,000,000,000,000,000 parts.
This is equivalent to about two and a half minutes out of the age of the Earth (4.5 billion years).





GLOSSARY OF COMMONLY USED TERMS

Every profession has specialized terms which generally evolve to facilitate communication between individuals. The routine use of these terms tends to exclude those who are unfamiliar with the particular specialized language of the group. Sometimes jargon can create communication cause difficulties where professionals in related fields use different terms for the same phenomena.

Below are commonly used water terms and abbreviations with commonly used definitions. If there is any discrepancy in definitions, the District's Regulations Governing Water Service is the final and binding definition.

Acre Foot of Water - The volume of water (325,850 gallons, or 43,560 cubic feet) that would cover an area of one acre to a depth of 1 foot.

Activated Sludge Process – A secondary biological sewer treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen, and consume dissolved nutrients in the wastewater.

Annual Water Quality Report - The document is prepared annually and provides information on water quality, constituents in the water, compliance with drinking water standards and educational material on tap water. It is also referred to as a Consumer Confidence Report (CCR).

Aquifer - The natural underground area with layers of porous, water-bearing materials (sand, gravel) capable of yielding a supply of water; see Groundwater basin.

Backflow - The reversal of water's normal direction of flow. When water passes through a water meter into a home or business it should not reverse flow back into the water mainline.

Best Management Practices (BMPs) - Methods or techniques found to be the most effective and practical means in achieving an objective. Often used in the context of water conservation.

Biochemical Oxygen Demand (BOD) – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

Biosolids – Biosolids are nutrient rich organic and highly treated solid materials produced by the sewer treatment process. This high-quality product can be used as a soil amendment on farm land or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

Catch Basin – A chamber usually built at the curb line of a street, which conveys surface water for discharge into a storm sewer.

Capital Improvement Program (CIP) – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

Collector Sewer – The first element of a wastewater collection system used to collect and carry wastewater from one or more building sewer laterals to a main sewer.

Coliform Bacteria – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere and is generally used as an indicator of sewage pollution.

Combined Sewer Overflow – The portion of flow from a combined sewer system, which discharges into a water body from an outfall located upstream of a wastewater treatment plant, usually during wet weather conditions.

Combined Sewer System– Generally older sewer systems designed to convey both sewage and storm water into one pipe to a wastewater treatment plant.

Conjunctive Use - The coordinated management of surface water and groundwater supplies to maximize the yield of the overall water resource. Active conjunctive use uses artificial recharge, where surface water is intentionally percolated or injected into aquifers for later use. Passive conjunctive use is to simply rely on surface water in wet years and use groundwater in dry years.

Consumer Confidence Report (CCR) - see Annual Water Quality Report.

Cross-Connection - The actual or potential connection between a potable water supply and a non-potable source, where it is possible for a contaminant to enter the drinking water supply.

Disinfection By-Products (DBPs) - The category of compounds formed when disinfectants in water systems react with natural organic matter present in the source water supplies. Different disinfectants produce different types or amounts of disinfection byproducts. Disinfection byproducts for which regulations have been established have been identified in drinking water, including trihalomethanes, haloacetic acids, bromate, and chlorite

Drought - a period of below average rainfall causing water supply shortages.

Dry Weather Flow – Flow in a sanitary sewer during periods of dry weather in which the sanitary sewer is under minimum influence of inflow and infiltration.

Fire Flow - The ability to have a sufficient quantity of water available to the distribution system to be delivered through fire hydrants or private fire sprinkler systems.

Gallons per Capita per Day (GPCD) - A measurement of the average number of gallons of water use by the number of people served each day in a water system. The calculation is made by dividing the total gallons of water used each day by the total number of people using the water system.

Groundwater Basin - An underground body of water or aquifer defined by physical boundaries.

Groundwater Recharge - The process of placing water in an aquifer. Can be a naturally occurring process or artificially enhanced.

Hard Water - Water having a high concentration of minerals, typically calcium and magnesium ions.

Hydrologic Cycle - The process of evaporation of water into the air and its return to earth in the form of precipitation (rain or snow). This process also includes transpiration from plants, percolation into the ground, groundwater movement, and runoff into rivers, streams and the ocean; see *Water cycle*.

Infiltration – Water other than sewage that enters a sewer system and/or building laterals from the ground through defective pipes, pipe joints, connections, or manholes. Infiltration does not include inflow. See *Inflow*.

Inflow - Water other than sewage that enters a sewer system and building sewer from sources such as roof vents, yard drains, area drains, foundation drains, drains from springs and swampy areas, manhole covers, cross connections between storm drains and sanitary sewers, catch basins, cooling towers, storm waters, surface runoff, street wash waters, or drainage. Inflow does not include infiltration. See *Infiltration*.

Inflow / Infiltration (I/I) – The total quantity of water from both inflow and infiltration.

Mains, Distribution - A network of pipelines that delivers water (drinking water or recycled water) from transmission mains to residential and commercial properties, usually pipe diameters of 4" to 16".

Mains, Transmission - A system of pipelines that deliver water (drinking water or recycled water) from a source of supply the distribution mains, usually pipe diameters of greater than 16".

Meter - A device capable of measuring, in either gallons or cubic feet, a quantity of water delivered by the District to a service connection.

Overdraft - The pumping of water from a groundwater basin or aquifer in excess of the supply flowing into the basin. This pumping results in a depletion of the groundwater in the basin which has a net effect of lowering the levels of water in the aquifer.

Peak Flow – The maximum flow that occurs over a specific length of time (e.g., daily, hourly, instantaneously).

Pipeline - Connected piping that carries water, oil or other liquids. See *Mains, Distribution and Mains, Transmission*.

Point of Responsibility, Metered Service - The connection point at the outlet side of a water meter where a landowner's responsibility for all conditions, maintenance, repairs, use and replacement of water service facilities begins, and the District's responsibility ends.

Potable Water - Water that is used for human consumption and regulated by the California Department of Public Health.

Pressure Reducing Valve - A device used to reduce the pressure in a domestic water system when the water pressure exceeds desirable levels.

Pump Station - A drinking water or recycled water facility where pumps are used to push water up to a higher elevation or different location.

Reservoir - A water storage facility where water is stored to be used at a later time for peak demands or emergencies such as fire suppression. Drinking water and recycled water systems will typically use concrete or steel reservoirs. The State Water Project system considers lakes, such as Shasta Lake and Folsom Lake to be water storage reservoirs.

Runoff - Water that travels downward over the earth's surface due to the force of gravity. It includes water running in streams as well as over land.

Sanitary Sewer System - Sewer collection system designed to carry sewage, consisting of domestic, commercial, and industrial wastewater. This type of system is not designed nor intended to carry water from rainfall, snowmelt, or groundwater sources. See *Combined Sewer System*.

Sanitary Sewer Overflow – Overflow from a sanitary sewer system caused when total wastewater flow exceeds the capacity of the system. See *Combined Sewer Overflow*.

Santa Ana River Interceptor (SARI) Line – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the sewer treatment plant operated by Orange County Sanitation District.

Secondary Treatment – Biological sewer treatment, particularly the activated-sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

Supervisory Control and Data Acquisition (SCADA) - A computerized system which provides the ability to remotely monitor and control water system facilities such as reservoirs, pumps and other elements of water delivery.

Service Connection - The water piping system connecting a customer's system with a District water main beginning at the outlet side of the point of responsibility, including all plumbing and equipment located on a parcel required for the District's provision of water service to that parcel.

Sludge – Untreated solid material created by the treatment of sewage.

Smart Irrigation Controller - A device that automatically adjusts the time and frequency which water is applied to landscaping based on real-time weather such as rainfall, wind, temperature and humidity.

Special District - A political subdivision of a state established to provide a public services, such as water supply or sanitation, within a specific geographic area.

Surface Water - Water found in lakes, streams, rivers, oceans or reservoirs behind dams.

Total Suspended Solids (TSS) – The amount of solids floating and in suspension in water or sewage.

Transpiration - The process by which water vapor is released into the atmosphere by living plants.

Trickling Filter – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in primary treated sewage as it trickles over them.

Underground Service Alert (USA) - A free service that notifies utilities such as water, telephone, cable and sewer companies of pending excavations within the area (dial 8-1-1 at least 2 working days before you dig).

Urban Runoff - Water from city streets and domestic properties that typically carries pollutants into the storm drains, rivers, lakes, and oceans.

Valve - A device that regulates, directs or controls the flow of water by opening, closing or partially obstructing various passageways.

Wastewater – Any water that enters the sanitary sewer.

Water Banking - The practice of actively storing or exchanging in-lieu surface water supplies in available groundwater basin storage space for later extraction and use by the storing party or for sale or exchange to a third party. Water may be banked as an independent operation or as part of a conjunctive use program.

Water cycle - The continuous movement water from the earth's surface to the atmosphere and back again; see Hydrologic cycle.

Water Pressure - Pressure created by the weight and elevation of water and/or generated by pumps that deliver water to the tap.

Water Service Line - The pipeline that delivers potable water to a residence or business from the District's water system. Typically the water service line is a 1" to 1½" diameter pipe for residential properties.

Watershed - A region or land area that contributes to the drainage or catchment area above a specific point on a stream or river.

Water Table - The upper surface of the zone of saturation of groundwater in an unconfined aquifer.

Water Transfer - A transaction, in which a holder of a water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water under that water right or entitlement.

Water Well - A hole drilled into the ground to tap an underground water aquifer.

Wetlands - Lands which are fully saturated or under water at least part of the year, like seasonal vernal pools or swamps.

Wet Weather Flow – Dry weather flow combined with stormwater introduced into a combined sewer system, and dry weather flow combined with infiltration/inflow into a separate sewer system.





COMMONLY USED ABBREVIATIONS

AQMD	Air Quality Management District
BOD	Biochemical Oxygen Demand
CARB	California Air Resources Board
CCTV	Closed Circuit Television
CWA	Clean Water Act
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
FOG	Fats, Oils, and Grease
GPD	Gallons per day
MGD	Million gallons per day
O & M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
POTW	Publicly Owned Treatment Works
PPM	Parts per million
RWQCB	Regional Water Quality Control Board
SARI	Santa Ana River Inceptor
SAWPA	Santa Ana Watershed Project Authority
SBVMWD	San Bernardino Valley Municipal Water District
SCADA	Supervisory Control and Data Acquisition system
SSMP	Sanitary Sewer Management Plan
SSO	Sanitary Sewer Overflow
SWRCB	State Water Resources Control Board
TDS	Total Dissolved Solids
TMDL	Total Maximum Daily Load
TSS	Total Suspended Solids
WDR	Waste Discharge Requirements
YVWD	Yucaipa Valley Water District