



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

Tuesday, May 1, 2018 at 6:00 p.m.

- I. **CALL TO ORDER** - Pledge of Allegiance
- II. **ROLL CALL**
- III. **PUBLIC COMMENTS** - At this time, members of the public may address the Board of Directors on matters within its jurisdiction. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the board meeting.
- IV. **CONSENT CALENDAR** - All consent calendar matters are routine and will be acted upon in one motion. There will be no discussion of these items unless board members, administrative staff, or members of the public request specific items to be discussed and/or removed prior to the vote for approval.
 - A. Minutes of Meetings
 - 1. Regular Board Meeting - April 17, 2018
 - 2. Board Workshop - April 24, 2018
- V. **STAFF REPORT**
- VI. **DISCUSSION ITEMS**
 - A. Ratification of Amendment No. 2 to the State Revolving Fund Loan-Brineline- Agreement No. 09-864-550 [[Director Memorandum No. 18-066 - Page 14 of 92](#)]
RECOMMENDED ACTION: That the Board ratifies the execution of Amendment No. 2 for Agreement No. 09-864-550.
 - B. Consideration of Environmental Legal Liability Coverage from Alliant Insurance Services [[Director Memorandum No. 18-067 - Page 25 of 92](#)]
RECOMMENDED ACTION: That the Board authorizes the General Manager to execute the necessary documents for \$3,000,000 environmental legal liability coverage for an annual premium amount of \$39,294.
 - C. Consideration of Resolution No. 2018-16 Supporting the Application for a Water and Energy Efficiency Grant from the U.S. Bureau of Reclamation [[Director Memorandum No. 18-068 - Page 42 of 92](#)]
RECOMMENDED ACTION: That the Board adopts Resolution No. 2018-16.

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

- D. Consideration of Development Agreement No. 2018-07 with Nassif Gobrial for Property Located at 12278 5th Street, Yucaipa [[Director Memorandum No. 18-069 - Page 45 of 92](#)]
 RECOMMENDED ACTION: That the Board adopts Development Agreement No. 2018-07.
- E. Consideration of Agreement by and Between the City of Yucaipa and the Yucaipa Valley Water District for the 5th Street Widening Project [[Director Memorandum No. 18-070 - Page 51 of 92](#)]
 RECOMMENDED ACTION: That the Board authorizes the General Manager to execute the attached agreement.
- F. Discussion Regarding Resolution No. 2018-12 Updating the Water Meter Installation Fees for Drinking Water and Recycled Water and Identifying the Use of 50" Water Meter Boxes for Drinking Water and Recycled Water Infrastructure [[Director Memorandum No. 18-071 - Page 54 of 92](#)]
 RECOMMENDED ACTION: That the Board adopts Resolution No. 2018-12.
- G. Discussion Regarding Executing a Letter of Understanding with Oak Valley Partners for the Development of a Water Resource Management Complex within the City of Calimesa [[Director Memorandum No. 18-072 - Page 65 of 92](#)]
 RECOMMENDED ACTION: That the Board authorizes the General Manager to countersign the attached conceptual agreement with Oak Valley Partners.
- H. Discussion Regarding a Real Estate Purchase and Sale Agreement with Mesa Verde Re Ventures LLC for 17.81 Acres of Undeveloped Property (Assessor Parcel Numbers 0301-201-03 and 0301-211-02) [[Director Memorandum No. 18-073 - Page 72 of 92](#)]
 RECOMMENDED ACTION: Pending

VII. BOARD REPORTS & DIRECTOR COMMENTS

VIII. ANNOUNCEMENTS

- A. May 8, 2018 at 4:00 p.m. - Board Workshop
- B. May 15, 2018 at 6:00 p.m. - Regular Board Meeting
- C. May 22, 2018 at 4:00 p.m. - Board Workshop - **Changed from May 29, 2018**
- D. June 5, 2018 at 6:00 p.m. - Regular Board Meeting
- E. June 12, 2018 at 4:00 p.m. - Board Workshop
- F. June 19, 2018 at 6:00 p.m. - Regular Board Meeting
- G. ~~June 26, 2018 at 4:00 p.m. - Board Workshop~~ **Cancelled**
- H. ~~July 3, 2018 at 6:00 p.m. - Regular Board Meeting~~ **Cancelled**
- I. July 10, 2018 at 4:00 p.m. - Board Workshop
- J. July 17, 2018 at 6:00 p.m. - Regular Board Meeting
- K. July 31, 2018 at 4:00 p.m. - Board Workshop
- L. August 7, 2018 at 6:00 p.m. - Regular Board Meeting
- M. August 14, 2018 at 4:00 p.m. - Board Workshop
- N. August 21, 2018 at 6:00 p.m. - Regular Board Meeting
- O. August 28, 2018 at 4:00 p.m. - Board Workshop

IX. ADJOURNMENT

Consent Calendar



Yucaipa Valley Water District

MINUTES OF A REGULAR BOARD MEETING

April 17, 2018 at 6:00 P.M.

Directors Present:

Jay Bogh, President
Bruce Granlund, Vice President
Lonni Granlund, Director
Chris Mann, Director
Tom Shalhoub, Director

Staff Present:

Joseph Zoba, General Manager
Allison Edmisten, Chief Financial Officer
Jennifer Ares, Water Resource Manager
Mike Kostelecky, Operations Manager
Kathryn Hallberg, Management Analyst
Matthew Porras, Management Analyst
John Wrobel, Public Works Manager
Kevin Lee, Interim Operations Manager
Thaxton Van Belle, Interim Operations Manager

Directors Absent:

None

Consulting Staff Present:

David Wysocki, Legal Counsel

Registered Guests and Others Present:

Linda Shelton, Customer
Steve Stuart, Dudek
Leonard Stephenson, San Gorgonio Pass Water Agency

CALL TO ORDER

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

FLAG SALUTE

Director Jay Bogh led the pledge of allegiance.

ROLL CALL

The roll was called with Director Jay Bogh, Director Bruce Granlund, Director Lonni Granlund, Director Chris Mann, and Director Tom Shalhoub were present.

PUBLIC COMMENTS

None

CONSENT CALENDAR

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

- A. Minutes of Meetings
 - 1. Regular Board Meeting - April 3, 2018
 - 2. Board Workshop - April 10, 2018
- B. Payment of Bills
 - 1. Approve/Ratify Invoices for Board Awarded Contracts
 - 2. Ratify General Expenses for March 2018

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Yes
Director Lonni Granlund - Yes
Director Chris Mann - Yes
Director Tom Shalhoub - Yes

STAFF REPORT

General Manager Joseph Zoba discussed the following items:

- The District will be participating in a Joint Agency Workshop on Thursday, April 19, 2018;
- A budget workshop has been tentatively scheduled for Monday, May 14, 2018;
- Agenda Item D - Approval of an Agreement with the City of Yucaipa for the Relocation of Water and Sewer Infrastructure as part of the 5th Street Widening Project [Director Memorandum No. 18-063] will be removed from the agenda.
- Agenda Item F - Agreement No. 2018-08 with Western Pacific Housing for the Construction of Residential Housing within Tract Nos. 26925 and 30386 - 119 Lots [Director Memorandum No. 18-065] will be removed from the agenda.
- A closed session will not be conducted at the meeting.

DISCUSSION ITEMS:

DM 18-060

PRESENTATION OF THE MAXIMUM BENEFIT PROGRAM FOR THE BEAUMONT, SAN TIMOTEO, AND YUCAIPA MANAGEMENT ZONES

Water Resource Manager Jennifer Ares introduced Steve Stuart from Dudek. Mr. Stuart presented information about the District's Maximum Benefit Program for the Beaumont, San Timoteo and Yucaipa Management Zones.

Director Tom Shalhoub apologized and needed to leave the meeting during this discussion item.

The Board of Directors participated in the discussion.

DM 18-061

PRESENTATION OF THE SAN TIMOTEO CREEK HABITAT MONITORING PROGRAM

Water Resource Manager Jennifer Ares introduced Steve Stuart from Dudek. Mr. Stuart presented information about the District's San Timoteo Creek Habitat Monitoring Program.

The Board of Directors participated in the discussion.

DM 18-062

PRESENTATION OF
THE UNAUDITED
FINANCIAL REPORT
FOR THE PERIOD
ENDING ON MARCH 31,
2018

Chief Financial Officer Allison Edmisten presented the Unaudited Financial Report for the period ending on March 31, 2018.

Director Lonni Granlund moved to receive and file the unaudited financial report. Director Bruce Granlund seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Yes
Director Lonni Granlund - Yes
Director Chris Mann - Yes
Director Tom Shalhoub - Absent

DM 18-063

APPROVAL OF AN
AGREEMENT WITH
THE CITY OF YUCAIPA
FOR THE RELOCATION
OF WATER AND
SEWER
INFRASTRUCTURE AS
PART OF THE 5TH
STREET WIDENING
PROJECT

During the staff report, General Manager Joseph Zoba requested that this agenda item be continued to a future meeting.

DM 18-064

PRESENTATION OF
BUDGET
ADJUSTMENTS FOR
FISCAL YEAR 2017-18

Chief Financial Officer Allison Edmisten presented proposed budget adjustments for Fiscal Year 2017-18.

Director Bruce Granlund moved to approve the proposed adjustments to the Fiscal Year 2017-18 operating budget. Director Chris Mann seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Yes
Director Lonni Granlund - Yes
Director Chris Mann - Yes
Director Tom Shalhoub - Absent

DM 18-065

During the staff report, General Manager Joseph Zoba requested that this agenda item be continued to a future meeting.

CONSIDERATION OF DEVELOPMENT AGREEMENT NO. 2018-08 WITH WESTERN PACIFIC HOUSING FOR THE CONSTRUCTION OF RESIDENTIAL HOUSING WITHIN TRACT NOS. 26925 AND 30386 - 119 LOTS

BOARD REPORTS AND DIRECTOR COMMENTS

- Director Jay Bogh, Director Bruce Granlund, Director Lonni Granlund, and Chris Mann reported on the Yucaipa State of the City Luncheon held on April 12, 2018.
- Director Bruce Granlund reported on the lack of quorum for the City of Yucaipa Economic Development Advisory Commission meeting scheduled for April 12, 2018.
- Director Chris Mann reported on the City of Calimesa Open House for the Fire Department held on April 14, 2018.
- Director Bruce Granlund, Director Lonni Granlund, and Director Chris Mann reported on the Association of San Bernardino County Special Districts meeting held on April 16, 2018.
- Director Jay Bogh reported on a recent meeting with the staff of the Metropolitan Water District

CLOSED SESSION

A closed session was not conducted at this meeting.

ANNOUNCEMENTS

Director Jay Bogh called attention to the announcements listed on the agenda.

ADJOURNMENT

The meeting was adjourned at 6:50 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(Seal)

MINUTES OF A BOARD WORKSHOP

April 24, 2018 at 4:00 P.M.

Directors Present:

Jay Bogh, President
Lonni Granlund, Director
Bruce Granlund, Vice President
Tom Shalhoub, Director
Chris Mann, Director

Staff Present:

Joseph Zoba, General Manager
Allison Edmisten, Chief Financial Officer
Matthew Porras, Management Analyst
Kathryn Hallberg, Management Analyst
Mike Kostelecky, Operations Manager
John Wrobel, Public Works Manager
Ashley Gibson, Water Resource Supervisor
Michael Rivera, Public Works Supervisor
Ron Elisalda, Utility Service Worker IV
Dustin Hochreiter, Utility Service Worker III
Chelsie Fogus, Engineering Technician I

Directors Absent:

None

Consulting Staff Present:

None

Guests and Others Present:

Linda Shelton, Customer
Brent Anton, Customer
John Ohanian, Oak Valley Partners
David Dazlich, Riverside County Chapter of the Building Industry Association
Lennard Stephenson, San Geronio Pass Water Agency

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- I. Call to Order - 4:00 p.m.
 - II. Public Comments:
 - A. None.
 - III. Staff Report:
 - General Manager Joseph Zoba mentioned the planned budget workshop scheduled for May 14, 2018.
 - IV. Strategic Planning
 - A. Discussion of the Strategic Planning Goal of Implementing Groundwater Recharge Projects in the District's Service Area [Workshop Memorandum No. 18-112] - General Manager Joseph Zoba provided an overview of a proposed lake and recharge project to be located on property owned by Oak Valley Partners. John Ohanian provided insight on correspondence dated April 20, 2018 to begin to study the feasibility of the proposed project.
 - V. Operational Updates
 - A. Status Report of the Automated Meter Infrastructure (AMI) Installation and Activation Projections [Workshop Memorandum No. 18-113] - Management

Analyst Matthew Porras discussed the implementation plan for implementing the Automated Meter Infrastructure throughout the District's service area.

VI. Capital Improvement Projects

- A. Status Report on the 5th Street Widening Project [Workshop Memorandum No. 18-114] - Management Analyst Matthew Porras provided a status report on the proposed agreement with the City of Yucaipa for improvements on 5th Street.
- B. Status Report on the Emergency Repairs for Drinking Water Reservoir 17.1.1 [Workshop Memorandum No. 18-115] - Operations Manager Michael Kostelecky provided an update on the status of the Reservoir 17.1.1 rehabilitation.
- C. Status Report on the Annual Repairs and Rehabilitation of the Yucaipa Valley Regional Water Filtration Facility [Workshop Memorandum No. 18-116] - Operations Manager Michael Kostelecky provided an update on the status of the annual work at the Yucaipa Valley Regional Water Filtration Facility.

VII. Public Policy

- A. Discussion Regarding Draft Resolution No. 2018-xx Establishing a Development Policy Related to Accessory Dwelling Units and Other Multiple Unit Developments [Workshop Memorandum No. 18-117] - General Manager Joseph Zoba discussed the development of a policy related to accessory dwelling units and other multiple unit developments.
- B. Discussion Regarding Draft Resolution No. 2018-xx Updating the Water Meter Installation Fees for Drinking Water and Recycled Water and Identifying the Use of 50" Water Meter Boxes for Drinking Water and Recycled Water Infrastructure [Workshop Memorandum No. 18-118] - General Manager Joseph Zoba discussed a draft Resolution No. 2018-xx updating the water meter installation fees for Drinking Water and Recycled Water and identifying the use of 50" water meter boxes for Drinking Water and Recycled Water Infrastructure.

VIII. Development Projects

- A. Overview of a Proposed Development Agreement with Western Pacific Housing for the Development of 121 lots in Calimesa - Portions of Tract Nos. 26925, 30386, and 30386-1 [Workshop Memorandum No. 18-119] - General Manager Joseph Zoba discussed the draft development agreement for portions of Tract Nos. 26925, 30386, and 30386-1.
- B. Overview of a Proposed Development Agreement with Lennar Homes for the Summerwind Development - Calimesa [Workshop Memorandum No. 18-120] - Management Analyst Matthew Porras provided an overview of a proposed Development Agreement with Lennar Homes for the Summerwind Development in Calimesa.
- C. Overview of a Proposed Development Agreement for a Commercial Carwash on Yucaipa Boulevard, Yucaipa [Workshop Memorandum No. 18-121] - Management Analyst Matthew Porras provided an overview of a proposed Development Agreement for a commercial carwash on Yucaipa Boulevard, Yucaipa.

IX. Administrative Items

- A. Review of Amendment No. 2 to SRF Loan-Brineline- Agreement No. 09-864-550 8 [Workshop Memorandum No. 18-122] - Chief Financial Officer Allison Edmisten

provided an overview of the amendment to the brineline loan with the State Water Resources Control Board.

- B. Review of a Proposal for Environmental Liability Insurance for Sewer and Brineline Operations [Workshop Memorandum No. 18-123] - Management Analyst Kathryn Hallberg provided an overview of the environmental liability insurance for the sewer collection system and the brineline.
 - C. Consideration of Resolution No. 2018-xx Supporting the Application for a Water and Energy Efficiency Grant from the Bureau of Reclamation [Workshop Memorandum No. 18-124] - Management Analyst Kathryn Hallberg provided an overview of the WaterSmart grant opportunity with the Bureau of Reclamation.
- X. Director Comments – None.
- XI. Closed Session

Director Jay Bogh, Director Bruce Granlund, Director Lonni Granlund, Director Chris Mann and Director Tom Shalhoub were present in closed session with General Manager Joseph Zoba and Chief Financial Officer Allison Edmisten concerning the following items:

- A. Conference with Real Property Negotiator(s) (Government Code 54956.8)
Property: Assessor's Parcel Numbers: 0301-211-020 and 0301-201-030
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Mesa Verde Ventures LLC c/o Betek Corporation Under
Negotiation: Terms of Payment and Price

The Board Members reconvened out of closed session into open session and General Manager Joseph Zoba reported that direction was provided, but no reportable action was taken in closed session.

- X. Adjournment - The meeting was adjourned at 5:10 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

Staff Report



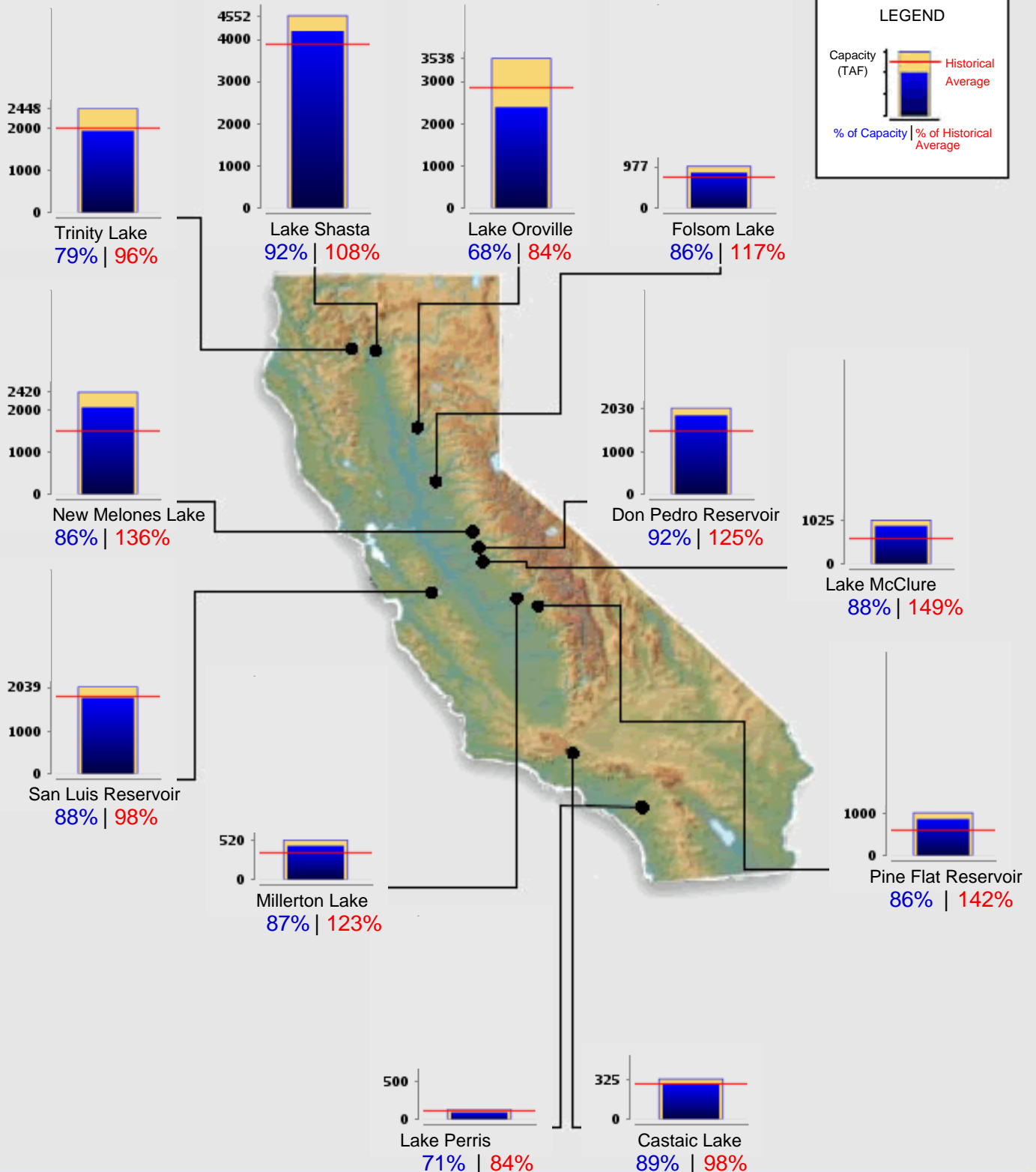
Yucaipa Valley Water District



Reservoir Conditions

Ending At Midnight - April 26, 2018

CURRENT RESERVOIR CONDITIONS



Discussion Items





Date: May 1, 2018

Prepared By: Joseph B. Zoba, General Manager
Allison M. Edmisten, Chief Financial Officer

Subject: Ratification of Amendment No. 2 to the State Revolving Fund Loan-Brineline-Agreement No. 09-864-550

Recommendation: That the Board ratifies the execution of Amendment No. 2 for Agreement No. 09-864-550.

On May 2, 2012 [DM 12-039], the Board ratified Amendment No. 1 to the State Water Resources Agreement No. 09-864-550 revising construction dates and term dates.

On April 5, 2018, the Yucaipa Valley Water District received the attached Amendment No. 2 to State Water Resources Agreement No. 09-864-550, Project No. C-06-7476-110 related to the construction of the Yucaipa Valley Brineline. The proposed amendment:

- Revises Article I: Definitions
- Revises Article III: Financing Provisions
- Revises Exhibit B: Project Financing Amount
- Revises Exhibit C: Clean Water State Revolving Fund Payment Schedule by paying an Administrative Service Charge and a Small Community Grant Fund Charge in lieu of interest effective July 1, 2018.

The result of this amendment reduces the total payment amount over the life of the loan by \$59,517.86 as a result of applying more of the initial payment amount to principal rather than interest.



State Water Resources Control Board

April 5, 2018

Yucaipa Valley Water District
Attn: Joseph Zorba
12770 Second Street
Yucaipa, CA 92399

Agreement Number: 09-864-550
Project Number: 7476-110

Enclosed is your amended Funding Agreement for your approval and signature. This Agreement cannot be considered binding by either party until executed by the State Water Resources Control Board ("State Water Board").

If in agreement with all terms and conditions of the Agreement, please have the Authorized Representative, as noted in the executed resolution, sign and return two (2) signature pages **no later than thirty (30) calendar days from the date of this letter to:**

US Mail

Maya Garrett
State Water Resources Control Board
Division of Financial Assistance
P.O. Box 944212
Sacramento, CA 94244-2120

Overnight Mail

Maya Garrett
State Water Resources Control Board
Division of Financial Assistance
1001 I Street, 16th Floor
Sacramento, CA 95814

Ms. Garrett may be contacted at (916) 341-5653 or maya.garrett@waterboards.ca.gov

Once the Agreement is signed by both parties, we will forward an executed copy to you for your entity's records.

Enclosures

FELICIA MARQUE, CHAIR | EILEEN SOBIECK, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov





YUCAIPA VALLEY WATER DISTRICT
AND
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

PROJECT FINANCE AGREEMENT
STATE REVOLVING FUND PROJECT NO. C-06-7476-110
AGREEMENT NO. 09-864-550

AMENDMENT NO. 2

AMOUNT: \$9,752,100

TERM DATES: MAY 4, 2010 – December 31, 2032

The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement, originally executed on June 28, 2010 **and subsequently amended on April 24, 2012** and incorporated herein:

Changes made in this amendment are shown as follows in the attached Exhibits:

- Article 1.1 – Definitions (3 pages attached)*
- Article 3.2 – Financing Provisions (2 pages attached)*
- Exhibit B – Project Financing Amount (1 page attached)*
- Exhibit C – CWSRF Payment Schedule (2 pages attached)*

- * Except as otherwise noted, text deletions are displayed as strike through text (i.e., strike out)
- ** Entire Exhibit added.

All other terms and conditions shall remain the same.

YUCAIPA VALLEY WATER DISTRICT:

By: _____
Name: Joseph Zoba
Title: General Manager

Date: _____

STATE WATER RESOURCES CONTROL BOARD:

By: _____
Name: Leslie Laudon
Title: Director, Division of Financial Assistance

Date: _____

Yucaipa Valley Water District
 Agreement No.: 09-864-550
 Project No.: C-06-7476-110
Amendment No. 2

ARTICLE I DEFINITIONS

1.1 Definitions.

Unless otherwise specified, each capitalized term used in this Agreement (including the Exhibits hereto) has the following meaning:

"Additional Payments" means the Additional Payments described in Section 3.2(c) of this Agreement.

"Agreement" means the Project Finance Agreement, dated as of the date set forth on the first page hereof, by and between the State Water Board and the Recipient, including all exhibits and attachments thereto.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Authorized Representative" means the Mayor of a City, the Chairperson of the County Board of Supervisors, the Chairperson of the Board of Directors of the Recipient, or another duly appointed representative. For all authorized representatives, a certified original of the authorizing resolution that designates the authorized representative, by title, must accompany the first payment request, and any other documents or requests required or allowed under this Agreement.

"Bank" means the California Infrastructure and Economic Development Bank.

"Bonds" means any series of bonds issued by the Bank all or a portion of the proceeds of which may be applied to fund the Project in whole or in part or that are secured in whole or in part by Installment Payments paid hereunder.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provisions and the regulations of the U.S. Department of the Treasury promulgated thereunder.

"Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete.

"Construction" includes, for the purposes of expanded use projects, implementation (but not planning or design).

"CWSRF" means Clean Water State Revolving Fund.

"Division" means the Division of Financial Assistance of the State Water Board, or any other segment of the State Water Board authorized to administer the CWSRF.

"Enterprise Fund" means the enterprise fund of the Recipient in which System Revenues are deposited.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period hereafter selected and designated by the Recipient as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Recipient's own employees or equipment for construction of the Project.

Yucaipa Valley Water District
Agreement No.: 09-864-550
Project No.: C-06-7476-110
Amendment No. 2

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project, or, for expanded use projects, any implementation other than planning or design.

"Installment Payments" means Installment Payments, including the Administrative Service Charge, and Small Community Grant Fund Charge, due and payable by the Recipient to the State Water Board under this Agreement to repay the Project Costs, the amounts of which are set forth as Exhibit C hereto.

"Net Revenues" means, for any Fiscal Year, so long as there may be outstanding System Obligations other than the Obligation, as such term is defined under the authorizing instruments for such System Obligations, and thereafter all Revenues received by the Recipient less the Operations and Maintenance Costs for such Fiscal Year.

"Obligation" means the obligation of the Recipient to make Installment Payments and Additional Payments as provided herein, as evidenced by the execution of this Agreement, proceeds of such obligations being used to fund the Project as specified in the Project Description attached hereto as Exhibit A and in the documents thereby incorporated by reference.

"Operations and Maintenance Costs" means, so long as outstanding System Obligations other than the Obligation are outstanding, the definition of such term as defined therein, and thereafter, the reasonable and necessary costs paid or incurred by the Recipient for maintaining and operating the System, determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses and charges to operate the System and insurance premiums; but excluding, in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

"Policy" means the State Water Board's "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities," as most recently amended, the State Water Board's "Strategy for Implementing State Revolving Fund for Expanded Use Projects", as appropriate, and Board Resolution 2009-0027.

"Project" means the Project as described in Exhibit A and in the documents thereby incorporated by reference.

"Project Completion" for the purposes of a wastewater or water recycling project, means the date, as determined by the Division after consultation with the Recipient, that operation of the Project is initiated or is capable of being initiated, whichever comes first. For the purposes of all other projects, "Project Completion" means the date that all tasks in Exhibit A are completed to the reasonable satisfaction of the Division. This date shall be synonymous with the date specified in the "Initiation of Operation" form submitted as part of the Approval of Award package, if any.

"Project Costs" means the incurred costs of the Recipient which are eligible for financial assistance from the CWSRF under the federal Clean Water Act, which are allowable costs as defined under the Policy and which are reasonable, necessary and allocable by the Recipient to the Project under generally accepted accounting principles, plus capitalized interest. For the purposes of all other projects, "Project Costs" means those costs incurred by the Recipient for the planning, design, and implementation of the project as set forth in Exhibit A; this includes any monitoring, reporting,

Yucaipa Valley Water District
Agreement No.: 09-864-550
Project No.: C-06-7476-110
Amendment No. 2

education and outreach, or direct administrative costs associated with these tasks and deemed necessary by the Division.

"Project Funds" means funds disbursed by the State Water Board to the Recipient for purposes of this Agreement.

"Recipient" means the recipient of Project Funds, as identified on the front page of this Agreement.

"Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the Recipient from the ownership or operation of the System, determined in accordance with generally accepted accounting principles, including all rates, fees and charges (including connection fees and charges) as received by the Recipient for the services of the System, and all other income and revenue howsoever derived by the Recipient from the ownership or operation of the System or arising from the System, including all income from the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund of the Recipient or held on the Recipient's behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.

"State" means State of California.

"State Water Board" means the State Water Resources Control Board, an administrative and regulatory agency of the State of California.

"System" means for the purposes of a wastewater project, all wastewater collection, transport, treatment, storage and disposal facilities, including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed. For the purposes of a water recycling project, "System" means all wastewater, water recycling, and/or potable water collection, transport, treatment, storage and/or disposal facilities, including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed. For the purposes of all other projects, "System" means all nonpoint source control or estuary enhancement facilities, including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed.

"System Obligations" means all senior, parity and subordinate obligations of the Recipient payable from Revenues as identified as of the date of this Agreement in Exhibit F and such additional obligations as may hereafter be issued in accordance with the provisions of such obligations.3.2 Amounts Payable by the Recipient.

Yucaipa Valley Water District
 Agreement No.: 09-864-550
 Project No.: C-06-7476-110
Amendment No. 2

ARTICLE III FINANCING PROVISIONS

3.2 Amounts Payable by the Recipient

- (a) **Installment Payments.** Repayment of the Project Funds, together with all interest, Administrative Service Charge, and Small Community Fund Grant Charge, accruing thereon, shall be repaid in annual installments commencing on the date that is one (1) year after Completion of Construction, and shall be fully amortized by the date specified in Exhibit B.

The repayment amount is based on a standard fully amortized assistance amount with equal annual repayments. The remaining balance is the previous balance, plus the disbursements, plus the accrued interest, Administrative Service Charge, and Small Community Fund Grant Charge, on both, less the repayment. Repayment calculations will be made beginning one (1) year after Completion of Construction and shall be fully amortized not later than the date specified in Exhibit B. Exhibit C is a CWSRF Payment Schedule based on the provisions of this article and an estimated disbursement schedule. The actual repayments will be based on actual disbursements.

Upon Completion of Construction and submission of necessary reports, the Division will prepare an appropriate CWSRF Payment Schedule and supply the same to the Recipient. The CWSRF Payment Schedule may be amended as necessary to accurately reflect amounts due under this Agreement. Any amended CWSRF Payment Schedule which is necessary will be prepared by the Division and furnished to the Recipient.

The Recipient agrees to make each installment payment on or before the due date therefor. A ten (10) day grace period will be allowed, after which time a penalty in the amount of costs incurred to the State Water Board will be assessed for late payment. These costs may include, but are not limited to, lost interest earnings, staff time, bond debt service default penalties, if any, and other costs incurred. Penalties assessed will not change the principal balance of the financing Agreement. Such penalties will be treated as a separate receivable in addition to the annual payment due. For purposes of penalty assessment, repayment will be deemed to have been made if repayment is deposited in the U.S. Mail within the grace period with postage prepaid and properly addressed. Any penalties assessed will not be added to the assistance amount balance, but will be treated as a separate account and obligation of the Recipient. The interest penalty will be assessed from the repayment due date.

The Recipient as a whole is obligated to make all payments required by this Agreement to the State Water Board, notwithstanding any individual default by its constituents or others in the payment to the Recipient of fees, charges, taxes, assessments, tolls or other charges ("Charges") levied or imposed by the Recipient. The Recipient shall provide for the punctual payment to the State Water Board of all amounts which become due under this Agreement and which are received from constituents or others in the payment to the Recipient. In the event of failure, neglect or refusal of any officer of the Recipient to levy or cause to be levied any Charge to provide payment by the Recipient under this Agreement, to enforce or to collect such Charge, or to pay over to the State Water Board any money collected on account of such Charge necessary to satisfy any amount due under this Agreement, the State Water Board may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Charges and the payment of the money collected therefrom to the State Water Board. Action taken pursuant hereto shall not deprive the State Water Board of, or limit the application of, any other remedy provided by law or by this Agreement.

Yucaipa Valley Water District
Agreement No.: 09-864-550
Project No.: C-06-7476-110
Amendment No. 2

Attached as Exhibit C is a CWSRF Payment Schedule based on the provisions of this section and an estimated disbursement schedule. CWSRF Payment Schedule will be revised based on actual disbursements following Completion of Construction.

Each Installment Payment shall be paid by check and in lawful money of the United States of America.

The Recipient agrees that it shall not be entitled to interest earned on undisbursed project funds. Upon execution of this Agreement, the State Water Board shall encumber an amount equal to the Obligation. The Recipient hereby agrees to pay Installment Payments and Additional Payments from Net Revenues and/or other amounts legally available to the Recipient therefor. Interest on any funds disbursed to the Recipient shall begin to accrue as of the date of each disbursement.

- (b) **Project Costs.** The Recipient agrees to pay any and all costs connected with the Project including, without limitation, any and all Project Costs. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient shall nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.
- (c) **Additional Payments.** In addition to the Installment Payments required to be made by the Recipient, the Recipient shall also pay to the State Water Board the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, attorneys, litigation costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

Additional Payments shall be billed to the Recipient by the State Water Board from time to time, together with a statement executed by a duly authorized representative of the State Water Board, stating that the amounts billed pursuant to this section have been incurred by the State Water Board or its assignee for one or more of the above items and a copy of the invoice or statement for the amount so incurred or paid. Amounts so billed shall be paid by the Recipient within thirty (30) days after receipt of the bill by the Recipient.

- (d) The Recipient may without penalty prepay all or any portion of the outstanding principal amount of the Obligation provided that the Recipient shall also pay at the time of such prepayment all accrued interest on the principal amount prepaid through the date of prepayment.

Yucaipa Valley Water District
Agreement No.: 09-864-550
Project No.: C-06-7476-110
Amendment No. 2

EXHIBIT B – PROJECT FINANCING AMOUNT

1. **Estimated Reasonable Cost.** The estimated reasonable cost of the total Project, including associated planning and design costs, is nineteen million, seven hundred six thousand, one hundred fifty-six dollars and no cents (\$19,706,156.00).
2. **Project Funding.** Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds in the amount of nine million, seven hundred fifty-two thousand, one hundred dollars and no cents (\$9,752,100.00).
3. ~~Repayment and Interest Rate. The Recipient agrees to repay all Project Funds according to the schedule in Exhibit C at an interest rate of two and seven tenths percent (2.7%) per annum and an Administrative Service Charge of zero percent (0%) per annum.~~ **Payment, Interest Rate, and Charges. The Recipient agrees to make all Installment Payments according to the schedule in Exhibit C at an interest rate of two and seven tenths percent (2.7%) per annum. The Recipient agrees to pay an Administrative Service Charge in lieu of Interest effective July 1, 2018 as reflected in Exhibit C. The Recipient agrees to pay a Small Community Grant Fund Charge in lieu of interest effective July 1, 2018 as reflected in Exhibit C.**
4. The term of this agreement is from May 4, 2010 to December 31, 2032.
5. Budget costs are contained in the Project Cost Table, which is part of the Eligibility Determination Approval in Exhibit A.1.

Yucaipa Valley Water District
Agreement No.: 09-884-550
Project No.: C-06-7476-110
Amendment No. 2

EXHIBIT C — CWSRF PAYMENT SCHEDULE

See the attached preliminary CWSRF Payment Schedule dated ~~April 3, 2012~~ **February 22, 2018**. The final CWSRF Payment Schedule will be forwarded to the Recipient after all disbursements have been paid and construction of the Project has been completed.

California CWSRF Payment Schedule

Project No. 7476-110 - Yucaipa Valley Water District
 Agreement: 09864 - based on Actual Disbursements

Principal is paid over: 20 Years
 Interest rate: 1.70000%
 Service/Grant Charge Rate: 1%

Regional Water Supply Renewal Project Part 1 Regional Briteline

Fees paid on all payment dates during the amortization period only.

Ref Num	Due Date	Date Received	Principal Payment	Interest Rate%	Interest Payment	Total P and I Payment	Service Charge	Grant Charge	Total Payment	Ending Balance	CPI Interest
1	12/31/2013	12/31/2013	383,889.24	2.700	265,384.26	649,273.50	0.00	0.00	649,273.50	9,551,924.20	7,098.12
2	12/31/2014	12/22/2014	391,371.55	2.700	257,901.95	649,273.50	0.00	0.00	649,273.50	9,160,552.65	7,236.47
3	12/31/2015	12/29/2015	401,938.38	2.700	247,334.92	649,273.50	0.00	0.00	649,273.50	8,758,614.07	7,431.85
4	12/31/2016	12/23/2016	412,790.92	2.700	236,482.58	649,273.50	0.00	0.00	649,273.50	8,345,823.15	7,632.51
5	12/31/2017	12/26/2017	423,936.27	2.700	225,337.23	649,273.50	0.00	0.00	649,273.50	7,921,886.88	7,838.59
6	12/31/2018		435,382.55	1.700	134,672.08	570,054.63	79,218.87	0.00	649,273.50	7,486,504.33	8,050.23
7	12/31/2019		447,137.89	1.700	127,270.57	574,408.46	74,865.04	0.00	649,273.50	7,039,366.44	8,267.59
8	12/31/2020		459,210.61	1.700	119,669.23	578,879.84	70,393.66	0.00	649,273.50	6,580,155.83	8,490.82
9	12/31/2021		471,609.29	1.700	111,862.65	583,471.94	65,801.56	0.00	649,273.50	6,108,546.54	8,720.07
10	12/31/2022		484,342.74	1.700	103,845.29	588,188.03	61,085.47	0.00	649,273.50	5,624,203.80	8,955.51
11	12/31/2023		497,420.00	1.700	95,611.46	593,031.46	56,242.04	0.00	649,273.50	5,136,783.80	9,197.31
12	12/31/2024		510,850.34	1.700	87,155.32	598,005.66	51,267.84	0.00	649,273.50	4,615,933.46	9,445.64
13	12/31/2025		524,643.30	1.700	78,470.87	603,114.17	46,159.33	0.00	649,273.50	4,091,290.16	9,700.67
14	12/31/2026		538,808.67	1.700	69,551.93	608,360.60	40,912.90	0.00	649,273.50	3,552,481.49	9,962.59
15	12/31/2027		553,356.50	1.700	60,392.19	613,748.69	35,524.81	0.00	649,273.50	2,999,124.99	10,231.58
16	12/31/2028		568,297.13	1.700	50,985.12	619,282.25	29,991.25	0.00	649,273.50	2,430,827.86	10,507.83
17	12/31/2029		583,641.15	1.700	41,324.07	624,965.22	24,308.28	0.00	649,273.50	1,847,186.71	10,791.54
18	12/31/2030		599,399.46	1.700	31,402.17	630,801.63	18,471.87	0.00	649,273.50	1,247,787.25	11,082.91
19	12/31/2031		615,583.25	1.700	21,212.38	636,795.63	12,477.87	0.00	649,273.50	632,204.00	11,382.15
20	12/31/2032		632,204.00	1.700	10,747.47	642,951.47	6,322.04	0.00	649,273.51	0.00	11,689.46
			9,935,913.44		2,376,613.74	12,312,427.18	673,042.83	0.00	12,985,470.01		183,713.44



Date: May 1, 2018

Prepared By: Joseph B. Zoba, General Manager
Allison M. Edmisten, Chief Financial Officer

Subject: Consideration of Environmental Legal Liability Coverage from Alliant Insurance Services

Recommendation: That the Board authorizes the General Manager to execute the necessary documents for \$3,000,000 environmental legal liability coverage for an annual premium amount of \$39,294.

The District staff has been reviewing the addition of environmental liability insurance to specifically provide coverage for 232 miles of sewer pipelines, 5 lift stations, and 19 miles of brineline. The District requested a quote from Alliant Insurance Services.

The District staff recommends coverage for \$3,000,000 per incident for a total annual premium amount of \$39,294.

Environmental Legal Liability
Option #2 - \$3,000,000 Limit

Insuring Agreement A	\$	3,000,000	Per Incident Limit
1a Clean up			
1b Emergency Response			
1c Environmental Crisis*			
2a Insured Location			
2b Non-Owned Site			
2c Transportation			
2d Covered Operations			
 B. Defense, Supplementary Payments and Settlement			
1c Environmental Crisis	\$	250,000	Per Incident Limit Shall not erode the aggregate limit of liability
 Total Policy Aggregate Limit	\$	3,000,000	
 Per Incident Deductible	\$	25,000	
 Total Premium:	\$	37,000.00	Policy Premium
(Option #2)	\$	1,110.00	Terrorism (Optional) + SLTF
	\$	1,110.00	Surplus Lines Tax
	\$	74.00	Surplus Lines Fee
	\$	39,294.00	Total Annual Premium



2018 – 2019

Environmental Legal Liability Policy Proposal

Seth Cole, ARM
Senior Vice President

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
O 415 403 1400
F 415 402 0773

CA License No. 0C36881

www.alliant.com



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Company Profile

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant offers a comprehensive portfolio of services to clients, including:

- Risk Solutions
- Employee Benefits
 - Strategy
 - Employee Engagement
 - Procurement
 - Analytics
 - Wellness
 - Compliance
 - Benefits Administration
 - Global Workforce
- Industry Solutions
 - Construction
 - Energy and Marine
 - Healthcare
 - Law Firms
 - Public Entity
 - Real Estate
 - Tribal Nations
 - And many other industries
- Co-Brokered Solutions
 - Automotive Specialty
 - Energy Alliance Program
 - Hospital All Risk Property Program
 - Law Firms
 - Parking/Valet
 - Public Entity Property Insurance Program
 - Restaurants/Lodging
 - Tribal Nations
 - Waste Haulers/Recycling
- Business Services
 - Risk Control Consulting
 - Human Resources Consulting
 - Property Valuation

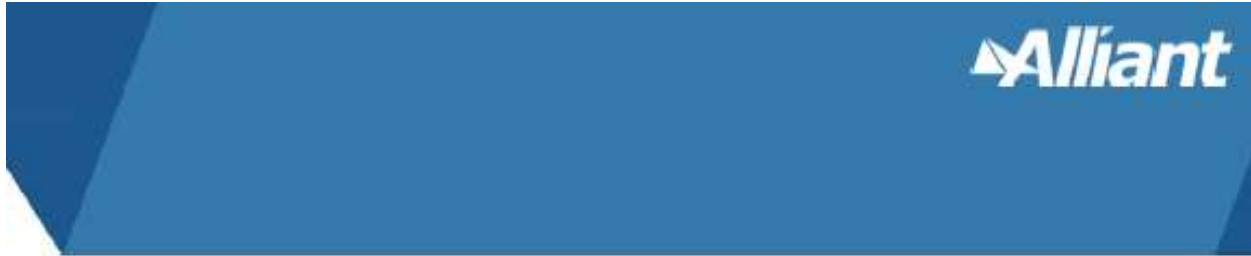
The knowledge that Alliant has gained in its more than eight decades of working with many of the top insurance companies in the world allows us to provide our clients with the guidance and high-quality performance they deserve. Our solution-focused commitment to meeting the unique needs of our clients assures the delivery of the most innovative insurance products, services, and thinking in the industry.

Alliant ranks among the 15 largest insurance brokerage firms in the United States.



Alliant Advantage

	Alliant	Competition
1. Satisfying the insurance needs of business for nearly 90 years	✓	
2. Privately owned and operated.	✓	
3. A full-service insurance agency for all your business, life and health, and personal insurance.	✓	
4. Representing over 40 insurance companies to provide the best and most affordable coverage.	✓	
5. State-licensed support staff.	✓	
6. Dedicated Certificate of Insurance personnel.	✓	
7. Risk management services to help identify hazards and present options.	✓	
8. Workers' compensation insurance claims management at no additional charge.	✓	



Your Service Team

Seth Cole, ARM
Senior Vice President
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Cell: (925) 628-8216
Fax: (415) 402-0773

Thary Ou
Assistant Account Manager
tou@alliant.com

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Fax: (415) 874-4813



Named Insured / Additional Named Insureds

Named Insured(s)

Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

- 19 miles of brineline pipeline transporting brine from YVWD water recycling facility in Yucaipa, via Live Oak Canyon, San Timoteo Canyon, Loma Linda and San Bernardino.
- 232 miles of sewer lines, including 5 lift stations.

Additional Named Insured(s)

NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is not automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.



Line of Coverage

Environmental Legal Liability Policy – Aspen Specialty Insurance Company

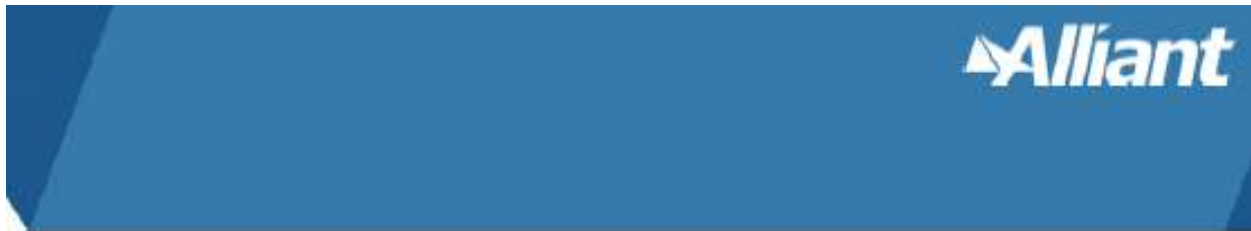
INSURANCE COMPANY:	Aspen Specialty Insurance Company
A.M. BEST RATING:	A (Excellent), XV, November 11, 2016
STANDARD & POOR'S RATING:	N/A
STATE COVERED STATUS:	California (Non-Admitted)
PROPOSED TERM:	TBD

Coverage Form: ASPER110 0114 Environmental Legal Liability

Limits / Deductible:

***Environmental Legal Liability
Option #1 - \$1,000,000 Limit***

Insuring Agreement A	\$	1,000,000	Per Incident Limit
1a Clean up			
1b Emergency Response			
1c Environmental Crisis*			
2a Insured Location			
2b Non-Owned Site			
2c Transportation			
2d Covered Operations			
 B. Defense, Supplementary Payments and Settlement			
1c Environmental Crisis	\$	250,000	Per Incident Limit Shall not erode the aggregate limit of liability
 Total Policy Aggregate Limit			
	\$	1,000,000	
 Per Incident Deductible			
	\$	25,000	
 Total Premium:			
(Option #1)	\$	25,000.00	Policy Premium
	\$	750.00	Terrorism (Optional) + SLTF
	\$	750.00	Surplus Lines Tax
	\$	50.00	Surplus Lines Fee
	\$	26,550.00	Total Annual Premium



Environmental Legal Liability
Option #2 - \$3,000,000 Limit

Insuring Agreement A	\$	3,000,000	Per Incident Limit
1a Clean up			
1b Emergency Response			
1c Environmental Crisis*			
2a Insured Location			
2b Non-Owned Site			
2c Transportation			
2d Covered Operations			
 B. Defense, Supplementary Payments and Settlement			
1c Environmental Crisis	\$	250,000	Per Incident Limit Shall not erode the aggregate limit of liability
Total Policy Aggregate Limit	\$	3,000,000	
Per Incident Deductible	\$	25,000	
Total Premium:	\$	37,000.00	Policy Premium
<i>(Option #2)</i>	\$	1,110.00	Terrorism <i>(Optional)</i> + SLTF
	\$	1,110.00	Surplus Lines Tax
	\$	74.00	Surplus Lines Fee
	\$	39,294.00	Total Annual Premium

Environmental Legal Liability
Option #3 - \$5,000,000 Limit

Insuring Agreement A	\$	5,000,000	Per Incident Limit
1a Clean up			
1b Emergency Response			
1c Environmental Crisis*			
2a Insured Location			
2b Non-Owned Site			
2c Transportation			
2d Covered Operations			
 B. Defense, Supplementary Payments and Settlement			
1c Environmental Crisis	\$	250,000	Per Incident Limit Shall not erode the aggregate limit of liability



Total Policy Aggregate Limit	\$	5,000,000	
Per Incident Deductible	\$	25,000	
Total Premium:	\$	50,000.00	Policy Premium
<i>(Option #3)</i>	\$	1,500.00	Terrorism <i>(Optional)</i> + SLTF
	\$	1,500.00	Surplus Lines Tax
	\$	100.00	Surplus Lines Fee
	\$	<u>53,100.00</u>	Total Annual Premium

Environmental Legal Liability
Option #4 - \$10,000,000 Limit

Insuring Agreement A	\$	10,000,000	Per Incident Limit
1a Clean up			
1b Emergency Response			
1c Environmental Crisis*			
2a Insured Location			
2b Non-Owned Site			
2c Transportation			
2d Covered Operations			
 B. Defense, Supplementary Payments and Settlement			
1c Environmental Crisis	\$	250,000	Per Incident Limit Shall not erode the aggregate limit of liability
 Total Policy Aggregate Limit	\$	10,000,000	
Per Incident Deductible	\$	25,000	
Total Premium:	\$	100,000.00	Policy Premium
<i>(Option #4)</i>	\$	3,000.00	Terrorism <i>(Optional)</i> + SLTF
	\$	3,000.00	Surplus Lines Tax
	\$	2,000.00	Surplus Lines Fee
	\$	<u>108,000.00</u>	Total Annual Premium



In addition to the Policy form, the following endorsements apply:

Environmental Legal Liability Policy Declarations Page	ASPER109 DEC 0114
Signature Page	ASPCO098 0213
Schedule of Applicable Forms	ASPER027 0709
California Notice	SK-AK 0612
Exclusion of Certified Acts of Terrorism (If TRIA Rejected)	ASPER102 0115
Cap on Losses From Certified Acts of Terrorism (if TRIA Selected)	ASPER098 0115
Disclosure Pursuant to Terrorism Risk Insurance Act (if TRIA Selected)	IL 09 85 01 15
NBCR Terrorism Exclusion	ASPCO023 1012
Schedule of Crisis Management Firms Endorsement	ASPER338 0114
Aspen Environmental Emergency Response Hotline	ASPER431 1214
100% Minimum Earned Premium	ASPER275 0114
Retroactive Date Endorsement	ASPER428 0814
Scheduled Insured Locations Endt	ASPER340 0114
Microbial Matter and Legionella Pneumophila Exclusion	ASPER321 0114
Self – Insured Retention	ASPER346 0014

See Disclaimer Pages for Important Notices and Acknowledgement



Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.



NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy:

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.



Other Disclosures / Disclaimers - Continued

Claims Made Policy (D&O/EPL)

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

NRRA:

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.



Other Disclosures / Disclaimers - Continued

Certificates / Evidence of Insurance

- A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.
- You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

Shown above are the disclosures / disclaimers that are attached to all Property & Casualty insurance proposals. Please acknowledge receipt and review.

Signature

Date

Title

Printed / Typed Name



Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a few links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>



Request to Bind Coverage

Below is a recap by Line of Coverage. **ALL** coverage(s) require the following:

1. Completed and signed Aspen ELL application, or equivalent with a warranty statement.
2. Signed Terrorism selection/rejection form.
3. Completed and signed Surplus Lines form.
4. YCWD Sanitary Sewer Overflow Plan
5. YCVWD Brineline Emergency Response Plan
6. Currently valued 5 year GL and /or pollution loss runs.
7. Current or most recent brineline inspection report, if applicable.
8. Current or most recent sewer line inspection report.
9. Information on where sewer lines end (home owner property or before).

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage:
Environmental Legal Liability – Aspen \$1mil limit	<input type="checkbox"/>
Environmental Legal Liability – Aspen \$3mil limit	<input type="checkbox"/>
Environmental Legal Liability – Aspen \$5mil limit	<input type="checkbox"/>
Environmental Legal Liability – Aspen \$10mil limit	<input type="checkbox"/>

Signature of Authorized Insurance Representative

Date

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer



Date: May 1, 2018

Prepared By: Kathryn Hallberg, Management Analyst

Subject: Consideration of Resolution No. 2018-16 Supporting the Application for a Water and Energy Efficiency Grant from the U.S. Bureau of Reclamation

Recommendation: That the Board adopts Resolution No. 2018-16.

The District staff is in the process of reviewing a grant opportunity for the continued installation of automatic meter reading infrastructure to be used to collect water usage information quickly and more frequently. A key requirement for a complete application packet will be a resolution supporting the District's application.

RECLAMATION

Managing Water in the West

Funding Opportunity Announcement No. BOR-DO-18-F006

WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2018



U.S. Department of the Interior
Bureau of Reclamation
Policy and Administration
Denver, Colorado

March 2018

RESOLUTION NO. 2018-16**RESOLUTION OF THE BOARD OF DIRECTORS OF THE YUCAIPA VALLEY WATER DISTRICT SUPPORTING THE APPLICATION FOR A WATER AND ENERGY EFFICIENCY GRANT FROM THE BUREAU OF RECLAMATION AND COMMITTING THE DISTRICT TO THE FINANCIAL AND LEGAL OBLIGATIONS ASSOCIATED WITH THE RECEIPT OF THE WATERSMART GRANT FINANCIAL ASSISTANCE REQUIREMENTS**

WHEREAS, the Yucaipa Valley Water District (the "District") is a public agency of the State of California organized and existing pursuant to the provisions of the County Water District Law of this State (Section 30000, et seq. of the Water Code); and

WHEREAS, the mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American people; and

WHEREAS, the Bureau of Reclamation has announced Funding Opportunity Announcement No. BOR-DO-18-F006 seeking projects that save water, improve energy efficiency, address endangered species and facilitate transfers to new uses; and

NOW, THEREFORE, the Board of Directors of the Yucaipa Valley Water District hereby RESOLVE, DETERMINE, and ORDER as follows:

1. That the Board of Directors delegates legal authority to the General Manager to enter into a cooperative agreement with the Department of Interior, Bureau of Reclamation for the WaterSMART: Water and Energy Efficiency Grant for Fiscal Year 2018.
2. That the Board of Directors hereby authorizes and supports the participation and submittal by the Yucaipa Valley Water District of the grant funding application.
3. That the Board of Directors support and the Yucaipa Valley Water District maintains the capability to provide funding and/or in-kind contributions as specified in the grant funding application.
4. That the Board of Directors hereby directs the General Manager to work with the Bureau of Reclamation to meet the established deadlines for entering into a cooperative agreement.

PASSED, APPROVED and ADOPTED this 1st of May 2018.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

Date: May 1, 2018

Prepared By: Matthew Porras, Management Analyst

Subject: Consideration of Development Agreement No. 2018-07 with Nassif Gobrial for Property Located at 12278 5th Street, Yucaipa

Recommendation: That the Board adopts Development Agreement No. 2018-07.

The Yucaipa Valley Water District currently provides Drinking Water service and Sanitary Sewer service to the property APN 318-142-30 at 12278 5th Street in Yucaipa. The addition of a single water service and sewer lateral has been requested by the Property Owner. Upon investigation of the property, District staff identified that Residence B [see figure below] is connected to a septic system. The connection to a septic system at Residence B contradicts District billing records. This parcel has been incorrectly billed for two units of sewer when only Residence A is connected to sewer and Residence B is connected to a septic system.



The overbilled amount totals \$8,149.96 which is a sum of the various monthly fees collected from September 1990 through April 2018.

Based on discussions at board workshops over the past several months, the District staff prepared and presented the attached development agreement to Mr. Nassif Gobrial as a remedy to resolve the prior sewer charges and the lack of a sewer connection to Residence B. The Board has the prerogative to approve or make modifications to the attached agreement.

YVWD AGREEMENT NO. 2018-__

**AGREEMENT TO PROVIDE SEWER FACILITIES TO THE
PRIVATE PARCEL 318-142-30
SITE ADDRESS: 12278 5TH STREET, YUCAIPA, CA**

This Agreement is made and effective this 1st day of May 2018, by and between the YUCAIPA VALLEY WATER DISTRICT, a public agency ("DISTRICT") and NASSIF GOBRIAL, ("PROPERTY OWNER"). Each is sometimes referred to herein as a "Party" and jointly as the "Parties".

Contact information for the parties is as follows:

DISTRICT:

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

PROPERTY OWNER:

Nassif Gobrial

Post Office Box 1456
Santa Monica, California 90406
Attn: Nassif Gobrial
Telephone: (310) 428 7946

PROJECT OVERVIEW

This project involves the addition of one sewer lateral to be installed at the site address of 12278 5th Street which has two existing homes on one parcel. The property is located on 5th Street approximately 1,200 feet south of Yucaipa Boulevard in Yucaipa, California.

The Yucaipa Valley Water District currently provides drinking water service and sewer service to the property. In the attached figure, the general location of the new sewer lateral is shown, and Residence A and B are identified for clarity.

The District's records indicate that the onsite septic system has been abandoned for Residence B which contradicts a recent inspection of the property which positively identifies a connection of Residence B to a septic tank. Additionally, the fees for two units of sewer have been collected from this owner since September 1990 when only Residence A is connected to sewer.



Residence A and B are identified in the figure below. Residence A is provided sewer service via sewer lateral connected to the sewer main in 5th street. Residence B is currently not being provided sewer service. The general location of a new sewer lateral that will be constructed is identified with a dashed line.



The billing error has been calculated to a sum of \$8,107.53, which spans the timeframe of September 1990 to March 2018 and thirty different sewer fees as calculated in Table 1.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the PROPERTY OWNER and the DISTRICT agree as follows:

1. Drinking Water Fees, Charges, Costs and Expenses. The existing single drinking water service for this parcel remains unchanged. Any additional water service installation requests will be assessed independently of this agreement.
2. Sewer Fees, Charges, Costs and Expenses. The DISTRICT will be responsible for the cost associated with the installation of the additional sewer lateral that will connect the existing sewer to Residence B as well as the cost to abandon the existing septic tank. The District or its contractor will construct the necessary infrastructure and will be provided access to the property, by the Property Owner, for the duration project.
3. Other Fees, Charges, Costs and Expenses. The DISTRICT has prepared an estimate of fee credits for one year of sewer connection fees previously paid by the PROPERTY OWNER. The amount due to the Property Owner is one year (12 Months) of the current sewer fee (\$42.43) totaling \$509.16. The retroactive fees are due to the customer's account pursuant to Ordinance 48-1998 Section 11.17 which states:

Billing Errors: When any refund or additional charge becomes due and owing by virtue of any error made in ascertaining the charge(s) applicable to any Customer, the General Manager is authorized to correct the error by providing an appropriate refund or assessing an additional charge. If the District determines that a refund is due to a customer, the District shall calculate the refund based on the correction of the error. The District will then credit the customer's account reflecting the corrected amount for the actual period of time that the error existed which shall not exceed a time period of more than the prior twelve (12) months. If the District determines that an additional charge is required, the District shall calculate the charge based on the correction of the error. The District will then charge the customer the corrected amount for the actual period of time that the error existed which shall not exceed a time period of more than the prior twelve (12) months. In either case, the billing error will be corrected, and accurate regular billing will be resumed.

4. Release of Claims. For good and valuable consideration, receipt of which is hereby acknowledged by the Property Owner, the Property Owner hereby releases and forever discharges the District, and its officials, officers, employees, agents from any and all claims of any and every kind, nature and character, known or unknown, suspected or unsuspected, arising out of or in any way related to the transaction and dispute referenced above and that such release is made on behalf of the Property Owner, its assigns, successors, representatives, sales representatives, employees, and agents pursuant to this agreement.
5. Waiver of Section 1542 of the Civil Code. The Property Owner understands and agrees that he hereby waives the provisions of Section 1542 of the California Civil Code which reads as follows:

A general release does not extend to claims which the creditor does not

know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

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

YUCAIPA VALLEY WATER DISTRICT

Dated: _____

By: _____
Jay Bogh, President

PROPERTY OWNER

Dated: 4-26-18

By: Nassif Gobrial
Nassif Gobrial

Table 1

Billing History APN: 318-142-30					
September 1990 - June 1992	22 months	@	\$6.50	=	\$143.00
July 1992 - September 1993	15 months	@	\$11.00	=	\$165.00
October 1993 - June 1994	9 months	@	\$12.55	=	\$112.95
July 1994 - July 2001	85 months	@	\$14.05	=	\$1,194.25
August 2001 - December 2002	17 months	@	\$15.25	=	\$259.25
January - 2003 - May 2005	29 months	@	\$16.35	=	\$474.15
June 2005 - August 2005	3 months	@	\$23.44	=	\$70.32
September 2005 - December 2005	4 months	@	\$24.32	=	\$97.28
January 2006 - February 2006	2 months	@	\$25.20	=	\$50.40
March 2006 - May 2006	3 months	@	\$26.08	=	\$78.24
June 2006 - August 2006	3 months	@	\$26.98	=	\$80.94
September 2006 - December 2006	4 months	@	\$27.85	=	\$111.40
January 2007 - February 2007	2 months	@	\$28.73	=	\$57.46
March 2007 - May 2007	3 months	@	\$29.61	=	\$88.83
June 2007 - August 2007	3 months	@	\$30.49	=	\$91.47
September 2007 - December 2007	4 months	@	\$31.37	=	\$125.48
January 2008 - February 2008	2 months	@	\$32.25	=	\$64.50
March 2008 - May 2008	3 months	@	\$33.14	=	\$99.42
June 2008 - August 2008	3 months	@	\$34.02	=	\$102.06
September 2008 - December 2008	4 months	@	\$34.90	=	\$139.60
January 2009 - February 2009	2 months	@	\$35.78	=	\$71.56
March 2009 - May 2009	3 months	@	\$36.66	=	\$109.98
June 2009 - August 2009	3 months	@	\$37.54	=	\$112.62
September 2009 - December 2009	4 months	@	\$38.43	=	\$153.72
January 2010 - February 2010	2 months	@	\$37.97	=	\$75.94
March 2010 - August 2011	18 months	@	\$38.43	=	\$691.74
September 2011 - June 2012	10 months	@	\$39.43	=	\$394.30
July 2012 - June 2013	12 months	@	\$40.43	=	\$485.16
July 2013 - June 2014	12 months	@	\$41.43	=	\$497.16
July 2014 - April 2018	46 months	@	\$42.43	=	\$1,951.78
					\$8,149.96



Director Memorandum 18-070

Date: May 1, 2018

Prepared By: Matthew Porras, Management Analyst

Subject: Consideration of Agreement by and Between the City of Yucaipa and the Yucaipa Valley Water District for the 5th Street Widening Project

Recommendation: That the Board authorizes the General Manager to execute the attached agreement.

The City of Yucaipa is in the process of making street improvements to 5th Street, west of Yucaipa Boulevard and north of Avenue E. The project includes widening of the roadway, installing curb and gutter, and adding sidewalks. The project will require relocation of utilities including Recycled Water, Drinking Water, and Sewer.

The District staff has been working closely with the City of Yucaipa to develop an agreement to define cost sharing opportunities.

Financial Consideration

The proposed contribution by the District for this project is detailed in the attached agreement.



Agreement by and between the City of Yucaipa and Yucaipa Valley Water District for the 5th Street Widening Project

The City of Yucaipa, a Municipal Corporation, hereinafter referred to as "City", and Yucaipa Valley Water District, a Special District, hereinafter referred to as "District", hereby mutually agree as follows;

A. Purpose of Agreement: The City is in the process of constructing street and sidewalk improvements on 5th Street from Yucaipa Boulevard south to Avenue E. There are numerous appurtenances that will require relocation and/or replacement within this project. The District has identified 16 water services and 5 sewer services in conflict. In addition to the appurtenances in conflict, an isolation valve will need to be relocated.



B. Scope of Agreement: The Scope of the Agreement includes:

1. The District, at their cost, will provide water meters, meter and sewer cleanout boxes.
2. The City, at their cost, shall replace four (4) water services, as required, from the water mainline in 5th Street to the meter with 1" copper, install the provided meter and meter box, and abandon the existing service and connection on the mainline per District Standards. These four (4) new water services are located at the following addresses; 12436 5th St (two (2) replaced at this address), 12154 5th St and 34309 Yucaipa Blvd.
3. The City shall re-plumb twelve (12) water services, as required, from the water mainline in 5th Street to the meter with 3/4" copper and install the provided meter and meter box per District Standards. The costs for these re-plumbed water services shall be shared between the City and the District. The City's share of these costs shall be 50%, and the District's share of these costs shall be 50%. These twelve (12) re-plumbed water services are located at the following addresses on 5th Street; 12476, 12456, 12414 (two (2) re-plumbed at this address), 12237, 12225, 12215, 12203, 12203-B, 12189, 12157, and 12167.
4. The District, at their cost, shall protect five (5) sewer laterals, as required. These five (5) sewer laterals are located at the following addresses on 5th Street; 12215, 12225, 12203, 12203-B and 12167.
5. The District, at their cost, will relocate the 8" isolation valve that conflicts with the project.
6. The District, at their cost, shall provide inspection of the service installations at no cost to the City.
7. The District shall pay to the City \$60,660 for the work completed on District's behalf and for District's benefit.

C. Future Precedence: This agreement and the concepts herein, are applicable only to this work and not to be used as the basis of future agreements. Each future cost sharing agreement must consider the specific project conditions.

IN WITNESS WHEREOF, the City of Yucaipa and the Yucaipa Valley Water District have executed this Agreement the day and year first written below.

The City and District hereby agree to the full performance of the covenants and conditions contained herein.

City of Yucaipa



Ray Casey, City Manager

4/25/19

Date

Yucaipa Valley Water District

Joseph Zoba, General Manager

Date

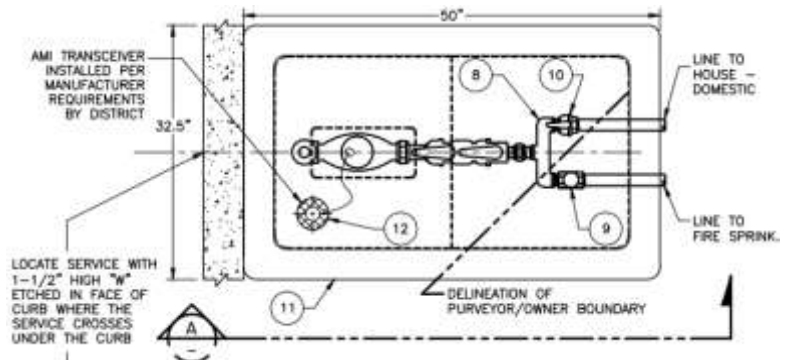
Date: May 1, 2018

Prepared By: Joseph B. Zoba, General Manager

Subject: Discussion Regarding Resolution No. 2018-12 Updating the Water Meter Installation Fees for Drinking Water and Recycled Water and Identifying the Use of 50" Water Meter Boxes for Drinking Water and Recycled Water Infrastructure

Recommendation: That the Board adopts Resolution No. 2018-12.

At several recent workshop meetings, the Board of Directors discussed the installation of the 50" long water meter boxes for new development. These larger water meter boxes are useful to protect the Advance Meter Infrastructure (AMI) equipment as well as provide ample space to meet the fire sprinkler requirements for new construction.



At the board meeting on March 6, 2018, the Board of Directors continued the discussion about the use and implementation of 50" water meter boxes. The District staff has been in communication with the Building Industry Association and provided information attached to this memorandum.



YVWD standard meter boxes for dual-plumbed communities.



YVWD meter box without a sidewalk for a large-lot, rural application.

The benefits of using the larger water meter boxes includes:

- The water meter appurtenances, automatic meter infrastructure, and related equipment will be more secure and experience less vandalism. The District does not have direct experience or cost related to vandalism since the AMI and related infrastructure is now being added to new homes.
- The larger meter box will reduce uneven sidewalk surfaces and gaps between two smaller meter boxes. This additional safety feature will provide less risk for the District.
- The District will not need to saw cut the sidewalks in the future for water meter repairs. While this is not a significant overall expense at this time, the District will be eliminating the future expense associated with dual meter boxes for future homes which would likely be costlier in the future.
- There will be additional room to conduct inspections of water appurtenances. This feature will likely save staff time in the future.

RESOLUTION NO 2018-12

A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT UPDATING THE WATER METER INSTALLATION FEES FOR DRINKING WATER AND RECYCLED WATER AND IDENTIFYING THE USE OF 50” WATER METER BOXES FOR DRINKING WATER AND RECYCLED WATER INFRASTRUCTURE

WHEREAS, the Yucaipa Valley Water District (the “District”) has updated the cost for installing drinking water and recycled water meters based on a cost evaluation associated with providing this service; and

WHEREAS, the District has updated the water meter service standards and individual parts list to address residential fire sprinkler requirements, dual-plumbed backflow protection, and automated meter infrastructure technology; and

WHEREAS, the District staff has presented the cost information and options for cost recovery at publicly noticed meetings and workshops; and

WHEREAS, the District desires to implement the use of 50” water meter boxes for the protection of drinking water and recycled water infrastructure.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that the following Guidelines are hereby adopted:

1. Drinking Water and Recycled Water Meter Installation Charge. The cost associated with the installation of water meters shall be as follows:

Classification of Water Meter Installation	Water Meter Installation Fee
¾” Drinking Water Meter Installation	\$490
¾” Recycled Water Meter Installation	\$490
1” Recycled Water Meter Installation	\$560
1” Drinking Water Meter Installation with Fire Sprinklers	\$860
1” Drinking Water Meter Installation with Fire Sprinklers at a Dual-Plumbed Residential Dwelling	\$1,030

The Water Meter Installation Fee shall be paid prior to scheduling the installation of the water meter.

2. Larger Drinking Water and Recycled Water Meter Installation Charge. The charge for the installation of a larger water meter and/or a water meter classification not provided above shall be the actual cost of all labor, material, and equipment charges, plus employee benefits,

overhead, and administrative surcharges pursuant to the latest District resolution. A deposit of the estimated water meter installation cost shall be paid prior to scheduling the work. Any variance from the estimated water meter installation cost shall be remedied by District staff and the customer within 30 days following the activation of the water meter. Typical delinquent charges shall apply for unpaid amounts owed to the District.

3. Requirements for the Installation of a 50” Water Meter Box. The Yucaipa Valley Water District has adopted standard drawings and specifications related to the use of a 50” water meter box to protect the infrastructure necessary to provide drinking water and recycled water service to our customers. The following conditions will require the installation of a 50” water meter box for drinking water and recycled water applications:

- A. All new residential developments required to install curb, gutters and sidewalks.
 - i. Residential developments consisting of four (4) or less dwelling units on individual parcels will be provided an opportunity to purchase a 50” water meter box from the District inventory as provided below:

50” Water Meter Box	\$195.83
Solid Cover for Half of Box	\$109.86
AMI Preparation and Reading Lid Cutout	\$122.06
Reading Lid Insert	<u>\$ 16.00</u>
Total	\$443.75
Rounded	\$445.00

The 50” water meter box will be available for pickup from the District office by the property owner and does not include the cost of water meter related appurtenances.

- B. All non-residential development, including but not limited to commercial, institutional, and industrial projects.
- C. All installations of recycled water meters and related infrastructure.
- D. Replacements of existing drinking water or recycled water service pipelines when they exist in a sidewalk. If a sidewalk does not exist, written authorization is required from the property owner prior to the installation of a 50” water meter box at the time of service line replacement. Without prior written authorization, a meter box that matches the existing meter box will be reinstalled.

3. Effective Date. Previous resolutions regarding water meter installation charges are hereby superseded and replaced by the applicable sections identified above. This Resolution shall be effective immediately and shall remain in effect until it is rescinded or superseded.

PASSED, APPROVED and ADOPTED this 1st day of May 2018.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

Joseph Zoba

From: Joseph Zoba
Sent: Thursday, March 22, 2018 10:51 AM
To: David Dazlich
Cc: Matthew Porras; Kathryn Hallberg; Allison Edmisten; Carlos Rodriguez; Jonathan Weldy; John Ohanian
Subject: Requested Meter Box Information
Attachments: 18-040 Large Meter Boxes - Resolution 2018-12.pdf

David – The District has been modeling our dual-plumbed homes after residential developments in the El Dorado Hills area. During our visits to El Dorado Irrigation District, we noticed that a total of five meter boxes were used for recycled water (3 boxes) and drinking water (2 boxes). We believe we can reduce the five meter boxes shown below to a total of four, but it may limit our operational capabilities.



Figure 1 - El Dorado Irrigation District Dual-Plumbed Installation

Based on the example from El Dorado Irrigation District, we set out to develop a standard that would: (1) improve the aesthetics of the meter boxes and remove them from front yards; (2) make the meter boxes more operationally functional; and (3) provide security for the advanced water meter infrastructure and backflow devices.

Our newest standard involves the installation of larger meter boxes to be installed in the sidewalk as shown below. This new standard accomplished the goals stated above. Note - we have eliminated the purple color of the meter box, so the picture on the right is not typical of future water meter box color requirements.



Figure 2 - YVWD Standard Meter Boxes for Dual-Plumbed Communities

Pursuant to your request, my staff compiled the cost of the meter boxes as provided below. One large meter box costs \$443.75/box and the smaller meter box costs \$145.85/box. To evaluate and compare the costs, a new, dual-plumbed home will need two large meter boxes [$\$443.75 \times 2 = \887.50] or four smaller meter boxes (instead of five used in El Dorado) [$\$145.85 \times 4 = \583.40]. Based on a typical home, the difference in cost to a home builder will be \$304.10 [$\$887.50 - \$583.40 = \304.10] per home. This difference in cost does not include the additional plumbing parts and labor needed to install the appurtenances in the multiple, smaller water meter box installation.

We are encouraging home builders to locate the large recycled water meter box near a property line so it can be used to co-locate two recycled water meters for neighbors. The small water meter boxes are not big enough to house two water meters. Where a recycled water meter box can be used for co-location of two recycled water meters, a new, dual-plumbed home will need 1.5 large meter boxes [$\$443.75 \times 1.5 = \665.63] or four smaller meter boxes [$\$145.85 \times 4 = \583.40]. Based on a typical home, the difference in cost to a home builder will be \$304.10 [$\$665.63 - \$583.40 = \82.23] per home. This difference in cost does not include the additional plumbing parts and labor needed to install the appurtenances in the multiple, smaller water meter box installation.

In summary, the material costs for the larger water meter boxes will be more than the smaller meter boxes. However, the benefits for using the larger meter boxes are that: (1) the drinking water appurtenances, recycled water appurtenances, and advanced meter infrastructure will be more secure; (2) uneven sidewalk surfaces and gaps between two smaller meter boxes are eliminated; (3) the District will not need to saw cut the sidewalks in the future for water meter service repairs; and (4) there will be sufficient room for annual inspections of water appurtenances.

I have attached a copy of the most recent board meeting memorandum for your review.

I would appreciate your comments or suggestions prior to bringing this item back to the board for consideration.

Take care,

Joe

PS – We are also working on an accessory dwelling unit policy that will be discussed at future board workshops. Let me know if you are interested in reviewing this policy as it is developed, or if you have a template from other water districts that you would recommend we use.

Joseph Zoba, General Manager
Yucaipa Valley Water District
Phone: (909) 797-5119
Email: jzoba@yvwd.dst.ca.us

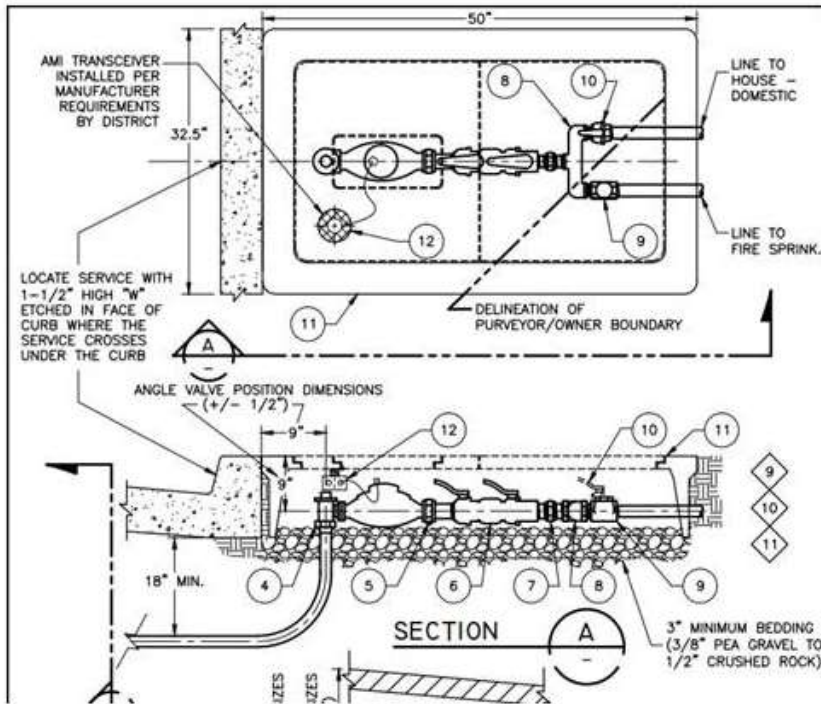
From: Matthew Porras

Sent: Wednesday, March 21, 2018 9:48 AM

To: Joseph Zoba <jzoba@yvwd.us>

Subject: Meter Box Info

The W-4 Spec for new dual plumbed residence:



The Large Box is currently priced at \$400.38 with bulk pricing. (see below)



13230 Saticoy Street, North Hollywood, CA 91605
 Phone: (818) 982-3600 Fax: (818) 982-7742
 email: info@armorcastprod.com www.armorcastprod.com

DATE	03/02/2018
QUOTATION NO.	0153715R

QUOTATION

QUOTED TO:
 00-YVW00
 YUCAIPA VALLEY WATER DISTRICT
 Confirm To: MATT PORRAS
 Email: MPORRAS@YVWD.DIST.CA.US
 Telephone: Ext
 Fax:

SHIP TO:
 YUCAIPA VALLEY WATER DISTRICT
 YUCAIPA, CA
 Job Name: YUCAIPA VALLEY WATER DISTRICT
 Bid Date:

Line #	Quantity	Armorcast Part #	Product Description	Unit Price	U/M	Extension
1	200	A6001430PCX12	30"x48"x12" RPM Box Only WITH MOUSE HOLES BOLTDOWN	176.69	EACH	35,338.00
2	200	A6001470	30"x48"x3" RPM Cover (2 Req'd) Load: 10K Boltholes: HEX Logo: WATER	99.13	EACH	19,826.00
3	200	A6001470DZ-H7	30"x48"x3" RPM Cover with 9"x14" Cavity With Touch Read Hole (2 Covers Required Per Box) Load: 10K Boltdown: HEX Logo: None	109.04	EACH	21,808.00
4	200	A6000482	9"x14" RPM Drop-In Read Lid Load: Ped Boltholes: No Logo: WATER	15.52	EACH	3,104.00
5	45	A6001866-H7	13"x24"x2" RPM Cover With Touch Read Hole Load: Ped Boltholes: No Logo: WATER	54.91	EACH	2,470.95
6	45	A6001946PCX12	13"x24"x12" RPM Box WITH MOUSE HOLES	69.48	EACH	3,126.60
7	200	A6000482-H7	9"x14" RPM Drop-In Read Lid With Touch Read Hole Load: Ped Boltholes: No Logo: WATER	17.24	EACH	3,448.00

**Complete
 Large Box
 = \$400.38**

To fit the contents of the W-4, two of the Medium Boxes will be needed. (see below) Totaling \$291.70 for two Medium Boxes with bulk pricing.



ARMORCAST PRODUCTS COMPANY, INC.

Page 2 of 2

13230 Saticoy Street, North Hollywood, CA 91605
 Phone: (818) 982-3600 Fax: (818) 982-7742
 email: info@armorcastprod.com www.armorcastprod.com

DATE	03/02/2018
QUOTATION NO.	0153718R

QUOTATION

QUOTED TO:
 00-YVW00
 YUCAIPA VALLEY WATER DISTRICT
 Confirm To: MATT PORRAS
 Email: MPORRAS@YVWD.DIST.CA.US
 Telephone: Ext:
 Fax:

SHIP TO:
 YUCAIPA VALLEY WATER DISTRICT
 YUCAIPA, CA
 Job Name: YUCAIPA VALLEY WATER DISTRICT
 Bid Date:

Line #	Quantity	Armorcast Part #	Product Description	Unit Price	UM	Extension
8	200	A6001643-H7	17"x30"x2" RPM Cover With Touch Read Hole Load: Ped Boltholes: No Logo: WATER	64.00	EACH	12,800.00
9	200	A6001640PCX12	17"x30"x12" RPM Box WITH MOUSE HOLES	81.85	EACH	16,370.00
			Complete Medium Box = 145.85			
Note: Two Medium Boxes will be needed to fit W-4						

Summary: The cost to purchase two medium boxes is \$152.05 less than one Large Box shown in the table below. The lay-length will need to be adjusted if two boxes are used due to the interior walls of the boxes. Additional parts will be required to separate the meter in one box and the backflow and u-branch in another.

2018 Pricing

Large Box	\$195.83
Solid Cover (Half)	\$109.86
AMI Hole and Reading lid (Half)	\$122.06
Reading Lid	\$16.00
Total Cost	\$443.75

Medium Box	\$81.85
Cover with AMI Hole	\$64.00
Subtotal	\$145.85

Two Needed with W-
4 \$291.70

Difference of cost \$152.05

I hope this helps,

Matthew M. Porras, Management Analyst
Yucaipa Valley Water District
12770 Second Street
Yucaipa, California 92399
Phone: (909) 790-3300
Email: mporras@vwd.dst.ca.us



Date: May 1, 2018

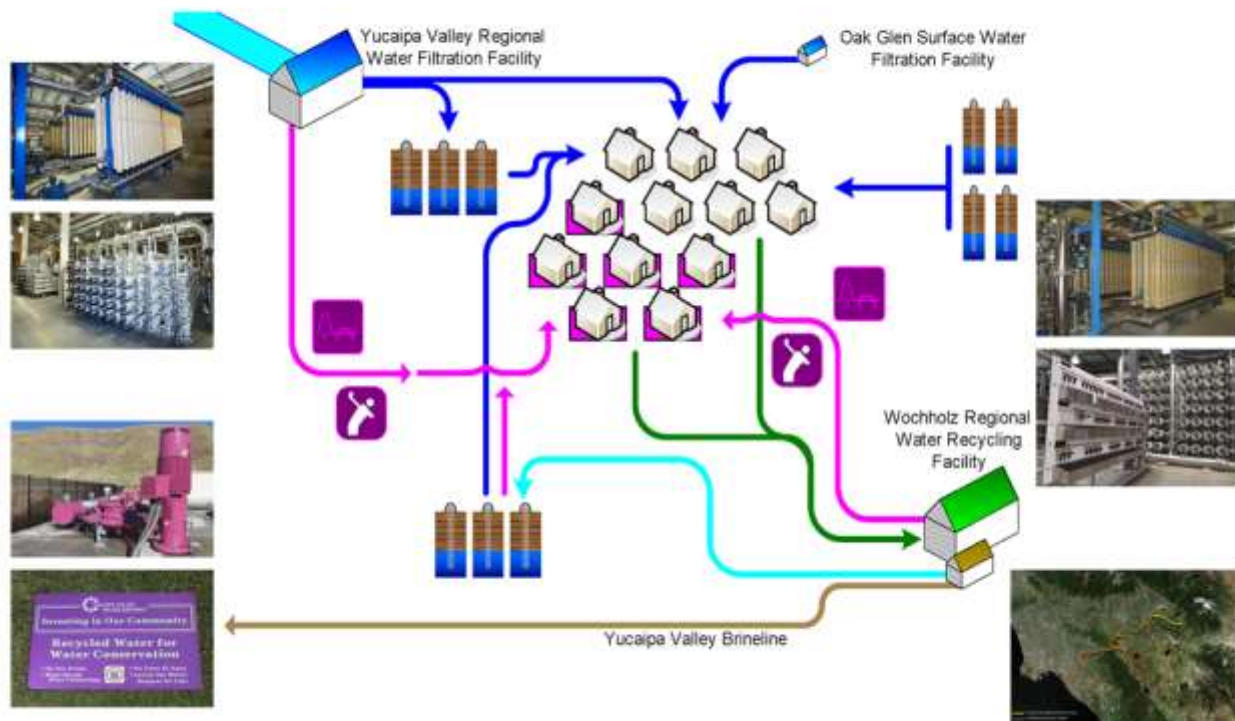
Prepared By: Joseph B. Zoba, General Manager

Subject: Discussion Regarding Executing a Letter of Understanding with Oak Valley Partners for the Development of a Water Resource Management Complex within the City of Calimesa

Recommendation: That the Board authorizes the General Manager to countersign the attached conceptual agreement with Oak Valley Partners.

Over the past several decades, the Yucaipa Valley Water District has embarked on a series of capital improvement projects that have created integrated systems of drinking water, recycled water, sewer treatment, and brine disposal facilities. The integration of these facilities has set the Yucaipa Valley Water District on a course to reliably sustain and maintain exceptionally pure and renewable water resources.

Sustainable and Integrated Infrastructure Concepts

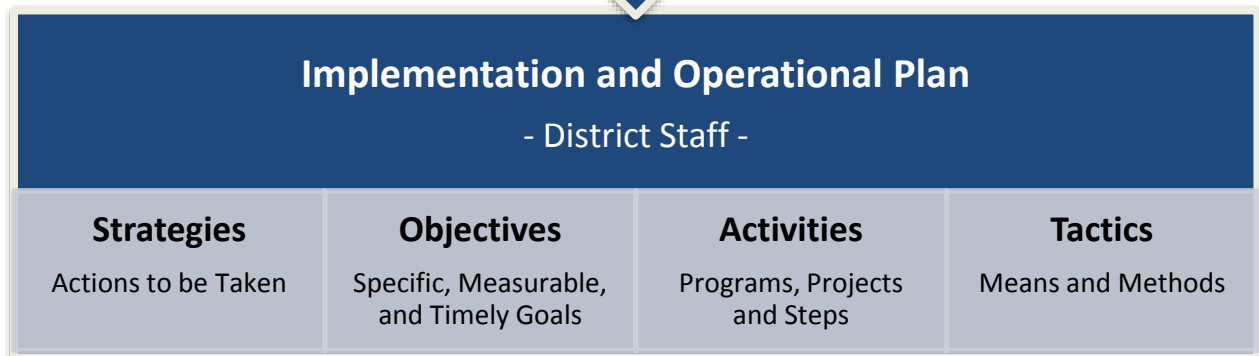
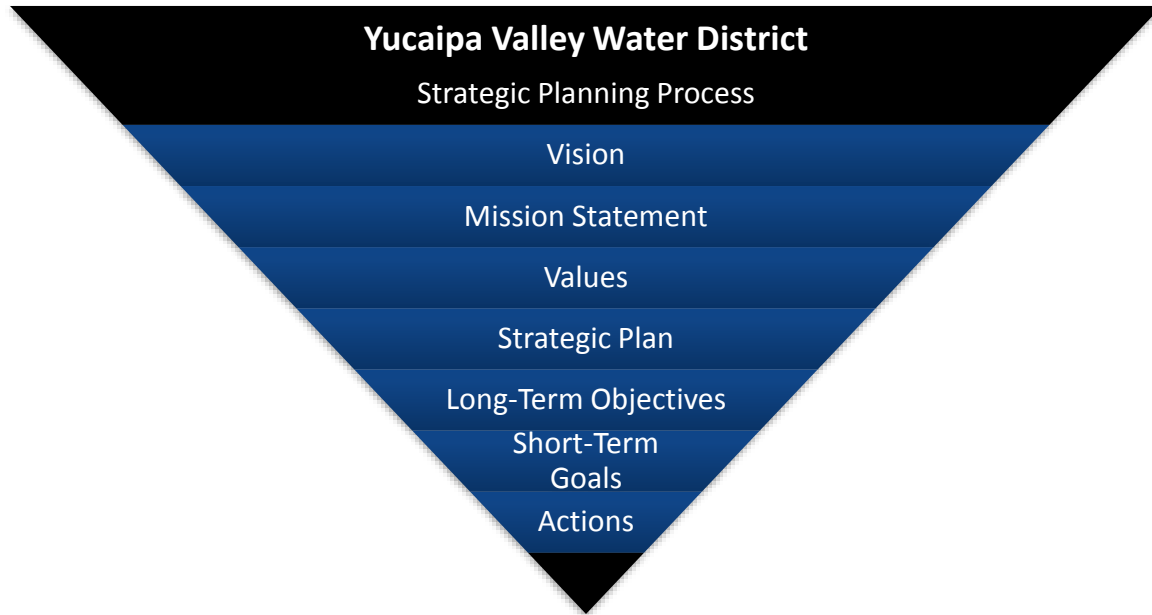


In preparation for the next decade of projects, the Board of Directors of the Yucaipa Valley Water District has embarked on a strategic planning process that set priorities for future capital improvement projects. These improvements will be structured to provide additional supplies of high quality water for future use within our community and make the District more sustainable and resilient.

Strategic Planning Priorities by the Board of Directors (not in order of priority):

- **Direct Potable Reuse** - Plan and evaluate the opportunities and constraints related to implementation of direct potable reuse facilities. This strategic goal will involve the Salinity and Groundwater Enhancement (SAGE) project at the Wochholz Regional Water Recycling Facility; the Salinity Concentrate Reduction and Minimization (SCRAM) Project at the Yucaipa Valley Regional Water Filtration Facility; and may include a new water filtration facility at the Wochholz Regional Water Recycling Facility. This strategic priority was established by the Board of Directors on March 8, 2018.
- **Indirect Potable Reuse** - Plan and evaluate the opportunities and constraints related to implementation of indirect potable reuse. This strategic goal will involve the recharge of recycled water at various locations throughout the District's service area which will also involve the development of recharge facilities. This strategic priority was established by the Board of Directors on March 8, 2018.
- **Energy Efficiency Projects** - Plan and evaluate the opportunities and constraints related to implementation of solar, microturbines, biogas, and other technologies to stabilize energy expenses. This strategic goal will likely involve the investigation of innovative technologies and programs to become more energy efficient. This strategic priority was established by the Board of Directors on March 8, 2018.
- **Consolidation of District Facilities** - Plan and evaluate the opportunities and constraints related to the colocation and consolidation of District offices and work areas to be in close proximity of existing operational areas. This strategic goal will likely involve the relocation of the District office on Second Street to an area near the Wochholz Regional Water Recycling Facility. This strategic priority was established by the Board of Directors on March 8, 2018.
- **Beaumont Basin Recharge Facilities** - Plan and evaluate the opportunities and constraints related to the construction of recharge facilities in the Beaumont Basin to maximize the operational efficiency of groundwater within the Beaumont adjudication area. This strategic priority was established by the Board of Directors on March 8, 2018.
- **Public Relations and Outreach** - Plan and implement a program to gain and enhance the District's presence involving:
 - Social media;
 - Website refresh and upgrades;
 - Video clips;
 - Summary of the District's operations;
 - Historical information; and
 - Near real-time press releases.

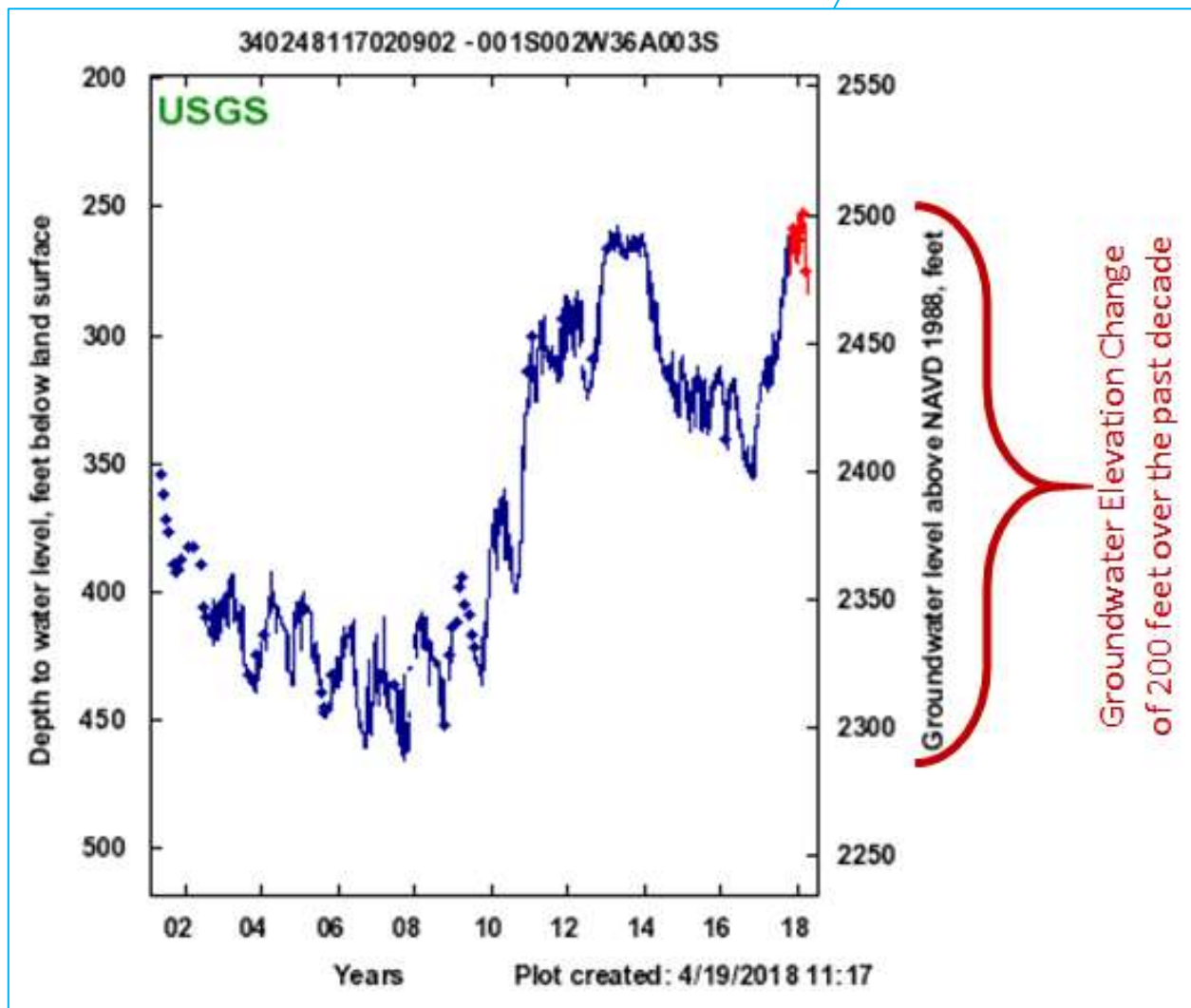
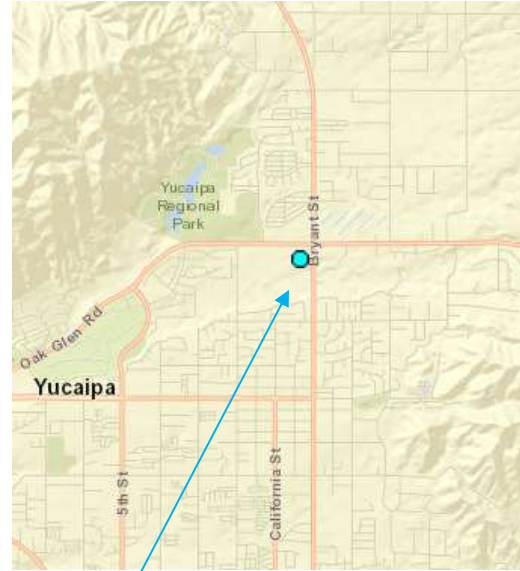
This strategic priority was established by the Board of Directors on March 8, 2018.



As a result of the Strategic Planning Workshop, the District staff has been developing conceptual plans for increasing groundwater recharge in our service area.

The inspiration for developing additional recharge areas is based on the successful results of groundwater recharge in the Wilson Creek area where USGS groundwater monitoring wells are indicating an increase in groundwater elevations of about 200 feet over the past decade. The additional water placed into storage will make our community more resilient to droughts, climatic variation, and other stresses on water resources.

The purpose of this agenda item is to pursue additional groundwater recharge opportunities in the Beaumont Basin area.



**Oak Valley Partners
P.O Box 645
Calimesa, California 92320**

RECEIVED
APR 25 2018
YUCAIPA VALLEY
WATER DISTRICT

April 20, 2018

Mr. Joe Zoba
Yucaipa Valley Water District
12770 second Street
Yucaipa, California 92399

Re: Potential Water Re-Charge Project

Dear Joe:

This letter shall serve to outline the general terms of an agreement between the Yucaipa Valley Water District (YVWD) and Oak Valley Partners (OVP) for development of a potential water re-charge project in the City of Calimesa. The terms of this letter are, by design, general and will be replaced by a formal agreement should the initial planning and testing efforts prove that the project is feasible.

OVP is the owner of approximately 214 acres of property in the City of Calimesa, Riverside County. Such property is commonly referred to as the Summerwind Town Center property (the Property). Over the last few months, OVP and YVWD have discussed the possibility of creating a lake and re-charge basin complex on the OVP property. This project would be approximately 20 acres and would generally conform to the plan attached as an exhibit to this letter.

During the initial feasibility period, OVP would be responsible for all planning work necessary to define the limits of the project. YVWD would be responsible for any engineering studies needed to verify the feasibility of the project. These studies would include any geotechnical studies or field tests. OVP will grant YVWD access to the Property for any testing YVWD deems appropriate. YVWD will agree to hold OVP harmless from any claims that might result from its testing effort and will restore the OVP property to its existing state at the completion of the testing.

Should the project prove feasible, OVP will agree to sell the designated portion of the property to YVWD at a fair price not to exceed three dollars per square foot. OVP will agree to cooperate with YVWD to deliver the site in a mass graded condition and on a schedule that suits YVWD's development plans. OVP acknowledges that the project is a priority for YVWD and will expedite its plans for development of the adjacent property so that the Property can be delivered in a timely manner.

This letter of understanding shall govern the relationship between OVP and YVWD and shall serve as the outline of the formal agreement referenced in paragraph one above. OVP looks forward to working with YVWD on this project as we believe it will be an integral part of the water management strategy being developed by YVWD.

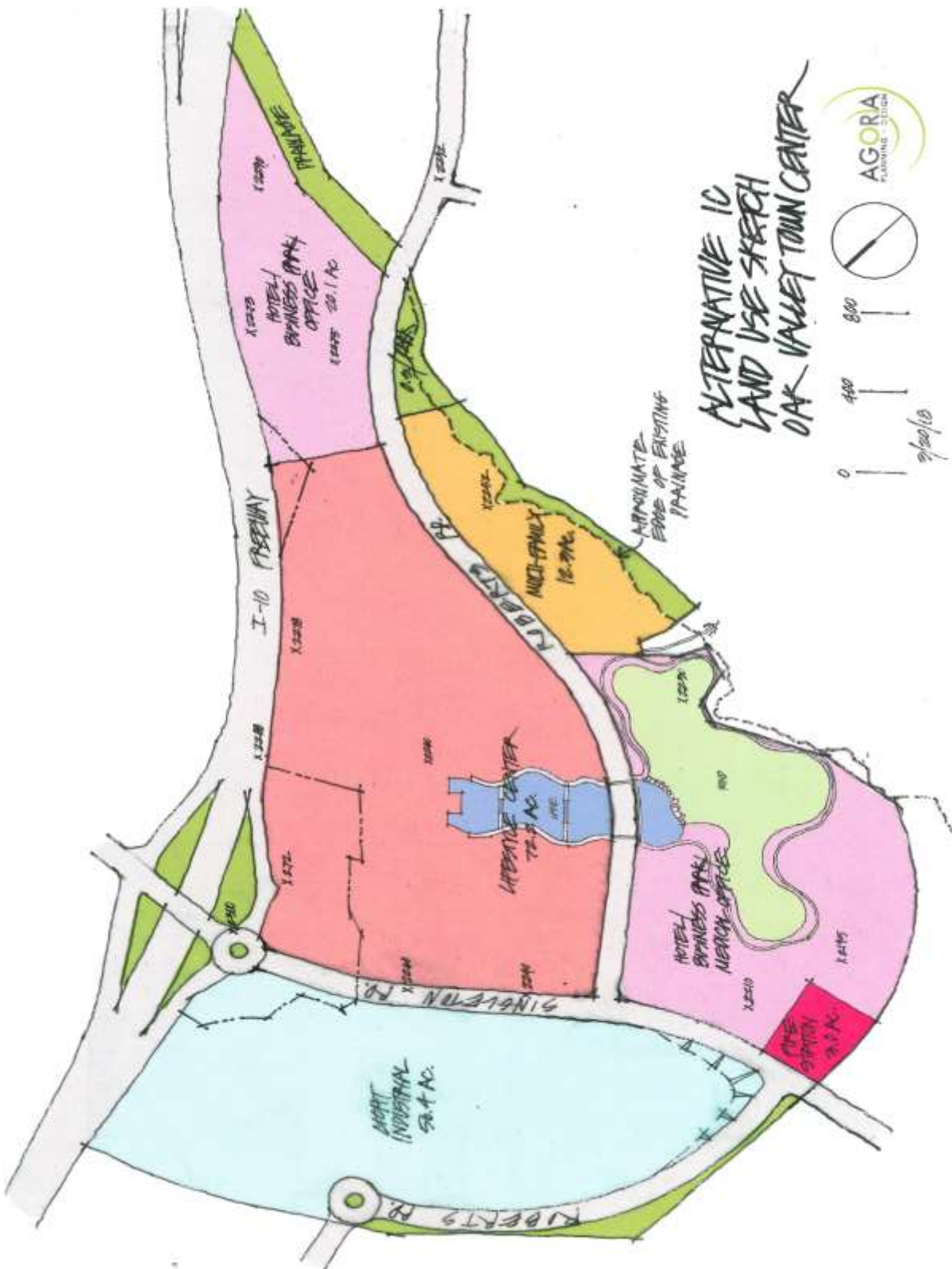
Very truly yours,



John W. Ohanian
Director of Development

Agreed and accepted:

Joe Zoba, General Manager
Yucaipa Valley Water District





Date: May 1, 2018

Prepared By: Joseph B. Zoba, General Manager

Subject: Discussion Regarding a Real Estate Purchase and Sale Agreement with Mesa Verde Re Ventures LLC for 17.81 Acres of Undeveloped Property (Assessor Parcel Numbers 0301-201-03 and 0301-211-02)

Recommendation: Pending

The District staff has been negotiating with representatives from Mesa Verde Re Ventures LLC for the purchase of 17.81 acres of land adjacent to the Wochholz Regional Water Recycling Facility.



The attached draft Real Estate Purchase and Sale Agreement will be discussed during this agenda item.

DRAFT - 04/27/2018

REAL ESTATE PURCHASE AND SALE AGREEMENT

Assessor's Parcel Number 0301-201-03 - 5.88 Acres

Assessor's Parcel Number 0301-211-02 - 11.93 Acres

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made this ___th day of May 2018 ("Effective Date"), by and between the **YUCAIPA VALLEY WATER DISTRICT**, a public agency ("**Buyer**") and **MESA VERDE RE VENTURES LLC**, a California limited liability company ("**Seller**").

In consideration of the mutual covenants and agreements, the parties agree to the following terms and condition:

SECTION 1: AGREEMENT OF SALE

1.1 Buyer's Status. Buyer is a public entity with the power to acquire real and personal property for public uses and purposes. Buyer intends to acquire Seller's property for a public use and purpose.

1.2 Property. Seller owns certain vacant real property bearing Assessor Parcel Nos. 0301-211-02 and 0301-201-03, which is more particularly described in the legal description and on the plat attached hereto and marked Exhibit "A" and made a part hereof ("Property"). The Property of the combined Assessor's Parcel Numbers is approximately 17.81 acres.

1.3 Agreement of Purchase and Sale. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller, upon the terms and for the consideration set forth in this Agreement, the fee interest in the Property.

1.4 Other Grants. Seller agrees not to grant any interest in the Property or to make changes upon or to the Property during the period between the Effective Date and the Close of Escrow; as such terms are defined below.

1.5 Conveyance. Seller agrees that title to, and possession of, the Property shall be delivered and conveyed to Buyer no later than the Close of Escrow.

SECTION 2: PURCHASE PRICE, TITLE AND ESCROW

2.1 Purchase Price. Buyer shall pay to Seller the total sum of Three Hundred Four Thousand Dollars (\$304,000.00), which sum shall be payable to Seller upon the Close of Escrow in immediately available funds, less any unpaid taxes and expenses of sale that are the responsibility of the Seller.

2.2 As-Is Purchase. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and

Real Estate Purchase and Sale Agreement

Page 2 of 10

analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMOVE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION.

BUYER'S INITIALS: _____

2.3 Escrow and Title. Upon execution of this Agreement by the parties, Buyer shall within 5 business days open an escrow ("Escrow") with Lawyers Title Insurance Company for the purpose of consummating this Agreement. The parties shall execute and deliver to the Escrow Holder such escrow instructions prepared by the Escrow Holder as may be required to complete this transaction. Any such instructions shall not conflict with, amend or supersede any provision of this Agreement. The title company has issued the Preliminary Title Report (the "Prelim") for the Property indicating the exceptions to title.

2.4 Conduct of Escrow. Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law, and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the State of California and the Internal Revenue Service.

2.5 Condition of Title. Seller shall convey title to the Property to Buyer as evidenced by an ALTA Owner's Policy of Title Insurance ("Title Policy"), issued by Lawyers Title Insurance Company in an amount equal to the total Purchase Price, showing title vested in Buyer. The Title Policy shall show title to the Property vested in the Buyer free and clear of all liens, encumbrances, delinquent assessments (as of the date of Close of Escrow), judgments, taxes and leases. Any exceptions to title representing monetary liens or encumbrances are hereby disapproved by Buyer and Escrow Holder, with an approval of Seller, is hereby authorized and

instructed to cause the reconveyance of such monetary exceptions at or prior to the Close of Escrow. If a supplemental report is issued prior to the Close of Escrow which shows new matters, **Buyer** reserves the right to require any new matters removed from the Title Policy. **Seller** shall assist with the removal of the new matters.

2.6 Reports, Studies and Agreements. **Seller** represents and warrants that **Seller** has provided **Buyer** with electronic copies of all reports, studies, maps or agreements known to **Seller** affecting the Property, that were submitted and/or disclosed to the City of Calimesa in connection with Mesa Verde Project, including but not limited to geotechnical and soils reports, surveys, environmental reports, as-builts, seismic studies, and any other reports, studies, maps or agreements affecting the Property.

SECTION 3: CLOSING

3.1 Closing. Subject to the satisfaction of any contingencies described herein, Escrow Holder shall close this Escrow by recording the grant deed and other documents required to be recorded and by disbursing the funds and documents in accordance with this Agreement.

3.2 Closing Date. Escrow shall close on or before 30 days following the Effective Date ("Close of Escrow"). If the Escrow is not in a condition to close as of the Closing of Escrow, then it may be extended by a written extension signed by **Seller** and **Buyer** for the minimum amount of time necessary to close it.

3.3 Contingencies Before Close of Escrow. The Close of Escrow is subject to satisfaction of all of the following contingencies:

a. **Buyer** determines, in **Buyer's** sole and absolute discretion, that **Buyer's** approval of the condition of title and the physical condition of the Property are acceptable for **Buyer's** purposes and use of the Property; and/or

b. **Buyer** determines, in **Buyer's** sole and absolute discretion, that **Buyer's** use of the Property for **Buyer's** purposes is feasible.

The Escrow shall promptly terminate, without further liability to either **Buyer** or **Seller** (except the payment of Escrow fees, which fees shall be paid evenly by **Buyer** and **Seller**), in the event any one of the foregoing contingencies are not satisfied by Close of Escrow.

If the Escrow is terminated under this Clause, the **Buyer** within 10 business days of termination or expiration of this Agreement immediately return to the **Seller** or destroy, as directed by the **Seller**, the documents and data provided by the **Seller** and all copies of thereof in any form whatsoever under the power or control of the **Seller** and immediately destroy all compilations, analysis or derivative work relating to such documents or data

3.4 Closing Documents.

3.4.1 **Seller**, prior to Close of Escrow, shall deliver to Escrow Holder each of the following items:

a. A fully executed and notarized grant deed sufficient for recording, conveying the Property to **Buyer**; and

b. All additional documents, instruments and sums which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement.

3.4.2 Buyer, prior to Close of Escrow, shall deliver to Escrow Holder each of the following items:

a. Written Notice to Escrow Holder that the contingencies described in Paragraph 3.3 above have each been satisfied or waived;

b. The Purchase Price to be paid to **Seller** and other cash charges provided for in this Agreement; and

c. The Certificate of Acceptance executed by **Buyer** to be attached to the Grant Deed, and all additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement.

3.6 Taxes. Escrow Holder is authorized and instructed to comply with the following tax proration procedures:

3.6.1 Payment of Unpaid Taxes. Pay and charge **Seller** for any unpaid delinquent taxes and/or any penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the Property due and owing as of the Close of Escrow.

3.6.2 Tax Proration. For purpose of tax proration, Escrow Holder will apportion all current taxes at "the date of apportionment" for public agency acquisitions as defined the California Revenue and Taxation Code, Section 5082. The "date of apportionment" is the earliest of the following times:

a. The date on which conveyance to the **Buyer** is recorded; or

b. The date of actual possession by **Buyer**.

3.6.3 Ad Valorem Taxes. **Seller** understands and agrees pursuant to California Revenue and Taxation Code, Section 5083 that when property is acquired by **Buyer**, a public agency, that any lien on the Property for ad valorem taxes is extinguished as a matter of law upon the final acquisition of the Property and the lien immediately transfers and attaches to the proceeds constituting the purchase price.

3.6.4 No Cancellation of Unpaid Taxes and Penalties. **Seller** understands and agrees pursuant to California Revenue and Taxation Code Section 5084 that no cancellation shall be made of all or any portion of any unpaid taxes or any penalties or costs levied for prior tax years that constitute a lien at the time of the acquisition of the Property. Such unpaid taxes, penalties and costs shall be paid through escrow, or if

unpaid for any reason, shall be transferred to the unsecured tax roll pursuant to Section 5090 of the California Revenue and Taxation Code and are collectable solely from **Seller**.

3.6.5 Proration of Current Taxes. From the date that tax information is available, that portion of the current taxes and any penalties and costs that are allocable during **Seller's** ownership of the Property up to and including the date of apportionment, if unpaid shall be paid through escrow. If such taxes are not paid, **Buyer** shall not, in any event, be responsible or liable for such taxes and such taxes shall be transferred to the unsecured roll and shall be solely collectible from **Seller**.

3.7 Title and Escrow Costs. The **Buyer** shall pay all costs for the ALTA Title Policy described in Section 2.5 above. **Buyer** and **Seller** shall each pay their share of the Escrow fees, and all recording costs incurred herein, all reconveyance fees, trustees' fees, or forwarding fees, in accordance with custom and practice in San Bernardino County. Pursuant to California Code of Civil Procedure, Section 1265.240, no prepayment penalty is required to be paid where property is acquired for a public use. The parties acknowledge that the **Buyer** is exempt from the payment of documentary transfer tax.

3.8 Brokerage Commissions. The parties acknowledge that neither party was represented by a broker, with respect to this transaction. The parties hereby agree to indemnify defend and hold the other party harmless from any and all claims that may arise in regard to any commission that may be claimed to be owed.

3.9 Closing Statement. **Seller** and **Buyer** hereby authorizes and instructs Escrow Holder to release a copy of **Seller's** closing statement to **Buyer** and **Buyer's** closing statement to **Seller**, for the purpose of ascertaining whether any reimbursements are due **Seller** or **Buyer**.

3.10 Walk Through. Within 7 business days of the Effective Date, **Buyer** shall walk through the Property to inspect for any unacceptable conditions and notify **Seller** of any unacceptable conditions. Three business days prior to the Close of Escrow, **Buyer** shall walk through the Property to inspect for any unacceptable conditions. **Seller**, in **Seller's** sole discretion, will (i) correct the unacceptable conditions within 48-hours, or (ii) if agreed to by **Buyer**, reduce the Purchase Price to adjust for the unacceptable condition, or (iii) terminate the Agreement. If the Agreement is terminated, **Buyer** and **Seller** shall each pay their share of the Escrow fees, and other costs incurred herein.

3.11 Possession. Possession of the Property shall be given to **Buyer** at the Close of Escrow unless the **Buyer** and **Seller** otherwise agree in writing during the Escrow.

SECTION 4: REPRESENTATIONS AND WARRANTIES

4.1 Seller Representations, Warranties and Covenants. **Seller** hereby represents, warrants and covenants to **Buyer**, as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow.

4.1.1 Authority. **Seller** is the owner of the Property and has the full right, power and authority to sell, convey and transfer the Property to **Buyer** as provided herein, and to perform **Seller's** obligations hereunder. The persons signing this Agreement and any documents and instruments in connection herewith on behalf of **Seller** have full power and authority to do so.

4.1.2 Bankruptcy. There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by **Seller** or filed by **Seller**, or to the best of **Seller's** knowledge, pending in any current judicial or administrative proceeding against **Seller**.

4.2 Buyer's Representations and Warranties. **Buyer** hereby represents, warrants and covenants to **Seller** as of the date of this Agreement, and upon Close of Escrow, as follows, which shall survive Close of Escrow:

4.2.1 Authority. **Buyer** is a public agency and has the full power and authority to enter into and carry out the agreements contained herein, and the transactions contemplated by this Agreement. The person signing this Agreement and any documents and instruments in connection herewith on behalf of **Buyer** has full power and authority to do so.

SECTION 5: DEFAULT AND TERMINATION

5.1 Default. A party to this Agreement shall be deemed in default hereunder if it fails to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits and in the manner required in this Agreement for any reason other than a default by the other party hereunder or termination of this Agreement prior to Close of Escrow.

5.2 Opportunity to Cure. No act, failure to act, event or circumstance which might be deemed to be a default by either party shall be deemed to be a default under any of the provisions of this Agreement, unless and until, written notice thereof is first given by the non-defaulting party to the party alleged to be in default and said party fails to cure the alleged default within five (5) business days.

5.3 Termination Upon Default. After such notice and an opportunity to cure, if the defaulting party fails to cure the default, the non-defaulting party may terminate this acquisition and escrow by giving written notice to the defaulting party and the Escrow Holder. Upon receipt of the notice to terminate, the Escrow Holder shall immediately cancel the Escrow and return all money and/or documents to the respective party.

5.4 Termination. If either party exercises its rights under this Agreement to terminate this acquisition and escrow, or if the Escrow is not closed within 180 days following the Effective Date, the terminating party shall provide written notice to the other party and Escrow Holder. Upon receipt of said notice, Escrow Holder shall immediately cancel the Escrow and return all money and/or documents to the respective party.

SECTION 6: MUTUAL AGREEMENTS

6.1 Studies; Right of Entry. **Seller** hereby authorizes **Buyer**, its agents, employees, contractors and representatives, at **Buyer's** sole cost and expense, to conduct such necessary cultural and environmental studies and soil inspection as **Buyer** may require. **Buyer** agrees to repair and restore, at **Buyer's** expense, any damage to the Property caused by **Buyer's** investigations, studies, testing or inspections. In connection with such studies, tests and

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inspections, **Seller** hereby Grants to **Buyer**, its agents, employees, contractors and representatives, a right of entry. **Buyer** also agrees to hold the **Seller** harmless from all costs, liens, claims, damages, expenses and liabilities, and to provide **Seller** with written releases for third party claims and liens, all arising out of **Buyer's** negligence or willful misconduct or that of its employees, agents, consultants or contractors in performing its investigations, studies, testing or inspections of the Property. **Buyer** and **Buyer's** agents, consultants and contractors entering the Property shall maintain commercial general liability insurance with coverage of not less than \$1 million to cover **Buyer's** activities (or the activities of **Buyer's** agents, consultants or contractors, as the case may be) on the Property, which insurance shall include **Seller** as an additional insured. **Buyer** shall provide **Seller** with evidence of such insurance coverage prior to entering the Property. The terms of this paragraph 6.1 shall survive the Close of Escrow or termination of this Agreement, as the case may be.

6.2 Water Rights. **Buyer** agrees that, any water rights associated with the Property, if any, shall be credited against the drinking water rights fees charged by **Buyer** to **Seller**, or its assignee, in favor of the Mesa Verde development project.

6.3 Future Access. In the event that **Buyer** desires to sell, transfers, or assigns the Property, prior to such sale, transfer, or assignment, **Buyer** shall provide an easement on the Property, to be recorded, for the purposes of providing needed utility connections to service the Mesa Verde development project.

SECTION 7: MISCELLANEOUS

7.1 Binding Effect. This Agreement shall be binding upon and inure to the benefit of **Seller** and **Buyer**, and their respective successors, executors, heirs, agents and permitted assigns.

7.2 Amendments. This Agreement may be amended or supplemented only by written documents signed by the parties.

7.3 Notices. All notices, terminations, waivers and other communications hereunder shall be in writing and shall be delivered personally, by facsimile or shall be sent by registered or certified United States mail or a nationally recognized, overnight courier service, postage prepaid, and addressed as follows:

Buyer

Yucaipa Valley Water District
Attention: Joseph B. Zoba, General Manager
12770 Second Street
Yucaipa, California 92399
Telephone: 909-797-5117
Email: jzoba@yvwd.us

Seller

Mesa Verde Re Ventures LLC
Attention: Won Joon Surh, Manager
2 Park Plaza, Suite 1250
Irvine, California 92614
Telephone: 949-336-5100
Email: paul.k@sk.com

Copies to:

David L. Wysocki, Esquire
Law Office of David L. Wysocki

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543 E. Mariposa Drive
Redlands, CA 92373
Telephone: 909-253-9607
Email: DWysockiLaw@gmail.com

Any notice in accordance herewith shall be deemed received when delivery is received or refused, as the case may be. Notices may be given by telephone facsimile transmission, provided that an original of said transmission shall be delivered to the addressee by a nationally recognized overnight delivery service on the business day following such transmission. Telephone facsimiles shall be deemed delivered on the date of such transmission.

8.4 Entirety. This Agreement embodies the entire agreement between the parties and supersedes all prior written or oral agreements and understandings, if any, between them concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties hereto, relating to the subject matter contained in this Agreement which are not fully expressed herein.

8.5 Severability. If any of the provisions of this Agreement, or its application to any party or circumstance, is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. In lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible to make such provision legal, valid, and enforceable.

8.6 Further Acts. In addition to the acts and deeds recited herein and contemplated and performed, executed and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Close of Escrow or after the Close of Escrow any and all such further acts, deeds, and assurances as may be necessary to consummate the transactions contemplated herein.

8.7 Time of the Essence. It is expressly agreed by the parties hereto that time is of the essence with respect to each and every provision of this Agreement.

8.8 Attorneys' Fees. In the event that any party hereto institutes an action or proceeding to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs thereof, including reasonable attorneys' fees and costs incurred, in addition to any other damages or relief awarded.

8.9 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

8.10 Survival. All terms and conditions in this Agreement, which represent continuing obligations and duties of the parties, that have not been satisfied prior to close of escrow shall survive close of escrow and transfer of title to Buyer and shall continue to be binding on the respective obligated party in accordance with their terms.

8.11 Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts shall, collectively, constitute one original agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

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

YUCAIPA VALLEY WATER DISTRICT

Date: _____

By: _____

Jay Bogh

Print Name

President, Board of Directors

Print Title

MESA VERDE RE VENTURES, LLC

Date: _____

By: _____

Won Joon Surh

Print Name

Manager

Print Title

Real Estate Purchase and Sale Agreement
Exhibit "A"

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Exhibit "A"

Grant Deed and Legal Description of Property to be Purchased

Board Reports



Yucaipa Valley Water District

Director Comments



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

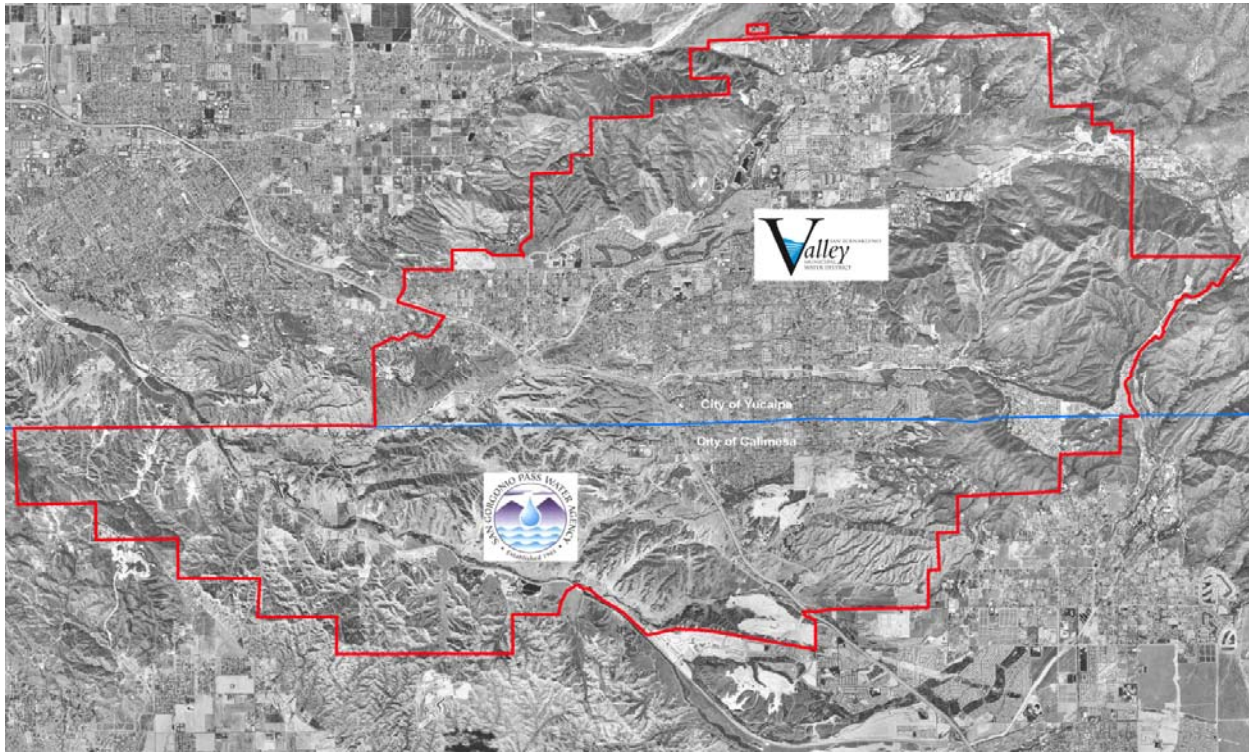
Water System: 215 miles of drinking water pipelines
27 reservoirs - 34 million gallons of storage capacity
18 pressure zones
12,000 ac-ft annual water demand (3.9 billion gallons)
Two water filtration facilities:
- 1 mgd at Oak Glen Surface Water Filtration Facility
- 12 mgd at Yucaipa Valley Regional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

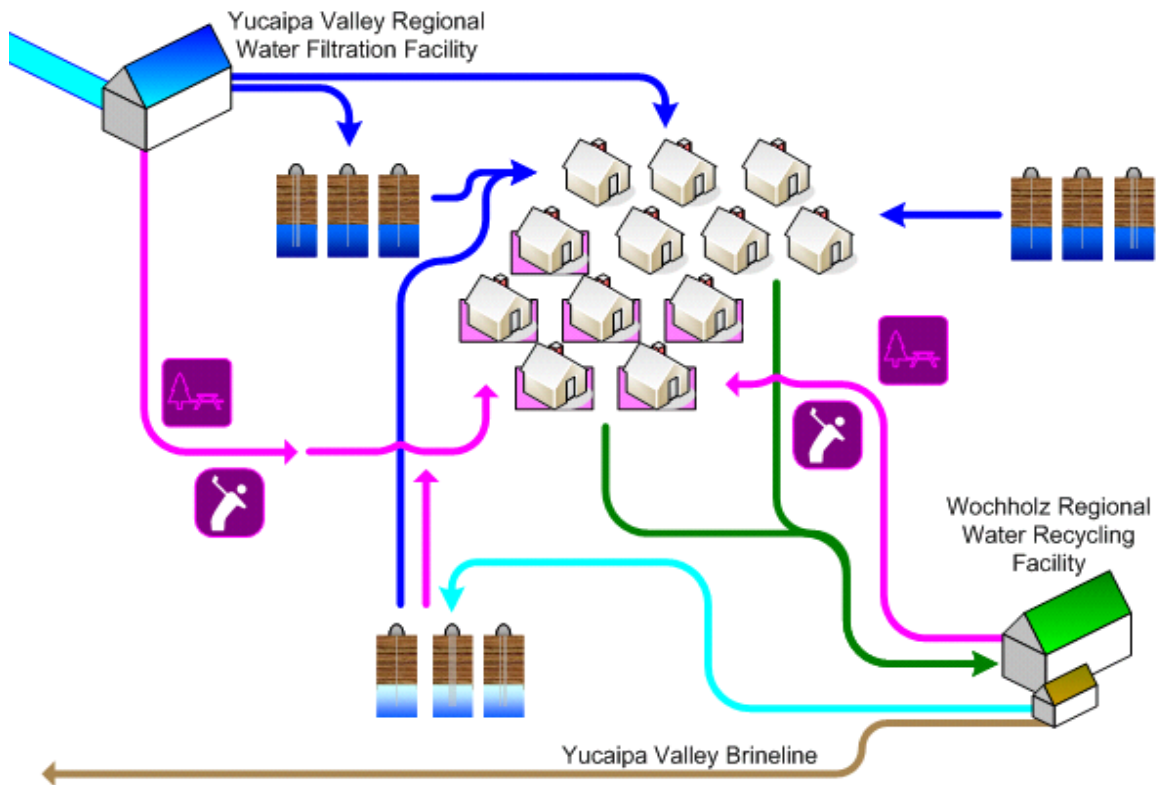
Recycled Water: 22 miles of recycled water pipelines
5 reservoirs - 12 million gallons of storage
1,200 ac-ft annual recycled demand (0.4 billion gallons)

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 Gorgonio 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