



Yucaipa Valley Water District

Notice and Agenda of a Board Workshop

Tuesday, February 28, 2017 at 4:00 p.m.

MEETING LOCATION: District Administration Building
12770 Second Street, Yucaipa

MEMBERS OF THE BOARD: Director Chris Mann, 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. Consent Calendar - All matters listed under the Consent Calendar are routine and will be enacted in one motion. There will be no discussion prior to the time the board considers the motion unless members of the board, management staff, or the public requests a specific item(s) to be removed from the Consent Calendar and discussed.

- A. Payment of Bills
1. Approve/Ratify Invoices for Board Awarded Contracts
 2. Ratify General Expenses for January 2017

IV. Staff Report

V. Presentations

- A. 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. 17-020 - Page 12 of 69](#)]
- B. Overview of the Draft Water Rights, Water Supply, and Facility Capacity Fee Collection Agreement between the City of Calimesa, San Geronio Pass Water Agency and Yucaipa Valley Water District [[Workshop Memorandum No. 17-021 - Page 29 of 69](#)]

VI. Operational Updates

- A. Consideration to Purchase Additional Imported Water Supplies from the San Bernardino Valley Municipal Water District for Calendar Year 2017 [[Workshop Memorandum No. 17-022 - Page 49 of 69](#)]
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Any person who requires accommodation to participate in this meeting should contact the District office at (909) 797-5117, at least 48 hours prior to the meeting to request a disability-related modification or accommodation.

Materials that are provided to the Board of Directors after the meeting 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

VII. Policy Issues

- A. Overview of Resolution No. 2017-xx Regarding the Use of Construction, Agricultural, and Residential Hydrant Water Meters [[Workshop Memorandum No. 17-023 - Page 52 of 69](#)]

VIII. Administrative Issues

- A. Implementation of a Cellular Device Usage Program [[Workshop Memorandum No. 17-024 - Page 57 of 69](#)]
- B. Proposed Modification to District Payroll Cycled to be from Sunday through Saturday [[Workshop Memorandum No. 17-025 - Page 59 of 69](#)]

IX. Director Comments

X. Closed Session

- A. Conference with Real Property Negotiator(s)
Property: Assessor's Parcel Number(s): 0321-261-15 and 0321-261-17
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Dawn Campbell
Under Negotiation: Terms of Payment and Price
- B. Conference with Real Property Negotiator(s)
Property: Assessor's Parcel Numbers: 301-201-20, 27 and 28
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Abraham and Nabil Issa
Under Negotiation: Terms of Payment and Price
- C. Conference with Legal Counsel
Anticipated Litigation--One Potential Case Against the District (Government Code, Section 54956.9(d))

XI. Adjournment

Consent Calendar



Yucaipa Valley Water District

Board Awarded Contracts
Consent Calendar Board Meeting - February 21, 2017

District Awarded Contracts	Director Memorandum	Job or GL #	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining	Encumbered Funds - Remaining Contract Amount					
										General Operating Expenses	Water Division Funds	Sewer Division Funds	Recycled Division Funds	Other Funds	
Law Office of David L. Wysocki - FY 2017 Legal Services (Operating)	--	*-5-06-54107	--	--	\$23,963	\$3,300	\$27,263								
Borden Excavating (W-Reserves) 30-Inch Potable Water Conveyance -Phase III	17-008	02-21758	--	\$618,577	\$0	\$0	\$0	\$618,577	100%		\$618,577				
CV Strategies (W-Operating) Water Conservation Messaging	16-091	02-5-06-54099	--	\$15,000	\$6,574	\$4,019	\$10,592	\$4,408	29%	\$4,408					
DDB Engineering (R-Reserves) Application to DDW for the Recharge at Wilson Creek Basins	15-086	04-19771	--	\$35,900	\$18,041	\$6,614	\$24,655	\$11,245	31%				\$11,245		
Delta Partners \$90,000 per year-LegislativeConsult (exp 12/18) W/S Oper	13-079	*-5-06-54109	--	\$90,000	\$0	\$7,500	\$7,500	\$82,500	92%	\$82,500					
Dudek (R-Operating) Install Groundwater Observation Wells near San Timoteo Creek	15-098	04-5-06-57030	--	\$59,747	\$15,638	\$3,483	\$19,120	\$40,627	68%	\$40,627					
Dudek (S-Operating) 2016-Max Benefit Monitoring for San Timoteo/Yucaipa Mgmt Zones	03-5-06-54109	\$108,385	--	\$108,385	\$108,236	\$0	\$108,236	\$149	0%	\$149					
Fred M. Boerner Motor Co. (W/S Reserves) Purchase of 2017 International Workstar cab and chassis	16-085	**-10310	--	\$167,497	\$0	\$0	\$0	\$167,497	100%	\$167,497					
Fred M. Boerner Motor Co. (W/S Reserves) Purchase of 2017 International DuraStar cab and chassis	16-086	**-10310	--	\$92,836	\$0	\$0	\$0	\$92,836	100%	\$92,836					
Gateway Pacific Contractors, Inc. (Scip Funds) Construction of 6.0 MG Reservoir R-12.4	14-091	SCIP funding	--	\$7,520,080	\$7,490,707	\$29,373	\$7,520,080	\$0	0%						\$0
Geoscience (R-Operating) Preparation of a groundwater model for the Gateway Basin CO #1 - preparation of groundwater model	14-070 15-010	04-5-06-54109		\$51,710	\$40,690	\$0	\$40,690	\$11,020	21%	\$11,020					
Geoscience (W-Operating) Calculation of Water Budgets for Validation of Annual Change in Storage	16-058	02-5-06-54109		\$130,236	\$22,234	\$0	\$22,234	\$108,002	83%	\$108,002					
Geoscience (W-Operating) Exp of the Yucaipa Watershed & Yucaipa Groundwater Basin Model	16-110	02-5-06-54109		\$41,770	\$0	\$0	\$0	\$41,770	100%	\$41,770					
Harper & Associates (W-Operating) Engineering, Project Mgmt & Inspection Svcs for coating repairs YVRWFF	15-062	02-5-01-57040	\$16,615	\$16,615	\$13,990	\$0	\$13,990	\$2,625	16%	\$2,625					
Krieger & Stewart Initiate Design of R-12.4 (W-Reserves) TO#4 Revised TO#4, Amendment #2 TO#5- Construction Mgmt Services TO#5, Amendment #1 - Construction Mgmt Services	04-164 05-075 14-014 14-092 16-069	65-295	\$74,900 \$600 \$45,000 \$482,500 \$102,600	\$585,100	\$540,642	\$3,571	\$544,213	\$40,887	7%	\$40,887					
TO#5, Design R-13.4 and H-2 Reservoirs for JP Ranch 60% R-13.4 and 40% H-2 (Developer Funds)	05-083 05-083	65-180 65-179	\$47,400 \$31,600	\$79,000	\$50,471	\$0	\$50,471	\$28,529	36%						\$28,529
TO#7, Design of a 24" Recycled Water Pipeline TO#7, Amendment #1 Addtl Design Costs	11-091 14-012	04-9435	\$220,800 \$49,000	\$269,800	\$268,707	\$0	\$268,707	\$1,093	0%				\$1,093		
LinkoCTS (EC-Operating) Pretreatment Software	16-061	03-5-07-54111		\$36,105	\$28,185	\$0	\$28,185	\$7,920	22%	\$7,920					
One Stop Landscape Supply FY 2017 Sludge Hauling\Reuse (Oper)	--	03-5-02-57031	--	--	\$125,143	\$25,861	\$151,003								
Pascal & Ludwig (S-Reserves)	15-041	03-14500	\$2,175,000	\$3,365,564	\$2,365,564	\$0	\$2,365,564	\$0	0%						(\$0)

Board Awarded Contracts
Consent Calendar Board Meeting - February 21, 2017

										Encumbered Funds - Remaining Contract Amount				
										General Operating Expenses	Water Division Funds	Sewer Division Funds	Recycled Division Funds	Other Funds
District Awarded Contracts	Director Memorandum	Job or GL #	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining					
Cleaning & replacement of 4 digester covers at WRWRF														
Additional coating repairs	16-008	03-14500	\$67,347											
CO #2, #3, #4	16-098	03-14500	\$123,217											
Platinum Advisors (W/S Operating)														
FY 2017 Lobbyist N-T-E per month	13-080	02-5-06-54109	--	--	\$30,000	\$5,000	\$35,000							
FY 2017 Quarterly Filing & Misc. Expenses		02-5-06-54109	--	--	\$250	\$0	\$250							
RMC Water & Environment														
TO#25, Digester Cleaning & a Solids Process Cond Assess	12-066	88-12830	\$57,730	\$329,600	\$345,625	\$0	\$345,625	(\$16,025)	-5%				(\$16,025)	
TO#25, Amendment #1 (S-Reserves)	13-074	03-502-51003	\$271,870											
TO#26, SRF Mgmt Svcs-Calimesa Regional Recycled Pipeline (R-FCC)	14-023	04-5-06-54109		\$95,692	\$47,811	\$0	\$47,811	\$47,881	50%					\$47,881
Dewatering Equip Pilot Testing Support Svces at WRWRF (S-Oper)	15-044	03-5-06-54109		\$45,000	\$45,000	\$0	\$45,000	\$0	0%	\$0				
Application to DDW for the Recharge at Wilson Creek Basins (R-Resvs)	15-086	04-19771	--	\$131,979	\$118,830	\$9,764	\$128,594	\$3,385	3%					\$3,385
San Bernardino Valley Water District (W-Operating)														
Efficient Wwater Conservation Campaign	16-092	02-5-06-54099	--	\$16,195	\$0	\$0	\$0	\$16,195	100%	\$16,195				
Separation Processes, Inc. (W-Reserves)		55-19200												
Design & Construction Supports Servs for NF SCRAM	15-047	02-14500		\$191,820	\$58,172	\$11,247	\$69,419	\$122,401	64%		\$122,401			
Application to DDW for the Recharge at Wilson Creek Basins (R-Resrvs)	15-086	04-19771	--	\$42,860	\$23,085	\$206	\$23,291	\$19,569	46%					\$19,569
Skydrop Irrigation Controllers (W-Reserves Funds 25% Muni)		02-10310												
Purchase of Wi-Fi based irrigations controllers	15-043	02-11201	\$250,000	\$686,029	\$563,390	\$0	\$563,390	\$122,639	18%		\$122,639			
Purchase 500 additional controller	16-010	02-11201	\$100,000											
Purchase 1000 additional controllers	16-029	02-11201	\$200,000											
Paid from Muni (25% of set controllers)			\$136,029											
TSR Construction (R-Reserves)														
Site Improvements at RWB-12.4	17-019	04-18508	--	\$293,900	\$0	\$0	\$0	\$293,900	100%					\$293,900
Vavrinek, Trine, Day & Company (VTD) (Operating)														
FY 2016 Auditing Services \$23,900 + \$3,500 for Single Audit	15-106	*-5-06-54108		\$23,900	\$23,900	\$0	\$23,900	\$0	0%	\$0				
FY 2017 Auditing Services \$23,900 + \$3,500 for Single Audit	15-106	*-5-06-54108												
FY 2018 Auditing Services \$23,900 + \$3,500 for Single Audit	15-106	*-5-06-54108												
FY 2019 Auditing Services \$23,900 + \$3,500 for Single Audit	15-106	*-5-06-54108												
Villalobos and Associates (W-Operating)														
Permitting of Recharge Oper at the Wilson Creek Spreading Basins	16-064	02-5-06-54109	--	\$72,200	\$17,860	\$0	\$17,860	\$54,340	75%	\$54,340				
GRAND TOTALS				\$14,206,386	\$12,440,335	\$109,936	\$12,550,271	\$1,923,970	--	\$629,888	\$904,505	(\$16,025)	\$377,074	\$28,529
										\$629,888		\$1,265,553		\$28,529

Approval of General Expenses January 2017 (Check Register Attached)

Check Register - January 2017

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
01/03/2017	27846	Ameripride Uniform Services	540.88
01/03/2017	27847	Dudek & Associates, Inc	4,203.83
01/03/2017	27848	Henry Minkler Const.,Inc	2,241.95
01/03/2017	27849	Incode Division-Tyler Technolo	350.00
01/03/2017	27850	South Coast A.Q.M.D.	479.21
01/03/2017	27851	Spectrum Business	3,673.00
01/03/2017	27852	The Gas Company	2,489.11
01/03/2017	27853	Yucaipa Disposal, Inc.	1,413.00
01/03/2017	27854	Yucaipa Valley Chamber Of Comm	50.00
01/03/2017	27855	John F. Simister	404.29
01/03/2017	27856	Brenntag Pacific, Inc	23,104.82
01/03/2017	27857	Charles P. Crowley Company, In	1,293.17
01/03/2017	27858	Calolympic Glove & Safety Co.,	172.67
01/03/2017	27859	CDA Systems, LLC	586.71
01/03/2017	27860	Clinical Laboratory of San Ber	10,650.00
01/03/2017	27861	Dickson	224.74
01/03/2017	27862	Dinosaur Tire Inc.	394.21
01/03/2017	27863	David Sunden	4,451.42
01/03/2017	27864	Frost Company	3,975.00
01/03/2017	27865	Grainger	1,846.69
01/03/2017	27866	Home Depot U.S.A. Inc	40.67
01/03/2017	27867	Inland Water Works Supply Co.	1,490.40
01/03/2017	27868	Masek Consulting Services, Inc	700.00
01/03/2017	27869	Nuckles Oil Company, Inc.	1,550.12
01/03/2017	27870	Nagem, Inc.	2,546.54
01/03/2017	27871	BlueTarp Financial, Inc.	306.54
01/03/2017	27872	P & R Paper Supply Co., Inc.	480.55
01/03/2017	27873	Tony R. Harris	4,985.17
01/03/2017	27874	SB CNTY-Solid Waste Mgmt Div	52.41
01/03/2017	27875	Thomas Emery Taylor	200.00
01/03/2017	27876	UGSI Chemical Feed, Inc.	14,447.62
01/03/2017	27877	YRC, Inc.	234.63
01/03/2017	27878	State Water Resources Control	285.00
01/03/2017	27879	VARA, TONY G.	1,300.00
01/06/2017	27880	PAYROLL CHECK	2,028.99
01/06/2017	27881	PAYROLL CHECK	319.93
01/06/2017	27882	PAYROLL CHECK	598.59
01/06/2017	27883	WageWorks, Inc.	1,269.08
01/06/2017	27884	Public Employees' Retirement S	24,509.22
01/06/2017	27885	IBEW Local 1436	448.00
01/06/2017	27886	California State Disbursement	115.38
01/06/2017	27887	California State Disbursement	476.30
01/06/2017	27888	Department of the Treasury - I	125.00
01/09/2017	27889	SINGLETON RD LLC	191.51
01/09/2017	27890	ROACH, WILLIAM	48.62
01/09/2017	27891	RIVAS, FELIPE	160.65
01/09/2017	27892	ADS, LLC	3,951.00
01/09/2017	27893	Luke's Transmission Inc.	15.00
01/09/2017	27894	Ralph C. Casas	89.70
01/09/2017	27895	Ameripride Uniform Services	534.37
01/09/2017	27896	CA-Board of Equalization	4,511.00
01/09/2017	27897	Central Communications	485.60
01/09/2017	27898	Steve Hines No.1, LLC	9,172.00
01/09/2017	27899	Crown Ace Hardware - Yucaipa	664.04
01/09/2017	27900	First American Data Tree, LLC	50.00
01/09/2017	27901	Fedex	31.35
01/09/2017	27902	Frontier Communications	143.77
01/09/2017	27903	Geoscience Support Services, I	4,923.25
01/09/2017	27904	House Of Quality, Parts Plus	1,784.23

Check Register - January 2017

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
01/09/2017	27905	Raiset R. Santana and Adriana	64.00
01/09/2017	27906	Matthew Bender & Co., Inc.	219.35
01/09/2017	27907	NetComp Technologies, Inc.	6,925.00
01/09/2017	27908	SCCI, Inc.	350.00
01/09/2017	27909	Association of San Bernardino	70.00
01/09/2017	27910	Tokay Software	270.00
01/09/2017	27911	Underground Service Alert Of S	151.50
01/09/2017	27912	UPS Store#1504/ Mail Boxes Etc	9.28
01/09/2017	27913	Yucaipa Valley Water District	6,520.41
01/09/2017	27914	John F. Simister	41.70
01/09/2017	27915	Brenntag Pacific, Inc	4,793.63
01/09/2017	27916	Haaker Equipment Company	342.61
01/09/2017	27917	Hasa, Inc.	4,051.82
01/09/2017	27918	Inland Water Works Supply Co.	2,096.64
01/09/2017	27919	Innerline Engineering	5,250.00
01/09/2017	27920	Lowe's Companies, Inc.	397.88
01/09/2017	27921	BlueTarp Financial, Inc.	595.57
01/09/2017	27922	Office Solutions Business Prod	3,483.58
01/09/2017	27923	Uline, Inc.	1,754.81
01/09/2017	27924	HD Supply Facilities Maintenanc	2,166.87
01/09/2017	27925	Calmat Company	2,267.72
01/09/2017	27926	Cobb's Printing, LLC	349.34
01/09/2017	27927	Gregory N. Godwin	199.17
01/09/2017	27928	Standard Insurance Company	3,127.68
01/09/2017	27929	Workboot Warehouse	139.64
01/09/2017	27930	Berkshire Hathaway Homestate C	24,456.27
01/09/2017	27931	Anthem Blue Cross L and H	388.40
01/09/2017	27932	Standard Insurance Company	3,346.84
01/09/2017	27933	Standard Insurance Vision Plan	670.64
01/09/2017	27934	MetLife Small Business Center	544.60
01/09/2017	27935	Hyatt Regency Long Beach	1,384.00
01/09/2017	27936	Inland Empire EAC	165.00
01/09/2017	27937	WageWorks, Inc.	212.75
01/09/2017	27938	Taylor Corporation	252.30
01/17/2017	27939	CV Strategies	2,446.00
01/17/2017	27940	Delta Partners, LLC	7,500.00
01/17/2017	27941	Dudek & Associates, Inc	9,581.60
01/17/2017	27942	Krieger & Stewart	3,630.57
01/17/2017	27943	One Stop Landscape Supply Inc	22,626.00
01/17/2017	27944	Platinum Advisors, LLC	5,125.00
01/17/2017	27945	RMC Water and Environment	15,933.78
01/17/2017	27946	Sacramento Bank of Commerce	473.00
01/17/2017	27947	Separation Processes, Inc.	2,358.88
01/17/2017	27948	David L. Wysocki	3,375.00
01/17/2017	27949	Ameripride Uniform Services	551.18
01/17/2017	27950	AT&T Mobility	1,572.58
01/17/2017	27951	Balco Holdings Inc.	245.00
01/17/2017	27952	Burgeson's Heating & Air Cond.	488.00
01/17/2017	27953	Carpet Station Tile & Wood, In	4,687.00
01/17/2017	27954	Corelogic, Inc.	330.00
01/17/2017	27955	Coverall North America, Inc.	1,021.00
01/17/2017	27956	Goforth & Marti Office	10,481.74
01/17/2017	27957	InfoSend, Inc.	5,245.70
01/17/2017	27958	Kevin E. French	13,726.00
01/17/2017	27959	Konica Minolta Business Soluti	624.13
01/17/2017	27960	Layne Christensen Company	1,952.17
01/17/2017	27961	VOID CHECK	0.00
01/17/2017	27962	Spectrum Business	389.99
01/17/2017	27963	Charles P. Crowley Company, In	9,604.64

Check Register - January 2017

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
01/17/2017	27964	California Water Technologies,	4,223.10
01/17/2017	27965	California Boiler, Inc.	1,760.60
01/17/2017	27966	Cemex Inc. USA	554.42
01/17/2017	27967	Clean Diesel Specialists So Ca	1,631.76
01/17/2017	27968	Victor James Valenti	3,304.00
01/17/2017	27969	Evoqua Water Technologies LLC	918.60
01/17/2017	27970	Eric Ewalt	9,665.00
01/17/2017	27971	Hasa, Inc.	3,471.90
01/17/2017	27972	Myers & Sons Hi-Way Safety Inc	64.11
01/17/2017	27973	Home Depot U.S.A. Inc	70.07
01/17/2017	27974	Inland Water Works Supply Co.	737.87
01/17/2017	27975	Innerline Engineering	1,750.00
01/17/2017	27976	Nuckles Oil Company, Inc.	2,813.75
01/17/2017	27977	Office Solutions Business Prod	222.60
01/17/2017	27978	Q Versa, LLC	830.00
01/17/2017	27979	R & R Anderson Trucking	1,368.35
01/17/2017	27980	Reign Electric Services and Sy	7,548.00
01/17/2017	27981	Donald Kent Stone	500.00
01/17/2017	27982	Top-Line Industrial Supply, LL	19.50
01/17/2017	27983	Tri County Pump Company	13,383.64
01/17/2017	27984	Uline, Inc.	2,648.07
01/17/2017	27985	American Water Works Assoc.	262.00
01/17/2017	27986	CWEA-TCP (OAKPORT ST.)	83.00
01/17/2017	27987	CWEA-TCP (OAKPORT ST.)	98.00
01/17/2017	27988	San Gorgonio Pass Water Agency	13,503.30
01/20/2017	27989	PAYROLL CHECK	2,028.99
01/20/2017	27990	WageWorks, Inc.	1,269.08
01/20/2017	27991	Public Employees' Retirement S	24,541.45
01/20/2017	27992	California State Disbursement	115.38
01/20/2017	27993	California State Disbursement	476.30
01/20/2017	27994	Department of the Treasury - I	125.00
01/20/2017	27995	Western Dental Services, Inc.	273.95
01/20/2017	27996	Matthew Porras	136.42
01/20/2017	27997	Ashley Hosmanek	131.04
01/23/2017	27998	NYMAN, PATRICK	16.46
01/23/2017	27999	STONE, BENJAMIN	27.37
01/23/2017	28000	California Water Environment A	172.00
01/23/2017	28001	CWEA-TCP (OAKPORT ST.)	166.00
01/23/2017	28002	Atkinson, Andelson, Loya, Ruud	5,639.50
01/23/2017	28003	Ameripride Uniform Services	536.16
01/23/2017	28004	Dudek & Associates, Inc	5,701.69
01/23/2017	28005	Frontier Communications	146.86
01/23/2017	28006	Incode Division-Tyler Technolo	17,307.02
01/23/2017	28007	InfoSend, Inc.	3,705.90
01/23/2017	28008	MailFinance Inc.	337.64
01/23/2017	28009	NetComp Technologies,Inc.	2,750.00
01/23/2017	28010	San Bdno. Valley Muni. Water D	880,600.00
01/23/2017	28011	SCE Rosemead	88,321.98
01/23/2017	28012	Association of San Bernardino	70.00
01/23/2017	28013	The Counseling Team Internatio	540.00
01/23/2017	28014	Thomson West	2,773.44
01/23/2017	28015	Watereuse Association	1,605.00
01/23/2017	28016	Brenntag Pacific, Inc	6,541.44
01/23/2017	28017	Cal-Mesa Steel Supply, Inc.	41.91
01/23/2017	28018	Cemex Inc. USA	1,827.90
01/23/2017	28019	Center Electric Services, Inc.	8,054.26
01/23/2017	28020	Evoqua Water Technologies LLC	1,140.11
01/23/2017	28021	Fisher Scientific Co.	229.31
01/23/2017	28022	Fuel Equipment Services, Inc.	312.65

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01/23/2017	28023	G&G Environmental Compliance,I	2,531.74
01/23/2017	28024	Gabe Crane	9,250.01
01/23/2017	28025	Harrington Ind. Plastic, LLC	2,643.41
01/23/2017	28026	HD Supply Waterworks, Ltd.	1,109.33
01/23/2017	28027	Hemet Valley Tool Inc.	1,076.42
01/23/2017	28028	Jerry Herbert Roofing Inc.	125.00
01/23/2017	28029	Inland Water Works Supply Co.	228.01
01/23/2017	28030	JB Paving & Engineering, Inc.	275.00
01/23/2017	28031	Kevin E. French	1,142.00
01/23/2017	28032	Harold J. Cossette	2,390.76
01/23/2017	28033	Lowe's Companies, Inc.	267.83
01/23/2017	28034	Nuckles Oil Company, Inc.	1,834.30
01/23/2017	28035	Nagem, Inc.	5,988.05
01/23/2017	28036	Office Solutions Business Prod	324.58
01/23/2017	28037	Patton Sales Corporation	267.18
01/23/2017	28038	Polydyne Inc.	5,699.98
01/23/2017	28039	Q Versa, LLC	7,691.14
01/23/2017	28040	SB & Riv Counties Fire Equipme	641.66
01/23/2017	28041	SF CC Intermediate Holdings In	106.95
01/23/2017	28042	Uline, Inc.	2,991.54
01/23/2017	28043	American Water Works Assoc.	1,200.00
01/23/2017	28044	Matthew Flordelis	205.00
01/23/2017	28045	Courtland R. Gear	65.00
01/23/2017	28046	Geoff Risaliti	65.00
01/23/2017	28047	American Family Life Assurance	3,510.23
01/23/2017	28048	Rodd Greene	669.21
01/23/2017	28049	Dennis Neff	669.58
01/23/2017	28050	YVWD-Petty Cash	234.86
01/23/2017	28051	Gregory N. Godwin	200.00
01/23/2017	28052	Standard Insurance Company	2,991.88
01/23/2017	28053	Robert Wall	669.58
01/23/2017	28054	Charlie Bailey	567.49
01/23/2017	28055	Anthem Blue Cross L and H	407.30
01/23/2017	28056	Standard Insurance Company	3,307.37
01/23/2017	28057	Standard Insurance Vision Plan	670.64
01/23/2017	28058	MetLife Small Business Center	460.06
01/23/2017	28059	CalPERS - HEALTH	70,349.82
01/23/2017	28060	Boot Barn Inc.	200.00

January 2017 Check Register Total	1,610,960.65
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Staff Report



Yucaipa Valley Water District

Presentations



Yucaipa Valley Water District

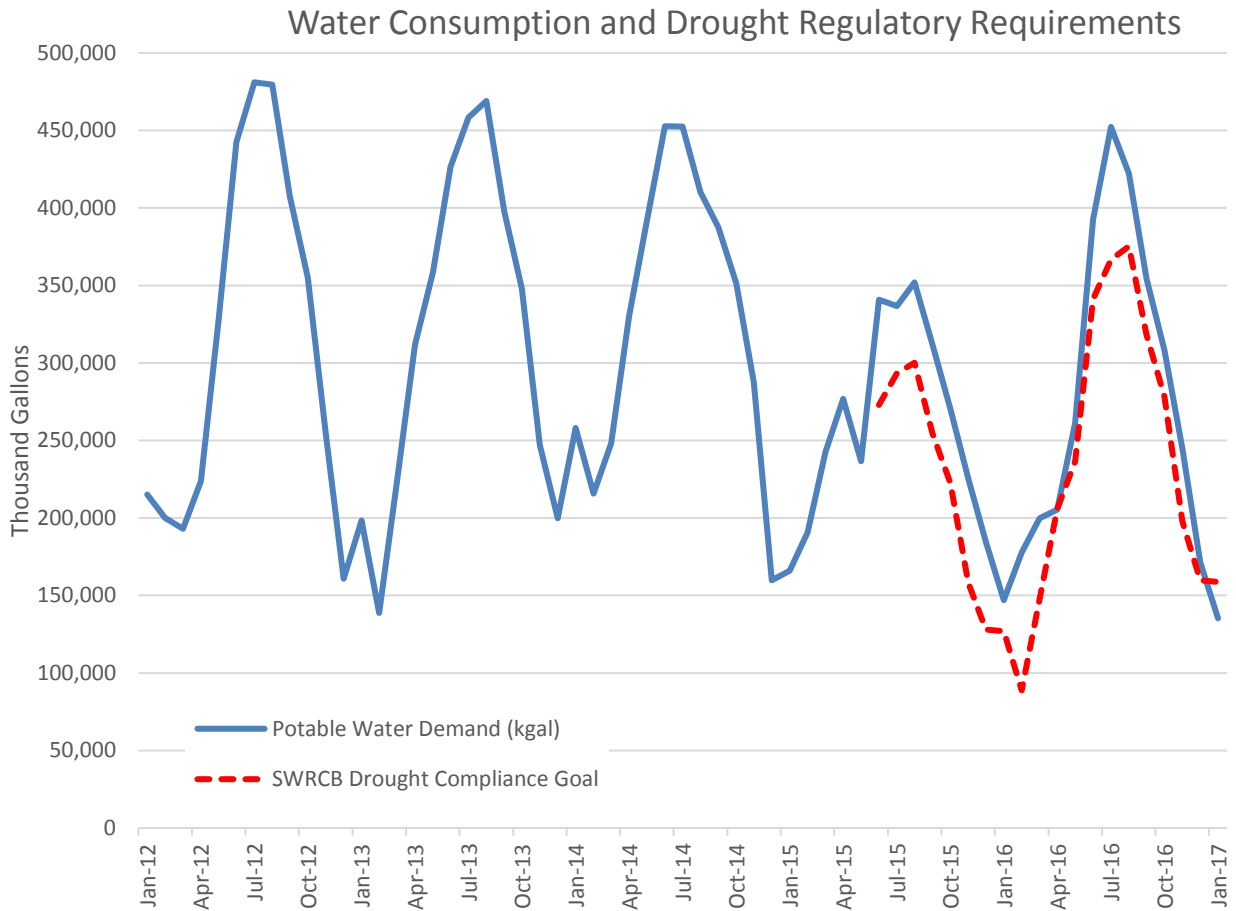


Date: February 28, 2017

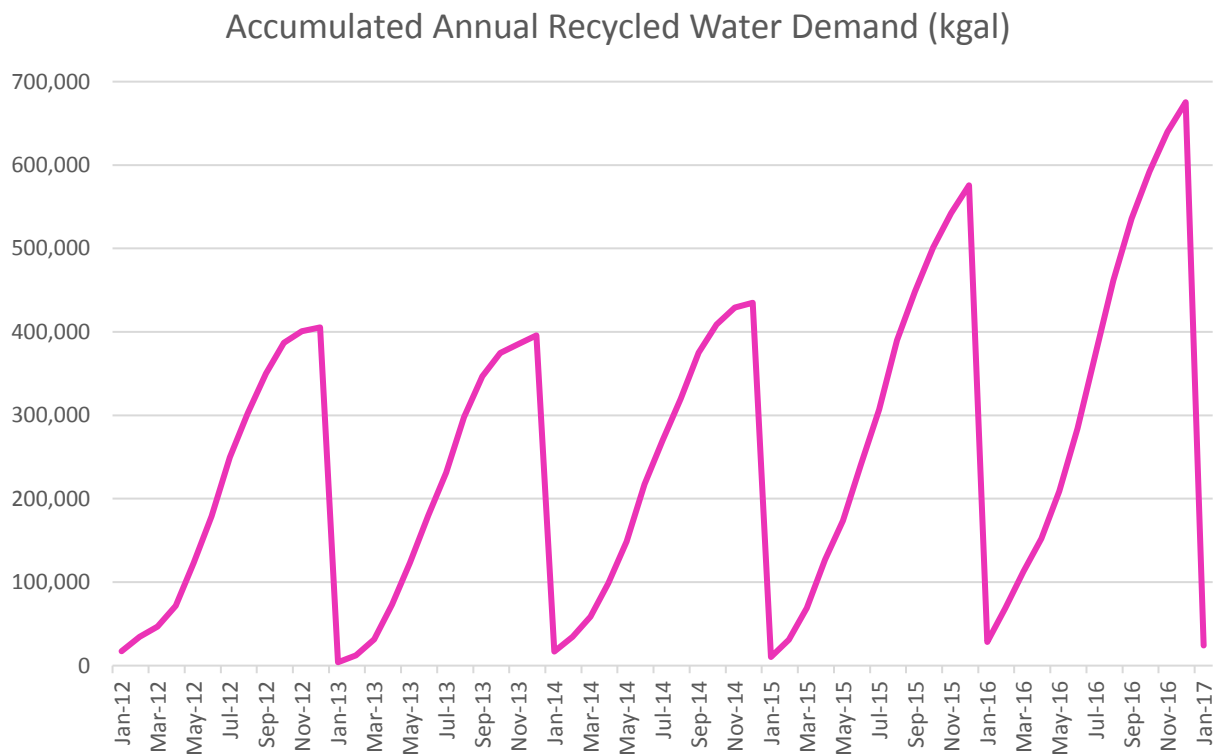
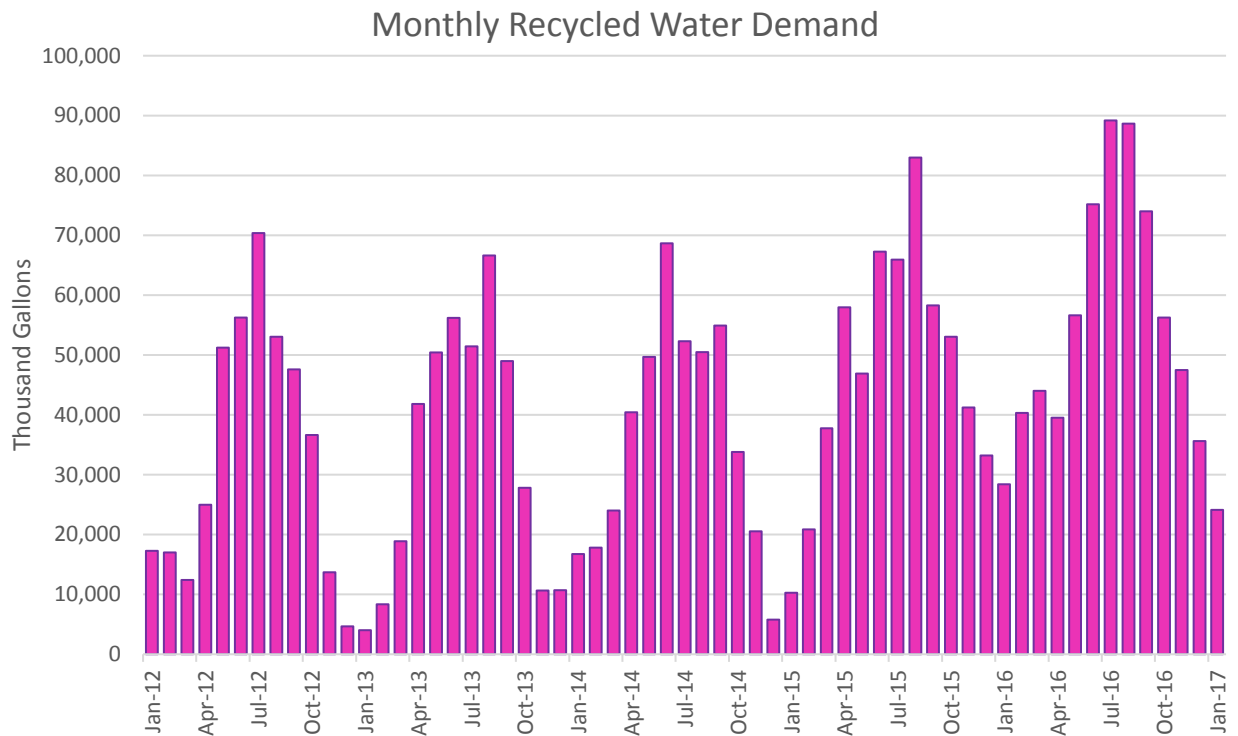
From: Joseph Zoba, General Manager

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.

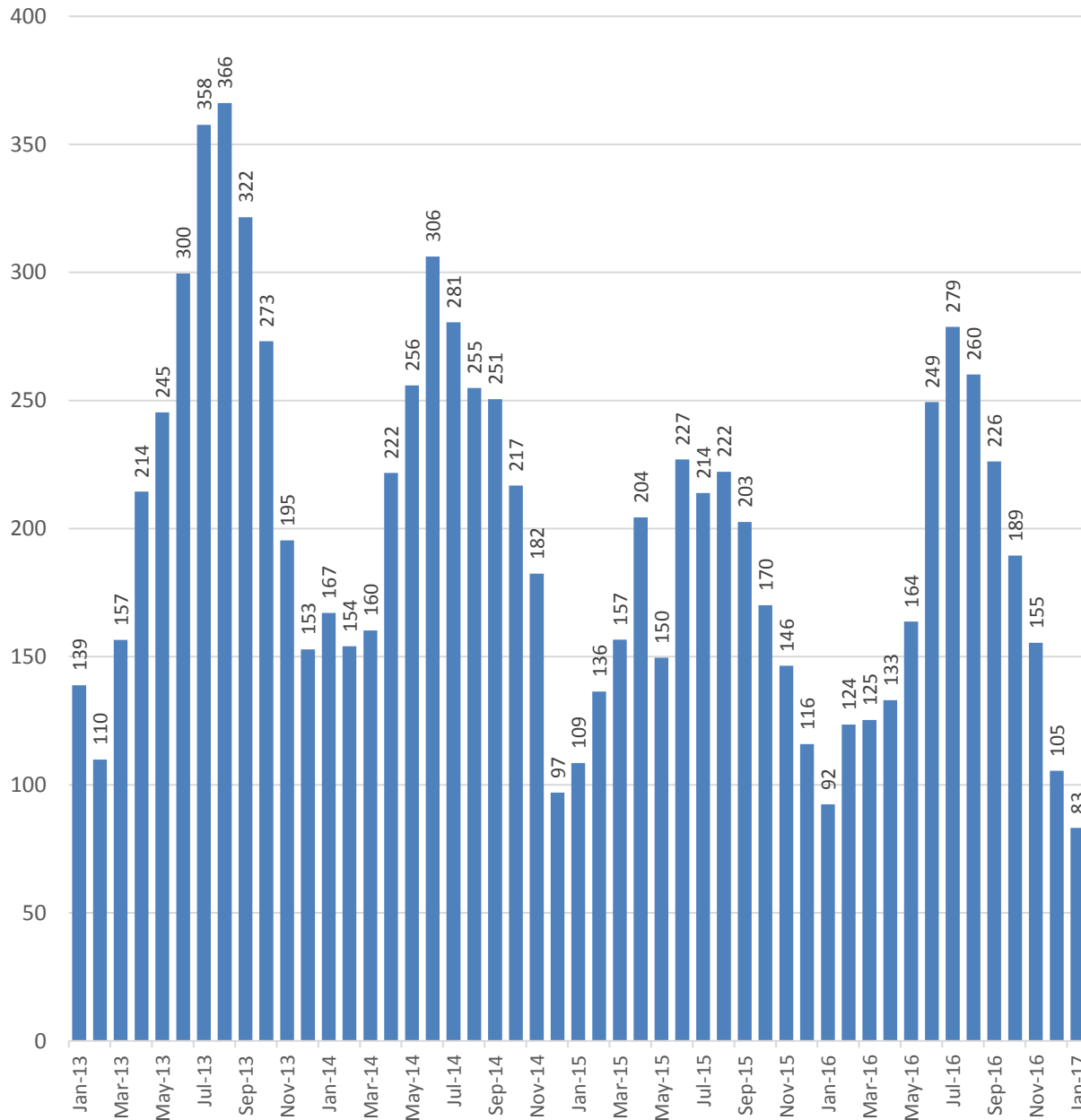


During the current drought, the Yucaipa Valley Water District has been able to increase the amount of recycled water delivered throughout our service area. The chart below shows the monthly delivery quantity to District customers.



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 153 R-GPCD¹ in December 2013 to 105 R-GPCD in December 2016, representing a decrease of 31%.

Monthly Water Consumption
Residential Gallons per Capita per Day



¹ R-GPCD - 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 it is 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.sqpwa.com/wp-content/uploads/2016/06/SWRCB-Emergency-Conservation-Req-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 <u>4,661</u>	500	8,263 <u>5,161</u>
Water Year 2018 (acre feet)	4,324 <u>4,661</u>	500	4,824 <u>5,161</u>
Water Year 2019 (acre feet)	4,997 <u>4,661</u>	500	5,497 <u>5,161</u>
Total Anticipated Supply (acre feet)	17,084 <u>13,983</u>	1,500	18,584 <u>15,483</u>

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

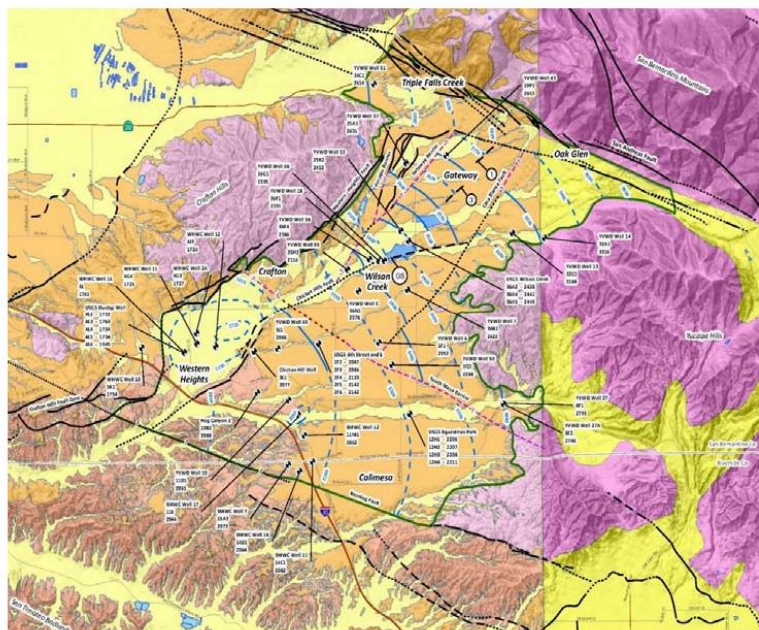
The Yucaipa Valley Water District believes that based on the criteria required for the self-certification, the quantity of water provided by the Oak Glen Surface Water Filtration Facility will be consistent at 220 acre feet per year for the next three water years. The difference between the anticipated 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.

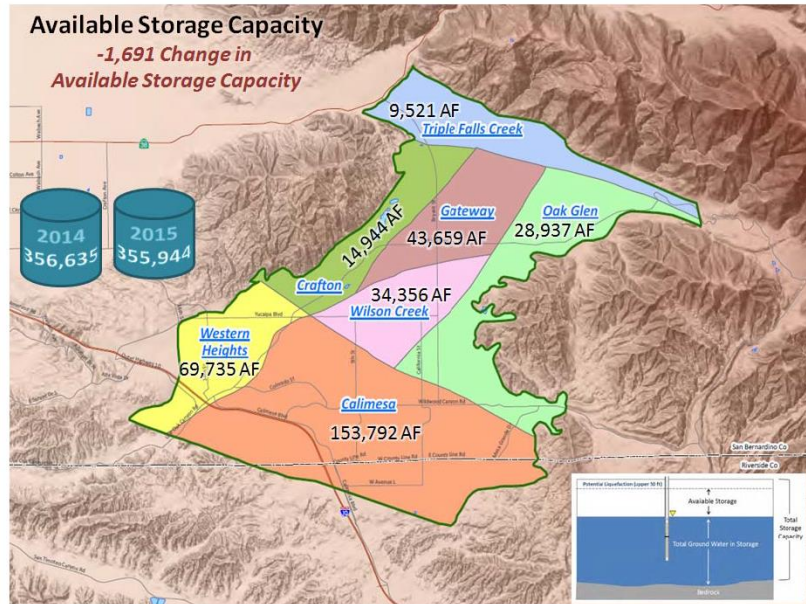
Additional information about the Yucaipa Basin area and the reports prepared by the Yucaipa Valley Water District can be downloaded from the following link:

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:

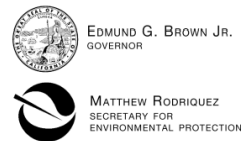
http://documents.yvwd.dst.ca.us/government/california/self-certification/160615_16-058_geoscience.pdf

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



On February 8, 2017, the State Water Resources Control Board issued a Notice of Proposed Rulemaking to continue the prohibited activities and mandatory actions related to the declared drought emergency. The proposed emergency regulation will amend and readopt the May 2016 Emergency Regulation and maintain several the same requirements that apply currently, except as noted below. The proposed emergency regulation:

- Allows an urban water supplier to resubmit its water reliability assessment (stress test) by March 15, 2017, if that supplier experienced a change to its baseline water supply conditions.
- Allows an urban water supplier to submit a water reliability stress test by March 15, 2017, if it did not do so before.
- Prohibits any city, county, or city and county from imposing fines prohibited by section 8627.7 of the Government Code.
- Does not require additional small supplier reporting. Small suppliers are encouraged to maintain conservation measures and report leaks.



State Water Resources Control Board

NOTICE OF PROPOSED EMERGENCY RULEMAKING February 8, 2017

Prohibition of Activities and Mandatory Actions during Declared Drought Emergency

Required Notice of Proposed Emergency Action

Government Code section 11346.1, subdivision (a)(2) requires that, at least five working days prior to submission of a proposed emergency regulation to the Office of Administrative Law (OAL), the adopting agency must provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After the submission of the proposed emergency action to OAL, OAL shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6. This document and the accompanying information provide the required notice.

Proposed Emergency Action

On January 17, 2014, Governor Edmund G. Brown, Jr. declared a drought state of emergency. On April 25, 2014 the Governor signed an Executive Order calling on the State to redouble state drought actions. Among other things, the Executive Order directed the State Water Board to adopt emergency regulations as it deems necessary, pursuant to Water Code section 1058.5, to ensure that Urban Water Suppliers implement drought response plans to limit outdoor irrigation and other wasteful water practices.

Water Code section 1058.5 grants the State Water Resources Control Board (State Water Board) the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports."

On July 15, 2014, the State Water Board adopted Resolution No. 2014-0038, which adopted an emergency regulation for water conservation that added new sections to title 23 of the California Code of Regulations. That emergency regulation became effective on July 28, 2014, upon approval by the Office of Administrative Law and filing with the Secretary of State. On March 17, 2015, the State Water Board amended and readopted the emergency regulation through adoption of Resolution No. 2015-0013, and the amended and readopted regulation took effect on March 27, 2015, upon approval by the Office of Administrative Law and filing with the Secretary of State.

On April 1, 2015, Governor Brown signed Executive Order B-29-15, directing the State Water Board to impose restrictions to achieve a statewide 25 percent reduction in potable urban water usage through February 2016, as compared to the amount used in 2013. The Governor instructed the State Water Board to consider the relative per capita water usage of each

supplier's service area and to require those areas with high per capita use to achieve proportionally greater reductions than those with low use. The order mandates that the Governor's January 17, 2014 Proclamation, April 25, 2014 Proclamation, Executive Order B-26-14, and Executive Order B-28-14 remain in full force and effect except as modified. On May 5, 2015 the State Water Board adopted a revised emergency regulation to address the actions called for in Executive Order B-29-15.

On November 13, 2015, Governor Brown issued Executive Order B-36-15 (EO B-36-15) calling for an extension of urban water use restrictions until October 31, 2016, should drought conditions persist through January 2016. Accordingly, on February 2, 2016, the State Water Board adopted [Resolution No. 2016-0007](#) to extend the requirements of the May 2015 Emergency Regulation. The [February 2016 Emergency Regulation](#) offered modest adjustments in supplier conservation standards to help respond to concerns about differences in climate across the state; growth experienced by urban areas; and significant investments that have been made to create new, local, drought-resilient sources of potable water supply. It added penalties for homeowners' associations or community service organizations that impede homeowners from reducing or eliminating the watering of vegetation or lawns during a declared drought emergency. And the February 2016 Emergency Regulation continued a prohibition on certain irrigation practices, including: an order that all urban water suppliers, as defined, reduce their total potable water production by a defined percentage; an order that other distributors of public water supply, as defined, reduce potable water consumption; an order for all self-supplied commercial, industrial, institutional water users to reduce potable water usage; and reporting requirements and enforcement tools to ensure compliance.

On May 9, 2016, Governor Brown issued Executive Order B-37-16 directing actions aimed at using water wisely, reducing water waste, and improving water use efficiency. The Executive Order, in part, directs the State Water Board to adjust emergency water conservation regulations through the end of January 2017, and make adjustments in recognition of the differing water supply conditions across the state.

On May 18, 2016, the State Water Board adopted [Resolution No. 2016-0029](#) to amend and re-adopt the February 2016 Emergency Regulation. The amendments primarily focused on replacing the state-developed, demand-driven standards with locally developed conservation standards based upon each agency's specific water supply reliability conditions (see Fact Sheet: [Staff Proposal for Extended Emergency Regulation for Urban Water Conservation, May 9, 2016](#)). The regulation requires individual urban water suppliers to self-certify the level of available water supplies they have assuming three additional dry years, and the level of conservation necessary to assure adequate supply over that time. Under the regulation, urban water suppliers are required to reduce potable water use by a percentage equal to their projected shortfall in the event of three more dry years.

Governor Brown's January 2014 drought declaration remains in effect. Barring re-adoption, the current regulation will expire automatically on February 28, 2017. Since 2011, California has undergone more than five years of extreme drought with several of those years being the worst on record, including a snowpack in 2015 that was the smallest in 500 years. The State Water Board is proposing to continue the existing prudent and appropriate drought restrictions until the Governor determines the state's readiness to leave drought conditions.

Proposed Text of Emergency Regulations

See the attached proposed text of the regulation.

Finding of Emergency (Gov. Code, § 11346.1, subd. (b))

The State Water Board finds that an emergency exists due to regional drought conditions in parts of the state and uncertainty regarding future conditions following five years of historic drought, and that adoption of the proposed emergency regulation is necessary to address the existing emergency and extend current restrictions in response to current conditions.

California has been dealing with the effects of an unprecedented drought for the last five years. So far this winter, California has experienced significant snow and rainfall, causing many of the state's reservoirs to shift to flood-control operations; however, some reservoirs remain critically low and groundwater storage remains depleted in many areas due to the continued impact of prolonged drought. Precipitation cannot be counted on to continue, and snowpack levels, while above average for the current time of year, are subject to rapid reductions as seen in 2016 and before. The full picture of the state's hydrologic water conditions for 2016/2017 remains unclear and subject to a number of variables at least through the end of the spring.

On January 17, 2014, Governor Brown declared a drought state of emergency. On April 25, 2014 the Governor signed an Executive Order (April 2014 Proclamation) stating, among things, "*...that severe drought conditions continue to present urgent challenges: water shortages in communities across the state, greatly increased wildfire activity, diminished water for agricultural production, degraded habitat for many fish and wildlife species, threat of saltwater contamination of large fresh water supplies conveyed through the Sacramento-San Joaquin Bay Delta, and additional water scarcity if drought conditions continue into 2015.*"

Due to these concerns, the April 2014 Proclamation directs the State Water Board to adopt emergency regulations as it deems necessary, pursuant to Water Code section 1058.5, to ensure that urban water suppliers implement drought response plans to limit outdoor irrigation and other wasteful water practices. The April 2014 Proclamation suspended the requirement for review under the California Environmental Quality Act (CEQA) for certain activities, including adoption of emergency regulations by the Board pursuant to Water Code section 1058.5.

On December 22, 2014, Governor Brown issued Executive Order B-28-14, which extended the suspension of the CEQA for certain activities contained in the January 2014 and April 2014 Proclamations, including Board adoption of emergency regulations pursuant to Water Code section 1058.5, through May 31, 2016. Executive Order B-36-15 further extended the CEQA suspension for activities identified in that Order.

The State Water Board is unable to address the situation through non-emergency regulations because the standard rulemaking process cannot timely address the current drought emergency that is the focus of these regulations. Furthermore, as noted above, the Governor's April 1, 2015 Executive Order and the Governor's May 9, 2016 Executive Order directs the State Water Board to adopt emergency regulations pursuant to Water Code section 1058.5 to address the issues that are the focus of this proposed regulation. The State Water Board will reassess water supply conditions, as well as the need for continued urban water conservation regulations, in the spring of 2017.

Authority and Reference (Gov. Code, § 11346.5, subd. (a)(2))

Water Code sections 1058 and 1058.5 provide authority for the emergency regulation. The proposed updated emergency regulation implements, interprets, or makes specific California Constitution Article, X, section 2; Civil Code, §§ 4080, 4100, 4110, 4150, 4185, and 4735; Government Code, § 8627.7; Water Code, §§ 100, 102, 104, 105, 174, 186, 187, 275, 350,

1051, 1122, 1123, 1825, 1846, 10617, and 10632; and *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Informative Digest (Gov. Code, § 11346.5, subd. (a)(3))

Absent the existing emergency regulation, there is no statewide prohibition on specific water uses to promote conservation. There is also no law or regulation requiring urban water suppliers to make specific potable water use reductions or report the amount of water they produce to the state without considerable time delay. The State Water Board's May 2015 emergency regulation constituted the first statewide directive to urban water users to undertake specific actions to respond to the drought emergency and the first statewide directive that set enforceable conservation performance standards for urban water suppliers; consequently, the proposed emergency regulation is consistent and compatible with existing regulations on this subject. The State Water Board has extended and amended the regulation since May 2015 to respond to updated conditions as appropriate. The proposed regulation neither differs from nor conflicts with an existing comparable federal statute or regulation.

The proposed Emergency Regulation would amend and extend the existing May 2016 Emergency Regulation. On May 9, 2016, Governor Brown issued Executive Order B-37-16 calling for the State Water Board to adjust emergency water conservation regulations through the end of January 2017, in recognition of the differing water supply conditions across the state. To implement the Executive Order, the State Water Board adopted Resolution No. 2016-0029, which revised regulations to allow individual suppliers to self-certify that they would have no supply shortfall assuming three additional dry years. The self-certification "stress test" allowed many suppliers to self-certify that there would be no supply shortfall, even after three additional drought years. The Executive Order also called on the Board to develop a proposal to achieve a mandatory reduction in potable urban water usage that builds off of the mandatory 25 percent reduction called for in Executive Order B-29-15 and lessons learned through 2016. The current emergency regulation became effective on May 31, 2016 upon approval by OAL and remains in effect until February 28, 2017.

The proposed emergency regulation amends and extends the May 2016 Emergency Regulation and maintains a number of the same requirements that apply currently, except as noted below. The proposed emergency regulation:

- Prohibits any city, county, or city and county from imposing fines prohibited by section 8627.7 of the Government Code.
- Allows an urban water supplier to resubmit its water reliability assessment (stress test) by March 15, 2017, if that supplier experienced a change to its baseline water supply conditions.
- Allows an urban water supplier to submit a water reliability stress test by March 15, 2017, if it did not do so before.
- Does not require additional small supplier reporting. Small suppliers are encouraged to maintain conservation measures and report leaks.

The proposed emergency regulation would continue these prohibitions: irrigating with potable water of ornamental turf on public street medians; irrigating with potable water outside of newly-constructed homes and buildings not in accordance with emergency regulations or other requirements established in the California Building Standards Code; using potable water to wash sidewalks and driveways; allowing runoff when irrigating with potable water; using hoses with no shutoff nozzles to wash cars; using potable water in decorative water features that do

not recirculate the water; and irrigating outdoors during and within 48 hours following measureable rainfall.

The proposed emergency regulation retains penalties for homeowners' associations or community service organizations impeding homeowners from reducing or eliminating the watering of vegetation or lawns during a declared drought emergency, and maintains reporting requirements and enforcement tools to ensure compliance with the provisions of the regulation.

All of these requirements are intended to safeguard urban water supplies in the event of continued drought, minimize the potential for waste and unreasonable use of water, and achieve a statewide potable water usage reduction ordered by Governor Brown. It is both reasonable and prudent to amend and extend the mandatory conservation standards in recognition of the fact that some parts of the state have sufficient water to meet current demand, while other regions do not and still need to maintain higher levels of conservation. For all regions it is necessary to promote appropriate conservation practices and works towards making conservation a California way of life. All changes are being made in response to current hydrologic conditions in California, the Governor's Executive Order B-37-16 and prior Executive Orders, and stakeholder input. Additional details are discussed in the State Water Board's attached *Emergency Regulations Digest*.

Proposed Emergency Regulation Section 863

Proposed section 863 sets forth the State Water Board's findings of drought emergency, noting the Governor's adoption of multiple emergency proclamations pertaining to drought conditions, the drought conditions that formed the basis of the Governor's emergency proclamations continue to exist in portions of the state, and the fact that snowpack and reservoir conditions for the end of the water year remain subject to significant change.

Proposed Emergency Regulation Section 864

Proposed section 864 maintains the current prohibitions on several activities, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency, to promote conservation. The section maintains prohibitions on: the application of water to outdoor landscapes in a manner that causes visible runoff; the use of a hose to wash an automobile except where the hose is equipped with a shut-off nozzle; the application of water to hardscapes; the use of potable water in non-recirculating ornamental fountains; the application of potable water to outdoor landscapes during or within 48-hours after measurable rainfall; the irrigation of ornamental turf on public street medians with potable water; the irrigation with potable water outside of newly constructed homes and buildings that is inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development; and serving drinking water other than upon request in eating or drinking establishments. Proposed section 864 would also continue the requirement that operators of hotels and motels provide guests with the option of choosing not to have towels and linens laundered daily and that they prominently display notice of this option. Under this section, commercial, industrial and institutional users not served by either type of water supplier regulated by section 864.5 or 865 are directed to continue to target conservation at a level equal to the conservation standard set for the nearest urban water supplier. This section, as proposed, maintains penalties for homeowners' associations or community service organizations impeding homeowners from reducing or eliminating the watering of vegetation or lawns during a declared drought emergency, as described in existing Civil Code provisions. Finally, proposed section 864

prohibits any city, county or city and county from imposing fines as prohibited by section 8627.7 of Government Code for a failure to water a lawn or for having a brown lawn.

Proposed Emergency Regulation Section 864.5

Proposed section 864.5 allows urban water suppliers to base a mandatory conservation standard on their own water supply reliability situation under a set of supply and demand assumptions over the next three years through a supply reliability assessment (stress test). Suppliers would be (or continue to be) assigned a conservation standard equal to the amount of their shortage, if any, after a third dry year, expressed as a percentage. Suppliers that did not submit a water reliability certification and supporting information retain their demand-based conservation standard in almost all cases. The proposed regulation allows suppliers that did not previously submit a stress test the opportunity to do so. It also allows an urban water supplier to resubmit its stress test if there has been a change in its baseline water supply condition. If an urban water supplier chooses to submit a new stress test, it must be submitted to the State Water Board by March 15, 2017.

Proposed Emergency Regulation Section 865

Proposed section 865 maintains the existing conservation standards, along with changes that may have resulted from the February 2016 Emergency Regulation, for those suppliers that do not develop a self-certified conservation standard in compliance with the regulation. Consequently, the section directs urban water suppliers to meet specified conservation standards and to report specific information to the State Water Board.

Proposed Section 865 identifies conservation standards for urban water suppliers that do not comply with proposed section 864.5, to be initially allocated across eight tiers of increasing levels of R-GPCD water use, with adjustments for certain localized conditions. This approach considers the relative per capita water usage of each water suppliers' service area and requires that those areas with high per capita use achieve proportionally greater reductions than those with low use, while lessening the disparities in reduction requirements between agencies that have similar levels of water consumption but fall on different sides of dividing lines between tiers. Suppliers are assigned a base conservation standard that ranges between eight percent and 36 percent based on their R-GPCD for the months of July-September, 2014. These three months reflect the amount of water used for summer outdoor irrigation, which provides the greatest opportunity for conservation savings.

Proposed Section 865 continues credits and adjustments to urban water suppliers' conservation standards that consider regional climate differences; urban growth; and investments made toward creating new, local, drought-resilient sources of potable water supply. These adjustments and credits are already in place for many water suppliers as of March 1, 2016.

Proposed section 865 continues to provide a compliance relief mechanism for the handful of urban water suppliers with significant commercial agricultural operations in their service area.

Finally, proposed section 865 eliminates additional drought reporting by smaller urban water suppliers, defined as any distributor of a public water supply, whether publicly or privately owned and including a mutual water company. Annual reporting by small suppliers already occurs through the other State Water Board programs. Small suppliers are encouraged to maintain conservation measures and report leaks.

Proposed Emergency Regulation Section 866

Proposed section 866 provides the State Water Board with continued emergency enforcement tools to ensure that water suppliers and users are on track to achieve their required savings throughout the effective period of the regulation. The State Water Board would continue to assess compliance with self-certified conservation standards, or with conservation standards imposed pursuant to proposed section 865 for those suppliers that do not comply with proposed section 864.5, using suppliers' monthly reported data. Each month, State Water Board staff will reassess compliance based on the supplier's water savings. For suppliers that do not receive a conservation standard pursuant to proposed section 864.5, compliance will be measured on a cumulative basis; the supplier's conservation savings will be added together from one month to the next and compared to the amount of water used during the same months in 2013. The State Water Board will continue to work with water suppliers along the way that are not meeting their targets to implement actions to get them back on track. The State Water Board will continue to use informational orders to request information from suppliers not meeting their conservation standards and, as appropriate, conservation orders that direct specific actions to correct non-compliance. Both conservation orders and informational orders issued by the Board would remain subject to reconsideration by the Board. Violations would be subject to enforcement pursuant to Water Code section 1846. Either of these types of orders issued under a prior version of the regulation, along with any cease and desist orders and administrative civil liabilities issued or initiated under a prior version of the regulation, would continue to remain valid and enforceable.

Other Matters Prescribed by Statute (Gov. Code, § 11346.5, subd. (a)(4))

The proposed Emergency Regulation modifies current restrictions to help prevent the waste and unreasonable use of water and promote water conservation during a period when the Governor has issued a proclamation of emergency based upon drought conditions under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on based on the continuation of current drought conditions.

Local Mandate (Gov. Code, § 11346.5, subd. (a)(5))

The State Water Board has determined that adoption of proposed section 863 does not impose a new mandate on local agencies or school districts. The section is generally applicable law.

The State Water Board has further determined that adoption of proposed sections 864, 864.5, 865 and 866 do not impose a new mandate on local agencies or school districts, because the local agencies affected by the sections have the authority to levy service charges, fees, or assessments sufficient to pay for the mandate program or increased level of service. (See Gov. Code, § 17556, subd. (d); *Connell v. Sup. Ct.* (1997) 59 Cal.App.4th 382.)

Estimate of Cost or Savings (Gov. Code, § 11346.5, subd. (a)(6))

Increased urban water conservation will result in reduced water use, which in turn will result in reduced water sales and lost revenue for urban water suppliers. Fiscal impacts are comprised of net revenue losses and compliance costs. The net revenue loss is equal to the product of the amount of required water savings and the water price less variable cost. Compliance costs cover added expenses incurred from implementation and administration of conservation programs, including reporting and enforcement; that would not have occurred without the proposed regulation. The State Water Board estimates fiscal impacts to local government to be between \$489 million and \$651 million, which are the sum of the low end and high end, respectively, potential estimated lost revenues and the estimated compliance costs for public water agencies. This analysis conservatively assumes that even though those costs likely can be recouped by those agencies through rates, they will not be recouped during the effective

period of the regulation and are considered costs to the supplier, but not a local mandate as the costs are ultimately recoverable.

Implementation of the proposed emergency regulation will result in additional workload for the State Water Board and possibly for the Department of Water Resources. At present this work is accomplished through redirection of resources within existing agency budgets. However, the State Water Board anticipates the need for additional resources (up to one PY) to conduct activities related to the emergency regulation. There are not anticipated to be any other nondiscretionary costs or savings imposed on state or local agencies besides the costs and revenue losses identified in this document.

The above summary information is explained in greater detail in the State Water Board's *Emergency Regulations Digest*, which is attached.



Date: February 28, 2017

From: Joseph Zoba, General Manager

Subject: Overview of the Draft Water Rights, Water Supply, and Facility Capacity Fee Collection Agreement between the City of Calimesa, San Gorgonio Pass Water Agency and Yucaipa Valley Water District

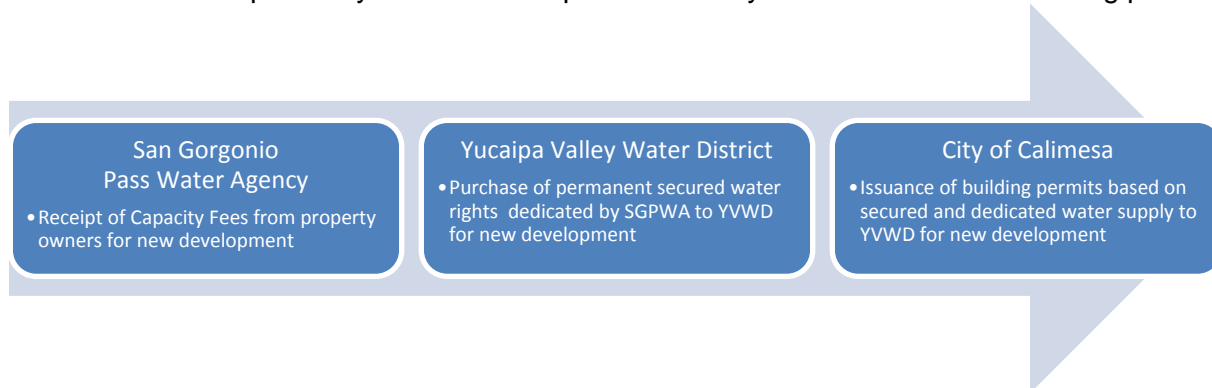
On July 27, 2015, the Board of Directors of the San Gorgonio Pass Water Agency adopted Resolution No. 2015-05 adopting facility capacity fees for new infrastructure and additional water resources (see page 3 of 19). The adoption of this resolution was deemed necessary due to "...meet future increasing demands for SGPWA supplemental water to the SGPWA service area which will require additional water facilities to be constructed to distribute water and to acquire additional water rights to meet future increasing demands."

At the regular meeting of the City of Calimesa on May 2, 2016, the Calimesa council members reviewed a *Cooperative Agreement for the Collection of Facility Capacity Fees by and Between San Gorgonio Pass Water Agency and [City]* (see page 6 of 19). Following a discussion about the draft cooperative agreement with the San Gorgonio Pass Water Agency, the Calimesa council members voted to "defer action and direct staff to continue working with all parties regarding a regional resolution on water supply".

In summer 2016, a new effort was put forth to draft an agreement that expressly achieved the goals of municipal agencies represented by:

- Bonnie Johnson, City Manager, City of Calimesa;
- Jeff Davis, General Manager, San Gorgonio Pass Water Agency; and
- Joseph Zoba, General Manager, Yucaipa Valley Water District.

After several months of discussions and negotiations, the group of managers developed the latest version of the *Water Rights, Water Supply, and Facility Capacity Fee Collection Agreement* (see page 13 of 19). This agreement sets forth the process, conditions, and requirements needed to ensure development fees paid to the San Gorgonio Pass Water Agency result in water rights dedicated to Yucaipa Valley Water District prior to the City of Calimesa issues building permits.



On Wednesday, February 8, 2017, the District received the following email message regarding the status of the Cooperative Agreement from the San Gorgonio Pass Water Agency.




Wed 02/08/2017 2:53 PM

Jeff Davis <JDavis@sgpwa.com>

Status Report on Cooperative Agreement

To Joseph Zoba; Bonnie Johnson

 You replied to this message on 02/08/2017 11:08 PM.



Joe and Bonnie,

I had a chance to meet this morning with Jeff Ferre and David Fenn regarding the latest draft agreement. After a lengthy discussion, David decided that he would like to take your latest draft to our board for information and discussion, along with the Agency's proposed draft agreement, at the earliest possible date. The purpose would be to discuss the merits of both with the full board and, presumably, to get some direction from the full board on which agreement they would prefer. There would be no action taken at that meeting.

I can't tell you yet exactly when this will take place, but it will most likely be either at our Board meeting on March 6 or our Engineering workshop on March 13. We just have too many other items scheduled for the meetings prior to that. As soon as I figure out which one, I will let you know. Please forward this to your respective staffs as needed.

I think that this probably obviates the need for our next several conference calls (no further negotiations needed at this time) so I would recommend cancelling them until I get some direction from the Board.

Jeff Davis
San Gorgonio Pass Water Agency
General Manager
951/845-2577

Since the San Gorgonio Pass Water Agency has the ability to develop a contract the City of Calimesa, the Yucaipa Valley Water District, or both, it appears that the San Gorgonio Pass Water Agency Board of Directors will be considering all available alternatives. While it is good to evaluate all available options, it is important to understand that the agreement prepared by the San Gorgonio Pass Water Agency and presented to the City of Calimesa in May 2016 does not secure, assign, or dedicate water rights to Yucaipa Valley Water District for new development to proceed in Calimesa. Therefore, if this is the desired pathway by the San Gorgonio Pass Water Agency, it would effectively stifle new development in Calimesa.

The purpose of this workshop memorandum is to provide an overview of the updated *Water Rights, Water Supply, and Facility Capacity Fee Collection Agreement* (see page 13 of 19) based on comments received at the board workshop on February 14, 2017.

RESOLUTION NO. 2015-05**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN GORGONIO PASS WATER AGENCY
TO ADOPT FACILITY CAPACITY FEES FOR
FACILITIES AND WATER**

WHEREAS, the San Gorgonio Pass Water Agency (SGPWA) is a public agency formed and existing pursuant to Article 101 of the California Water Code Appendix (SGPWA Act) in 1961; and

WHEREAS, SGPWA entered into a contract with the California Department of Water Resources (DWR) in 1962 for a Table A amount of water capacity in the California State Water Project (SWP) which is currently 17,300 acre feet per year (AFY) to bring supplemental water to the SGPWA service area; and

WHEREAS, there is a need to meet future increasing demands for SGPWA supplemental water to the SGPWA service area which will require additional water facilities to be constructed to distribute water and to acquire additional water rights to meet future increasing demands; and

WHEREAS, the Board of Directors finds and determines that the present existing water importation, production, transportation, delivery facilities and water supplies are inadequate to meet anticipated demand; and

WHEREAS, Section 101 – 27.1(a) of the SGPWA Act authorizes SGPWA to impose a facility capacity fee, which is in the nature of a connection fee, for the right to make a new retail connection to the water distribution system of any retail water distributor that is located within the boundaries of the SGPWA and that obtains all or any portion of its water supplies from SGPWA; and

WHEREAS, Section 101- 27.1(c) also provides the facility capacity fee referred to in subdivision (a) shall be adopted, established, and imposed only following a public hearing and in accordance with the requirements set forth in Chapter 5 (commencing with Section 66000 of Division 1 of Title 7 of the Government Code as it now exists or may hereafter be amended; and

WHEREAS, the Facility Capacity Fee as set forth in the SGPWA Act, Sections 101 – 27.1 (a) through (i) will assist SGPWA to fund (1) the purchase of capacity in existing pipeline systems owned by other public agencies; (2) and additional basin recharge project for underground water storage in the Beaumont groundwater basin, including land purchases associated with such basin activity; and (3) the purchase of new water and/or water rights and entitlements to meet future water demand; and

WHEREAS, pursuant to Section 101 – 27.1 of the SGPWA Act, SGPWA has prepared a Capacity Fee Study (Study) to support the need for additional water facilities and new water and/or water rights in that the existing facilities are not adequate to meet the future increasing water needs in the SGPWA service area; and

WHEREAS, the Study meets the requirements of Section 101 – 27.1 and Government Code Section 66013 to ensure that the Facility Capacity Fee does not exceed the estimated reasonable cost of providing the service for which the fee is imposed and provides a clear and concise document that will serve as the basis for the proposed fee levels; and

WHEREAS, SGPWA has provided all of the notices prior to and conducted a public hearing on July 27, 2015 required by Section 101 – 27.1 (c) of the Agency Act; and

WHEREAS, SGPWA after close of the hearing considered the Study, and proposed Findings.

NOW THEREFORE BE IT HEREBY RESOLVED

1. The matters set forth in the recitals to this Resolution are true and correct statements and are made findings and determinations of the Board of Directors.
2. That the Findings as set forth on Attachment 1 concerning the Study are hereby adopted.
3. The Board of Directors finds that the Facility Capacity Fees as defined in the Study and the Findings are for the purpose of obtaining funds for capital projects necessary to maintain service within SGPWA as set forth in this Resolution and, therefore, the establishment of such fees is not subject to the California Environmental Quality Act.
4. That the Study is hereby approved.
5. That the Facility Capacity Fees as set forth in the Study and on Attachment 2 hereof are hereby adopted and shall take effect immediately.
6. The General Manager is authorized to contract with the counties in which it is located and with the cities within the SGPWA for the collection of the Facility Capacity Fee along with building permit fees or other fees related to the improvement of property, or may contract for collection of the Facility Capacity Fees by the water retail distributors (SGPWA Act 101 – 27.1 (f)).
7. The Facility Capacity Fee component shall be automatically adjusted without further action of the Board effective on July 1st of each year, beginning July 1, 2016, by a percentage equal to the change in Construction Cost Index for Los Angeles as published by Engineering News Record for the preceding twelve months as set forth in the Study.
8. The Facility Fee component of the facility capacity fee shall be reviewed periodically as determined by the General Manager to determine if changes are needed and reasonable in unit prices, facility requirements, and water demands and demographics in order to ensure that Facility Fee cost allocations are reasonable and that collections over time will fund the required facilities.
9. The Water Capacity Fee component shall be reviewed annually in the month of July, commencing July 1, 2016 to adjust the Water Capacity Fee by a reasonable percentage based on the cost of actual water purchases, an updated water rights appraisal or comparisons of recent

purchases of additional water rights by statewide municipalities and special districts over the preceding twelve months.

10. The General Manager is further authorized to take any and all other actions to implement and carry out this resolution.

11. All resolutions or administrative actions by the Board of Directors, or parts thereof that are inconsistent with any provision of this Resolution are hereby superseded only by this Resolution to the extent of such inconsistency.

12. If any section, subsection, clause, sentence, or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares it would have passed this Resolution and each section, sentence, clause or phrase thereof, irrespective of the fact that all or more sections, subsections, clauses, sentences, or phrase are held invalid.

13. The Resolution shall take effect immediately.

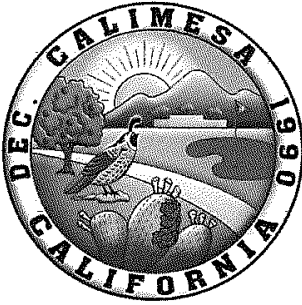
AYES:

NOES:

DATE: July 27, 2015

SAN GORGONIO PASS WATER AGENCY

By _____
Secretary of the Board of Directors



Agenda Item No. 11

STAFF REPORT

CITY OF CALIMESA CITY COUNCIL MEETING

SUBJECT: CONSIDERATION OF COOPERATIVE AGREEMENT FOR THE COLLECTION OF FACILITY CAPACITY FEES BY AND BETWEEN SAN GORGONIO PASS WATER AGENCY AND THE CITY OF CALIMESA

MEETING DATE: May 2, 2016

PREPARED BY: Bonnie Johnson, City Manager

RECOMMENDATION: It is recommended that City Council discuss and consider possible action on one of the following:

1. Approve, in concept, the Cooperative Agreement for the Collection of Facility Capacity Fees by and between San Gorgonio Pass Water Agency (SGPWA) and the City of Calimesa. Authorize the City Attorney and City Manager to work with SGPWA to finalize the agreement.
2. Defer taking action on the Cooperative Agreement for the Collection of Facility Capacity Fees by and between San Gorgonio Pass Water Agency (SGPWA) and the City of Calimesa. Direct staff to continue working with all parties regarding a regional resolution on water supply.
3. Provide alternative direction to staff.
4. Take no action.

BACKGROUND AND DISCUSSION: Council Member Hyatt requested this item be on the agenda. Please note that although SGPWA provided the agreement, it is still in draft form and, therefore, may be subject to change.

As the Council has recently become aware, there are currently many issues being discussed regarding regional water supplies and the appropriate allocation of such water. The outcome of these discussions will have a significant effect on the City's ability to move forward with proposed future development. As you are also aware, there are philosophical differences between SGPWA and certain water retailers such as YVWD and BCVWD. The resolution of these issues is key as Calimesa moves forward. Through an established ad-hoc committee, 2 members of our City Council continue to participate in regional discussions. However, at this point, no resolution has been reached.

Proposed Cooperative Agreement with SGPWA
City Council Meeting of May 2, 2016
Page No. 2

Based upon the SGPWA Capacity Fee Study (see attachment 2 to this report), the proposed fee would be based upon water usage. The estimated proposed fee per residential unit is \$3,585. This includes both a Facility Fee and Water Capacity Fee. Non-residential fees would vary based upon meter size.

FISCAL IMPACT: None.

ATTACHMENTS:

Attachment A: Draft Cooperative Agreement for the Collection of Facility Capacity Fees by and between San Gorgonio Pass Water Agency (SGPWA) and the City of Calimesa.

Attachment B: Capacity Fee Study for San Gorgonio Pass Water Agency

**COOPERATIVE AGREEMENT FOR THE COLLECTION OF FACILITY CAPACITY
FEES
BY AND BETWEEN
SAN GORGONIO PASS WATER AGENCY
AND
[CITY]**

This Cooperative Agreement (“Agreement”) is made and entered into this _____ day of _____, 2016, by and between SAN GORGONIO PASS WATER AGENCY (“Agency”), a California public agency formed and operating pursuant to Act 101 of the California Water Code Appendix (“Act”) and the City of _____, a California municipal corporation (“City”). The Agency and City are sometimes referred to in this Agreement individually as “Party” and collectively as “Parties.”

RECITALS

A. The Agency is a State Water Project (“SWP”) contractor and has an obligation to import and provide water within its service area and to protect and enhance local water supplies for use by present and future water users. The primary source of local water supply to the Agency’s service area is currently groundwater and natural surface runoff. Beaumont Storage Unit (“BSU”), the major groundwater basin providing local groundwater, was determined to be in overdraft and is required to operate in a balanced condition, replacing an amount of water equal to the amount removed from the basin over time. Imported water from the SWP supplements local water supplies.

B. Total water demand at build-out within the Agency’s service area is expected to be in excess of existing local and imported water supplies. Increased demand for water from new development, mandatory balanced operating conditions of the BSU, and decreasing reliability of imported water supplies require the Agency to identify additional reliable sources of water to meet increasing demands. Over the next twenty years, the Agency anticipates investing in a basin recharge facility, purchasing additional capacity in pipelines that convey SWP water, and purchasing additional water rights outside of the SWP (collectively, “Improvements”).

C. Section 27.1 of the Act authorizes the Agency to impose a Facility Capacity Fee which is in the nature of a connection fee, for the right to make a new retail connection to the water distribution system of any retail water distributor that is located within the boundaries of the Agency and that obtains all or any portion of its water supplies from the Agency

D. In accordance with Government Code Section 66013, the Agency adopted Resolution No. 2015-05, which establishes a fee to be imposed on new developments within the Agency’s service area, except for Morongo Tribal land (“Resolution”). As set forth in the Resolution, the fee is dedicated to funding the cost of the Improvements. The fee has two components: (1) a facility fee that will fund a portion of the required new infrastructure; and (2) a water capacity fee that will fund a portion of the purchase of new water rights and entitlements. The facility fee and water capacity fee are referred to in this Agreement, collectively, as “Fee.”

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E. As part of the approval process for a new development, the City imposes certain requirements under its authority as the land use approval agency. Such conditions include, but are not limited to, verification that a sufficient water supply will be available to the new development. All of such land use approval requirements are collectively referred to herein as "Development Approvals".

F. The Agency desires the City's assistance in facilitating the collection of the Fee from applicants who apply to City for Development Approvals and the City desires to assist the Agency in collection of the Fee in accordance with the terms of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the Recitals and the terms and conditions set forth in this Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. COLLECTION OF FEE

During the Term of this Agreement, as defined in Section 2, City shall require any individual or entity to which the Fee applies to remit payment of the Fee to the Agency and to provide evidence to the City of the payment of such Fee. The City shall impose the payment requirement and shall require said individual or entity to provide evidence of the payment in the following manner:

a. Imposition of Fee. As a condition precedent to issuing any Development Approval, the City shall require any individual or entity to which the Fee applies to remit payment of the Fee directly to the Agency. Such condition must be included as a mitigation measure in any environmental document, if any, prepared as part of the project for which the Fee applies, and as part of the Development Approvals for any building permit or entitlement for the improvement of property.

b. Amount of Fee. The amount of the Fee shall be determined in accordance with the terms of the Resolution, as it currently exists or may be amended. In the event the applicant has any questions regarding the calculation of the Fee, the City may direct the applicant to the Agency for assistance.

c. Collection of Fee. Unless the parties agree otherwise in writing, the City shall require evidence of payment of the Fee no later than the following times. In no event shall the City be responsible for directly collecting the Fee.

(i) For residential projects including increasing the water demand from the existing demand pursuant to the criteria set forth in the Resolution: prior to the date of final inspection, or the date the certificate of occupancy is issued, whichever occurs first, or for residential projects containing one or more than one dwelling unit, prior to the date the first dwelling unit within the project receives final inspection or certificate of occupancy, whichever

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occurs first; or prior to the issuance of any will-serve letter or similar authorization, as appropriate;

(ii) For non-residential projects (e.g., commercial, office, industrial) including increasing the water demand from the existing demand pursuant to the criteria set forth in the Resolution: prior to the issuance a building permit or similar authorization for any phase of the project or prior to issuance of any will-serve letter or similar authorization, as appropriate.

d. Evidence of Collection of Fee. Upon receipt of the full amount of any Fee due and payable under the terms of the Resolution, the Agency shall provide documentation to the City verifying receipt of the Fee and will include the proposed project within the Agency's Urban Water Management Plan.

e. Effect of Failure to Pay Fee. If the City issues a Development Approval without first requiring and receiving evidence of the payment of a Fee required by the Resolution, the project for which the Development Approval is authorized shall have no entitlement to water provided by the Agency or by its facilities.

f. Refunds and Credits. The Agency agrees to process and issue any required refunds or credits of the Fee.

2. TERM AND TERMINATION

Either Party may terminate this Agreement for any reason on six (6) months' written notice to the other Party. This Agreement shall remain in effect until terminated by written notice ("Term").

3. DISPUTE RESOLUTION AND REMEDIES

In the event a dispute arises between the Parties relating to this Agreement, the Parties shall first attempt to resolve the disagreement through an informal dispute resolution process. A Party shall initiate the informal dispute resolution process by transmitting written notice to the other Party, setting forth the nature and extent of the dispute, and requesting that the Parties engage in informal dispute resolution. Within ten (10) working days from the date of receipt of the request for informal dispute resolution, staff members of both of the Parties shall meet and confer in a good faith effort to resolve the dispute by recognizing their mutual interests and attempting to reach a resolution that is just, equitable and satisfactory to both Parties. The Parties may by mutual agreement recess or continue the informal dispute resolution conference. In the event that the Parties have not reached a mutually satisfactory resolution of the dispute within thirty (30) calendar days following the date of the initial informal dispute resolution conference (unless the Parties have mutually agreed to extend the process beyond the 30 days), either party may pursue other available remedies including, but not limited to, specific performance or injunctive relief.

4. GENERAL PROVISIONS

a. Law, Venue, Attorney Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Riverside, State of California. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court. In the event of any breach of this Agreement, the non-breaching party shall be entitled to recover costs and reasonable attorney's fees incurred in curing any breach.

b. Defense and Indemnity. The Agency shall defend, indemnify and hold harmless the City, its elected and appointed officials, officers, employees, and agents from and against any and all costs, claims, liabilities, judgments, or award of damages, including reasonable attorney's fees (collectively "Liabilities"), arising out of or in any way resulting from the adoption and imposition of the Fee or the acts or omissions of the Agency, its officers, employees and agents, relating in any way to the collection and/or accounting for the Fee, except to the extent that the Liabilities arise from the City's negligent or willful misconduct.

c. Amendment. This Agreement may be amended by mutual written agreement of the Parties.

d. Mutual Cooperation. The Parties agree to provide information and take such further actions as are reasonably necessary to effectuate the purposes and intent of this Agreement.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed as of the date last written below:

SAN GORGONIO PASS WATER AGENCY

By: _____

Name: _____

Title: _____

Dated: _____

DRAFT
CITY OF _____
By: _____
Name: _____
Title: _____
Dated: _____

Draft Agreement - February 24, 2017

WATER RIGHTS, WATER SUPPLY, AND FACILITY CAPACITY FEE COLLECTION AGREEMENT

This WATER RIGHTS, WATER SUPPLY, AND FACILITY CAPACITY FEE COLLECTION AGREEMENT ("Agreement"), dated as of March ____, 2017 (the "Execution Date"), is by and among the CITY OF CALIMESA ("CITY"), a municipal corporation, having its principal address at 908 Park Avenue, Calimesa, California 92320, SAN GORGONIO PASS WATER AGENCY ("AGENCY"), a duly constituted Agency created pursuant to the San Gorgonio Pass Water Agency Act, found at California Water Code Appendix Chapter 101, having its principal address at 1210 Beaumont Avenue, Beaumont, California 92223, and YUCAIPA VALLEY WATER DISTRICT ("DISTRICT") a County Water District organized and operating under the County Water District Law, Sections 30000 and following of the California Water Code, having its principal address at 12770 Second Street, Yucaipa, California 92399.

The CITY, AGENCY, and DISTRICT are also referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

- A. The AGENCY currently has secured water rights in the State Water Project for a quantity up to 17, 300 acre feet of water per year ("AFY") by contract with the California Department of Water Resources ("DWR").
- B. On July 27, 2015, the AGENCY adopted its Resolution No. 2015-05 entitled "A Resolution of the Board of Directors of the San Gorgonio Pass Water Agency to Adopt Facility Capacity Fees for Facilities and Water." As set forth in the AGENCY's Resolution No. 2015-05, the Facility and Water Capacity Fees (referred to collectively as the "AGENCY Fees") consist of two components: (1) a facility fee that will fund a portion of new AGENCY infrastructure; and (2) a water capacity fee that will fund new water rights and entitlements acquired by the AGENCY.
- C. The purpose of this Agreement is to enhance existing water supplies provided by the AGENCY to the DISTRICT by creating a mechanism whereby financial contributions from property owners and the DISTRICT are provided to the AGENCY for the purchase of water rights that result in an instantaneous, dedicated, and continuous supply of water to the DISTRICT for new development within the DISTRICT and/or the CITY.

TERMS AND CONDITIONS

NOW, THEREFORE, based on the foregoing Recitals and the terms and conditions set forth in this Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Dedication of Base Secured Water Rights

- A. The AGENCY hereby dedicates a firm supply of 800 AFY of water ("Secured Water Rights") as a continuous supply of water to the DISTRICT for the existing development and population within the DISTRICT's service territory in the CITY upon execution of this Agreement by the Parties.

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- B. The AGENCY shall not contractually obligate, dedicate, deliver, distribute or provide the Secured Water Rights dedicated to the DISTRICT to any other "AGENCY Customer" defined as any private or public agency or entity, property owner, or other party.
- C. Any portion of the Secured Water Rights not delivered by the AGENCY to the DISTRICT during any calendar year shall be delivered to the DISTRICT prior to the delivery of water to any other AGENCY Customer during the following calendar year. The delivery of such deferred Secured Water Rights shall be provided at a mutually agreeable location over a mutually agreeable duration without an increased cost to the DISTRICT and without impacting or reducing regular deliveries in the following calendar year.
- D. The quantity of water dedicated to the DISTRICT includes the entire amount of 800 acre feet per year of Base Secured Water Rights, plus the additional unreliable portion of water when statewide DWR allocations are greater than the most recently published State Water Project reliability report published by the DWR.

2. Dedication, Accumulation, and Purchase of Additional Secured Water Rights

- A. In addition to the Secured Water Rights described in Section 1 above, the AGENCY shall purchase additional secured water rights ("Additional Secured Water Rights") when available, and update the AGENCY Fees to reflect the actual cost per acre foot for such Additional Secured Water Rights with a stated reliability factor applied to the specific purchased Additional Secured Water Rights.
- B. In order to purchase such Additional Secured Water Rights from the AGENCY, the DISTRICT, developers, property owners, and others shall pay the AGENCY Fees for those water rights based on a specific quantity of Additional Secured Water Rights to be provided to the DISTRICT. The Additional Secured Water Rights purchased by the DISTRICT shall result in an instantaneous, dedicated, and continuous supply of water from the AGENCY to the DISTRICT. The specific quantity of Additional Secured Water Rights will be determined at the sole discretion of the DISTRICT based on the quantity of water needed to meet the expected water demands for new development parcels within the DISTRICT.
- C. Upon receipt by the AGENCY of payment of AGENCY Fees, the purchased Additional Secured Water Rights shall be deemed instantaneously transferred from the AGENCY to the DISTRICT resulting in an immediate accumulation in the quantity of the total Secured Water Rights and Additional Secured Water Rights dedicated and available to the DISTRICT by the AGENCY.
- D. The quantity of water dedicated to the DISTRICT shall include the entire amount of Secured Water Rights and purchased Additional Secured Water Rights, including reliable and unreliable portions of the water rights as delineated by the AGENCY at the time of purchase.
- E. The AGENCY shall provide written evidence to the DISTRICT of the purchased Additional Secured Water Rights including the estimated reliability factor for each purchase of such Additional Secured Water Rights. Each purchase of Additional

Draft Agreement - February 24, 2017

Secured Water Rights for the DISTRICT shall be non-transferable from the parcel or property at the time a property owner makes payment to the AGENCY of the AGENCY Fees.

- F. The DISTRICT may acquire and accumulate Additional Secured Water Rights from the AGENCY at any time, without restriction, based on the adopted AGENCY Fees expressed in units of acre feet per year (AFY) of Additional Secured Water Rights. Purchases of Additional Secured Water Rights by the DISTRICT from the AGENCY may be ultimately used within the AGENCY service territory at the discretion, and for the sole benefit, of the DISTRICT.
- G. The DISTRICT will provide a drinking water service connection and the CITY will issue a building permit to those parcels for which an AGENCY Customer has:
 - i. Paid the AGENCY Fees to the AGENCY for the Additional Secured Water Rights as determined by the DISTRICT; and
 - ii. Received substantial written proof that the AGENCY has purchased, secured, and transferred ownership of Additional Secured Water Rights resulting in the instantaneous and continuous delivery of water to the DISTRICT.
- H. Any portion of the Purchased Secured Water Rights not delivered by the AGENCY to the DISTRICT during a calendar year shall be delivered to the DISTRICT prior to the delivery of water to any other AGENCY Customer during the following calendar year. The delivery of such deferred purchased Additional Secured Water Rights shall be provided at a mutually agreeable location over a mutually agreeable duration without an increased cost to the DISTRICT without impacting or reducing regular deliveries in the following calendar year
- I. The AGENCY shall permanently dedicate to the DISTRICT, an equal quantity of Additional Secured Water Rights made available on parity, or in a similar manner, to an AGENCY Customer that has not received water from the AGENCY prior to July 27, 2015 as additional Secured Water Rights, unless such water rights are purchased by a written contract at the published water rights price and made available to all other AGENCY Customers.
- J. The DISTRICT retains all rights to Secured Water Rights and purchased Additional Secured Water Rights when the reliability factor exceeds the reliability factor determined at the time the Water Rights are secured and dedicated to the DISTRICT.
- K. The AGENCY authorizes the DISTRICT to independently purchase water rights from other sources if such water rights can be delivered consistent with the AGENCY wheeling policy in effect at the time the water rights are secured, or by a wheeling mechanism that does not impact the capacity owned by the AGENCY in State Water Project facilities.

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3. General Provisions

- A. Dispute Resolution and Remedies. In the event a dispute arises between the Parties relating to this Agreement, the Parties shall first attempt to resolve the dispute through an informal dispute resolution process such as mediation. A Party shall initiate the informal dispute resolution process by transmitting written notice to the other Party, briefly setting forth the nature and extent of the dispute, and requesting that the Parties engage in informal dispute resolution. Within ten (10) working days from the date of receipt of that written notice, the general managers of the AGENCY and the DISTRICT and the city manager of the CITY shall meet and confer in a good faith effort to resolve the dispute by recognizing their mutual interests and attempting to reach a resolution that is just, equitable and satisfactory to both Parties. The Parties may by written agreement postpone or continue the informal dispute resolution process. In the event that the Parties have not reached a mutually satisfactory resolution of the dispute within sixty (60) calendar days following the written notice (unless the Parties have mutually agreed to extend the process beyond the sixty (60) days), either Party may pursue judicial action, including, but not limited to, damages, specific performance and injunctive relief.
- B. Law, Venue, Attorney Fees and Costs. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a California State Superior Court in the County of Riverside. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable litigation costs incurred, including without limitation reasonable attorney's fees.
- C. Defense and Indemnity. The AGENCY shall defend, indemnify and hold harmless the DISTRICT and the CITY, their elected and appointed officials, officers, employees, and agents from and against any and all costs, claims, liabilities, judgments, or award of damages, including reasonable attorney's fees (collectively "Liabilities"), arising out of or in any way resulting from the adoption, imposition, collection and application of, and accounting for, the AGENCY Fees.
- D. Amendment. This Agreement may be amended only by mutual written agreement signed by the Parties.
- E. Mutual Cooperation. The Parties agree to provide information and take such further actions as are reasonably necessary to effectuate the purpose and intent of this Agreement. As part of such mutual cooperation, any other cooperative agreement for the collection of the AGENCY Fees between another party and the AGENCY shall be deemed incorporated at the sole discretion of the DISTRICT.
- F. Representations and Warranties. On the Execution Date, each Party represents and warrants to the other Parties that:
- i. It is a duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and that it has the power and authority to enter into this Agreement and to carry out the transactions contemplated hereby, and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement;

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- ii. The execution, delivery and performance of this Agreement is within its powers, has been duly authorized by all necessary action and does not violate any of the terms and conditions in its governing documents, any contracts to which it is a Party or any legal requirement or the like applicable to it;
- iii. All legislative, administrative and other governmental action required to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby has been taken except to the extent of actions which by the terms hereof are to be taken at a later time;
- iv. This Agreement constitutes a valid, legal and binding obligation enforceable in accordance with the terms hereof except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws;
- v. It is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- vi. There are no actions, suits or proceedings pending or, to such Party's best knowledge, threatened, against or affecting such Party before any court, administrative body or arbitral tribunal that might materially and adversely affect its ability to enter into this Agreement and/or perform its obligations under this Agreement; and
- vii. The execution, delivery and performance of this Agreement will not contravene any provision of, or constitute a material default under, any other agreement or instrument to which it is a Party or by which it or its property may be bound.

G. Representatives; Notices.

- i. Authorized Representatives. Each Party will designate at least one individual officer or employee who will be its representative and will be authorized to act on behalf of the Party for all purposes in performing the provisions of this Agreement ("Representative"). Each Representative shall be either the General Manager or City Manager of a Party or a Person designated by such Party who shall have at least five (5) years of direct experience and technical expertise in public or private water utility operations. Each Party will also designate an alternate Representative who will serve in the place of (and with the same authority as) the Representative if the latter is unavailable. A Party may also designate more than one Representative. The designation may be changed from time to time. The designation and changes to a designation must be made in a writing delivered to the other Parties.
- ii. Notice. All notifications, notices, demands, requests and other communications herein provided for or made pursuant hereto shall be in writing and shall be sent by (i) registered or certified mail, return receipt requested, and the giving of such communication shall be deemed

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complete on the third (3rd) Business Day after the same is deposited in a United States Post Office with postage charges prepaid, (ii) reputable overnight delivery service, and the giving of such communication shall be deemed complete on the immediately succeeding Business Day after the same is deposited with such delivery service or (iii) so long as a Party has notified the other Parties by means of a method described in clauses (i) or (ii) above of such Party's email address for notification purposes, email transmission of notices to such Party are also permitted provided an original is also sent via one of the other permitted means and the giving of such communication shall be complete when such email is received if such email is received before 5:00 pm PST; otherwise, such communication shall be deemed complete the next Business Day.

H. Other Provisions.

- i. Integration. This Agreement, embodies the entire agreement between the AGENCY, CITY and DISTRICT relating to the subject matter hereof and supersedes all prior agreements and understandings, written or oral, relating to such subject matter.
- ii. Successor and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties hereto and their respective successors and assigns permitted hereunder.
- iii. Relationship of Parties. Each Party is an independent entity and none of the Parties is an agency of another Party.
- iv. No Waiver by Failure to Act. No failure, delay, forbearance or indulgence on the part of any Party in insisting upon the strict performance of any provision, or in exercising any option, right, power, privilege or remedy hereunder, shall operate or be construed as a waiver or relinquishment thereof, or as an acquiescence in any breach, nor shall any single or partial exercise of any option, right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other option, right, power, privilege or remedy.
- v. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- vi. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties hereto; nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third person to any party; and this Agreement does not create any duty, liability or standard of care to any person who is not a Party.

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- vii. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute but one and the same instrument.

Operational Updates



Yucaipa Valley Water District



Date: February 28, 2017

From: Joseph Zoba, General Manager

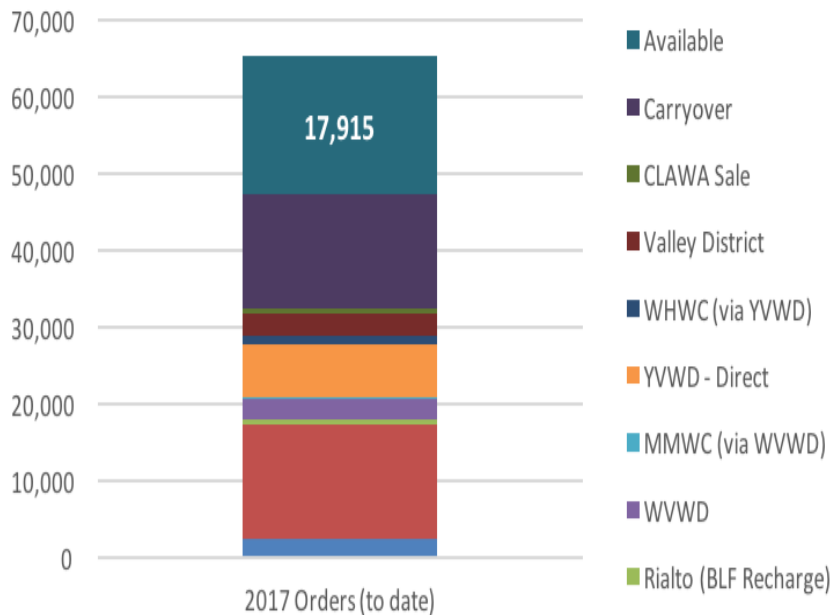
Subject: Consideration to Purchase Additional Imported Water Supplies from the San Bernardino Valley Municipal Water District for Calendar Year 2017

On July 20, 2016, the Board of Directors authorized District staff to purchase 6,000 acre feet of imported water at \$125.80 per acre foot from the San Bernardino Valley Municipal Water District for direct delivery to the Yucaipa Valley Regional Water Filtration Facility (“YVRWFF”). The District will be producing an additional 1,000 acre feet of drinking water at the YVRWFF for delivery to Western Heights Mutual Water Company.

On February 22, 2017, the District staff received an email message from the San Bernardino Valley Municipal Water District stating that 18,000 acre feet of imported water remains available for purchase at the current allocation of 60% by the Department of Water Resources.

The purpose of this memorandum is to determine if additional imported water can be purchased from the San Bernardino Valley Municipal Water District.

SWP Orders, as of 2/22/17





Wed 02/22/2017 8:55 AM

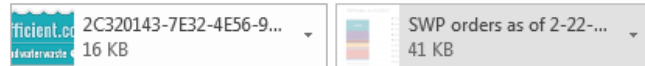
Bob Tincher <bobt@sbnmwd.com>

Wet Year Water Available from SWP

To mlitchfield@wvwd.org; Chris Diggs; Daniel Cozad; Jennifer Ares; Jarb Thaipejr P. E. M. B. A. (jthaipejr@lomalinda-ca.gov); John J. Mura (jmura@eastvalley.org); Joseph Zoba; 'Clarence Mansell'; 'kmalloy@eastvalley.org'; Robert Eisenbeisz; Mike Huffstutler (Waterwiz@sprintmail.com); 'stacey.aldstadt@sbnmwd.org'; Miguel Guerrero; Bill Brown; David Armstrong; ahussain@ci.colton.ca.us; Greg Gage; 'Katie Nickel'; 'Linda Jadeski'; mcory@ci.colton.ca.us; Mike Kostelecky; rtorres@ci.colton.ca.us; 'Russ Handy'; 'Steve Nix'; Thomas Crowley;

Cc Lillian Hernandez; Doug Headrick; wenh@sbnmwd.com; Cindy Saks; Tom Holcombe; Mike Esquer

i You replied to this message on 02/24/2017 10:49 AM.
This message was sent with High importance.



Good morning,

The primary water management strategy in both the Upper Santa Ana River Watershed Integrated Regional Water Management Plan (IRWMP) and the San Bernardino Valley Regional Urban Water Management Plan (RUWMP) is to store SWP water in wet years so that we have it available during dry years. This year is turning out to be one of the wettest, if not the wettest, years in Northern California so it is a great year for us, as a valley, to be importing this valuable resource. The SWP is a "real-time" system meaning we either use it, or lose it. We also do not know what the future holds, the next year, or the year after, could be dry. The current allocation is 60% but all indications are that the allocation will be going up. Based on the orders for SWP that have been placed, to date, and the 60% allocation, there is about 18,000 AF available for purchase (see attached).

Many on this email are part of the Groundwater Sustainability Task Force that is developing a method to equitably share the cost of wet-year SWP supplies amongst all of the water agencies that pump from the basin. Until that process is complete, the import of SWP water is based on the orders placed by the retail water agencies.

Last year, we set a record for the amount of SWP water imported into the Valley District service area. Thanks to all of the agencies that participated in that record-setting year! This year, we have the opportunity to break our own record! Like last year, we are hoping that we can work together to get all of the wet-year SWP water imported into the valley. It does not matter how the water is used, direct delivery or recharge. The rate for recharge water is about \$118/AF and the rate for direct delivery is about \$126.

Please email me your order for SWP water on your letterhead and specify the amount of water you would like to purchase and whether it is for direct delivery and/or recharge.

Bob
Robert M. Tincher, M.S., P.E.
Manager of Water Resources
San Bernardino Valley Municipal Water District
380 E. Vanderbilt Way
San Bernardino, CA 92408
Direct 909.387.9215
Cell 909.226.2812

Policy Issues



Yucaipa Valley Water District



Date: February 28, 2017

From: Matthew Porras, Management Analyst
Kathryn Hallberg, Management Analyst
Joseph Zoba, General Manager

Subject: Overview of Resolution No. 2017-xx Regarding the Use of Construction, Agricultural, and Residential Hydrant Water Meters

On October 4, 2016, the District staff received a request from Mr. Al Ineichen requesting a waiver in monthly fees and construction meter deposit for his water hauled to 36610 Singleton Road, Calimesa. Since the District staff does not have the authority to waive the monthly construction meter fees or the deposit for the construction meter, the item was scheduled for a discussion at the board workshop on October 25, 2016 [Workshop Memorandum No. 16-161].

On October 25, 2016, the board members, District staff, and Mr. Ineichen discussed the practice of hauling drinking water from the District's drinking water system to property owned by Mr. Ineichen.

On December 14, 2016 District staff met with Mr. Al Ineichen at his property to discuss the issues and resolutions that could be presented to the Board for consideration. At this meeting, Mr. Ineichen stated that he does not haul any potable water, he only hauls non-potable water for irrigation purposes. Mr. Al Ineichen questioned the purpose of the construction meter deposit of \$1,500, considering the meter is placed and locked on a District hydrant and maintained by the District staff.

On January 10, 2017, and January 31, 2017, the board members, District staff, and Mr. Ineichen discussed the policy regarding construction meter costs, depreciation, installation cost, facility capacity charges, and water usage of current construction meter customers. Based on these discussions, the District staff prepared the attached resolution for review and consideration.

Pursuant to Section 1 of the attached Resolution, the Board of Directors will also be considering authorizing the use of drinking water by Mr. Ineichen for his property.

RESOLUTION NO. 2017-xx**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YUCAIPA VALLEY WATER DISTRICT ESTABLISHING
THE USE OF CONSTRUCTION, AGRICULTURE, AND RESIDENTIAL HYDRANT
WATER METERS**

WHEREAS, the Yucaipa Valley Water District (the "District") determined the use of all water through a hydrant must be metered; and

WHEREAS, construction meters use will be for construction purposes, agriculture meters use will be for agriculture purposes, and residential meters use will be for potable water purposes; and

WHEREAS, construction meters and agriculture meters will be used with recycled water only, and residential hydrant meters will be used with potable water only; and

WHEREAS, water being hauled in the amount of 250 gallons or more for drinking, culinary or other purposes involving a likelihood of water being ingested by humans must have a State issued Water Hauler's Permit; and

NOW, THEREFORE, the Board of Directors of Yucaipa Valley Water District, based on the foregoing Recitals, do hereby RESOLVE, DETERMINE, AND ORDER as follows:

1. Purpose of Resolution. The District's construction, agriculture, and residential hydrant meters will be required to record water consumption for all water provided by the District. Construction and agriculture meters will be used for the sole purpose of construction and agriculture activities and will be required to use only recycled water, unless approved by the Board of Directors. The residential hydrant meter will be used for human activities and will be required to use potable water only. All other typical and fixed meter charges shall apply as set forth by the Board of Directors.
2. Construction Meter Installation Charge, Daily Demand Charge and Recycled Water Consumption Charge.
 - a. Construction Meter Installation Charge. A construction meter installation charge shall be paid prior to the District installing the meter at a recycled water fire hydrant as determined by the District. The installation charge will be \$72.72, and will be collected for the installation and removal of the construction meter when the service is discontinued.
 - b. Daily Demand Charge. A service charge of \$0.607 shall be charged per calendar day. This charge includes \$0.475 for depreciation cost of the residential hydrant meter and meter locks, plus a daily fee of \$0.132 for meter reading and utility services.
 - c. Recycled Water Consumption Charge. Recycled water used for construction purposes is considered to be a reliable source of water and less subject to interruptions. This water shall be charged at a rate of \$2.765 per kgal. This

rate includes the charge of recycled water at the current rate of \$1.71 per kgal and the facility capacity charge of \$1.055 per kgal.

3. Agriculture Meter Installation Charge, Daily Demand Charge and Recycled Water Consumption Charge.
 - a. Agriculture Meter Installation Charge. An agriculture meter installation charge shall be paid prior to the District installing the meter at a recycled water fire hydrant as determined by the District. The installation charge will be \$72.72, and will be collected for the installation and removal of the agriculture meter when the service is discontinued.
 - b. Daily Demand Charge. A service charge of \$0.607 shall be charged per calendar day. This charge includes \$0.475 for depreciation cost of the residential hydrant meter and meter locks, plus a daily fee of \$0.132 for meter reading and utility services.
 - c. Recycled Water Consumption Charge. Recycled water used for agriculture purposes is considered to be a reliable source of water and less subject to interruptions. This water shall be charged at a rate of \$2.765 per kgal. This rate includes the charge of recycled water at the current rate of \$1.71 per kgal and the facility capacity charge of \$1.055 per kgal.
4. Residential Hydrant Meter Installation Charge, Daily Demand Charge and Potable Water Consumption Charge.
 - a. Residential Hydrant Meter Installation Charge. A residential hydrant meter installation charge shall be paid prior to the District installing the meter at a potable water fire hydrant as determined by the District. The installation charge will be \$72.72, and will be collected for the installation and removal of the residential hydrant meter when the service is discontinued.
 - b. Daily Demand Charge. A service charge of \$0.607 shall be charged per calendar day. This charge includes \$0.475 for depreciation cost of the residential hydrant meter and meter locks, plus a daily fee of \$0.132 for meter reading and utility services.
 - c. Potable Water Consumption Charge. This water shall be charged at a rate of \$3.97 per kgal. This rate includes the charge of potable water with the current rate of \$2.915 per kgal and the facility capacity charge of \$1.055 per kgal.
5. Water Hauler's License. The State of California requires a Water Hauler's License to haul drinking water in bulk (250 gallons capacity or greater). This license is needed anytime water is transported for drinking, culinary or other purposes involving a likelihood of water being ingested by humans.
6. Methodology - The costs are based on current industry and utility services hourly cost and will be adjusted yearly to match the increase of product cost and utility services hourly cost. See fee calculation table below.

Fee Calculation

Facility Capacity Charges		$\frac{700 \text{ gal}}{\text{day}} \times \frac{365 \text{ days}}{\text{year}} \times \frac{50 \text{ years}}{1} = 12,775 \text{ kgal}$ $\frac{\$13,478}{12,775 \text{ kgal}} = \1.055 kgal
Daily Demand Charge	Depreciation Cost	<p>Meter depreciation cost over 5 years:</p> <p>$5 \text{ years} \times 365 \text{ days} = 1825 \text{ days}$</p> <p>Removable Hydrant Meter w/ AMI Capabilities Cost: \$650.00</p> $\frac{\$650}{1825 \text{ days}} = \0.356 per day <p>Fire Hydrant Meter Lock: \$113.08</p> $\frac{\$113.08}{1825 \text{ days}} = \0.062 per day <p>Gate Valve Lock: \$103.38</p> $\frac{\$103.38}{1825 \text{ days}} = \0.057 per day
	Meter Reading and Billing Services	<p>\$48.00 per year</p> $\frac{\$48.00}{365 \text{ days}} = \0.132 per day

7. Effective Date. This Resolution shall be effective immediately and shall remain in effect until such time as it is rescinded or superseded. All previous resolutions regarding construction meters and potable water use are hereby superseded.

PASSED AND ADOPTED this 7th day of March, 2017.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

Administrative Issues



Yucaipa Valley Water District



Date: February 28, 2017
From: Matthew Porras, Management Analyst
Subject: Implementation of a Cellular Device Usage Program

The District staff is beginning to utilize smart phones for the collection of system data. It would be helpful to implement a cellular device program that would apply to District employees who are not assigned a District owned device.

The proposed program has been drafted to provide a reimbursement to employees for the use of their cellular device to offset the purchase and monthly cellular expense.

PROPOSED CELLULAR DEVICE USAGE PROGRAM

This document establishes the Yucaipa Valley Water District's ("District") program for use of a mobile cellular device by an employee to perform District related tasks. For the purposes of this program, the term "cellular device" is defined as any handheld electronic device with the ability to send, receive, or transmit voice, text, or data messages without a cable connection.

- I. **Use of District Owned Cellular Devices.** Cellular devices provided by the District for work related use. The cellular device provided from the District is to be protected by the employee and returned when employment ends. This policy does not apply to District Owned Cellular Devices.
- II. **Use of Personally Owned Cellular Devices.** Cellular devices owned and maintained by an employee and used during work hours for District communication and District data collection.
- III. **Reimbursement of Cellular Device Expenses.** Eligibility for reimbursement will require that the employee receives annual approval by the General Manager for the use of a Personally Owned Cellular Device for District purposes. The following requirements must be satisfied to be eligible for this reimbursement:
 - The device is required to perform District and work related tasks.
 - The tasks are completed using the device within a reasonable timeframe.
 - The device is used as a point of contact for the employee.
 - The device and service plan are compatible with the required tasks.
 - The device and service plan are maintained and managed by the employee.
 - District utilized applications are installed and updated on the device as required to provide the full functionality of communication and data collection.
 - The District is notified within 24 hours of a lost or stolen cellular device.
 - An executed reimbursement policy will be required to be authorized by the General Manager and updated in January of each calendar year.
 - The District reserves the right to modify, adjust, update, expand, or terminate this policy and the reimbursement at any time without notice.
- IV. **Financial Reimbursement**
 - A reimbursement in the amount of \$40 per month will be provided to an eligible employee at the first payroll cycle of each month.

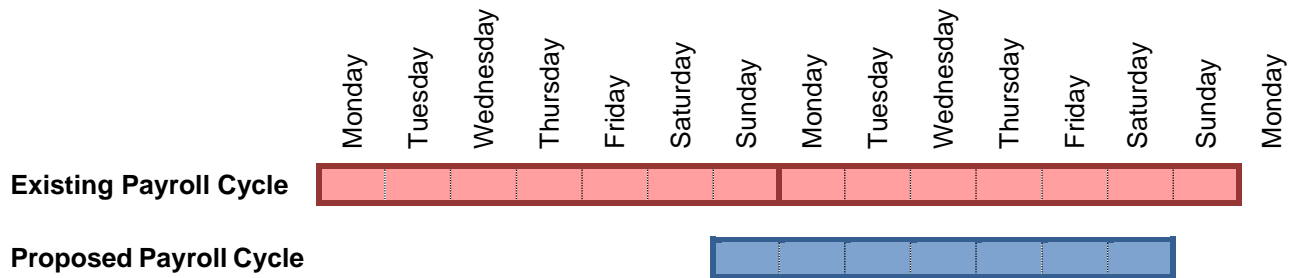


Date: February 28, 2017

From: Joseph Zoba, General Manager

Subject: Proposed Modification to District Payroll Cycled to be from Sunday through Saturday

The District staff is in the process of working together with the IBEW to modify the work schedule for water and sewer operators to provide additional staff coverage. Because of the proposed schedule modifications, the District will need to modify the payroll period from Monday through Sunday to Sunday through Saturday. This payroll change will be presented at a future meeting as a resolution to fully implement this payroll cycle change.



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

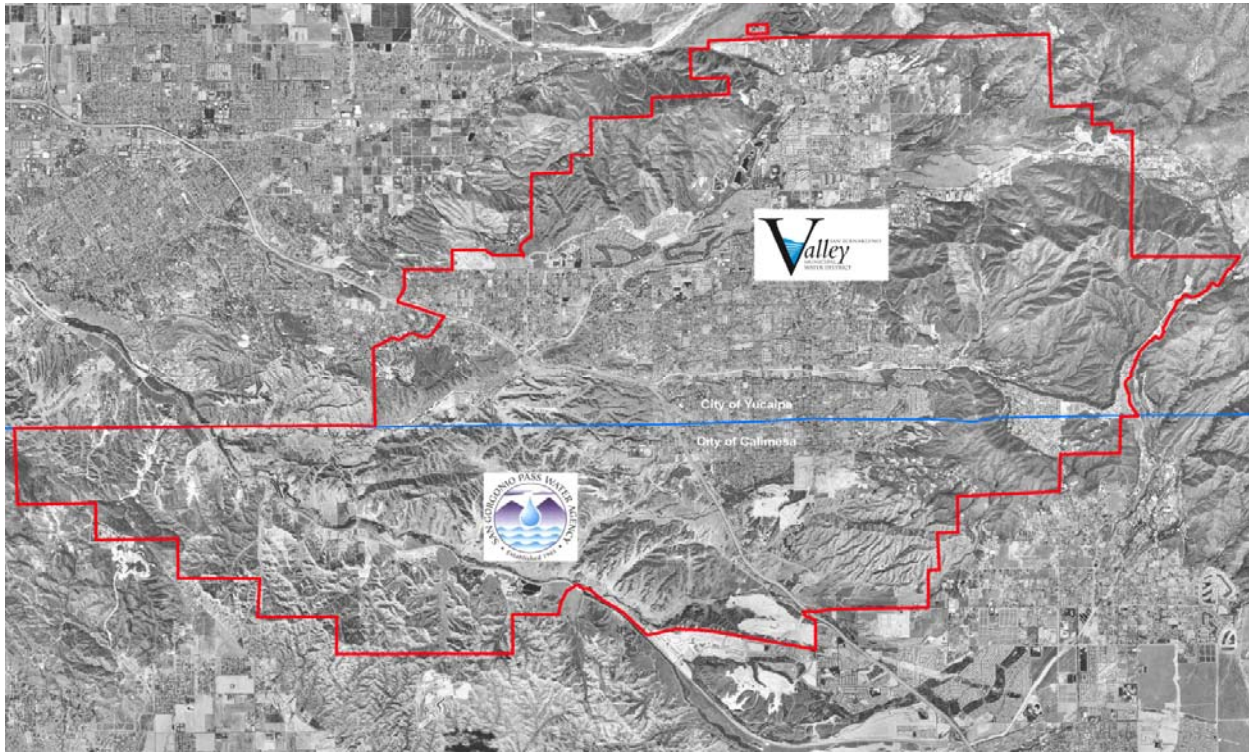
Water System: 215 miles of drinking water pipelines
27 reservoirs - 34 million gallons of storage capacity
18 pressure zones
12,000 ac-ft annual water demand (3.9 billion gallons)
Two water filtration facilities:
- 1 mgd at Oak Glen Surface Water Filtration Facility
- 12 mgd at Yucaipa Valley Regional 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)

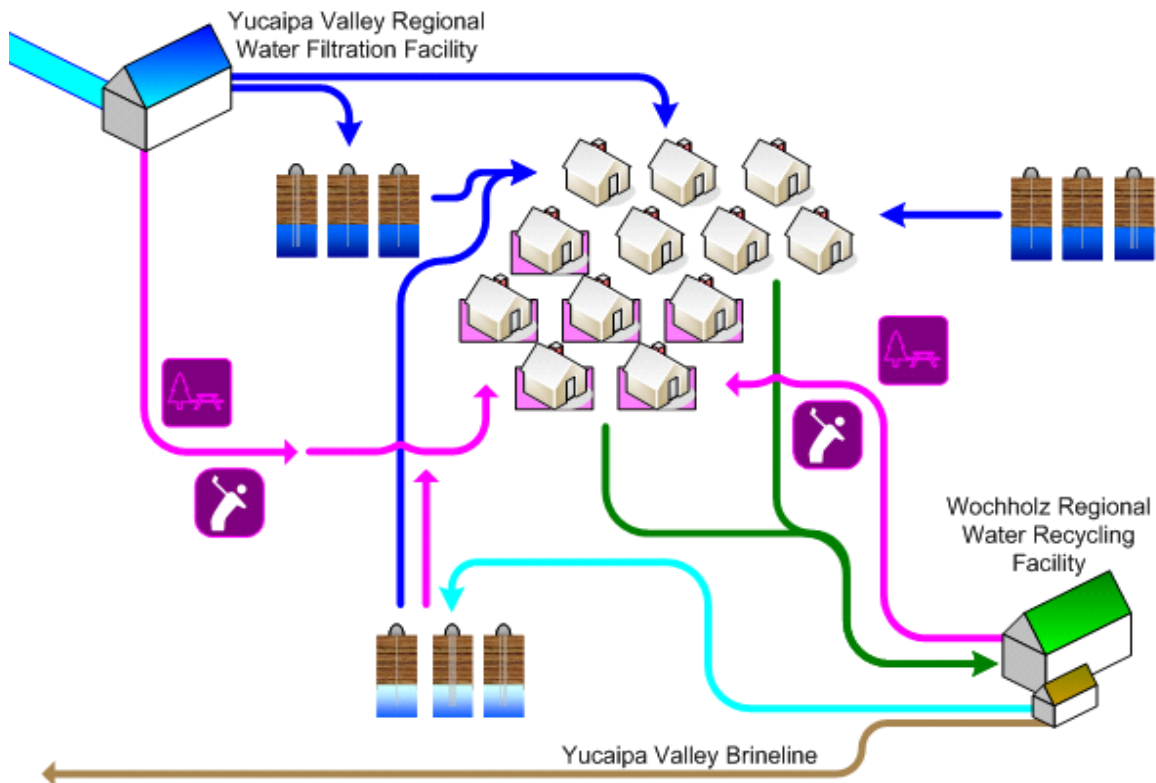
Recycled Water: 22 miles of recycled water pipelines
5 reservoirs - 12 million gallons of storage
1,200 ac-ft annual recycled demand (0.4 billion gallons)

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