Notice and Agenda of a Board Workshop

Tuesday, June 12, 2018 at 4:00 p.m.

MEETING LOCATION:	District Administration Building 12770 Second Street, Yucaipa
MEMBERS OF THE BOARD:	Director Chris Mann, Division 1 Director Bruce Granlund, Division 2 Director Jay Bogh, Division 3 Director Lonni Granlund, Division 4 Director Tom Shalhoub, Division 5

I. Call to Order

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

III. Staff Report

IV. Presentations

A. Review and Presentation of Proposed Insurance Policies for Fiscal Year 2019 [Workshop Memorandum No. 18-152 - Page 5 of 157]

B. Overview of Recent Water Conservation Legislation - Senate Bill No. 606 and Assembly Bill No. 1668 [Workshop Memorandum No. 18-153 - Page 11 of 157]

V. Operational Updates

A. Discussion Regarding a Draft Agreement to Purchase Inland Empire Brine Line Capacity from the San Bernardino Valley Municipal Water District [Workshop Memorandum No. 18-154 - Page 71 of 157]

B. Status Report for the Tracer Study on the R-13.1 Clearwell at the Yucaipa Valley Regional Water Filtration Facility [Workshop Memorandum No. 18-155 - Page 79 of 157]

C. Overview of the Surplus State Water Project Sale Agreement Between the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency [Workshop Memorandum No. 18-156 - Page 81 of 157]

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

VI. Administrative Items

A. Discussion Regarding the Reprioritization of the San Timoteo Basin under the Sustainable Groundwater Management Act [Workshop Memorandum No. 18-157 - Page 97 of 157]

B. Presentation of the Unaudited Financial Report for the Period Ending on May 31, 2018 [Workshop Memorandum No. 18-158 - Page 100 of 157]

C. Review of Draft Resolution No. 2018-xx Establishing the Appropriation Limit for Fiscal Year 2018-19 [Workshop Memorandum No. 18-159 - Page 125 of 157]

D. Identification and Declaration of Bad Debt for Calendar Year 2016 [Workshop Memorandum No. 18-160 - Page 143 of 157]

E. Status Report on the Updated Pretreatment Local Limits for the Yucaipa Valley Water District [Workshop Memorandum No. 18-161 - Page 144 of 157]

F. Overview of Proposed Changes to Utility Billing and Accounting Programs [Workshop Memorandum No. 18-162 - Page 147 of 157]

VII. Director Comments

VIII. Announcements

A. June 19, 2018 at 6:00 p.m. - Regular Board Meeting

B. ~~June 26, 2018 at 4:00 p.m. - Board Workshop~~ Cancelled

C. ~~July 3, 2018 at 6:00 p.m. - Regular Board Meeting~~ Cancelled

D. July 10, 2018 at 4:00 p.m. - Board Workshop

E. July 17, 2018 at 6:00 p.m. - Regular Board Meeting

F. July 31, 2018 at 4:00 p.m. - Board Workshop

G. August 7, 2018 at 6:00 p.m. - Regular Board Meeting

H. August 14, 2018 at 4:00 p.m. - Board Workshop

I. August 21, 2018 at 6:00 p.m. - Regular Board Meeting

J. August 28, 2018 at 4:00 p.m. - Board Workshop

IX. Adjournment

Staff Report

Yucaipa Valley Water District

Presentations

Yucaipa Valley Water District

Yucaipa Valley Water District

Workshop Memorandum 18-152

Date: June 12, 2018

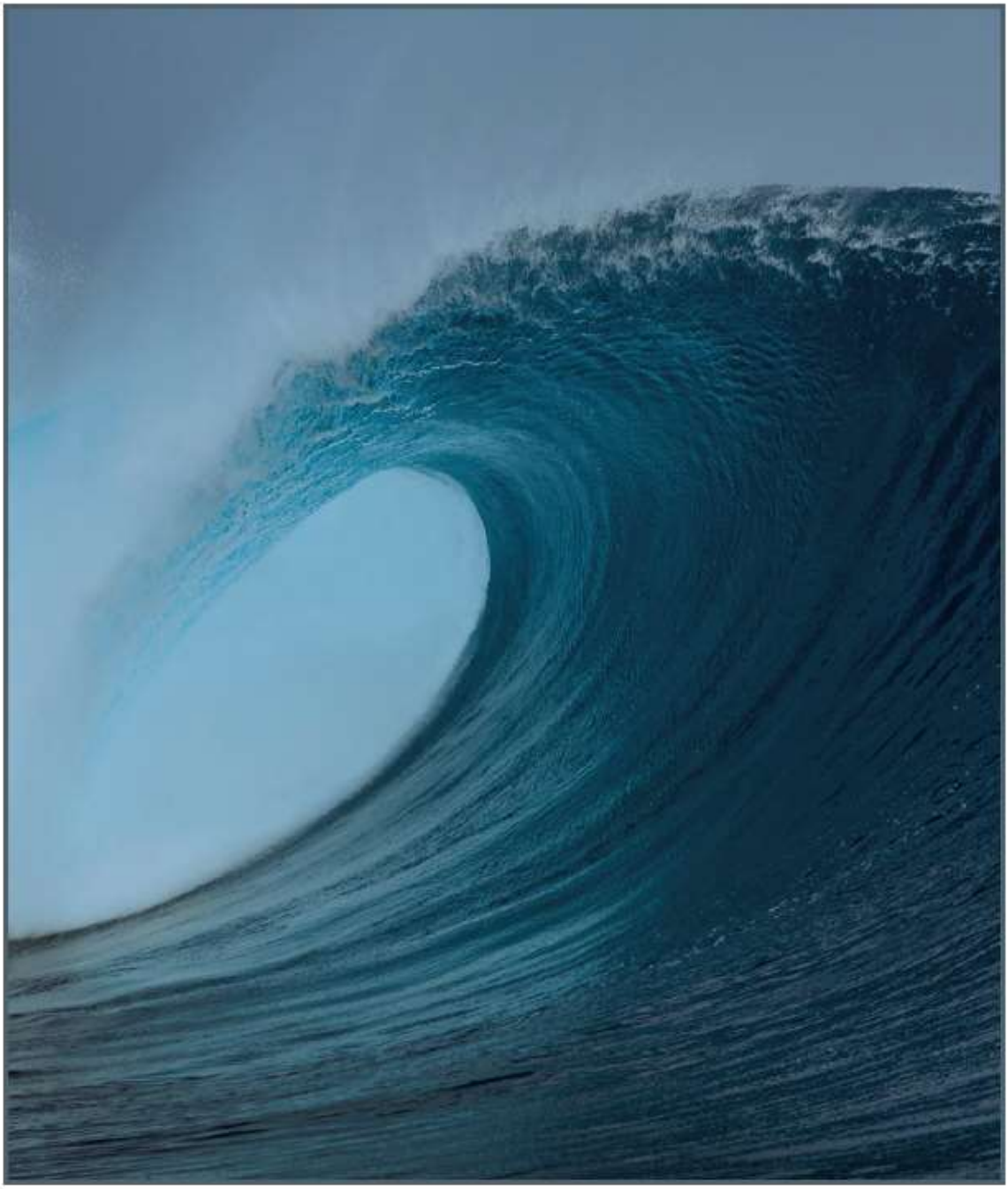
From: Kathryn Hallberg, Management Analyst

Subject: Review and Presentation of Proposed Insurance Policies for Fiscal Year 2019

Yucaipa Valley Water District currently has a property/liability insurance policy with Inland Counties Insurance Services Brokerage with insurance coverage provided by Water Plus Insurance Program and Allied World Assurance Coverage.

The District Staff has investigated pooled insurance from Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) and our current provider Inland Counties Insurance Services Brokerage.

Board of Directors requested more information regarding ACWA/JPIA policy. A member of California Water Agencies Joint Powers Insurance Authority will be presenting to the Board regarding the proposed policy.



Coverage – Premium Quote

YUCAIPA VALLEY WATER DISTRICT

ACWA JPIA

May 18, 2018

Liability Coverage Quotation

LIABILITY PROGRAM LIMIT ..... $60,000,000 *
coverage afforded for drones that follow FAA Rules and Regulations Part 107 of Title XIV

SUB-LIMIT:
Subsidence - $20,000,000

INCLUDES:
Bodily Injury
Property Damage
Errors & Omissions
Employment Practices Liability
Public Officials Liability
Automobile Liability
Inverse Condemnation

Retrospective Allocation Point (RAP) **$25,000**

10/1/17 TO 10/1/18 ESTIMATED DEPOSIT PREMIUM:
Participation in 2 JPIA Programs ..... **$120,012** **
Participation in 3 JPIA Programs ..... **$116,338** **

**Deposit premium based on estimated annual payroll. For purposes of the retrospective premium calculation, each member may select its own retrospective allocation point (RAP).

CYBER AND TECHNOLOGY LIABILITY COVERAGE

Included with Liability Program
Limit of Coverage ..... **$3,000,000 ***

INCLUDES
Third Party Liability Coverage
First Party Coverage

RETENTION SCHEDULE
Revenue:
<$5,000,000 ..... $10,000
$5,000,000 to $25,000,000 ..... $25,000
>$25,000,000 ..... $50,000

*Policy Aggregate Limit

Page 1

Property Coverage Quotation

PROPERTY PROGRAM LIMIT **$500,000,000***

*subject to schedule of values provided by Agency

SUB-LIMITS:

Accidental Mechanical Breakdown	$ 100,000,000
Business Interruption	$ 100,000,000
Extra Expense	$ 50,000,000
Off Premises Service Interruption	$ 25,000,000
Flood – Program Aggregate	$ 25,000,000 **
Zones A or V	$ 10,000,000 **
Earthquake – program aggregate	$ 2,500,000 **
Money & Securities	$ 2,500,000
Employee Dishonesty	$ 100,000 **

**Higher limits available

DEDUCTIBLES:

Property & Mobile Equipment $2,500
Vehicles $500
Accidental Mechanical Breakdown
Turbine Units & associated Equipment,
Electrical Generators, or Electrical Power Distribution $50,000
All other objects $25,000
Service Interruption ..... 24 Hour Waiting Period
Earthquake ..... 5%, subject to minimum $75,000
Flood- All Zones $100,000

TOTAL INSURABLE VALUES:

Buildings, Fixed Equipment, Personal Property **$98,814,529**
Mobile Equipment **$1,081,151**
Vehicles ..... per schedule

Coverage afforded for drones, if scheduled, that follow FAA Rules and Regulations Part 107of Title XIV; excludes damage sustained while in flight

7/1/18 TO 7/1/19 ESTIMATED DEPOSIT PREMIUM:

Participation in 2 JPIA Programs **$85,856**
Participation in 3 JPIA Programs **$83,228**

Page 2

Excess Crime Coverage Quotation

GROUP PURCHASE
Limit of Coverage $1,000,000

INCLUDES
Public Employee Dishonesty
Forgery or Alteration
Computer Fraud
Faithful Performance of Duty

Deductible $100,000

ESTIMATED ANNUAL PREMIUM
Estimated Annual Premium ..... $950 *

*Subject to carrier's review of completed application

Page 3

Premium Summary

Program	Estimated Annual Premium
Liability Coverage	$ 120,012
Property Coverage	$ 85,856
Excess Crime Coverage	$ 950
TOTAL ESTIMATED ANNUAL PREMIUM	**$ 206,818**

Estimated annual premium includes Multi-Program Discount – assumes participation in 2 programs

CONDITIONS:

1. Participation requires an initial three-year commitment;
2. Favorable Risk Assessment;
3. New applications require ACWA JPIA Executive Committee approval;
4. Membership in ACWA.

Page 4

Yucaipa Valley Water District

Workshop Memorandum 18-153

Date: June 12, 2018

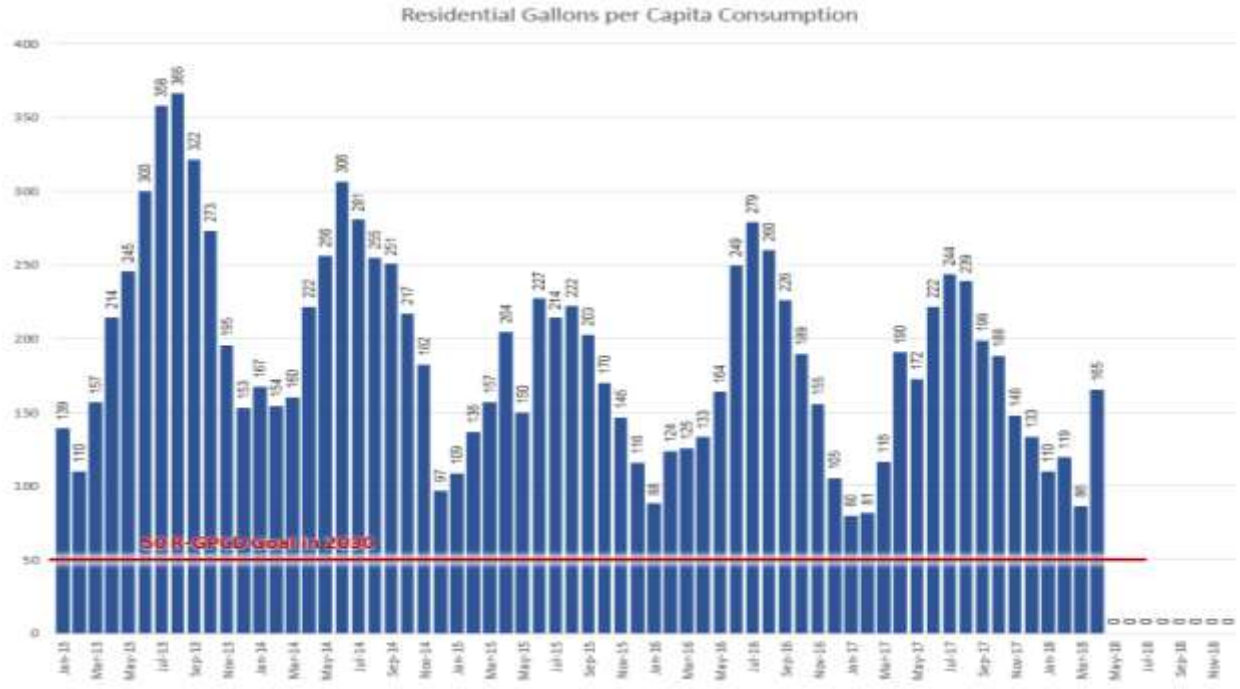
From: Frank Sclafani, Administrative Clerk I - Intern
Jennifer Ares, Water Resource Manager

Subject: Overview of Recent Water Conservation Legislation - Senate Bill No. 606 and Assembly Bill No. 1668

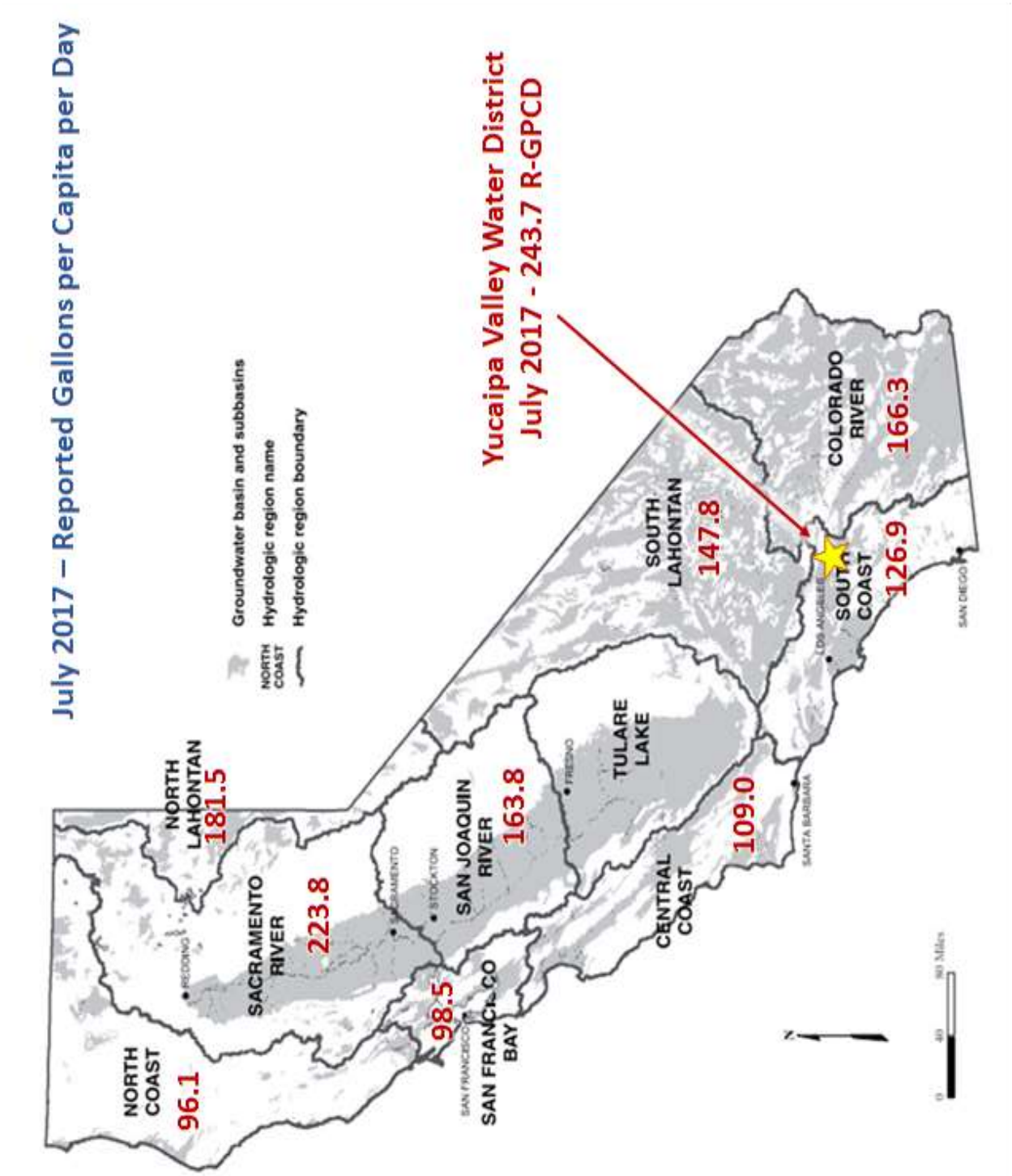
On May 31, 2018, Governor Jerry Brown signed two new bills related to water conservation. Both pieces of legislation were created to prepare California for the next drought by setting forth permanent water use restrictions.

Senate Bill No. 606 requires urban water providers to calculate an urban water use objective no later than November 1, 2023, and by November 1 every year thereafter. This legislation also modifies the requirements for the preparation of urban water management plans.

Assembly Bill No. 1668 establishes a 55-gallon per capita daily water use for indoor residential water consumption starting in 2022, and 50-gallons per capita daily water use by 2030. Violations can face fines of $1,000 per day if they don't meet them, and $10,000 a day during drought emergencies.



The red line indicates the State's indoor water use requirement by the year 2030. The blue bars indicate Yucaipa Valley Water District's monthly trend for indoor and outdoor water use. Indoor water use projections will be calculated to define the methods and programs to meet the 2030 goal.


July 2017 – Reported Gallons per Capita per Day
Yucaipa Valley Water District
July 2017 - 243.7 R-GPCD
Groundwater basin and subbasins
Hydrologic region name
Hydrologic region boundary
NORTH COAST
96.1
NORTH LAHONTAN
181.5
SACRAMENTO RIVER
223.8
SAN JOAQUIN RIVER
163.8
SAN FRANCISCO BAY
98.5
TULARE LAKE
CENTRAL COAST
109.0
SOUTH LAHONTAN
147.8
COLORADO RIVER
166.3
SOUTH COAST
126.9
REDDING
SACRAMENTO
STOCKTON
FRESNO
SANTA BARBARA
LOS ANGELES
SAN DIEGO
N
0
80 Miles

Senate Bill No. 606

CHAPTER 14

An act to amend Sections 350, 377, 1058.5, 1120, 10608.12, 10608.20, 10610.2, 10610.4, 10620, 10621, 10630, 10631, 10631.2, 10635, 10640, 10641, 10642, 10644, 10645, 10650, 10651, 10653, 10654, and 10656 of, to amend, renumber, and add Section 10612 of, to add Sections 10608.35, 10609.20, 10609.22, 10609.24, 10609.26, 10609.28, 10609.30, 10609.32, 10609.34, 10609.36, 10609.38, 10617.5, 10618, 10630.5, 10632.1, 10632.2, 10632.3, and 10657 to, to repeal Section 10631.7 of, and to repeal and add Section 10632 of, the Water Code, relating to water.

[Approved by Governor May 31, 2018. Filed with Secretary of State May 31, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 606, Hertzberg. Water management planning.

(1) Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified. Assembly Bill 1668 of the 2017–18 Regular Session, if enacted, would require the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water and would establish specified standards for per capita daily indoor residential water use.

The bill would require an urban retail water supplier to calculate an urban water use objective no later than November 1, 2023, and by November 1 every year thereafter, and its actual urban water use by those same dates. The bill would require an urban retail water supplier to submit a report to the department for these purposes by those dates. The bill would authorize the board to issue information orders, written notices, and conservation orders to an urban retail water supplier that does not meet its urban water use objective, as specified. The bill would authorize the board to waive these requirements for a period of up to 5 years, as specified.

The bill would impose civil liability for a violation of an order or regulation issued pursuant to these provisions, as specified. The bill would also authorize the board to issue a regulation or informational order requiring a wholesale water supplier, urban retail water supplier, or distributor of a public water supply to provide a monthly report relating to water production, water use, or water conservation.

(2) Existing law establishes procedures for reconsideration and amendment of specified decisions and orders of the board. Existing law authorizes any party aggrieved by a specified decision or order of the board

to file, not later than 30 days from the date of final board action, a petition for writ of mandate for judicial review of the decision or order.

This bill would apply these procedures to decisions and orders of the board issued pursuant to the provisions described in paragraph (1), including existing provisions and those added by this bill.

(3) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. The act requires an urban water supplier to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, the act requires the submission of a 2020 plan update by July 1, 2021. The act requires an urban water management plan, among other things, to describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for an average, single-dry, and multiple-dry water years. The act requires that an urban water management plan provide an urban water shortage contingency analysis that includes, among other things, an estimate of the minimum water supply available during each of the next 3 water years based on the driest 3-year historic sequence for the agency's water supply.

This bill would revise and recast these provisions. The bill would require an urban water management plan to be updated on or before July 1, in years ending in 6 and one, incorporating updated and new information from the 5 years preceding the plan update. The bill would require each plan to include a simple lay description of specified information to provide a general understanding of the agency's plan. The bill would require an urban water management plan to contain a drought risk assessment, as defined, that examines water shortage risks for a drought lasting the next 5 consecutive years.

The bill would require an urban water supplier to prepare, adopt, and periodically review a water shortage contingency plan, as prescribed, and as part of its urban water management plan. The bill would require a water shortage contingency plan to consist of certain elements, including, among other things, annual water supply and demand assessment procedures, standard water shortage levels, shortage response actions, and communication protocols and procedures. The bill would require an urban water supplier to make the water shortage contingency plan available to its customers and any city or county within which it provides water supplies no later than 30 days after adoption.

The bill would require an urban water supplier to conduct an annual water supply and demand assessment and submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan by June 1 of each year. The bill would require an urban water supplier to follow, where feasible and appropriate, the procedures and implement determined shortage response actions in its water shortage contingency plan.

(4) The act requires an urban water supplier to submit copies of its urban water management plan and copies of amendments or changes to the plan to certain entities, including the department, no later than 30 days after adoption, as prescribed. The act requires the department to prepare and submit a report summarizing the status of plans adopted pursuant to the act to the Legislature on or before July 1, 2022, for the 2020 plan, and on or before December 31 in the years ending in 6 and one thereafter, and to provide a copy of the report to each urban water supplier that has submitted its plan to the department.

This bill would require an urban water supplier, if it revises its water shortage contingency plan, to submit to the department a copy of its water shortage contingency plan no later than 30 days after adoption. The bill would require an urban water supplier regulated by the Public Utilities Commission to include its most recent urban water management plan and water shortage contingency plan as part of its general rate case filings.

The bill would require the department to prepare and submit the report about plans adopted pursuant to the act to the Legislature on or before July 1 in the years ending in 7 and 2. The bill would require the department to prepare and submit to the board, on or before June 1 of each year, a report summarizing the submitted water supply and demand assessment results along with appropriate reported water shortage conditions developed by the department and information regarding various shortage response actions implemented as a result of water supply and demand assessments, as prescribed.

(5) Existing law makes an urban water supplier that does not prepare, adopt, and submit its urban water management plan to the department as prescribed ineligible to receive certain water grant and loan funding.

This bill would instead make an urban water supplier ineligible to receive any water grant or loan unless the urban water supplier complies with the requirements relating to urban water management plans.

(6) Existing law authorizes the governing body of a distributor of a public water supply to declare a water shortage emergency condition to prevail within the area served by the distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

This bill would instead require the governing body of a distributor of a public water supply to declare a water shortage emergency condition whenever it finds and determines the above-described circumstances. The bill would require an urban water supplier to coordinate with any city or county within which it provides water supply services for a possible proclamation of a local emergency.

(7) This bill would make its operation contingent on the enactment of AB 1668 of the 2017–18 Regular Session.

The people of the State of California do enact as follows:

SECTION 1. Section 350 of the Water Code is amended to read:

350. The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, shall declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

SEC. 2. Section 377 of the Water Code is amended to read:

377. (a) From and after the publication or posting of any ordinance or resolution pursuant to Section 376, a violation of a requirement of a water conservation program adopted pursuant to Section 376 is a misdemeanor. A person convicted under this subdivision shall be punished by imprisonment in the county jail for not more than 30 days, or by a fine not exceeding one thousand dollars ($1,000), or by both.

(b) A court or public entity may hold a person civilly liable in an amount not to exceed ten thousand dollars ($10,000) for a violation of any of the following:

(1) An ordinance or resolution adopted pursuant to Section 376.

(2) A regulation adopted by the board under Section 1058.5 or Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6, unless the board regulation provides that it cannot be enforced under this section or provides for a lesser applicable maximum penalty.

(c) Commencing on the 31st day after the public entity notified a person of a violation described in subdivision (b), the person additionally may be civilly liable in an amount not to exceed ten thousand dollars ($10,000) plus five hundred dollars ($500) for each additional day on which the violation continues.

(d) Remedies prescribed in this section are cumulative and not alternative, except that no liability shall be recoverable under this section for any violation of paragraph (2) of subdivision (b) if the board has filed a complaint pursuant to Section 1846 alleging the same violation.

(e) A public entity may administratively impose the civil liability described in subdivisions (b) and (c) after providing notice and an opportunity for a hearing. The public entity shall initiate a proceeding under this subdivision by a complaint issued pursuant to Section 377.5. The public entity shall issue the complaint at least 30 days before the hearing on the complaint and the complaint shall state the basis for the proposed civil liability order.

(f) (1) In determining the amount of civil liability to assess, a court or public entity shall take into consideration all relevant circumstances, including, but not limited to, the nature and persistence of the violation, the extent of the harm caused by the violation, the length of time over which the violation occurs, and any corrective action taken by the violator.

(2) The civil liability calculated pursuant to paragraph (1) for the first violation of subdivision (b) by a residential water user shall not exceed one thousand dollars ($1,000) except in extraordinary situations where the court or public entity finds all of the following:

(A) The residential user had actual notice of the requirement found to be violated.

(B) The conduct was intentional.

(C) The amount of water involved was substantial.

(g) Civil liability imposed pursuant to this section shall be paid to the public entity and expended solely for the purposes of this chapter.

(h) An order setting administrative civil liability shall become effective and final upon issuance of the order and payment shall be made. Judicial review of any final order shall be pursuant to Section 1094.5 of the Code of Civil Procedure.

(i) In addition to the remedies prescribed in this section, a public entity may enforce water use limitations established by an ordinance or resolution adopted pursuant to this chapter, or as otherwise authorized by law, by a volumetric penalty in an amount established by the public entity.

SEC. 3. Section 1058.5 of the Water Code is amended to read:

1058.5. (a) This section applies to any emergency regulation adopted by the board for which the board makes both of the following findings:

(1) The emergency regulation is adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.

(2) The emergency regulation is adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions.

(b) Notwithstanding Sections 11346.1 and 11349.6 of the Government Code, any findings of emergency adopted by the board, in connection with the adoption of an emergency regulation under this section, are not subject to review by the Office of Administrative Law.

(c) An emergency regulation adopted by the board under this section may remain in effect for up to one year, as determined by the board, and is deemed repealed immediately upon a finding by the board that due to changed conditions it is no longer necessary for the regulation to remain in effect. An emergency regulation adopted by the board under this section may be renewed if the board determines that the conditions specified in paragraph (2) of subdivision (a) are still in effect.

(d) In addition to any other applicable civil or criminal penalties, any person or entity who violates a regulation adopted by the board pursuant to

this section is guilty of an infraction punishable by a fine of up to five hundred dollars ($500) for each day in which the violation occurs.

(e) (1) Notwithstanding subdivision (b) of Section 1551 or subdivision (e) of Section 1848, a civil liability imposed under Chapter 12 (commencing with Section 1825) of Part 2 of Division 2 by the board or a court for a violation of an emergency conservation regulation adopted pursuant to this section shall be deposited, and separately accounted for, in the Water Rights Fund. Funds deposited in accordance with this subdivision shall be available, upon appropriation, for water conservation activities and programs.

(2) For purposes of this subdivision, an "emergency conservation regulation" means an emergency regulation that requires an end user of water, a water retailer, or a water wholesaler to conserve water or report to the board on water conservation. Water conservation includes restrictions or limitations on particular uses of water or a reduction in the amount of water used or served, but does not include curtailment of diversions when water is not available under the diverter's priority of right or reporting requirements related to curtailments.

SEC. 4. Section 1120 of the Water Code is amended to read:

1120. This chapter applies to any decision or order issued under this part or Section 275, Part 2 (commencing with Section 1200), Part 2 (commencing with Section 10500) of Division 6, Part 2.55 (commencing with Section 10608) of Division 6, or Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, or the public trust doctrine.

SEC. 5. Section 10608.12 of the Water Code is amended to read:

10608.12. Unless the context otherwise requires, the following definitions govern the construction of this part:

(a) "Agricultural water supplier" means a water supplier, either publicly or privately owned, providing water to 10,000 or more irrigated acres, excluding recycled water. "Agricultural water supplier" includes a supplier or contractor for water, regardless of the basis of right, that distributes or sells water for ultimate resale to customers. "Agricultural water supplier" does not include the department.

(b) "Base daily per capita water use" means any of the following:

(1) The urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous 10-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(2) For an urban retail water supplier that meets at least 10 percent of its 2008 measured retail water demand through recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, the urban retail water supplier may extend the calculation described in paragraph (1) up to an additional five years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(3) For the purposes of Section 10608.22, the urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per

day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

(c) "Baseline commercial, industrial, and institutional water use" means an urban retail water supplier's base daily per capita water use for commercial, industrial, and institutional users.

(d) "CII water use" means water used by commercial water users, industrial water users, institutional water users, and large landscape water users.

(e) "Commercial water user" means a water user that provides or distributes a product or service.

(f) "Compliance daily per capita water use" means the gross water use during the final year of the reporting period, reported in gallons per capita per day.

(g) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(h) "Gross water use" means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, excluding all of the following:

(1) Recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier.

(2) The net volume of water that the urban retail water supplier places into long-term storage.

(3) The volume of water the urban retail water supplier conveys for use by another urban water supplier.

(4) The volume of water delivered for agricultural use, except as otherwise provided in subdivision (f) of Section 10608.24.

(i) "Industrial water user" means a water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development.

(j) "Institutional water user" means a water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

(k) "Interim urban water use target" means the midpoint between the urban retail water supplier's base daily per capita water use and the urban retail water supplier's urban water use target for 2020.

(*l*) "Large landscape" means a nonresidential landscape as described in the performance measures for CII water use adopted pursuant to Section 10609.10.

(m) "Locally cost effective" means that the present value of the local benefits of implementing an agricultural efficiency water management practice is greater than or equal to the present value of the local cost of implementing that measure.

(n) "Performance measures" means actions to be taken by urban retail water suppliers that will result in increased water use efficiency by CII water

users. Performance measures may include, but are not limited to, educating CII water users on best management practices, conducting water use audits, and preparing water management plans. Performance measures do not include process water.

(o) "Potable reuse" means direct potable reuse, indirect potable reuse for groundwater recharge, and reservoir water augmentation as those terms are defined in Section 13561.

(p) "Process water" means water used by industrial water users for producing a product or product content or water used for research and development. Process water includes, but is not limited to, continuous manufacturing processes, and water used for testing, cleaning, and maintaining equipment. Water used to cool machinery or buildings used in the manufacturing process or necessary to maintain product quality or chemical characteristics for product manufacturing or control rooms, data centers, laboratories, clean rooms, and other industrial facility units that are integral to the manufacturing or research and development process is process water. Water used in the manufacturing process that is necessary for complying with local, state, and federal health and safety laws, and is not incidental water, is process water. Process water does not mean incidental water uses.

(q) "Recycled water" means recycled water, as defined in subdivision (n) of Section 13050.

(r) "Regional water resources management" means sources of supply resulting from watershed-based planning for sustainable local water reliability or any of the following alternative sources of water:

(1) The capture and reuse of stormwater or rainwater.

(2) The use of recycled water.

(3) The desalination of brackish groundwater.

(4) The conjunctive use of surface water and groundwater in a manner that is consistent with the safe yield of the groundwater basin.

(s) "Reporting period" means the years for which an urban retail water supplier reports compliance with the urban water use targets.

(t) "Urban retail water supplier" means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

(u) "Urban water use objective" means an estimate of aggregate efficient water use for the previous year based on adopted water use efficiency standards and local service area characteristics for that year, as described in Section 10609.20.

(v) "Urban water use target" means the urban retail water supplier's targeted future daily per capita water use.

(w) "Urban wholesale water supplier," means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

SEC. 6. Section 10608.20 of the Water Code is amended to read:

10608.20. (a) (1) Each urban retail water supplier shall develop urban water use targets and an interim urban water use target by July 1, 2011. Urban retail water suppliers may elect to determine and report progress toward achieving these targets on an individual or regional basis, as provided in subdivision (a) of Section 10608.28, and may determine the targets on a fiscal year or calendar year basis.

(2) It is the intent of the Legislature that the urban water use targets described in paragraph (1) cumulatively result in a 20-percent reduction from the baseline daily per capita water use by December 31, 2020.

(b) An urban retail water supplier shall adopt one of the following methods for determining its urban water use target pursuant to subdivision (a):

(1) Eighty percent of the urban retail water supplier's baseline per capita daily water use.

(2) The per capita daily water use that is estimated using the sum of the following performance standards:

(A) For indoor residential water use, 55 gallons per capita daily water use as a provisional standard. Upon completion of the department's 2016 report to the Legislature pursuant to Section 10608.42, this standard may be adjusted by the Legislature by statute.

(B) For landscape irrigated through dedicated or residential meters or connections, water efficiency equivalent to the standards of the Model Water Efficient Landscape Ordinance set forth in Chapter 2.7 (commencing with Section 490) of Division 2 of Title 23 of the California Code of Regulations, as in effect the later of the year of the landscape's installation or 1992. An urban retail water supplier using the approach specified in this subparagraph shall use satellite imagery, site visits, or other best available technology to develop an accurate estimate of landscaped areas.

(C) For commercial, industrial, and institutional uses, a 10-percent reduction in water use from the baseline commercial, industrial, and institutional water use by 2020.

(3) Ninety-five percent of the applicable state hydrologic region target, as set forth in the state's draft 20x2020 Water Conservation Plan (dated April 30, 2009). If the service area of an urban water supplier includes more than one hydrologic region, the supplier shall apportion its service area to each region based on population or area.

(4) A method that shall be identified and developed by the department, through a public process, and reported to the Legislature no later than December 31, 2010. The method developed by the department shall identify per capita targets that cumulatively result in a statewide 20-percent reduction in urban daily per capita water use by December 31, 2020. In developing urban daily per capita water use targets, the department shall do all of the following:

(A) Consider climatic differences within the state.

(B) Consider population density differences within the state.

(C) Provide flexibility to communities and regions in meeting the targets.

(D) Consider different levels of per capita water use according to plant water needs in different regions.

(E) Consider different levels of commercial, industrial, and institutional water use in different regions of the state.

(F) Avoid placing an undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low.

(c) If the department adopts a regulation pursuant to paragraph (4) of subdivision (b) that results in a requirement that an urban retail water supplier achieve a reduction in daily per capita water use that is greater than 20 percent by December 31, 2020, an urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may limit its urban water use target to a reduction of not more than 20 percent by December 31, 2020, by adopting the method described in paragraph (1) of subdivision (b).

(d) The department shall update the method described in paragraph (4) of subdivision (b) and report to the Legislature by December 31, 2014. An urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may adopt a new urban daily per capita water use target pursuant to this updated method.

(e) An urban retail water supplier shall include in its urban water management plan due in 2010 pursuant to Part 2.6 (commencing with Section 10610) the baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.

(f) When calculating per capita values for the purposes of this chapter, an urban retail water supplier shall determine population using federal, state, and local population reports and projections.

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).

(h) (1) The department, through a public process and in consultation with the California Urban Water Conservation Council, shall develop technical methodologies and criteria for the consistent implementation of this part, including, but not limited to, both of the following:

(A) Methodologies for calculating base daily per capita water use, baseline commercial, industrial, and institutional water use, compliance daily per capita water use, gross water use, service area population, indoor residential water use, and landscaped area water use.

(B) Criteria for adjustments pursuant to subdivisions (d) and (e) of Section 10608.24.

(2) The department shall post the methodologies and criteria developed pursuant to this subdivision on its Internet Web site, and make written copies available, by October 1, 2010. An urban retail water supplier shall use the methods developed by the department in compliance with this part.

(i) (1) The department shall adopt regulations for implementation of the provisions relating to process water in accordance with Section 10608.12, subdivision (e) of Section 10608.24, and subdivision (d) of Section 10608.26.

(2) The initial adoption of a regulation authorized by this subdivision is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption of an emergency regulation pursuant to this subdivision, the department shall not request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

(j) (1) An urban retail water supplier is granted an extension to July 1, 2011, for adoption of an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) due in 2010 to allow the use of technical methodologies developed by the department pursuant to paragraph (4) of subdivision (b) and subdivision (h). An urban retail water supplier that adopts an urban water management plan due in 2010 that does not use the methodologies developed by the department pursuant to subdivision (h) shall amend the plan by July 1, 2011, to comply with this part.

(2) An urban wholesale water supplier whose urban water management plan prepared pursuant to Part 2.6 (commencing with Section 10610) was due and not submitted in 2010 is granted an extension to July 1, 2011, to permit coordination between an urban wholesale water supplier and urban retail water suppliers.

SEC. 7. Section 10608.35 is added to the Water Code, to read:

10608.35. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and make a recommendation to the Legislature, by January 1, 2020, on the feasibility of developing and enacting water loss reporting requirements for urban wholesale water suppliers.

(b) The studies and investigations shall include an evaluation of the suitability of applying the processes and requirements of Section 10608.34 to urban wholesale water suppliers.

(c) In conducting necessary studies and investigations and developing its recommendation, the department shall solicit broad public participation from stakeholders and other interested persons.

SEC. 8. Section 10609.20 is added to the Water Code, immediately following Section 10609.18, to read:

10609.20. (a) Each urban retail water supplier shall calculate its urban water use objective no later than November 1, 2023, and by November 1 every year thereafter.

(b) The calculation shall be based on the urban retail water supplier's water use conditions for the previous calendar or fiscal year.

(c) Each urban water supplier's urban water use objective shall be composed of the sum of the following:

(1) Aggregate estimated efficient indoor residential water use.

(2) Aggregate estimated efficient outdoor residential water use.

(3) Aggregate estimated efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with CII water use.

(4) Aggregate estimated efficient water losses.

(5) Aggregate estimated water use in accordance with variances, as appropriate.

(d) (1) An urban retail water supplier that delivers water from a groundwater basin, reservoir, or other source that is augmented by potable reuse water may adjust its urban water use objective by a bonus incentive calculated pursuant to this subdivision.

(2) The water use objective bonus incentive shall be the volume of its potable reuse delivered to residential water users and to landscape areas with dedicated irrigation meters in connection with CII water use, on an acre-foot basis.

(3) The bonus incentive pursuant to paragraph (1) shall be limited in accordance with one of the following:

(A) The bonus incentive shall not exceed 15 percent of the urban water supplier's water use objective for any potable reuse water produced at an existing facility.

(B) The bonus incentive shall not exceed 10 percent of the urban water supplier's water use objective for any potable reuse water produced at any facility that is not an existing facility.

(4) For purposes of this subdivision, "existing facility" means a facility that meets all of the following:

(A) The facility has a certified environmental impact report, mitigated negative declaration, or negative declaration on or before January 1, 2019.

(B) The facility begins producing and delivering potable reuse water on or before January 1, 2022.

(C) The facility uses microfiltration and reverse osmosis technologies to produce the potable reuse water.

(e) (1) The calculation of the urban water use objective shall be made using landscape area and other data provided by the department and pursuant to the standards, guidelines, and methodologies adopted by the board. The department shall provide data to the urban water supplier at a level of detail sufficient to allow the urban water supplier to verify its accuracy at the parcel level.

(2) Notwithstanding paragraph (1), an urban retail water supplier may use alternative data in calculating the urban water use objective if the supplier demonstrates to the department that the alternative data are equivalent, or superior, in quality and accuracy to the data provided by the department. The department may provide technical assistance to an urban retail water supplier in evaluating whether the alternative data are appropriate for use in calculating the supplier's urban water use objective.

SEC. 9. Section 10609.22 is added to the Water Code, to read:

10609.22. (a) An urban retail water supplier shall calculate its actual urban water use no later than November 1, 2023, and by November 1 every year thereafter.

(b) The calculation shall be based on the urban retail water supplier's water use for the previous calendar or fiscal year.

(c) Each urban water supplier's urban water use shall be composed of the sum of the following:

(1) Aggregate residential water use.

(2) Aggregate outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use.

(3) Aggregate water losses.

SEC. 10. Section 10609.24 is added to the Water Code, to read:

10609.24. (a) An urban retail water supplier shall submit a report to the department no later than November 1, 2023, and by November 1 every year thereafter. The report shall include all of the following:

(1) The urban water use objective calculated pursuant to Section 10609.20 along with relevant supporting data.

(2) The actual urban water use calculated pursuant to Section 10609.22 along with relevant supporting data.

(3) Documentation of the implementation of the performance measures for CII water use.

(4) A description of the progress made towards meeting the urban water use objective.

(b) The department shall post the reports and information on its Internet Web site.

(c) The board may issue an information order or conservation order to, or impose civil liability on, an entity or individual for failure to submit a report required by this section.

SEC. 11. Section 10609.26 is added to the Water Code, to read:

10609.26. (a) (1) On and after November 1, 2023, the board may issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective required by this chapter. Informational orders are intended to obtain information on supplier activities, water production, and conservation efforts in order to identify technical assistance needs and assist urban water suppliers in meeting their urban water use objectives.

(2) In determining whether to issue an informational order, the board shall consider the degree to which the urban retail water supplier is not meeting its urban water use objective, information provided in the report required by Section 10609.24, and actions the urban retail water supplier has implemented or will implement in order to help meet the urban water use objective.

(3) The board shall share information received pursuant to this subdivision with the department.

(4) An urban water supplier may request technical assistance from the department. The technical assistance may, to the extent available, include guidance documents, tools, and data.

(b) On and after November 1, 2024, the board may issue a written notice to an urban retail water supplier that does not meet its urban water use objective required by this chapter. The written notice may warn the urban retail water supplier that it is not meeting its urban water use objective described in Section 10609.20 and is not making adequate progress in meeting the urban water use objective, and may request that the urban retail water supplier address areas of concern in its next annual report required by Section 10609.24. In deciding whether to issue a written notice, the board may consider whether the urban retail water supplier has received an informational order, the degree to which the urban retail water supplier is not meeting its urban water use objective, information provided in the report required by Section 10609.24, and actions the urban retail water supplier has implemented or will implement in order to help meet its urban water use objective.

(c) (1) On and after November 1, 2025, the board may issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. A conservation order may consist of, but is not limited to, referral to the department for technical assistance, requirements for education and outreach, requirements for local enforcement, and other efforts to assist urban retail water suppliers in meeting their urban water use objective.

(2) In issuing a conservation order, the board shall identify specific deficiencies in an urban retail water supplier's progress towards meeting its urban water use objective, and identify specific actions to address the deficiencies.

(3) The board may request that the department provide an urban retail water supplier with technical assistance to support the urban retail water supplier's actions to remedy the deficiencies.

(d) A conservation order issued in accordance with this chapter may include requiring actions intended to increase water-use efficiency, but shall not curtail or otherwise limit the exercise of a water right, nor shall it require the imposition of civil liability pursuant to Section 377.

SEC. 12. Section 10609.28 is added to the Water Code, to read:

10609.28. The board may issue a regulation or informational order requiring a wholesale water supplier, an urban retail water supplier, or a distributor of a public water supply, as that term is used in Section 350, to provide a monthly report relating to water production, water use, or water conservation.

SEC. 13. Section 10609.30 is added to the Water Code, to read:

10609.30. On or before January 10, 2024, the Legislative Analyst shall provide to the appropriate policy committees of both houses of the Legislature and the public a report evaluating the implementation of the water use efficiency standards and water use reporting pursuant to this chapter. The board and the department shall provide the Legislative Analyst with the available data to complete this report.

(a) The report shall describe all of the following:

(1) The rate at which urban retail water users are complying with the standards, and factors that might facilitate or impede their compliance.

(2) The accuracy of the data and estimates being used to calculate urban water use objectives.

(3) Indications of the economic impacts, if any, of the implementation of this chapter on urban water suppliers and urban water users, including CII water users.

(4) The frequency of use of the bonus incentive, the volume of water associated with the bonus incentive, value to urban water suppliers of the bonus incentive, and any implications of the use of the bonus incentive on water use efficiency.

(5) The early indications of how implementing this chapter might impact the efficiency of statewide urban water use.

(6) Recommendations, if any, for improving statewide urban water use efficiency and the standards and practices described in this chapter.

(7) Any other issues the Legislative Analyst deems appropriate.

SEC. 14. Section 10609.32 is added to the Water Code, to read:

10609.32. It is the intent of the Legislature that the chairperson of the board and the director of the department appear before the appropriate policy committees of both houses of the Legislature on or around January 1, 2026, and report on the implementation of the water use efficiency standards and water use reporting pursuant to this chapter. It is the intent of the Legislature that the topics to be covered include all of the following:

(a) The rate at which urban retail water suppliers are complying with the standards, and factors that might facilitate or impede their compliance.

(b) What enforcement actions have been taken, if any.

(c) The accuracy of the data and estimates being used to calculate urban water use objectives.

(d) Indications of the economic impacts, if any, of the implementation of this chapter on urban water suppliers and urban water users, including CII water users.

(e) The frequency of use of the bonus incentive, the volume of water associated with the bonus incentive, value to urban water suppliers of the bonus incentive, and any implications of the use of the bonus incentive on water use efficiency.

(f) An assessment of how implementing this chapter is affecting the efficiency of statewide urban water use.

SEC. 15. Section 10609.34 is added to the Water Code, to read:

10609.34. Notwithstanding Section 15300.2 of Title 14 of the California Code of Regulations, an action of the board taken under this chapter shall be deemed to be a Class 8 action, within the meaning of Section 15308 of Title 14 of the California Code of Regulations, provided that the action does not involve relaxation of existing water conservation or water use standards.

SEC. 16. Section 10609.36 is added to the Water Code, to read:

10609.36. (a) Nothing in this chapter shall be construed to determine or alter water rights. Sections 1010 and 1011 apply to water conserved through implementation of this chapter.

(b) Nothing in this chapter shall be construed to authorize the board to update or revise water use efficiency standards authorized by this chapter except as explicitly provided in this chapter. Authorization to update the standards beyond that explicitly provided in this chapter shall require separate legislation.

(c) Nothing in this chapter shall be construed to limit or otherwise affect the use of recycled water as seawater barriers for groundwater salinity management.

SEC. 17. Section 10609.38 is added to the Water Code, to read:

10609.38. The board may waive the requirements of this chapter for a period of up to five years for any urban retail water supplier whose water deliveries are significantly affected by changes in water use as a result of damage from a disaster such as an earthquake or fire. In establishing the period of a waiver, the board shall take into consideration the breadth of the damage and the time necessary for the damaged areas to recover from the disaster.

SEC. 18. Section 10610.2 of the Water Code is amended to read:

10610.2. (a) The Legislature finds and declares all of the following:

(1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.

(2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.

(3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic climate, and increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

(4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water years now and into the foreseeable future, and every urban water supplier should collaborate closely with local land-use authorities to ensure water demand forecasts are consistent with current land-use planning.

(5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.

(6) Implementing effective water management strategies, including groundwater storage projects and recycled water projects, may require specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.

(7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modifications to existing treatment facilities.

(8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.

(9) The quality of source supplies can have a significant impact on water management strategies and supply reliability.

(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.

SEC. 19. Section 10610.4 of the Water Code is amended to read:

10610.4. The Legislature finds and declares that it is the policy of the state as follows:

(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.

(b) The management of urban water demands and efficient use of urban water supplies shall be a guiding criterion in public decisions.

(c) Urban water suppliers shall be required to develop water management plans to achieve the efficient use of available supplies and strengthen local drought planning.

SEC. 20. Section 10612 of the Water Code is amended and renumbered to read:

10611.3. "Customer" means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses.

SEC. 21. Section 10612 is added to the Water Code, to read:

10612. "Drought risk assessment" means a method that examines water shortage risks based on the driest five-year historic sequence for the agency's water supply, as described in subdivision (b) of Section 10635.

SEC. 22. Section 10617.5 is added to the Water Code, to read:

10617.5. "Water shortage contingency plan" means a document that incorporates the provisions detailed in subdivision (a) of Section 10632 and is subsequently adopted by an urban water supplier pursuant to this article.

SEC. 23. Section 10618 is added to the Water Code, to read:

10618. "Water supply and demand assessment" means a method that looks at current year and one or more dry year supplies and demands for determining water shortage risks, as described in Section 10632.1.

SEC. 24. Section 10620 of the Water Code is amended to read:

10620. (a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d) (1) An urban water supplier may satisfy the requirements of this part by participation in areawide, regional, watershed, or basinwide urban water

management planning where those plans will reduce preparation costs and contribute to the achievement of conservation, efficient water use, and improved local drought resilience.

(2) Notwithstanding paragraph (1), each urban water supplier shall develop its own water shortage contingency plan, but an urban water supplier may incorporate, collaborate, and otherwise share information with other urban water suppliers or other governing entities participating in an areawide, regional, watershed, or basinwide urban water management plan, an agricultural management plan, or groundwater sustainability plan development.

(3) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

SEC. 25. Section 10621 of the Water Code is amended to read:

10621. (a) Each urban water supplier shall update its plan at least once every five years on or before July 1, in years ending in six and one, incorporating updated and new information from the five years preceding each update.

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) An urban water supplier regulated by the Public Utilities Commission shall include its most recent plan and water shortage contingency plan as part of the supplier's general rate case filings.

(d) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

(e) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.

(f) (1) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.

(2) By January 1, 2024, each urban retail water supplier shall adopt and submit to the department a supplement to the adopted 2020 plan that includes information required pursuant to subparagraph (B) of paragraph (1) of subdivision (e) of Section 10631. This supplement is not an update or an amendment to the plan and, therefore, an urban water supplier is not required to comply with the public notice, hearing, and adoption requirements of Section 10642 before submitting the information to the department.

SEC. 26. Section 10630 of the Water Code is amended to read:

10630. It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water supplied, while accounting for impacts from climate change.

SEC. 27. Section 10630.5 is added to the Water Code, to read:

10630.5. Each plan shall include a simple lay description of how much water the agency has on a reliable basis, how much it needs for the foreseeable future, what the agency's strategy is for meeting its water needs, the challenges facing the agency, and any other information necessary to provide a general understanding of the agency's plan.

SEC. 28. Section 10631 of the Water Code is amended to read:

10631. A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other social, economic, and demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available. The description shall include the current and projected land uses within the existing or anticipated service area affecting the supplier's water management planning. Urban water suppliers shall coordinate with local or regional land use authorities to determine the most appropriate land use information, including, where appropriate, land use information obtained from local or regional land use authorities, as developed pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a), providing supporting and related information, including all of the following:

(1) A detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the drought risk assessment. For each source of water supply, consider any information pertinent to the reliability analysis conducted pursuant to Section 10635, including changes in supply due to climate change.

(2) When multiple sources of water supply are identified, a description of the management of each supply in correlation with the other identified supplies.

(3) For any planned sources of water supply, a description of the measures that are being undertaken to acquire and develop those water supplies.

(4) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information:

(A) The current version of any groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720),

any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management for basins underlying the urban water supplier's service area.

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For a basin that has not been adjudicated, information as to whether the department has identified the basin as a high- or medium-priority basin in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to coordinate with groundwater sustainability agencies or groundwater management agencies listed in subdivision (c) of Section 10723 to maintain or achieve sustainable groundwater conditions in accordance with a groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720).

(C) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(D) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(c) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(d) (1) For an urban retail water supplier, quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors, including, but not necessarily limited to, all of the following:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(J) Distribution system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3) (A) The distribution system water loss shall be quantified for each of the five years preceding the plan update, in accordance with rules adopted pursuant to Section 10608.34.

(B) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(C) In the plan due July 1, 2021, and in each update thereafter, data shall be included to show whether the urban retail water supplier met the distribution loss standards enacted by the board pursuant to Section 10608.34.

(4) (A) Water use projections, where available, shall display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

(e) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) (A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(B) For the supplement required of urban retail water suppliers by paragraph (2) of subdivision (f) of Section 10621, a narrative that describes the water demand management measures that the supplier plans to implement to achieve its urban water use objective by January 1, 2027, pursuant to Chapter 9 (commencing with Section 10609) of Part 2.55.

(C) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

(2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph (C) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

(f) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in normal and single-dry water years and for a period of drought lasting five consecutive water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

(g) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

(h) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (f). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (f).

SEC. 29. Section 10631.2 of the Water Code is amended to read:

10631.2. (a) In addition to the requirements of Section 10631, an urban water management plan shall include any of the following information that the urban water supplier can readily obtain:

(1) An estimate of the amount of energy used to extract or divert water supplies.

(2) An estimate of the amount of energy used to convey water supplies to the water treatment plants or distribution systems.

(3) An estimate of the amount of energy used to treat water supplies.

(4) An estimate of the amount of energy used to distribute water supplies through its distribution systems.

(5) An estimate of the amount of energy used for treated water supplies in comparison to the amount used for nontreated water supplies.

(6) An estimate of the amount of energy used to place water into or withdraw from storage.

(7) Any other energy-related information the urban water supplier deems appropriate.

(b) The department shall include in its guidance for the preparation of urban water management plans a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems. The department may consider studies and calculations conducted by the Public Utilities Commission in developing the methodology.

(c) The Legislature finds and declares that energy use is only one factor in water supply planning and shall not be considered independently of other factors.

SEC. 30. Section 10631.7 of the Water Code is repealed.

SEC. 31. Section 10632 of the Water Code is repealed.

SEC. 32. Section 10632 is added to the Water Code, to read:

10632. (a) Every urban water supplier shall prepare and adopt a water shortage contingency plan as part of its urban water management plan that consists of each of the following elements:

(1) The analysis of water supply reliability conducted pursuant to Section 10635.

(2) The procedures used in conducting an annual water supply and demand assessment that include, at a minimum, both of the following:

(A) The written decisionmaking process that an urban water supplier will use each year to determine its water supply reliability.

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:

(i) Current year unconstrained demand, considering weather, growth, and other influencing factors, such as policies to manage current supplies to meet demand objectives in future years, as applicable.

(ii) Current year available supply, considering hydrological and regulatory conditions in the current year and one dry year. The annual supply and demand assessment may consider more than one dry year solely at the discretion of the urban water supplier.

(iii) Existing infrastructure capabilities and plausible constraints.

(iv) A defined set of locally applicable evaluation criteria that are consistently relied upon for each annual water supply and demand assessment.

(v) A description and quantification of each source of water supply.

(3) (A) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages and greater than 50 percent shortage. Urban water suppliers shall define these shortage levels based on the suppliers' water supply conditions, including percentage reductions in water supply, changes in groundwater levels, changes in surface elevation or level of subsidence, or other changes in hydrological or other

local conditions indicative of the water supply available for use. Shortage levels shall also apply to catastrophic interruption of water supplies, including, but not limited to, a regional power outage, an earthquake, and other potential emergency events.

(B) An urban water supplier with an existing water shortage contingency plan that uses different water shortage levels may comply with the requirement in subparagraph (A) by developing and including a cross-reference relating its existing categories to the six standard water shortage levels.

(4) Shortage response actions that align with the defined shortage levels and include, at a minimum, all of the following:

(A) Locally appropriate supply augmentation actions.

(B) Locally appropriate demand reduction actions to adequately respond to shortages.

(C) Locally appropriate operational changes.

(D) Additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions.

(E) For each action, an estimate of the extent to which the gap between supplies and demand will be reduced by implementation of the action.

(5) Communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding, at a minimum, all of the following:

(A) Any current or predicted shortages as determined by the annual water supply and demand assessment described pursuant to Section 10632.1.

(B) Any shortage response actions triggered or anticipated to be triggered by the annual water supply and demand assessment described pursuant to Section 10632.1.

(C) Any other relevant communications.

(6) For an urban retail water supplier, customer compliance, enforcement, appeal, and exemption procedures for triggered shortage response actions as determined pursuant to Section 10632.2.

(7) (A) A description of the legal authorities that empower the urban water supplier to implement and enforce its shortage response actions specified in paragraph (4) that may include, but are not limited to, statutory authorities, ordinances, resolutions, and contract provisions.

(B) A statement that an urban water supplier shall declare a water shortage emergency in accordance with Chapter 3 (commencing with Section 350) of Division 1.

(C) A statement that an urban water supplier shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency, as defined in Section 8558 of the Government Code.

(8) A description of the financial consequences of, and responses for, drought conditions, including, but not limited to, all of the following:

(A) A description of potential revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

(9) For an urban retail water supplier, monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

(10) Reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

(b) For purposes of developing the water shortage contingency plan pursuant to subdivision (a), an urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

(c) The urban water supplier shall make available the water shortage contingency plan prepared pursuant to this article to its customers and any city or county within which it provides water supplies no later than 30 days after adoption of the water shortage contingency plan.

SEC. 33. Section 10632.1 is added to the Water Code, to read:

10632.1. An urban water supplier shall conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and, on or before June 1 of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its annual water supply and demand assessment within 14 days of receiving its final allocations, or by June 1 of each year, whichever is later.

SEC. 34. Section 10632.2 is added to the Water Code, to read:

10632.2. An urban water supplier shall follow, where feasible and appropriate, the prescribed procedures and implement determined shortage response actions in its water shortage contingency plan, as identified in subdivision (a) of Section 10632, or reasonable alternative actions, provided that descriptions of the alternative actions are submitted with the annual water shortage assessment report pursuant to Section 10632.1. Nothing in this section prohibits an urban water supplier from taking actions not specified in its water shortage contingency plan, if needed, without having

to formally amend its urban water management plan or water shortage contingency plan.

SEC. 35. Section 10632.3 is added to the Water Code, to read:

10632.3. It is the intent of the Legislature that, upon proclamation by the Governor of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, the board defer to implementation of locally adopted water shortage contingency plans to the extent practicable.

SEC. 36. Section 10635 of the Water Code is amended to read:

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment for its water service to its customers as part of information considered in developing the demand management measures and water supply projects and programs to be included in the urban water management plan. The urban water supplier may conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. The drought risk assessment shall include each of the following:

(1) A description of the data, methodology, and basis for one or more supply shortage conditions that are necessary to conduct a drought risk assessment for a drought period that lasts five consecutive water years, starting from the year following when the assessment is conducted.

(2) A determination of the reliability of each source of supply under a variety of water shortage conditions. This may include a determination that a particular source of water supply is fully reliable under most, if not all, conditions.

(3) A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period.

(4) Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

(c) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(d) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(e) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

SEC. 37. Section 10640 of the Water Code is amended to read:

10640. (a) Every urban water supplier required to prepare a plan pursuant to this part shall prepare its plan pursuant to Article 2 (commencing with Section 10630). The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

(b) Every urban water supplier required to prepare a water shortage contingency plan shall prepare a water shortage contingency plan pursuant to Section 10632. The supplier shall likewise periodically review the water shortage contingency plan as required by paragraph (10) of subdivision (a) of Section 10632 and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

SEC. 38. Section 10641 of the Water Code is amended to read:

10641. An urban water supplier required to prepare a plan or a water shortage contingency plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water demand management methods and techniques.

SEC. 39. Section 10642 of the Water Code is amended to read:

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of both the plan and the water shortage contingency plan. Prior to adopting either, the urban water supplier shall make both the plan and the water shortage contingency plan available for public inspection and shall hold a public hearing or hearings thereon. Prior to any of these hearings, notice of the time and place of the hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The urban water supplier shall provide notice of the time and place of a hearing to any city or county within which the supplier provides water supplies. Notices by a local public agency pursuant to this section shall be provided pursuant to Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code. A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing or hearings, the plan or water shortage contingency plan shall be adopted as prepared or as modified after the hearing or hearings.

SEC. 40. Section 10644 of the Water Code is amended to read:

10644. (a) (1) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

(2) The plan, or amendments to the plan, submitted to the department pursuant to paragraph (1) shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(b) If an urban water supplier revises its water shortage contingency plan, the supplier shall submit to the department a copy of its water shortage contingency plan prepared pursuant to subdivision (a) of Section 10632 no later than 30 days after adoption, in accordance with protocols for submission and using electronic reporting tools developed by the department.

(c) (1) (A) Notwithstanding Section 10231.5 of the Government Code, the department shall prepare and submit to the Legislature, on or before July 1, in the years ending in seven and two, a report summarizing the status of the plans and water shortage contingency plans adopted pursuant to this part. The report prepared by the department shall identify the exemplary elements of the individual plans and water shortage contingency plans. The department shall provide a copy of the report to each urban water supplier that has submitted its plan and water shortage contingency plan to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans and water shortage contingency plans submitted pursuant to this part.

(B) The department shall prepare and submit to the board, on or before September 30 of each year, a report summarizing the submitted water supply and demand assessment results along with appropriate reported water shortage conditions and the regional and statewide analysis of water supply conditions developed by the department. As part of the report, the department shall provide a summary and, as appropriate, urban water supplier specific information regarding various shortage response actions implemented as a result of annual supplier-specific water supply and demand assessments performed pursuant to Section 10632.1.

(C) The department shall submit the report to the Legislature for the 2015 plans by July 1, 2017, and the report to the Legislature for the 2020 plans and water shortage contingency plans by July 1, 2022.

(2) A report to be submitted pursuant to subparagraph (A) of paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(d) The department shall make available to the public the standard the department will use to identify exemplary water demand management measures.

SEC. 41. Section 10645 of the Water Code is amended to read:

10645. (a) Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

(b) Not later than 30 days after filing a copy of its water shortage contingency plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

SEC. 42. Section 10650 of the Water Code is amended to read:

10650. Any actions or proceedings, other than actions by the board, to attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the grounds of noncompliance with this part shall be commenced as follows:

(a) An action or proceeding alleging failure to adopt a plan or a water shortage contingency plan shall be commenced within 18 months after that adoption is required by this part.

(b) Any action or proceeding alleging that a plan or water shortage contingency plan, or action taken pursuant to either, does not comply with this part shall be commenced within 90 days after filing of the plan or water shortage contingency plan or an amendment to either pursuant to Section 10644 or the taking of that action.

SEC. 43. Section 10651 of the Water Code is amended to read:

10651. In any action or proceeding to attack, review, set aside, void, or annul a plan or a water shortage contingency plan, or an action taken pursuant to either by an urban water supplier on the grounds of noncompliance with this part, the inquiry shall extend only to whether there was a prejudicial abuse of discretion. Abuse of discretion is established if the supplier has not proceeded in a manner required by law or if the action by the water supplier is not supported by substantial evidence.

SEC. 44. Section 10653 of the Water Code is amended to read:

10653. The adoption of a plan shall satisfy any requirements of state law, regulation, or order, including those of the board and the Public Utilities Commission, for the preparation of water management plans, water shortage contingency plans, or conservation plans; provided, that if the board or the Public Utilities Commission requires additional information concerning water conservation, drought response measures, or financial conditions to implement its existing authority, nothing in this part shall be deemed to limit the board or the commission in obtaining that information. The requirements of this part shall be satisfied by any urban water demand management plan that complies with analogous federal laws or regulations after the effective date of this part, and which substantially meets the requirements of this part, or by any existing urban water management plan which includes the contents of a plan required under this part.

SEC. 45. Section 10654 of the Water Code is amended to read:

10654. An urban water supplier may recover in its rates the costs incurred in preparing its urban water management plan, its drought risk assessment, its water supply and demand assessment, and its water shortage contingency plan and implementing the reasonable water conservation measures included in either of the plans.

SEC. 46. Section 10656 of the Water Code is amended to read:

10656. An urban water supplier is not eligible for a water grant or loan awarded or administered by the state unless the urban water supplier complies with this part.

SEC. 47. Section 10657 is added to the Water Code, to read:

10657. The department may adopt regulations regarding the definitions of water, water use, and reporting periods, and may adopt any other

regulations deemed necessary or desirable to implement this part. In developing regulations pursuant to this section, the department shall solicit broad public participation from stakeholders and other interested persons.

SEC. 48. This act shall become operative only if Assembly Bill 1668 of the 2017–18 Regular Session is enacted and becomes effective.

O

Assembly Bill No. 1668

CHAPTER 15

An act to amend Sections 531.10, 1120, 10608.12, 10608.20, 10608.48, 10801, 10802, 10814, 10817, 10820, 10825, 10826, 10843, 10845, and 10910 of, to add Sections 1846.5 and 10826.2 to, and to add Chapter 9 (commencing with Section 10609) and Chapter 10 (commencing with Section 10609.40) to Part 2.55 of Division 6 of, the Water Code, relating to water.

[Approved by Governor May 31, 2018. Filed with Secretary of State May 31, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1668, Friedman. Water management planning.

(1) Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified.

This bill would require the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water, as provided, and performance measures for commercial, industrial, and institutional water use on or before June 30, 2022. The bill would require the department, in coordination with the board, to conduct necessary studies and investigations and make recommendations, no later than October 1, 2021, for purposes of these standards and performance measures. The bill would require the department, in coordination with the board, to conduct necessary studies and investigations and would authorize the department and the board to jointly recommend to the Legislature a standard for indoor residential water use. The bill, until January 1, 2025, would establish 55 gallons per capita daily as the standard for indoor residential water use, beginning January 1, 2025, would establish the greater of 52.5 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use, and beginning January 1, 2030, would establish the greater of 50 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use. The bill would impose civil liability for a violation of an order or regulation issued pursuant to these provisions, as specified.

The bill would require the department, in consultation with the board, to propose to the Governor and the Legislature, by January 1, 2020, recommendations and guidance relating to the development and implementation of countywide drought and water shortage contingency plans to address the planning needs of small water suppliers and rural

communities, as provided. The bill would require the department, in consultation with the board and other relevant state and local agencies and stakeholders, to use available data to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability, no later than January 1, 2020, and would require the department to notify counties and groundwater sustainability agencies of those suppliers or communities.

(2) Existing law establishes procedures for reconsideration and amendment of specified decisions and orders of the board. Existing law authorizes any party aggrieved by a specified decision or order of the board to file, not later than 30 days from the date of final board action, a petition for writ of mandate for judicial review of the decision or order.

This bill would apply these procedures to decisions and orders of the board issued pursuant to the provisions described in paragraph (1), including existing provisions and those added by this bill.

(3) Existing law requires an agricultural water supplier to submit an annual report to the department that summarizes aggregated farm-gate delivery data using best professional practices.

This bill would require the annual report for the prior year to be submitted to the department by April 1 of each year, as provided, and to be organized by groundwater basin or subbasin within the service area of the agricultural water supplier, if applicable.

(4) Existing law requires an agricultural water supplier to prepare and adopt an agricultural water management plan with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before December 31 every 5 years thereafter. Existing law requires the agricultural water supplier to submit copies of its plan to specified entities no later than 30 days after the adoption of the plan, and requires the department to prepare and submit to the Legislature, on or before December 31 in the years ending in 6 and one, a report summarizing the status of the plans.

This bill would revise the components of the plan and additionally require a plan to include an annual water budget based on the quantification of all inflow and outflow components for the service area of the agricultural water supplier and a drought plan describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions.

The bill would require an agricultural water supplier to update its agricultural water management plan on or before April 1, 2021, and thereafter on or before April 1 in the years ending in 6 and one. The bill would require an agricultural water supplier to submit its plan to the department no later than 30 days after the adoption of the plan. The bill would require the department to review an agricultural water management plan and notify an agricultural water supplier if the department determines that it is noncompliant, as provided. The bill would authorize the department, if it has not received a plan or determined that the plan submitted is

noncompliant, to contract with certain entities to prepare or complete a plan on behalf of the agricultural water supplier.

The bill would require an agricultural water supplier to submit copies of its plan to specified entities no later than 30 days after the department's review of the plan. The bill would require the department to submit its report summarizing the status of the plans to the Legislature on or before April 30 in the years ending in 7 and 2.

(5) This bill would make its operation contingent on the enactment of SB 606 of the 2017–18 Regular Session.

The people of the State of California do enact as follows:

SECTION 1. Section 531.10 of the Water Code is amended to read:

531.10. (a) (1) An agricultural water supplier shall submit an annual report to the department that summarizes aggregated farm-gate delivery data, on a monthly or bimonthly basis, using best professional practices. The annual report for the prior year shall be submitted to the department by April 1 of each year. The annual report shall be organized by basin, as defined in Section 10721, within the service area of the agricultural water supplier, if applicable.

(2) The report, and any amendments to the report, submitted to the department pursuant to this subdivision shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(3) The department shall post all reports on its Internet Web site in a manner that allows for comparisons across water suppliers. The department shall make the reports available for public viewing in a timely manner after it receives them.

(b) Nothing in this article shall be construed to require the implementation of water measurement programs or practices that are not locally cost effective.

(c) It is the intent of the Legislature that the requirements of this section shall complement and not affect the scope of authority granted to the department or the board by provisions of law other than this article.

SEC. 2. Section 1120 of the Water Code is amended to read:

1120. This chapter applies to any decision or order issued under this part or Section 275, Part 2 (commencing with Section 1200), Part 2 (commencing with Section 10500) of Division 6, Part 2.55 (commencing with Section 10608) of Division 6, or Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, Article 7 (commencing with Section 13550) of Chapter 7 of Division 7, or the public trust doctrine.

SEC. 3. Section 1846.5 is added to the Water Code, to read:

1846.5. (a) An urban retail water supplier who commits any of the violations identified in subdivision (b) may be liable in an amount not to exceed the following, as applicable:

(1) If the violation occurs in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, ten thousand dollars ($10,000) for each day in which the violation occurs.

(2) For all violations other than those described in paragraph (1), one thousand dollars ($1,000) for each day in which the violation occurs.

(b) Liability pursuant to this section may be imposed for any of the following violations:

(1) Violation of an order issued under Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6.

(2) Violation of a regulation issued under Chapter 9 (commencing with Section 10609) of Part 2.55 of Division 6, if the violation occurs after November 1, 2027.

(c) Civil liability may be imposed by the superior court. The Attorney General, upon the request of the board, shall petition the superior court to impose, assess, and recover those sums.

(d) Civil liability may be imposed administratively by the board pursuant to Section 1055.

SEC. 4. Section 10608.12 of the Water Code is amended to read:

10608.12. Unless the context otherwise requires, the following definitions govern the construction of this part:

(a) "Agricultural water supplier" means a water supplier, either publicly or privately owned, providing water to 10,000 or more irrigated acres, excluding recycled water. "Agricultural water supplier" includes a supplier or contractor for water, regardless of the basis of right, that distributes or sells water for ultimate resale to customers. "Agricultural water supplier" does not include the department.

(b) "Base daily per capita water use" means any of the following:

(1) The urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous 10-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(2) For an urban retail water supplier that meets at least 10 percent of its 2008 measured retail water demand through recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, the urban retail water supplier may extend the calculation described in paragraph (1) up to an additional five years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(3) For the purposes of Section 10608.22, the urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

(c) "Baseline commercial, industrial, and institutional water use" means an urban retail water supplier's base daily per capita water use for commercial, industrial, and institutional users.

(d) "CII water use" means water used by commercial water users, industrial water users, institutional water users, and large landscape water users.

(e) "Commercial water user" means a water user that provides or distributes a product or service.

(f) "Compliance daily per capita water use" means the gross water use during the final year of the reporting period, reported in gallons per capita per day.

(g) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(h) "Gross water use" means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, excluding all of the following:

(1) Recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier.

(2) The net volume of water that the urban retail water supplier places into long-term storage.

(3) The volume of water the urban retail water supplier conveys for use by another urban water supplier.

(4) The volume of water delivered for agricultural use, except as otherwise provided in subdivision (f) of Section 10608.24.

(i) "Industrial water user" means a water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development.

(j) "Institutional water user" means a water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

(k) "Interim urban water use target" means the midpoint between the urban retail water supplier's base daily per capita water use and the urban retail water supplier's urban water use target for 2020.

(*l*) "Large landscape" means a nonresidential landscape as described in the performance measures for CII water use adopted pursuant to Section 10609.10.

(m) "Locally cost effective" means that the present value of the local benefits of implementing an agricultural efficiency water management practice is greater than or equal to the present value of the local cost of implementing that measure.

(n) "Performance measures" means actions to be taken by urban retail water suppliers that will result in increased water use efficiency by CII water users. Performance measures may include, but are not limited to, educating CII water users on best management practices, conducting water use audits,

and preparing water management plans. Performance measures do not include process water.

(o) "Potable reuse" means direct potable reuse, indirect potable reuse for groundwater recharge, and reservoir water augmentation as those terms are defined in Section 13561.

(p) "Process water" means water used by industrial water users for producing a product or product content or water used for research and development. Process water includes, but is not limited to, continuous manufacturing processes, and water used for testing, cleaning, and maintaining equipment. Water used to cool machinery or buildings used in the manufacturing process or necessary to maintain product quality or chemical characteristics for product manufacturing or control rooms, data centers, laboratories, clean rooms, and other industrial facility units that are integral to the manufacturing or research and development process is process water. Water used in the manufacturing process that is necessary for complying with local, state, and federal health and safety laws, and is not incidental water, is process water. Process water does not mean incidental water uses.

(q) "Recycled water" means recycled water, as defined in subdivision (n) of Section 13050.

(r) "Regional water resources management" means sources of supply resulting from watershed-based planning for sustainable local water reliability or any of the following alternative sources of water:

(1) The capture and reuse of stormwater or rainwater.

(2) The use of recycled water.

(3) The desalination of brackish groundwater.

(4) The conjunctive use of surface water and groundwater in a manner that is consistent with the safe yield of the groundwater basin.

(s) "Reporting period" means the years for which an urban retail water supplier reports compliance with the urban water use targets.

(t) "Urban retail water supplier" means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

(u) "Urban water use objective" means an estimate of aggregate efficient water use for the previous year based on adopted water use efficiency standards and local service area characteristics for that year, as described in Section 10609.20.

(v) "Urban water use target" means the urban retail water supplier's targeted future daily per capita water use.

(w) "Urban wholesale water supplier," means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

SEC. 5. Section 10608.20 of the Water Code is amended to read:

10608.20. (a) (1) Each urban retail water supplier shall develop urban water use targets and an interim urban water use target by July 1, 2011. Urban retail water suppliers may elect to determine and report progress

toward achieving these targets on an individual or regional basis, as provided in subdivision (a) of Section 10608.28, and may determine the targets on a fiscal year or calendar year basis.

(2) It is the intent of the Legislature that the urban water use targets described in paragraph (1) cumulatively result in a 20-percent reduction from the baseline daily per capita water use by December 31, 2020.

(b) An urban retail water supplier shall adopt one of the following methods for determining its urban water use target pursuant to subdivision (a):

(1) Eighty percent of the urban retail water supplier's baseline per capita daily water use.

(2) The per capita daily water use that is estimated using the sum of the following performance standards:

(A) For indoor residential water use, 55 gallons per capita daily water use as a provisional standard. Upon completion of the department's 2016 report to the Legislature pursuant to Section 10608.42, this standard may be adjusted by the Legislature by statute.

(B) For landscape irrigated through dedicated or residential meters or connections, water efficiency equivalent to the standards of the Model Water Efficient Landscape Ordinance set forth in Chapter 2.7 (commencing with Section 490) of Division 2 of Title 23 of the California Code of Regulations, as in effect the later of the year of the landscape's installation or 1992. An urban retail water supplier using the approach specified in this subparagraph shall use satellite imagery, site visits, or other best available technology to develop an accurate estimate of landscaped areas.

(C) For commercial, industrial, and institutional uses, a 10-percent reduction in water use from the baseline commercial, industrial, and institutional water use by 2020.

(3) Ninety-five percent of the applicable state hydrologic region target, as set forth in the state's draft 20x2020 Water Conservation Plan (dated April 30, 2009). If the service area of an urban water supplier includes more than one hydrologic region, the supplier shall apportion its service area to each region based on population or area.

(4) A method that shall be identified and developed by the department, through a public process, and reported to the Legislature no later than December 31, 2010. The method developed by the department shall identify per capita targets that cumulatively result in a statewide 20-percent reduction in urban daily per capita water use by December 31, 2020. In developing urban daily per capita water use targets, the department shall do all of the following:

(A) Consider climatic differences within the state.

(B) Consider population density differences within the state.

(C) Provide flexibility to communities and regions in meeting the targets.

(D) Consider different levels of per capita water use according to plant water needs in different regions.

(E) Consider different levels of commercial, industrial, and institutional water use in different regions of the state.

(F) Avoid placing an undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low.

(c) If the department adopts a regulation pursuant to paragraph (4) of subdivision (b) that results in a requirement that an urban retail water supplier achieve a reduction in daily per capita water use that is greater than 20 percent by December 31, 2020, an urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may limit its urban water use target to a reduction of not more than 20 percent by December 31, 2020, by adopting the method described in paragraph (1) of subdivision (b).

(d) The department shall update the method described in paragraph (4) of subdivision (b) and report to the Legislature by December 31, 2014. An urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may adopt a new urban daily per capita water use target pursuant to this updated method.

(e) An urban retail water supplier shall include in its urban water management plan due in 2010 pursuant to Part 2.6 (commencing with Section 10610) the baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.

(f) When calculating per capita values for the purposes of this chapter, an urban retail water supplier shall determine population using federal, state, and local population reports and projections.

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).

(h) (1) The department, through a public process and in consultation with the California Urban Water Conservation Council, shall develop technical methodologies and criteria for the consistent implementation of this part, including, but not limited to, both of the following:

(A) Methodologies for calculating base daily per capita water use, baseline commercial, industrial, and institutional water use, compliance daily per capita water use, gross water use, service area population, indoor residential water use, and landscaped area water use.

(B) Criteria for adjustments pursuant to subdivisions (d) and (e) of Section 10608.24.

(2) The department shall post the methodologies and criteria developed pursuant to this subdivision on its Internet Web site, and make written copies available, by October 1, 2010. An urban retail water supplier shall use the methods developed by the department in compliance with this part.

(i) (1) The department shall adopt regulations for implementation of the provisions relating to process water in accordance with Section 10608.12, subdivision (e) of Section 10608.24, and subdivision (d) of Section 10608.26.

(2) The initial adoption of a regulation authorized by this subdivision is deemed to address an emergency, for purposes of Sections 11346.1 and

11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption of an emergency regulation pursuant to this subdivision, the department shall not request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

(j) (1) An urban retail water supplier is granted an extension to July 1, 2011, for adoption of an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) due in 2010 to allow the use of technical methodologies developed by the department pursuant to paragraph (4) of subdivision (b) and subdivision (h). An urban retail water supplier that adopts an urban water management plan due in 2010 that does not use the methodologies developed by the department pursuant to subdivision (h) shall amend the plan by July 1, 2011, to comply with this part.

(2) An urban wholesale water supplier whose urban water management plan prepared pursuant to Part 2.6 (commencing with Section 10610) was due and not submitted in 2010 is granted an extension to July 1, 2011, to permit coordination between an urban wholesale water supplier and urban retail water suppliers.

SEC. 6. Section 10608.48 of the Water Code is amended to read:

10608.48. (a) On or before July 31, 2012, an agricultural water supplier shall implement efficient water management practices pursuant to subdivisions (b) and (c).

(b) Agricultural water suppliers shall implement both of the following critical efficient management practices:

(1) Measure the volume of water delivered to customers with sufficient accuracy to comply with subdivision (a) of Section 531.10 and to implement paragraph (2).

(2) Adopt a pricing structure for water customers based at least in part on quantity delivered.

(c) Agricultural water suppliers shall implement additional efficient management practices, including, but not limited to, practices to accomplish all of the following, if the measures are locally cost effective and technically feasible:

(1) Facilitate alternative land use for lands with exceptionally high water duties or whose irrigation contributes to significant problems, including drainage.

(2) Facilitate use of available recycled water that otherwise would not be used beneficially, meets all health and safety criteria, and does not harm crops or soils.

(3) Facilitate the financing of capital improvements for on-farm irrigation systems.

(4) Implement an incentive pricing structure that promotes one or more of the following goals:

(A) More efficient water use at the farm level.

(B) Conjunctive use of groundwater.

(C) Appropriate increase of groundwater recharge.

(D) Reduction in problem drainage.

(E) Improved management of environmental resources.

(F) Effective management of all water sources throughout the year by adjusting seasonal pricing structures based on current conditions.

(5) Expand line or pipe distribution systems, and construct regulatory reservoirs to increase distribution system flexibility and capacity, decrease maintenance, and reduce seepage.

(6) Increase flexibility in water ordering by, and delivery to, water customers within operational limits.

(7) Construct and operate supplier spill and tailwater recovery systems.

(8) Increase planned conjunctive use of surface water and groundwater within the supplier service area.

(9) Automate canal control structures.

(10) Facilitate or promote customer pump testing and evaluation.

(11) Designate a water conservation coordinator who will develop and implement the water management plan and prepare progress reports.

(12) Provide for the availability of water management services to water users. These services may include, but are not limited to, all of the following:

(A) On-farm irrigation and drainage system evaluations.

(B) Normal year and real-time irrigation scheduling and crop evapotranspiration information.

(C) Surface water, groundwater, and drainage water quantity and quality data.

(D) Agricultural water management educational programs and materials for farmers, staff, and the public.

(13) Evaluate the policies of agencies that provide the supplier with water to identify the potential for institutional changes to allow more flexible water deliveries and storage.

(14) Evaluate and improve the efficiencies of the supplier's pumps.

(d) Agricultural water suppliers shall include in the agricultural water management plans required pursuant to Part 2.8 (commencing with Section 10800) a report on which efficient water management practices have been implemented and are planned to be implemented, an estimate of the water use efficiency improvements that have occurred since the last report, and an estimate of the water use efficiency improvements estimated to occur five and 10 years in the future. If an agricultural water supplier determines that an efficient water management practice is not locally cost effective or technically feasible, the supplier shall submit information documenting that determination.

(e) The department shall require information about the implementation of efficient water management practices to be reported using a standardized form developed pursuant to Section 10608.52.

(f) An agricultural water supplier may meet the requirements of subdivisions (d) and (e) by submitting to the department a water conservation plan submitted to the United States Bureau of Reclamation that meets the requirements described in Section 10828.

(g) On or before December 31, 2013, December 31, 2016, and December 31, 2021, the department, in consultation with the board, shall submit to the Legislature a report on the agricultural efficient water management practices that have been implemented and are planned to be implemented and an assessment of the manner in which the implementation of those efficient water management practices has affected and will affect agricultural operations, including estimated water use efficiency improvements, if any.

(h) The department may update the efficient water management practices required pursuant to subdivision (c), in consultation with the Agricultural Water Management Council, the United States Bureau of Reclamation, and the board. All efficient water management practices for agricultural water use pursuant to this chapter shall be adopted or revised by the department only after the department conducts public hearings to allow participation of the diverse geographical areas and interests of the state.

(i) (1) The department shall adopt regulations that provide for a range of options that agricultural water suppliers may use or implement to comply with the measurement requirement in paragraph (1) of subdivision (b).

(2) The initial adoption of a regulation authorized by this subdivision is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for that purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code. After the initial adoption of an emergency regulation pursuant to this subdivision, the department shall not request approval from the Office of Administrative Law to readopt the regulation as an emergency regulation pursuant to Section 11346.1 of the Government Code.

SEC. 7. Chapter 9 (commencing with Section 10609) is added to Part 2.55 of Division 6 of the Water Code, to read:

CHAPTER 9. URBAN WATER USE OBJECTIVES AND WATER USE REPORTING

10609. (a) The Legislature finds and declares that this chapter establishes a method to estimate the aggregate amount of water that would have been delivered the previous year by an urban retail water supplier if all that water had been used efficiently. This estimated aggregate water use is the urban retail water supplier's urban water use objective. The method is based on water use efficiency standards and local service area characteristics for that year. By comparing the amount of water actually used in the previous year with the urban water use objective, local urban water suppliers will be in a better position to help eliminate unnecessary use of water; that is, water used in excess of that needed to accomplish the intended beneficial use.

(b) The Legislature further finds and declares all of the following:

(1) This chapter establishes standards and practices for the following water uses:

(A) Indoor residential use.

(B) Outdoor residential use.
(C) CII water use.
(D) Water losses.
(E) Other unique local uses and situations that can have a material effect on an urban water supplier's total water use.
(2) This chapter further does all of the following:
(A) Establishes a method to calculate each urban water use objective.
(B) Considers recycled water quality in establishing efficient irrigation standards.
(C) Requires the department to provide or otherwise identify data regarding the unique local conditions to support the calculation of an urban water use objective.
(D) Provides for the use of alternative sources of data if alternative sources are shown to be as accurate as, or more accurate than, the data provided by the department.
(E) Requires annual reporting of the previous year's water use with the urban water use objective.
(F) Provides a bonus incentive for the amount of potable recycled water used the previous year when comparing the previous year's water use with the urban water use objective, of up to 10 percent of the urban water use objective.
(3) This chapter requires the department and the board to solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter.
(4) This chapter preserves the Legislature's authority over long-term water use efficiency target setting and ensures appropriate legislative oversight of the implementation of this chapter by doing all of the following:
(A) Requiring the Legislative Analyst to conduct a review of the implementation of this act, including compliance with the adopted standards and regulations, accuracy of the data, use of alternate data, and other issues the Legislative Analyst deems appropriate.
(B) Stating legislative intent that the director of the department and the chairperson of the board appear before the appropriate Senate and Assembly policy committees to report on progress in implementing this chapter.
(C) Providing one-time-only authority to the department and board to adopt water use efficiency standards, except as explicitly provided in this chapter. Authorization to update the standards shall require separate legislation.
(c) It is the intent of the Legislature that the following principles apply to the development and implementation of long-term standards and urban water use objectives:
(1) Local urban retail water suppliers should have primary responsibility for meeting standards-based water use targets, and they shall retain the flexibility to develop their water supply portfolios, design and implement water conservation strategies, educate their customers, and enforce their rules.

(2) Long-term standards and urban water use objectives should advance the state's goals to mitigate and adapt to climate change.

(3) Long-term standards and urban water use objectives should acknowledge the shade, air quality, and heat-island reduction benefits provided to communities by trees through the support of water-efficient irrigation practices that keep trees healthy.

(4) The state should identify opportunities for streamlined reporting, eliminate redundant data submissions, and incentivize open access to data collected by urban and agricultural water suppliers.

10609.2. (a) The board, in coordination with the department, shall adopt long-term standards for the efficient use of water pursuant to this chapter on or before June 30, 2022.

(b) Standards shall be adopted for all of the following:

(1) Outdoor residential water use.

(2) Outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use.

(3) A volume for water loss.

(c) When adopting the standards under this section, the board shall consider the policies of this chapter and the proposed efficiency standards' effects on local wastewater management, developed and natural parklands, and urban tree health. The standards and potential effects shall be identified by May 30, 2022. The board shall allow for public comment on potential effects identified by the board under this subdivision.

(d) The long-term standards shall be set at a level designed so that the water use objectives, together with other demands excluded from the long-term standards such as CII indoor water use and CII outdoor water use not connected to a dedicated landscape meter, would exceed the statewide conservation targets required pursuant to Chapter 3 (commencing with Section 10608.16).

(e) The board, in coordination with the department, shall adopt by regulation variances recommended by the department pursuant to Section 10609.14 and guidelines and methodologies pertaining to the calculation of an urban retail water supplier's urban water use objective recommended by the department pursuant to Section 10609.16.

10609.4. (a) (1) Until January 1, 2025, the standard for indoor residential water use shall be 55 gallons per capita daily.

(2) Beginning January 1, 2025, and until January 1, 2030, the standard for indoor residential water use shall be the greater of 52.5 gallons per capita daily or a standard recommended pursuant to subdivision (b).

(3) Beginning January 1, 2030, the standard for indoor residential water use shall be the greater of 50 gallons per capita daily or a standard recommended pursuant to subdivision (b).

(b) (1) The department, in coordination with the board, shall conduct necessary studies and investigations and may jointly recommend to the Legislature a standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the standard described in subdivision (a). A report on the results of the

studies and investigations shall be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2021, and shall include information necessary to support the recommended standard, if there is one. The studies and investigations shall also include an analysis of the benefits and impacts of how the changing standard for indoor residential water use will impact water and wastewater management, including potable water usage, wastewater, recycling and reuse systems, infrastructure, operations, and supplies.

(2) The studies, investigations, and report described in paragraph (1) shall include collaboration with, and input from, a broad group of stakeholders, including, but not limited to, environmental groups, experts in indoor plumbing, and water, wastewater, and recycled water agencies.

10609.6. (a) (1) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, standards for outdoor residential use for adoption by the board in accordance with this chapter.

(2) (A) The standards shall incorporate the principles of the model water efficient landscape ordinance adopted by the department pursuant to the Water Conservation in Landscaping Act (Article 10.8 (commencing with Section 65591) of Chapter 3 of Division 1 of Title 7 of the Government Code).

(B) The standards shall apply to irrigable lands.

(C) The standards shall include provisions for swimming pools, spas, and other water features. Ornamental water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, shall be analyzed separately from swimming pools and spas.

(b) The department shall, by January 1, 2021, provide each urban retail water supplier with data regarding the area of residential irrigable lands in a manner that can reasonably be applied to the standards adopted pursuant to this section.

(c) The department shall not recommend standards pursuant to this section until it has conducted pilot projects or studies, or some combination of the two, to ensure that the data provided to local agencies are reasonably accurate for the data's intended uses, taking into consideration California's diverse landscapes and community characteristics.

10609.8. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, standards for outdoor irrigation of landscape areas with dedicated irrigation meters or other means of calculating outdoor irrigation use in connection with CII water use for adoption by the board in accordance with this chapter.

(b) The standards shall incorporate the principles of the model water efficient landscape ordinance adopted by the department pursuant to the Water Conservation in Landscaping Act (Article 10.8 (commencing with Section 65591) of Chapter 3 of Division 1 of Title 7 of the Government Code).

(c) The standards shall include an exclusion for water for commercial agricultural use meeting the definition of subdivision (b) of Section 51201 of the Government Code.

10609.9. For purposes of Sections 10609.6 and 10609.8, "principles of the model water efficient landscape ordinance" means those provisions of the model water efficient landscape ordinance applicable to the establishment or determination of the amount of water necessary to efficiently irrigate both new and existing landscapes. These provisions include, but are not limited to, all of the following:

(a) Evapotranspiration adjustment factors, as applicable.

(b) Landscape area.

(c) Maximum applied water allowance.

(d) Reference evapotranspiration.

(e) Special landscape areas, including provisions governing evapotranspiration adjustment factors for different types of water used for irrigating the landscape.

10609.10. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, performance measures for CII water use for adoption by the board in accordance with this chapter.

(b) Prior to recommending performance measures for CII water use, the department shall solicit broad public participation from stakeholders and other interested persons relating to all of the following:

(1) Recommendations for a CII water use classification system for California that address significant uses of water.

(2) Recommendations for setting minimum size thresholds for converting mixed CII meters to dedicated irrigation meters, and evaluation of, and recommendations for, technologies that could be used in lieu of requiring dedicated irrigation meters.

(3) Recommendations for CII water use best management practices, which may include, but are not limited to, water audits and water management plans for those CII customers that exceed a recommended size, volume of water use, or other threshold.

(c) Recommendations of appropriate performance measures for CII water use shall be consistent with the October 21, 2013, report to the Legislature by the Commercial, Industrial, and Institutional Task Force entitled "Water Use Best Management Practices," including the technical and financial feasibility recommendations provided in that report, and shall support the economic productivity of California's commercial, industrial, and institutional sectors.

(d) (1) The board, in coordination with the department, shall adopt performance measures for CII water use on or before June 30, 2022.

(2) Each urban retail water supplier shall implement the performance measures adopted by the board pursuant to paragraph (1).

10609.12. The standards for water loss for urban retail water suppliers shall be the standards adopted by the board pursuant to subdivision (i) of Section 10608.34.

10609.14. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and, no later than October 1, 2021, recommend for adoption by the board in accordance with this chapter appropriate variances for unique uses that can have a material effect on an urban retail water supplier's urban water use objective.

(b) Appropriate variances may include, but are not limited to, allowances for the following:

(1) Significant use of evaporative coolers.

(2) Significant populations of horses and other livestock.

(3) Significant fluctuations in seasonal populations.

(4) Significant landscaped areas irrigated with recycled water having high levels of total dissolved solids.

(5) Significant use of water for soil compaction and dust control.

(6) Significant use of water to supplement ponds and lakes to sustain wildlife.

(7) Significant use of water to irrigate vegetation for fire protection.

(8) Significant use of water for commercial or noncommercial agricultural use.

(c) The department, in recommending variances for adoption by the board, shall also recommend a threshold of significance for each recommended variance.

(d) Before including any specific variance in calculating an urban retail water supplier's water use objective, the urban retail water supplier shall request and receive approval by the board for the inclusion of that variance.

(e) The board shall post on its Internet Web site all of the following:

(1) A list of all urban retail water suppliers with approved variances.

(2) The specific variance or variances approved for each urban retail water supplier.

(3) The data supporting approval of each variance.

10609.15. To help streamline water data reporting, the department and the board shall do all of the following:

(a) Identify urban water reporting requirements shared by both agencies, and post on each agency's Internet Web site how the data is used for planning, regulatory, or other purposes.

(b) Analyze opportunities for more efficient publication of urban water reporting requirements within each agency, and analyze how each agency can integrate various data sets in a publicly accessible location, identify priority actions, and implement priority actions identified in the analysis.

(c) Make appropriate data pertaining to the urban water reporting requirements that are collected by either agency available to the public according to the principles and requirements of the Open and Transparent Water Data Act (Part 4.9 (commencing with Section 12400)).

10609.16. The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, guidelines and methodologies for the board to adopt that identify how an urban retail water supplier calculates its urban water use objective.

The guidelines and methodologies shall address, as necessary, all of the following:

(a) Determining the irrigable lands within the urban retail water supplier's service area.

(b) Updating and revising methodologies described pursuant to subparagraph (A) of paragraph (1) of subdivision (h) of Section 10608.20, as appropriate, including methodologies for calculating the population in an urban retail water supplier's service area.

(c) Using landscape area data provided by the department or alternative data.

(d) Incorporating precipitation data and climate data into estimates of a urban retail water supplier's outdoor irrigation budget for its urban water use objective.

(e) Estimating changes in outdoor landscape area and population, and calculating the urban water use objective, for years when updated landscape imagery is not available from the department.

(f) Determining acceptable levels of accuracy for the supporting data, the urban water use objective, and compliance with the urban water use objective.

10609.18. The department and the board shall solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter. The board shall hold at least one public meeting before taking any action on any standard or variance recommended by the department.

SEC. 8. Chapter 10 (commencing with Section 10609.40) is added to Part 2.55 of Division 6 of the Water Code, to read:

CHAPTER 10. COUNTYWIDE DROUGHT AND WATER SHORTAGE CONTINGENCY PLANS

10609.40. The Legislature finds and declares both of the following:

(a) Small water suppliers and rural communities are often not covered by established water shortage planning requirements. Currently, most counties do not address water shortages or do so minimally in their general plan or the local hazard mitigation plan.

(b) The state should provide guidance to improve drought planning for small water suppliers and rural communities.

10609.42. (a) No later than January 1, 2020, the department, in consultation with the board and other relevant state and local agencies and stakeholders, shall use available data to identify small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability. The department shall notify counties and groundwater sustainability agencies of those suppliers or communities that may be at risk within its jurisdiction, and may make the information publicly accessible on its Internet Web site.

(b) The department shall, in consultation with the board, by January 1, 2020, propose to the Governor and the Legislature recommendations and guidance relating to the development and implementation of countywide drought and water shortage contingency plans to address the planning needs of small water suppliers and rural communities. The department shall recommend how these plans can be included in county local hazard mitigation plans or otherwise integrated with complementary existing planning processes. The guidance from the department shall outline goals of the countywide drought and water shortage contingency plans and recommend components including, but not limited to, all of the following:

(1) Assessment of drought vulnerability.

(2) Actions to reduce drought vulnerability.

(3) Response, financing, and local communication and outreach planning efforts that may be implemented in times of drought.

(4) Data needs and reporting.

(5) Roles and responsibilities of interested parties and coordination with other relevant water management planning efforts.

(c) In formulating the proposal, the department shall utilize a public process involving state agencies, cities, counties, small communities, small water suppliers, and other stakeholders.

SEC. 9. Section 10801 of the Water Code is amended to read:

10801. The Legislature finds and declares all of the following:

(a) The waters of the state are a limited and renewable resource.

(b) The California Constitution requires that water in the state be used in a reasonable and beneficial manner.

(c) The efficient use of agricultural water supplies is of great statewide concern.

(d) There is a great amount of reuse of delivered water, both inside and outside the water service areas of agricultural water suppliers.

(e) Significant noncrop beneficial uses are associated with agricultural water use, including the preservation and enhancement of fish and wildlife resources.

(f) Significant opportunities exist in some areas, through improved irrigation water management, to conserve water or to reduce the quantity of highly saline or toxic drainage water.

(g) Changes in water management practices should be carefully planned and implemented to minimize adverse effects on other beneficial uses currently being served.

(h) Agricultural water suppliers that receive water from the federal Central Valley Project are required by federal law to prepare and implement water conservation plans.

(i) Agricultural water users applying for a permit to appropriate water from the board are required to prepare and implement water conservation plans.

SEC. 10. Section 10802 of the Water Code is amended to read:

10802. The Legislature finds and declares that all of the following are the policies of the state:

(a) The efficient use of water shall be pursued actively to protect both the people of the state and the state's water resources.

(b) The efficient use of agricultural water supplies shall be an important criterion in public decisions with regard to water.

(c) Agricultural water suppliers shall be required to prepare water management plans to achieve greater efficiency in the use of water.

SEC. 11. Section 10814 of the Water Code is amended to read:

10814. "Person" has the same meaning as defined in Section 10614.

SEC. 12. Section 10817 of the Water Code is amended to read:

10817. "Water use efficiency" means the efficient management of water resources for beneficial uses, preventing waste, or accomplishing additional benefits with the same amount of water.

SEC. 13. Section 10820 of the Water Code is amended to read:

10820. (a) (1) Except as provided in paragraph (2), an agricultural water supplier shall prepare and adopt an agricultural water management plan in the manner set forth in this chapter on or before December 31, 2012, and shall update that plan on December 31, 2015.

(2) (A) The agricultural water management plan shall be updated on or before April 1, 2021, and thereafter on or before April 1 in the years ending in six and one. The plan shall satisfy the requirements of Section 10826.

(B) An agricultural water supplier shall submit its plan to the department no later than 30 days after the adoption of the plan. The plan shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(b) (1) The department shall review each plan that is due pursuant to paragraph (2) of subdivision (a). The department may coordinate its review with the Department of Food and Agriculture and the board.

(2) The department shall notify an agricultural water supplier that it is not in compliance with this part if the department determines that actions are required to comply with the requirements of this part or if a supplier fails to update a plan as provided in paragraph (2) of subdivision (a). The department shall identify the specific deficiencies and the supplier shall have 120 days to remedy an identified deficiency. The department may provide additional time to remedy a deficiency if it finds that a supplier is making substantial progress toward remedying the deficiency. An agricultural water supplier that fails to submit corrective actions or a completed plan shall not be in compliance with this part.

(3) If the department has not received a plan or the department has determined that the plan submitted does not comply with the requirements of this part, and a revised plan has not been submitted, the department may undertake the following actions:

(A) Contract with a state academic institution or qualified entity to prepare or complete an agricultural water management plan on behalf of the supplier. The costs and expenses related to preparation or completion of a plan, including the costs of the contract and contract administration, shall be recoverable by the department from the supplier.

(B) If a supplier does not provide data necessary for the preparation or completion of a plan to the department or the contracting entity as determined by the department in accordance with subparagraph (A), the department may assess a fine of one thousand dollars ($1,000) per day, not to exceed twenty-five thousand dollars ($25,000), until data is made available.

(4) (A) A plan prepared or completed pursuant to paragraph (3) shall be deemed the adopted plan for the supplier.

(B) Any action to challenge or invalidate the adequacy of the plan prepared or completed pursuant to paragraph (3) shall be brought against the supplier for whom the plan was prepared.

(c) Every supplier that becomes an agricultural water supplier after December 31, 2012, shall prepare and adopt an agricultural water management plan within one year after the date it has become an agricultural water supplier.

(d) A water supplier that indirectly provides water to customers for agricultural purposes shall not prepare a plan pursuant to this part without the consent of each agricultural water supplier that directly provides that water to its customers.

SEC. 14. Section 10825 of the Water Code is amended to read:

10825. (a) It is the intent of the Legislature in enacting this part to allow levels of water management planning commensurate with the numbers of customers served and the volume of water supplied.

(b) This part does not require the implementation of water use efficiency programs or practices that are not locally cost effective.

SEC. 15. Section 10826 of the Water Code is amended to read:

10826. An agricultural water management plan shall be adopted in accordance with this chapter. The plan shall do all of the following:

(a) Describe the agricultural water supplier and the service area, including all of the following:

(1) Size of the service area.

(2) Location of the service area and its water management facilities.

(3) Terrain and soils.

(4) Climate.

(5) Operating rules and regulations.

(6) Water delivery measurements or calculations.

(7) Water rate schedules and billing.

(8) Water shortage allocation policies.

(b) Describe the quantity and quality of water resources of the agricultural water supplier, including all of the following:

(1) Surface water supply.

(2) Groundwater supply.

(3) Other water supplies, including recycled water.

(4) Source water quality monitoring practices.

(5) Water uses within the agricultural water supplier's service area, including all of the following:

(A) Agricultural.

(B) Environmental.

(C) Recreational.

(D) Municipal and industrial.

(E) Groundwater recharge, including estimated flows from deep percolation from irrigation and seepage.

(c) Include an annual water budget based on the quantification of all inflow and outflow components for the service area of the agricultural water supplier. Components of inflow shall include surface inflow, groundwater pumping in the service area, and effective precipitation. Components of outflow shall include surface outflow, deep percolation, and evapotranspiration. An agricultural water supplier shall report the annual water budget on a water-year basis. The department shall provide tools and resources to assist agricultural water suppliers in developing and quantifying components necessary to develop a water budget.

(d) Include an analysis, based on available information, of the effect of climate change on future water supplies.

(e) Describe previous water management activities.

(f) Identify water management objectives based on the water budget to improve water system efficiency or to meet other water management objectives. The agricultural water supplier shall identify, prioritize, and implement actions to reduce water loss, improve water system management, and meet other water management objectives identified in the plan.

(g) Include in the plan information regarding efficient water management practices required pursuant to Section 10608.48.

(h) Quantify the efficiency of agricultural water use within the service area of the agricultural water supplier using the appropriate method or methods from among the four water use efficiency quantification methods developed by the department in the May 8, 2012, report to the Legislature entitled "A Proposed Methodology for Quantifying the Efficiency of Agricultural Water Use." The agricultural water supplier shall account for all water uses, including crop water use, agronomic water use, environmental water use, and recoverable surface flows.

SEC. 16. Section 10826.2 is added to the Water Code, to read:

10826.2. As part of its agricultural water management plan, each agricultural water supplier shall develop a drought plan for periods of limited water supply describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions. The drought plan shall contain both of the following:

(a) Resilience planning, including all of the following:

(1) Data, indicators, and information needed to determine the water supply availability and levels of drought severity.

(2) Analyses and identification of potential vulnerability to drought.

(3) A description of the opportunities and constraints for improving drought resilience planning, including all of the following:

(A) The availability of new technology or information.

(B) The ability of the agricultural water supplier to obtain or use additional water supplies during drought conditions.

(C) A description of other actions planned for implementation to improve drought resilience.

(b) Drought response planning, including all of the following:

(1) Policies and a process for declaring a water shortage and for implementing water shortage allocations and related response actions.

(2) Methods and procedures for the enforcement or appeal of, or exemption from, triggered shortage response actions.

(3) Methods and procedures for monitoring and evaluation of the effectiveness of the drought plan.

(4) Communication protocols and procedures to inform and coordinate customers, the public, interested parties, and local, regional, and state government.

(5) A description of the potential impacts on the revenues, financial condition, and planned expenditures of the agricultural water supplier during drought conditions that reduce water allocations, and proposed measures to overcome those impacts, including reserve-level policies.

SEC. 17. Section 10843 of the Water Code is amended to read:

10843. (a) An agricultural water supplier shall submit to the entities identified in subdivision (b) a copy of its plan no later than 30 days after review of the plan pursuant to subdivision (b) of Section 10820.

(b) An agricultural water supplier shall submit a copy of its plan to each of the following entities:

(1) The department.

(2) Any city, county, or city and county within which the agricultural water supplier provides water supplies.

(3) Any groundwater management entity within which jurisdiction the agricultural water supplier extracts or provides water supplies.

(4) The California State Library.

SEC. 18. Section 10845 of the Water Code is amended to read:

10845. (a) The department shall prepare and submit to the Legislature, on or before April 30, 2022, and thereafter in the years ending in seven and years ending in two, a report summarizing the status of the plans adopted pursuant to this part.

(b) The report prepared by the department shall identify the outstanding elements of any plan adopted pursuant to this part. The report shall include an evaluation of the effectiveness of this part in promoting efficient agricultural water management practices and recommendations relating to proposed changes to this part, as appropriate.

(c) The department shall provide a copy of the report to each agricultural water supplier that has submitted its plan to the department. The department shall also prepare reports and provide data for any legislative hearing designed to consider the effectiveness of plans submitted pursuant to this part.

(d) This section does not authorize the department, in preparing the report, to approve, disapprove, or critique individual plans submitted pursuant to this part.

SEC. 19. Section 10910 of the Water Code is amended to read:

10910. (a) Any city or county that determines that a project, as defined in Section 10912, is subject to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) under Section 21080 of the Public Resources Code shall comply with this part.

(b) The city or county, at the time that it determines whether an environmental impact report, a negative declaration, or a mitigated negative declaration is required for any project subject to the California Environmental Quality Act pursuant to Section 21080.1 of the Public Resources Code, shall identify any water system whose service area includes the project site and any water system adjacent to the project site that is, or may become as a result of supplying water to the project identified pursuant to this subdivision, a public water system, as defined in Section 10912, that may supply water for the project. If the city or county is not able to identify any public water system that may supply water for the project, the city or county shall prepare the water assessment required by this part after consulting with any entity serving domestic water supplies whose service area includes the project site, the local agency formation commission, and any public water system adjacent to the project site.

(c) (1) The city or county, at the time it makes the determination required under Section 21080.1 of the Public Resources Code, shall request each public water system identified pursuant to subdivision (b) to determine whether the projected water demand associated with a proposed project was included as part of the most recently adopted urban water management plan adopted pursuant to Part 2.6 (commencing with Section 10610).

(2) If the projected water demand associated with the proposed project was accounted for in the most recently adopted urban water management plan, the public water system may incorporate the requested information from the urban water management plan in preparing the elements of the assessment required to comply with subdivisions (d), (e), (f), and (g).

(3) If the projected water demand associated with the proposed project was not accounted for in the most recently adopted urban water management plan, or the public water system has no urban water management plan, the water supply assessment for the project shall include a discussion with regard to whether the public water system's total projected water supplies available during normal, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed project, in addition to the public water system's existing and planned future uses, including agricultural and manufacturing uses.

(4) If the city or county is required to comply with this part pursuant to subdivision (b), the water supply assessment for the project shall include a discussion with regard to whether the total projected water supplies, determined to be available by the city or county for the project during normal, single dry, and multiple dry water years during a 20-year projection, will meet the projected water demand associated with the proposed project, in addition to existing and planned future uses, including agricultural and manufacturing uses.

(d) (1) The assessment required by this section shall include an identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project, and a description of the quantities of water received in prior years by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), under the existing water supply entitlements, water rights, or water service contracts.

(2) An identification of existing water supply entitlements, water rights, or water service contracts held by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), shall be demonstrated by providing information related to all of the following:

(A) Written contracts or other proof of entitlement to an identified water supply.

(B) Copies of a capital outlay program for financing the delivery of a water supply that has been adopted by the public water system.

(C) Federal, state, and local permits for construction of necessary infrastructure associated with delivering the water supply.

(D) Any necessary regulatory approvals that are required in order to be able to convey or deliver the water supply.

(e) If no water has been received in prior years by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), under the existing water supply entitlements, water rights, or water service contracts, the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), shall also include in its water supply assessment pursuant to subdivision (c), an identification of the other public water systems or water service contractholders that receive a water supply or have existing water supply entitlements, water rights, or water service contracts, to the same source of water as the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has identified as a source of water supply within its water supply assessments.

(f) If a water supply for a proposed project includes groundwater, the following additional information shall be included in the water supply assessment:

(1) A review of any information contained in the urban water management plan relevant to the identified water supply for the proposed project.

(2) (A) A description of any groundwater basin or basins from which the proposed project will be supplied.

(B) For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has the legal right to pump under the order or decree.

(C) For a basin that has not been adjudicated that is a basin designated as high- or medium-priority pursuant to Section 10722.4, information regarding the following:

(i) Whether the department has identified the basin as being subject to critical conditions of overdraft pursuant to Section 12924.

(ii) If a groundwater sustainability agency has adopted a groundwater sustainability plan or has an approved alternative, a copy of that alternative or plan.

(D) For a basin that has not been adjudicated that is a basin designated as low- or very low priority pursuant to Section 10722.4, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current bulletin of the department that characterizes the condition of the groundwater basin, and a detailed description by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), of the efforts being undertaken in the basin or basins to eliminate the long-term overdraft condition.

(3) A detailed description and analysis of the amount and location of groundwater pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), for the past five years from any groundwater basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), from any basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(5) An analysis of the sufficiency of the groundwater from the basin or basins from which the proposed project will be supplied to meet the projected water demand associated with the proposed project. A water supply assessment shall not be required to include the information required by this paragraph if the public water system determines, as part of the review required by paragraph (1), that the sufficiency of groundwater necessary to meet the initial and projected water demand associated with the project was addressed in the description and analysis required by subparagraph (D) of paragraph (4) of subdivision (b) of Section 10631.

(g) (1) Subject to paragraph (2), the governing body of each public water system shall submit the assessment to the city or county not later than 90 days from the date on which the request was received. The governing body of each public water system, or the city or county if either is required to comply with this act pursuant to subdivision (b), shall approve the assessment prepared pursuant to this section at a regular or special meeting.

(2) Prior to the expiration of the 90-day period, if the public water system intends to request an extension of time to prepare and adopt the assessment, the public water system shall meet with the city or county to request an extension of time, which shall not exceed 30 days, to prepare and adopt the assessment.

(3) If the public water system fails to request an extension of time, or fails to submit the assessment notwithstanding the extension of time granted pursuant to paragraph (2), the city or county may seek a writ of mandamus to compel the governing body of the public water system to comply with the requirements of this part relating to the submission of the water supply assessment.

(h) Notwithstanding any other provision of this part, if a project has been the subject of a water supply assessment that complies with the requirements of this part, no additional water supply assessment shall be required for subsequent projects that were part of a larger project for which a water supply assessment was completed and that has complied with the requirements of this part and for which the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has concluded that its water supplies are sufficient to meet the projected water demand associated with the proposed project, in addition to the existing and planned future uses, including, but not limited to, agricultural and industrial uses, unless one or more of the following changes occurs:

(1) Changes in the project that result in a substantial increase in water demand for the project.

(2) Changes in the circumstances or conditions substantially affecting the ability of the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), to provide a sufficient supply of water for the project.

(3) Significant new information becomes available that was not known and could not have been known at the time when the assessment was prepared.

(i) For the purposes of this section, hauled water is not considered as a source of water.

SEC. 20. This act shall become operative only if Senate Bill 606 of the 2017–18 Regular Session is enacted and becomes effective.

O

Strategic Planning

Yucaipa Valley Water District

Operational Updates

Yucaipa Valley Water District

Yucaipa Valley Water District

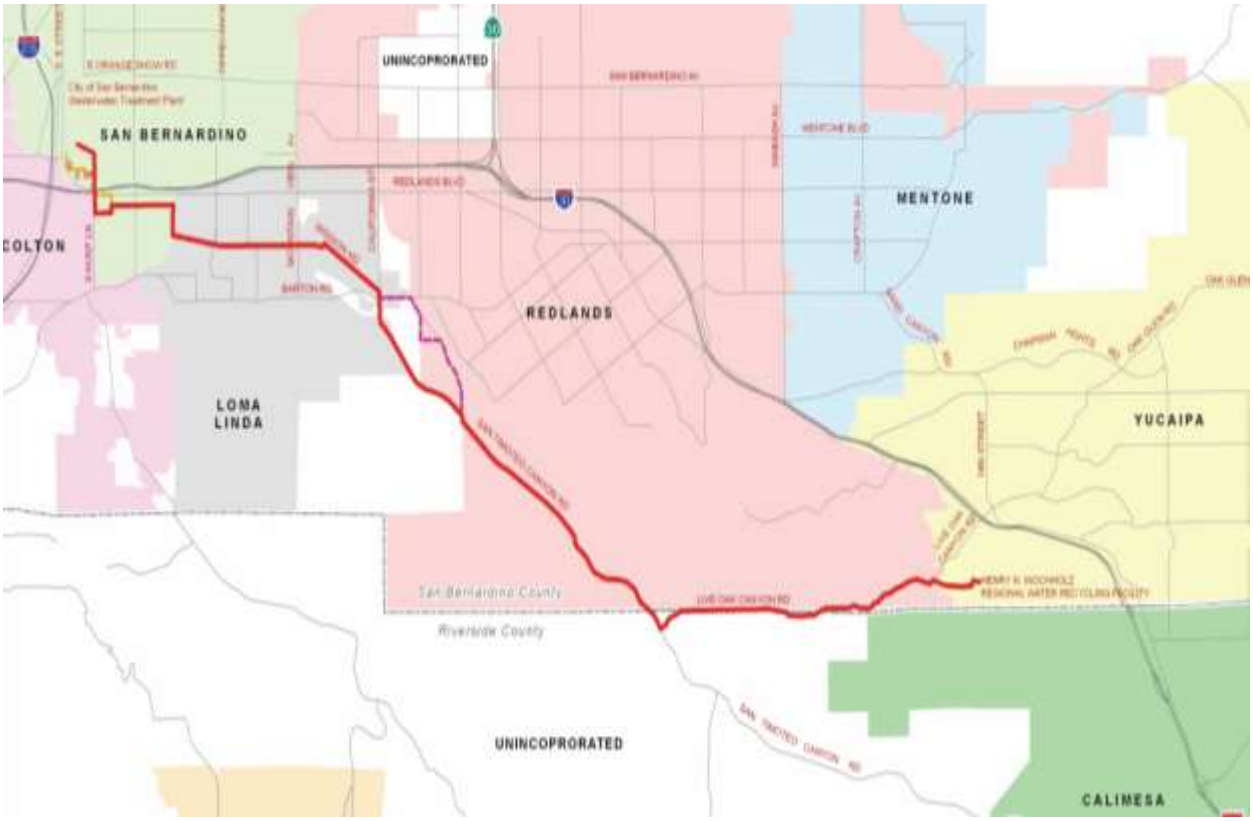
Workshop Memorandum 18-154

Date: June 12, 2018

From: Joseph Zoba, General Manager

Subject: Discussion Regarding a Draft Agreement to Purchase Inland Empire Brine Line Capacity from the San Bernardino Valley Municipal Water District

In 2013, the Yucaipa Valley Water District completed the construction of the Yucaipa Valley Regional Brineline which extends the Inland Empire Brineline from San Bernardino to the Wochholz Regional Water Recycling Facility.



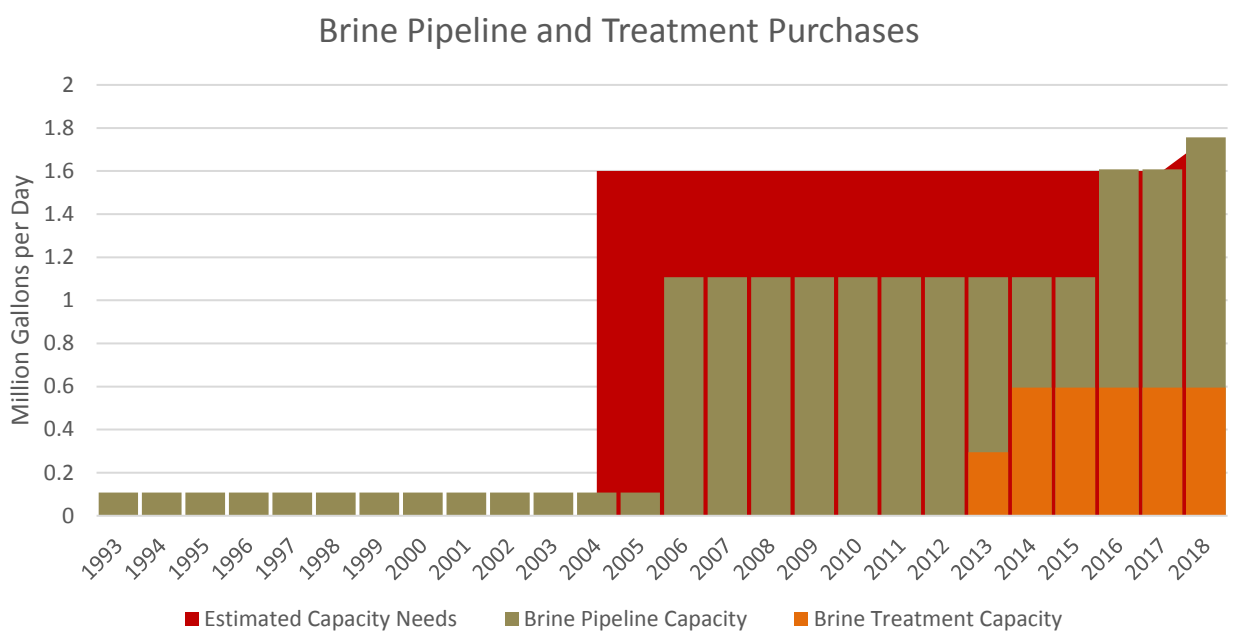
The Yucaipa Valley Regional Brineline is a critical component of the reverse osmosis treatment process at the Wochholz Regional Water Recycling Facility. The brineline is needed to comply with the water quality objectives set by the Santa Ana Regional Water Quality Control Board for the use of recycled water in Yucaipa and Calimesa. The reverse osmosis treatment process enables the District to remove salts and minerals from the recycled water supply which results in an exceptionally pure quality recycled water source. The non-reclaimable waste produced from the reverse osmosis system, referred to as brine or reverse osmosis concentrate, must be conveyed in a pipeline to lower portions of the Santa Ana Watershed for treatment so it does not degrade fresh water resources throughout the watershed.

Yucaipa Valley Regional Water Supply Renewal Project

In order to utilize the Inland Empire Brineline, the project partners need to purchase and maintain ownership of two primary components: pipeline capacity and treatment capacity. Sufficient pipeline capacity is needed to convey the brine solution through the Inland Empire Brineline shown in purple above. Sufficient treatment capacity is also required to provide treatment to the brine solution in treatment facilities owned and operated by the Orange County Sanitation District.

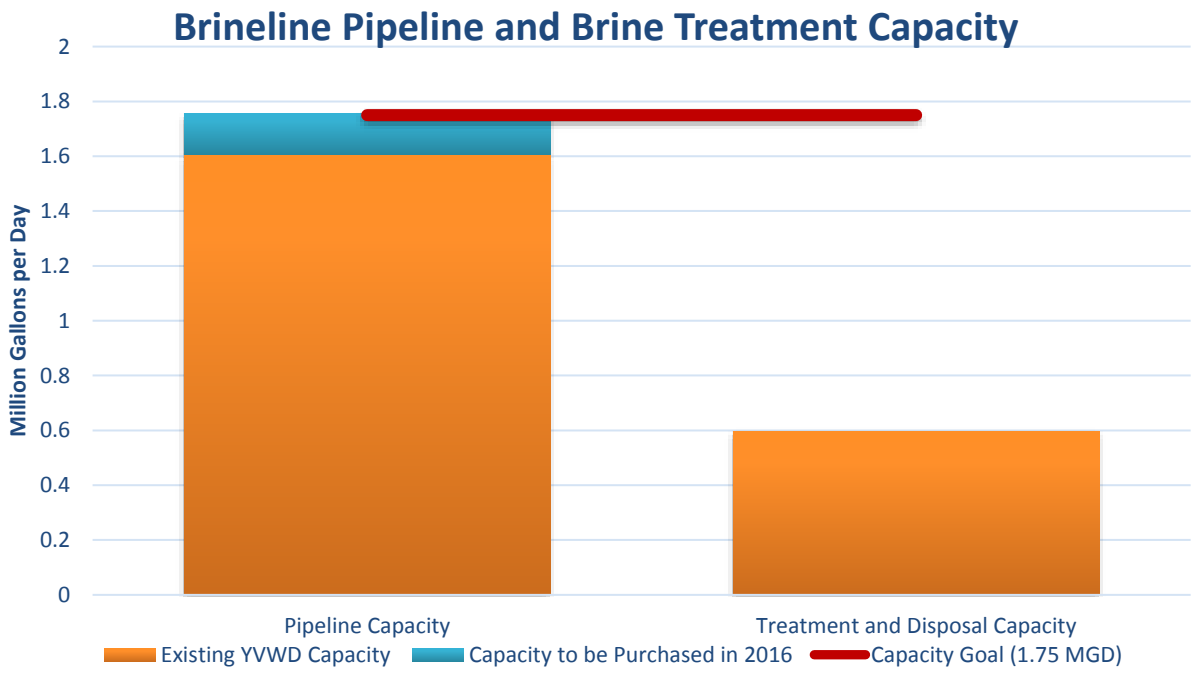
In 1993 the District purchased an original quantity of 0.108 million gallons per day of brineline pipeline capacity. A second purchase of pipeline capacity was secured in 2006 providing an additional 1.0 million gallons per day for a total of 1.108 million gallons per day of brineline pipeline capacity in the Inland Empire Brineline. A third purchase of pipeline capacity was secured in 2016 with the purchase of 0.5 million gallons per day for a total of 1.608 million gallons per day of brineline pipeline capacity representing the current amount of brine pipeline capacity owned by the District.

In 2013, the Yucaipa Valley Water District purchased 0.295 million gallons per day of treatment and disposal capacity in the Orange County Sanitation District's facilities, and in 2016 the District purchased an additional 0.300 million gallons per day of treatment and disposal capacity. The District currently owns 0.595 million gallons per day of treatment capacity with the Orange County Sanitation District.



With the recent strategic planning concepts completed by the Board of Directors, the District staff recommends adjusting our ultimate brine disposal needs from 1.6 million gallons per day of both brineline pipeline and brine treatment/disposal capacity to 1.75 million gallons per day of capacity of pipeline and treatment capacity.

At a recent meeting with the San Bernardino Valley Municipal Water District, the District staff was informed of the availability of 148,000 of brine pipeline capacity currently held by the San Bernardino Valley Municipal Water District. The District staff drafted and presented the attached purchase agreement to the Valley District staff for their review and consideration.



Funds for this purchase are provided by the Wastewater Division Infrastructure Reserves (Fund 03-10311) and will be replenished by future development from Facility Capacity Charge Salt Mitigation Facilities (Fund 03-10418).

Agreement for Yucaipa Valley Water District

to Purchase Inland Empire Brine Line Pipeline Capacity from

the San Bernardino Valley Municipal Water District

This Purchase Agreement ("Purchase Agreement") is made this __th day of June 2018 ("Effective Date"), by and between San Bernardino Valley Municipal Water District, a municipal water district ("Valley District"), and the Yucaipa Valley Water District ("YVWD"), a county water district. Valley District and YVWD are sometimes collectively referred to as the "Parties" and individually as "Party."

RECITALS

A. On June 22, 1993, Valley District and Santa Ana Watershed Project Authority ("SAWPA") entered into that certain SARI Capacity Agreement ("SAWPA Agreement"), which is hereby incorporated by reference, granting Valley District the right to acquire a certain amount of pipeline capacity use right and treatment and disposal rights in the Inland Empire Brine Line system ("Brine Line"), formerly known as the Santa Ana Regional Interceptor ("SARI").

B. In 1993, YVWD purchased 0.108 million gallons per day ("MGD") (i.e. 108,000 gallons per day) of Brine Line pipeline capacity from Orange County Sanitation District (OCSD).

C. In 2006, YVWD purchased 1.0 MGD of Brine Line pipeline capacity from the City of Rialto.

D. In 2012, YVWD purchased 0.215 MGD of treatment capacity in the OSCD treatment plant.

E. In 2013, YVWD purchased 0.08 MGD of treatment capacity in the OSCD treatment plant from Valley District.

F. In 2016, YVWD purchased 0.5 MGD of Brine Line pipeline capacity from then EnerTech and from Valley District and also purchased 0.3 MGD of treatment capacity in the OSCD treatment plant.

G. Valley District currently owns 0.148 MGD of Brine Line pipeline capacity which Valley District is willing to sell to YVWD, as an eligible discharger located within Valley District's boundaries.

H. YVWD is interested in purchasing from Valley District a discharge right allocation for a maximum of 0.148 million gallons per day ("MGD") (i.e., 148,000 gallons per day) of non-reclaimable wastewater into the Brine Line. The discharge right allocation is referred to as the "Capacity Rights".

I. The purchase price for capacity in the Brine Line is Three Million Seven Hundred Fifty Thousand and 00/100 Dollars ($3,750,000.00) for each MGD as established by SAWPA Resolution 295, dated July 8, 1997.

J. YVWD agrees to purchase and assume from Valley District the Capacity Rights, upon the terms and conditions contained in this Purchase Agreement.

K. Upon completion of this transaction, YVWD will own 1.756 MGD of Brine Line pipeline capacity and 0.595 MGD of treatment capacity in the OCSD treatment plant.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing facts and mutual covenants and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Purchase of Capacity Rights. Subject to the terms and conditions of this Purchase Agreement, Valley District agrees to grant, sell, transfer and assign to YVWD, and YVWD agrees to purchase, acquire, assume and accept from Valley District 0.148 MGD, of pipeline capacity ("Capacity Rights"), including all obligations related thereto.

2. Purchase Price. Subject to the additional costs required under this Purchase Agreement, the purchase price of the Capacity Rights shall be Five Hundred Fifty Five Thousand Dollars ($555,000.00), subject to any amendments or adjustments to SAWPA Resolution 295 ("Purchase Price"). YVWD acknowledges that the Purchase Price does not cover other costs or annual fees for use or operation of the Brine Line system, which may be imposed by Orange County Sanitation District ("OCSD") or SAWPA from time to time.

3. Additional Costs. In addition to the payment of the Purchase Price contemplated under Section 2, YVWD will be responsible for the timely payment of all other costs, fees and expenses, (whether fixed, use-based, or otherwise) including, without limitation, operation, repair, maintenance and replacement costs imposed by OCSD, SAWPA, Valley District, or the SAWPA Agreement, as amended, regarding the use and operation of the Brine Line system. The payment of any additional fees and costs shall be made within thirty (30) days of YVWD's receipt of an invoice.

4. Compliance. YVWD shall at all times comply with all quality standards and requirements for the discharge of non-reclaimable wastewater into the Brine Line system mandated by applicable ordinances, rules, regulations, orders, permits or agreements, including without limitation, the SAWPA Agreement, as those items may be amended or supplemented from time to time, which are issued or executed by the OCSD, SAWPA, Valley District or any other rule making agency or authority. Further, YVWD agrees to comply with all federal and state law, rule or regulation regarding or relating to the actions contemplated by this Purchase Agreement. Upon execution of this agreement, YVWD will be deemed to have knowledge of, and hereby acknowledges compliance with all applicable ordinances, rules, regulations, orders and permits, including any amendments thereto, affecting or relating to YVWD's use or rights to the Brine Line system.

5. Discharge Permit. Prior to utilizing the Capacity Rights, YVWD will be required to amend its discharge permit and obtain the same from SAWPA and to make such necessary arrangements with Valley District and SAWPA for the point of delivery of such discharge and for payment of the costs of installation and maintenance of facilities, if any, in connection therewith.

6. Default. In the event YVWD fails to pay any amounts owed when due, or if YVWD otherwise fails to comply or perform its obligations under this Purchase Agreement or under any ordinances, rules, regulations, orders or permits of OCSD, SAWPA, Valley District or any other agency or authority with jurisdiction over use of the Brine Line

contemplated herein, Valley District shall provide YVWD with written notice of such default. Upon receipt of the default notice, YVWD shall have ninety (90) days to cure a default for failure to pay any amounts owed ("Cure Period"). If YVWD fails to cure the default within the applicable Cure Period, Valley District may exercise any and all rights available in law or in equity, or as otherwise available under any applicable ordinances, rules, regulations, orders or permits.

7. Indemnification. YVWD hereby indemnifies, defends and holds Valley District harmless from and against any and all claims, penalties, losses, costs, interest, damages, liability, demands, and expenses (including attorneys' fees and costs) arising from or relating to the performance of or any breach by YVWD of the terms of this Purchase Agreement.

8. Attorneys' Fees. If any legal action is necessary to enforce or interpret the terms of this Purchase Agreement, the prevailing party in such action will be entitled to reasonable attorneys' fees and costs in addition to any other relief to which the prevailing party may be entitled.

9. Assignment. This Purchase Agreement may not be assigned by YVWD without the prior written consent of Valley District, which consent shall not be unreasonably withheld.

10. Succession. This Purchase Agreement shall inure to the benefit of, and be binding upon, any approved successors or assigns of each Party.

11. Entire Agreement. This Purchase Agreement, including any exhibits and schedules hereto, contains the entire agreement between the Parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the Parties pertaining to such subject matter. The captions in this Purchase Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Purchase Agreement.

12. Modifications. This Purchase Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify, or discharge it in whole or in part unless such executory agreement is in writing and is signed by both Parties.

13. Counterparts. This Purchase Agreement may be signed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. Risks of the Brine Line. The Brine Line system is a large non-reclaimable wastewater pipeline constructed in various types of terrain and environments and subject to the risk of curtailment, outages, or interruptions due to washout, earthquake, treatment plant requirements, regulatory prohibition or restrictions, or the like, and the Capacity Rights provided herein is purchased subject to such risks.

[Signatures provided on the following page]

IN WITNESS WHEREOF, the Parties have executed this Purchase Agreement to be effective as of the date first set forth above.

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT,

A MUNICIPAL WATER DISTRICT

By: _____

Name: Susan Longville

Its: Board President

YUCAIPA VALLEY WATER DISTRICT,

A COUNTY WATER DISTRICT

By: _____

Name: Jay Bogh

Its: Board President

Workshop Memorandum 18-155

Date: June 12, 2018

From: Mike Kostelecky, Operations Manager

Subject: Status Report for the Tracer Study on the R-13.1 Clearwell at the Yucaipa Valley Regional Water Filtration Facility

The Surface Water Treatment Rule requires a minimum combination of disinfectant dose and contact time to provide inactivation of potential pathogens in drinking water supplies.

The Yucaipa Valley Regional Water Filtration Facility utilizes a six million-gallon clearwell to achieve contact time compliance with the Surface Water Rule Requirements. The clearwell consists of five baffles and has been operating under an industry standard baffling factor.

During the District's 2017 Sanitary Survey, the State Water Resource Control Board, Division of Drinking Water suggested confirmation of the contact time related to the filtration facility to validate the compliance with California Regulations Related to Drinking Water, published September 23, 2016, page 217, which states:

§64651.32. Disinfectant Contact Time. *"Disinfectant contact time" means the time in minutes that it takes for water to move from the point of disinfectant application or a previous point of disinfectant residual measurement to a point before or at the point where residual disinfectant concentration is measured. Disinfectant contact time in pipelines is calculated by dividing the internal volume of the pipe by the flow rate through the pipe. Disinfectant contact time within mixing basins and storage reservoirs is determined by tracer studies or an equivalent demonstration to the State Board.*

On August 15, 2017, the Board of Directors authorized a tracer study to be performed at the Yucaipa Valley Water Filtration Facility R-13.1 clearwell by HDR, Incorporated for a sum not to exceed $37,726 [Director Memorandum No. 17-068].

Engineering Fee Estimate

Yucaipa Valley Water District
YVRWFF Clearwell Tracer Study

Task Description	Personnel Hours								Non-Labor			Budget
	QA/QC ($310/hr)	Project Manager ($290 /Hr)	EIT ($110 /Hr)	Lab manager ($158 /Hr)	Assistant Engineer ($180 /Hr)	CAD Designer ($115 /Hr)	Clerical-ADM02 ($110 /Hr)	Total Hours	Labor Cost	Laboratory Analysis	Other Expenses	Total
1. - Design Project Mgmt												
Coordination and progress reports		2					8	10	$ 1,460	$ -	$ -	$ 1,460
QA/QC	7						1	8	$ 2,140	$ -	$ -	$ 2,140
Meetings and calls	1	4		4			4	13	$ 2,342	$ -	$ -	$ 2,342
									$ -			
3. Conduct Tracer Study for YRWFF												
a. Tracer Testing Protocol Preparation		2	4	2	32	-	2	42	$ 7,316	$ -	$ 165	$ 7,481
b. Tracer Testing Execution		1	32	32	8			73	$ 10,306	$ 7,700	$ 330	$ 18,336
c. Tracer Study Results Evaluation and Report		2	8	4	20		2	36	$ 5,912	$ -	$ 55	$ 5,967
									$ -			
Total	8	11	44	42	60	-	17	182	29,476	7,700	550	$ 37,726

The purpose of this agenda item is to provide an update on the status of the tracer study.

The study for effluent high flows, 11.5 million gallons per day, was started on Thursday, June 7, 2018. A consistent water level in the clearwell is necessary to maximize accuracy and the original proposed 6 feet water level would not be possible at such high flows. Because of the water level change, additional time is needed resulting in additional sampling. See below for an explanation of the $4,000 increase received from HDR on June 1, 2018.

> Our original fee estimate (see attached) for this tracer test was based on the minimum operating level in the tank being 6 feet. After the latest coordination discussions, the operating level increased to 10 feet. This nearly doubles the test duration and the number of samples, and therefore, requires additional effort to perform the testing. After evaluating the work done to date and remaining budget available, we think we can perform this work with an additional $4,000.
>
> Here is a summary of the original and requested changes to the fee:
>
> For Tracer Test Execution subtask:
> - Original Fee $18,336
> - Additional Fee Request $4,000
>
> For Total Project:
> - Original Fee $37,726
> - Requested Revised Fee $41,726

The study for effluent low flows, 6 million gallons per day, is scheduled for Monday, June 18, 2018.

A full report will be provided upon completion.

Yucaipa Valley Water District

Workshop Memorandum 18-156

Date: June 12, 2018

From: Joseph Zoba, General Manager

Subject: Overview of the Surplus State Water Project Sale Agreement Between the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency

The San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency have been working on the completion of a surplus water agreement that would provide an opportunity for the San Gorgonio Pass Water Agency to purchase surplus imported water from the San Bernardino Valley Municipal Water District when it is available.

The two water retailer agencies (Yucaipa Valley Water District and the South Mesa Mutual Water Company) that are served by both wholesale agencies were invited to comment on the proposed agreement.

The District staff appreciates our working relationship with the staff members of the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency.

This item is provided for information only.

Yucaipa Valley Water District
12770 Second Street • P. O. Box 730 • Yucaipa, California 92399-0730
(909) 797-5117 • Fax: (909) 797-6381 • www.yvwd.dst.ca.us

May 24, 2018

Mr. Doug Headrick, General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, California 92408

Mr. Jeff Davis, General Manager
San Gorgonio Pass Water Agency
1210 Beaumont Avenue
Beaumont, California 92223

Subject: **Support of the Draft Surplus Water Sale Agreement by and between the San Gorgonio Pass Water Agency and the San Bernardino Valley Municipal Water District**

Dear Messrs. Headrick and Davis

The Yucaipa Valley Water District sincerely appreciates the working relationship we have with the San Gorgonio Pass Water Agency and the San Bernardino Valley Municipal Water District. We recognize the hard work put forth by you, your staff members, and elected officials to create new opportunities that will improve the overall quality of life for residents and business owners in the region.

At our board workshop on May 22, 2018, General Manager Joseph Zoba provided a brief overview of the key points associated with the draft version of the Surplus Water Sale Agreement by and between the San Gorgonio Pass Water Agency and the San Bernardino Valley Municipal Water District. We support the draft Surplus Water Sale Agreement.

The draft Surplus Water Sale Agreement is a perfect example of the new opportunities that will benefit the region. Instead of excess imported water leaving the area, this agreement provides an opportunity to utilize and store high quality surplus imported water in the upper portion of the Santa Ana Watershed. By artificially recharging this high-quality water with low total dissolved solids, the region will improve both water supplies and groundwater quality in the region.

Thank you.

Christopher Mann
Director Division 1

Bruce Granlund
Director Division 2

Jay Bogh
Director Division 3

Lonni Granlund
Director Division 4

Thomas Shalhoub
Director Division 5

SAN BERNARDINO Valley MUNICIPAL WATER DISTRICT

DATE: June 12, 2018

TO: Board of Directors Workshop

FROM: Bob Tincher, Deputy General Manager - Resources

SUBJECT: Consider Agreement for Sale of Surplus State Water Project Water to the San Gorgonio Pass Water Agency

Staff is recommending this agreement with the San Gorgonio Pass Water Agency (Agency) that would provide them with the opportunity to purchase up to 5,000 acre-feet per year of any Valley District State Water Project water declared surplus by the Board of Directors. This agreement is in compliance with Valley District Ordinance 79 which describes the procedures to be followed in the declaration and sale of surplus water.

A draft of this agreement was discussed at the October 19, 2017 Legislative and Policy Committee (Committee) Workshop. The Committee asked that it be placed on a Board agenda for full consideration. Since that time, the Agency has asked Valley District to consider modifying the requirement that the Agency first offer to sell 100% of any water purchased under this agreement to the retail water providers (retailers) that are within the service areas of both Agency and Valley District to, instead, require that 50% of any surplus water first be offered to the retailers. The methodology for dividing the 50% between the retailers has also been modified in addition to some non-substantive changes that have been made since the agreement was presented last October.

BACKGROUND

In 2017, the Board adopted Ordinance 79 (Ordinance) that provides the procedures for the declaration and sale of surplus water. The Ordinance requires the General Manager to develop agreements for the sale of surplus water and to bring them to the Board for consideration.

The San Gorgonio Pass Water Agency (Agency) is a State Water Contractor that borders Valley District to the southeast. The Agency and Valley District have a long history of cooperative

efforts including water exchanges and sharing facilities, such as the East Branch Extension. The Agency and Valley District both serve South Mesa Water Company and the Yucaipa Valley Water District (retailers) that straddle the boundary between the Agency and Valley District. Valley District staff and Agency staff have developed the attached agreement that would provide the Agency the opportunity to purchase up to 5,000 acre-feet of Valley District surplus water and would prioritize the delivery of 50% of any purchased water to the retailers that we share as customers.

The pricing structure, in the attached agreement, for the sale of water is dependent upon the Table A allocation (Allocation) for the then current year. The lower the Allocation, the higher the cost of the water. In addition to paying Valley District for the water, Agency would also reimburse Valley District for the variable costs to deliver the water. Staff worked collaboratively with the Agency and the retailers on the methodology for dividing the surplus water, as follows:

			Amount to Each Retailer	
Amount of Surplus Water	SGPWA	Total Retailer Share	SMWC	YVWD
1,000 AF < x < 2,000 AF	50%	50%	250 AF + PROPORTION	250 AF + PROPORTION
> 2,000 AF	50%	50%	500 AF + PROPORTION	500 AF + PROPORTION

PROPORTION: Any remainder of Retailer Share will be proportioned per Section 6 of this agreement, in proportion to the amount of SWP water each retailer purchased over the previous three (3) years

This agreement has been reviewed and approved, as to form, by Valley District special counsel, David Aladjem. We have also received a letter of support from the Yucaipa Valley Water District Board of Directors (attached).

Assuming approval by both Boards, the next step in the process will be for the Agency and Valley District to enter into an implementation agreement with the Department of Water Resources (DWR) which would return to the Board for approval.

Fiscal Impact

The sale of any surplus water to the Agency would generate additional revenue for the State Water Project Debt Service Fund.

Staff Recommendation

Forward this agreement to an upcoming Board meeting for consideration.

Attachments

1. Surplus Water Sale Agreement showing recent changes
2. Ordinance 79 Providing Procedures for the Declaration and the Sale of Surplus Water of the District

SURPLUS WATER SALE AGREEMENT

This Surplus Water Sale Agreement ("Agreement") is made and entered into as of ____ day of _____, 2018, by and between the SAN GORGONIO PASS WATER AGENCY ("Agency") and SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT ("District"). Agency and District are sometimes individually referred to herein as a "Party" and collectively as the "Parties".

RECITALS

A. Agency and District are state water contractors and regional water agencies that provide water on a wholesale basis to retail water providers and other public agencies within their respective service areas. There are two retail water providers that are within the service areas of both Agency and District. Those retailers are the Yucaipa Valley Water District and the South Mesa Water Company (collectively referred to as "Retailers"); and

B. Agency desires additional water supplies of all kinds to improve its water supply reliability, including wet year yield; and

C. Agency and District have a long history of cooperative efforts to serve water to their respective service areas, including water exchanges and sharing capacity in the East Branch Extension; and

D. District anticipates that from time to time, it may have surplus State Water Project water ("Surplus Water") that is surplus to the needs of its retail customers; and

E. District has adopted its Ordinance 79 which establishes procedures for the surplus and sale of surplus State Water Project Water; and

F. District desires to provide Agency the first right of refusal to purchase up to 5,000 acre-feet of District's Surplus Water per calendar year; and

G. Agency desires to purchase Surplus Water from District under the terms and conditions set forth in this Agreement and in a manner that is consistent with Ordinance 79.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and the promises and covenants contained herein, the Parties agree as follows:

1. Term of Agreement.

The term of this Agreement shall commence on January 1, 2018 and end on December 31, 2032. ("Term").

2. Purchase and Sale of Surplus Water.

(a) District may determine, in its sole discretion, the amount of Surplus Water that will be available for purchase during each calendar year of the term of this Agreement. Notwithstanding the foregoing, if District determines that Surplus Water is available, District shall provide Agency the right of first refusal to purchase up to the first 5,000 acre feet of said Surplus Water.

(b) On or before June 15 of each year during the Term, District shall provide notice to Agency of the amount of Surplus Water that is available for purchase for that calendar year. Agency shall then have 30 days from the date of said notice to notify District of the amount of said Surplus Water that it wishes to purchase for that applicable year.

3. Purchase Price for Surplus Water.

The purchase price for Surplus Water delivered by District to Agency shall be the sum of the costs as calculated in subsections (a) and (b) below.

(a) The cost of the water shall be based on the State Water Project Table A allocation

as determined for the applicable year as follows:

Final SWP Allocation	Cost Per Acre-Foot
0 - 20%	$400
21 - 40%	$300
41 - 60%	$200
61 - 100%	$100

(b) The power cost to move the Surplus Water through the State Water Project facilities, District facilities, and then to the Point of Delivery as defined herein, shall be paid as follows: (i) Agency shall pay to District power costs at the power cost rate established for the State Water Project for the applicable year. The actual power costs shall be reconciled on or before the end of the calendar year following the year of the delivery. In the event it is determined that Agency has underpaid power costs, Agency shall make payment for the amount owed to District within 30 days of said determination. In the event it is determined that Agency has overpaid power costs, Agency may elect to either receive payment from District within 30 days from the date of said determination or to apply said amount as a credit toward power costs for a subsequent year.

(c) On or before expiration of each 5-year period during the Term, the Parties shall meet and confer in good faith in regard to whether the amount and/or calculation of the purchase price should be changed. In the event the Parties cannot agree as to a new or different amount or calculation, then either Party shall have the right to terminate this Agreement. Unless a Party elects to so terminate this Agreement, the purchase price then in effect shall remain in effect unless or until the Parties reach an agreement to make any such change.

4. Delivery of Water.

(a) Point of Delivery. The physical point of delivery ("Point of Delivery") of Surplus Water pursuant to this Agreement includes, but is not limited to, the following locations:

Delivery Location	Reach Number
Various locations in the San Bernardino Basin	EBX – 1, 2A, 2B, 2C
Various locations in the Yucaipa Basin	EBX – 3B

Various locations in the Beaumont Basin;	EBX – 4A, 4B

(b) Delivery Schedule. District will cooperate with Agency to coordinate for the delivery at the Point of Delivery upon a mutually agreeable delivery schedule.

5. **Use of Water in the San Gorgonio Pass Water Agency Service Area.** Agency shall only purchase the amount of Surplus Water that it is able to put to beneficial use within its service area.

6. **Initial Resale of Surplus Water.** During the applicable year, Agency shall first offer to sell fifty percent (50%) of any Surplus Water to the Retailers based on the following conditions:

(a) All Surplus Water sold to the Retailers shall be based on the pricing policy established by the Agency.

(b) If the quantity of Surplus Water available to the Agency from the District is less than 2,000 acre feet and more than 1,000 acre feet, each Retailer shall be able to purchase from the Agency a minimum quantity of 250 acre feet, plus the remaining Initial Resale of Surplus Water divided between the Retailers based on the proportional amount of imported purchased from the Agency over the previous three calendar years. If one Retailer elects not to purchase any share, or elects to purchase less than its share, then the balance of Initial Resale of Surplus Water shall be made available to the other Retailer.

(c) If the quantity of Surplus Water available to the Agency from the District is equal to or greater than 2,000 acre feet, each Retailer shall be able to purchase from the Agency a minimum quantity of 500 acre feet, plus the remaining Initial Resale of Surplus Water divided between the Retailers based on the proportional amount of imported purchased from the Agency over the previous three calendar years. If one Retailer elects not to purchase any share, or elects to purchase less than its share, then the balance of Initial Resale of Surplus Water shall be made available to the other Retailer.

(d) Each Retailer shall notify Agency within 15 days of receiving a written offer as to whether, and to what extent, each Retailer desires to purchase Surplus Water.

(e) In the event the Retailers elect not to purchase all of the water described in this Section, Agency may purchase the remainder of the Initial Resale of Surplus Water.

6. Regulatory Requirements. The implementation of this Agreement shall be subject to satisfaction by District and Agency of applicable legal and regulatory requirements.

7. Default and Termination. In the event either Party fails to make any payment under this Agreement when due, or fails to perform any obligation otherwise required by this Agreement, the non-defaulting Party shall demand in writing that the defaulting Party cure such non-performance. The defaulting Party shall have ninety (90) days after receipt of such demand to cure. In the event the defaulting Party fails to cure a default within the ninety (90) day period, the non-defaulting Party may pursue any applicable action in law or equity including, but not limited to, termination, specific performance and/or damages for breach of this Agreement.

8. Entire Agreement. This Agreement contains the entire understanding between the Parties with respect to its subject matter, and supersedes all prior agreements, oral or written, and all prior or contemporaneous discussions or negotiations between the Parties. This Agreement cannot be amended except in writing signed by both Parties.

9. No Waiver. Any failure or delay on the part of either Party to exercise any right under this Agreement shall not constitute a waiver of the right and shall not preclude such Party from exercising or enforcing the right, or any other provision of this Agreement, on any subsequent occasion.

10. Notices. All notices or other communications required or desired to be given pursuant to this Agreement shall be in writing and shall be hand-delivered or sent by a reputable overnight courier service providing delivery confirmation. Each such notice or communication shall be deemed to be duly given when hand-delivered or one (1) day after being deposited for next day delivery with an overnight courier. Each such notice or communication shall be addressed

to the Parties at their respective addresses set forth next to their signatures below, or such other address as a Party notifies the other in writing.

11. Severability. If any provision of this Agreement is finally determined by a court to be invalid or unenforceable as written, the provision shall, if possible, be enforced to the extent reasonable under the circumstances and otherwise shall be deemed deleted from this Agreement. The other provisions of this Agreement shall remain in full force and effect so long as the material purposes of the Agreement and understandings of the Parties are not impaired.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date first written above.

DISTRICT:	**AGENCY:**
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT	SAN GORGONIO PASS WATER AGENCY
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Address: _____	Address: _____
_____	_____

EXHIBIT A

Resale of Surplus Water Examples

	Amount to Each Retailer

Amount of Surplus Water	SGPWA	Total Retailer Share	SMWC	YVWD
1,000 AF < x < 2,000 AF	50%	50%	250 AF + PROPORTION	250 AF + PROPORTION
> 2,000 AF	50%	50%	500 AF + PROPORTION	500 AF + PROPORTION

PROPORTION: Any remainder of Retailer Share will be proportioned per Section 6 of this agreement, in proportion to the amount of SWP water each retailer purchased over the previous three (3) years

ORDINANCE NO. 79

ORDINANCE OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT PROVIDING PROCEDURES FOR THE DECLARATION AND THE SALE OF SURPLUS WATER OF THE DISTRICT

WHEREAS, the District has adopted the *Upper Santa Ana River Watershed Integrated Regional Water Management Plan* (Integrated Plan);

WHEREAS, one of the primary water management strategies in the Integrated Plan is the storage of water in wet years for later use in dry years;

WHEREAS, conditions may exist from time to time when the District has more water available than needed;

WHEREAS, Section 31023 of the California Water Code allows for the sale of surplus water outside of the District's service area;

WHEREAS, the District's State Water Contract allows for the sale of its State Water Project (SWP) water to areas outside of the District's service area, upon written consent from the State;

BE IT ORDAINED by the Board of Directors of the San Bernardino Valley Municipal Water District as follows:

ARTICLE I

DECLARING WATER SURPLUS

1) The Board must declare water to be surplus, or not needed, for use within the District's service area before it may be sold outside of the District. Such a declaration shall only be valid for the calendar year of the specified SWP Table A allocation.
2) The District will use the following information it its determination of whether any water is surplus:
   a) *Change in Groundwater Storage for the San Bernardino Basin, Rialto-Colton and Yucaipa Basin Areas*, District, latest edition (CIS Report)
   b) *Regional Water Management Plan*, Basin Technical Advisory Committee (BTAC), latest edition (BTAC Plan)
   c) *Regional Water Management Plan Monthly Statement*, latest edition (BTAC Monthly Statement)
   d) *Western Municipal Water District of Riverside County, a municipal water district; City of Riverside, a municipal corporation; the Gage Canal Company, a corporation; Agua Mansa Water Company, a corporation; Meeks & Daley Water Company, a corporation; Riverside Highland Water Company, a corporation, and the Regents of the University of California vs. East San Bernardino County Water District, et al.* (Judgment)
   e) Pumping restrictions, if any, in the Rialto-Colton Basin based upon the requirements of the Rialto Decree (Rialto Decree)
   f) Recommendation from the Groundwater Sustainability Council (GSC)
   g) Recommendation from the BTAC
   h) Recommendation from the San Bernardino Valley Advisory Commission on Water Policy (Advisory Commission)

3) No Surplus Water. The District may declare that there is no surplus based upon the following conditions:
   a) The cumulative change in groundwater storage in the San Bernardino Basin Area, Rialto-Colton Basin and Yucaipa Basin is within the "No Surplus" area as shown on Exhibits A, B and C.
   b) There are pumping restrictions in the Rialto-Colton Basin due to the requirements of the Rialto Decree.
   c) The liquefaction potential is low per the BTAC monthly statement.
   d) Recharge for the year is less than the BTAC artificial recharge threshold as published on the BTAC monthly statement.
   e) The District is obligated, under the terms of the Judgment, to recharge water.
   f) There is available capacity in the District storage program.
4) Discretionary Zone. When the above conditions for "No Surplus Water" do not exist, the general manager may develop a recommendation for Board consideration based upon the following:
   a) *Available water*. The total amount of water potentially available for sale will be the total amount of water available to the District less the total amount of orders from the retail water agencies within the District's service area (including the GSC) and less 15,000 acre-feet of carryover storage to the following year (subject to the storage conditions at San Luis Reservoir).
   b) *Hydrologic conditions*.
      i) The possibility that the next three years could be extremely dry
      ii) Liquefaction potential per the BTAC monthly statement
   c) *Available storage capacity*. The amount of storage space available:
      i) Storage capacity in the San Bernardino Basin Area (SBBA).
         (1) Review of current artificial recharge as compared with the BTAC artificial recharge threshold on the BTAC monthly statement.
         (2) Review of liquefaction potential on the BTAC monthly statement.
         (3) Review of the storage level in the CIS Report.
      ii) Storage capacity in the Rialto-Colton Basin (RCB). Storage capacity is considered available whenever there are pumping restrictions under the terms of the Rialto Decree.
      iii) Storage capacity in the Yucaipa Basin (YB). Review of the storage level in the CIS Report.
      iv) Review of any other storage locations under the District storage plan
   d) *Recharge obligations*. Any recharge obligations under the Judgment
5) The general manager shall use the above information, and any other available information, to develop a recommendation for the amount of water, if any, that the Board may want to consider declaring surplus. The general manager will share the recommendation with the Board in a workshop. The final recommendation, if any, would then be presented to BTAC and the Advisory Commission for their input, before formal consideration at a Board meeting.
6) The general manager will present the recommended amount of surplus water to the Board for final consideration.
7) The Board will declare the amount, if any, of surplus water for the calendar year of the specified Table A allocation.

ARTICLE 11

DELEGATION OF AUTHORITY

1) Pursuant to Water Code Section 71301, authority is hereby delegated to the general manager to sell or otherwise dispose of any surplus water belonging to the District subject to provisions herein provided.

2) The general manager may delegate his responsibility for sale or other disposition of surplus

water to other officers, employees, or agents of the District, who, in his own judgment and discretion, will best facilitate or expedite said sale or disposition.

3) In the event of sale, the proceeds shall be paid into the District's Basin Management Fund to offset the cost of future imported water purchases.

ARTICLE III

SALE OF SURPLUS WATER

1) The general manager will develop agreements for the sale of any surplus water, for the Board's consideration.
2) The general manager will have the ultimate authority over the sale of any surplus water per the terms and conditions of water sales agreements that have been approved by the Board.
3) The general manager will keep the Board informed about the sale of surplus water.

ENACTED: May 16, 2017

Susan Longville, President

ATTEST:

Steve Copelan, Secretary

Administrative Items

Yucaipa Valley Water District

Yucaipa Valley Water District

Workshop Memorandum 18-157

Date: June 12, 2018

From: Jennifer Ares, Water Resource Manager

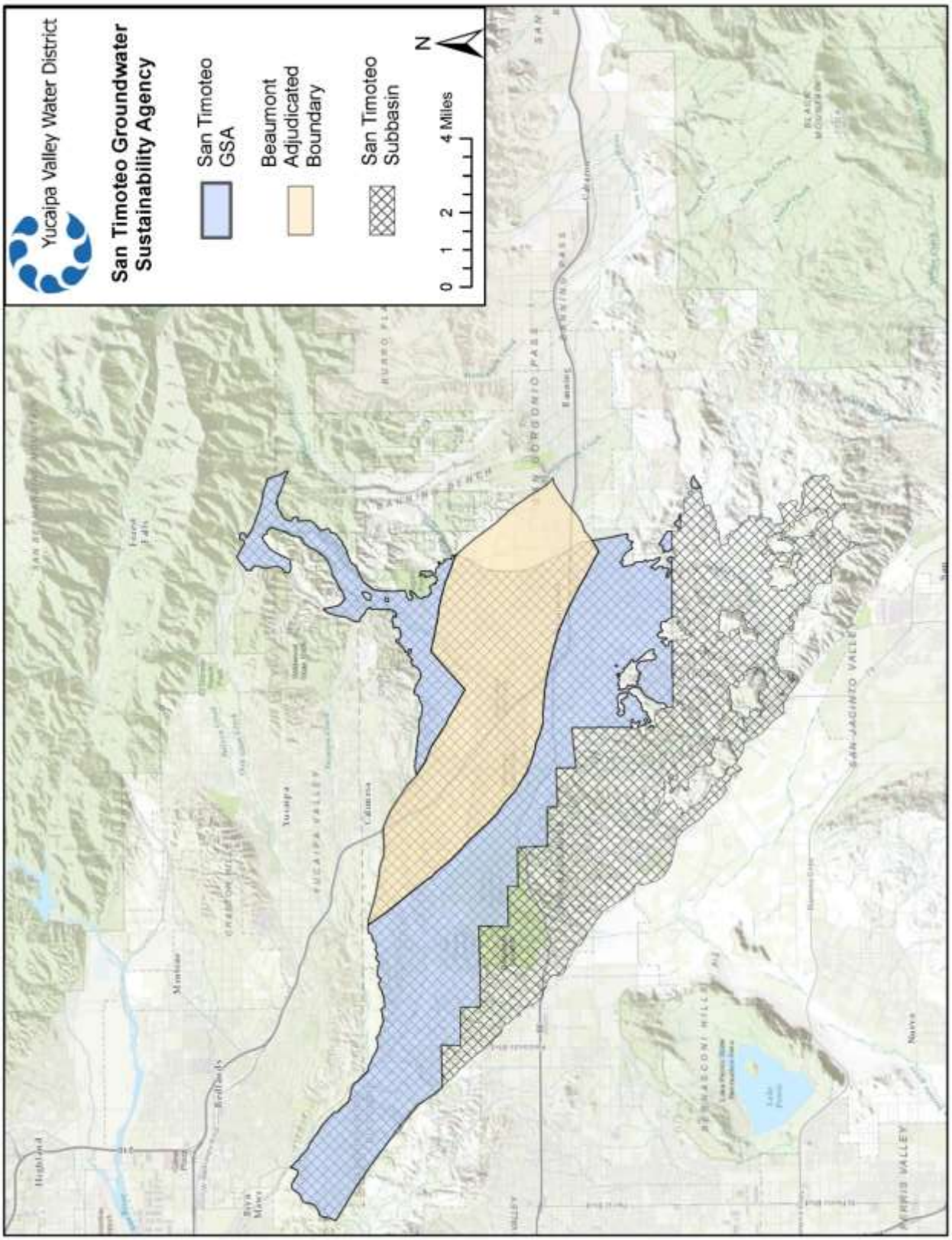
Subject: Discussion Regarding the Reprioritization of the San Timoteo Basin under the Sustainable Groundwater Management Act

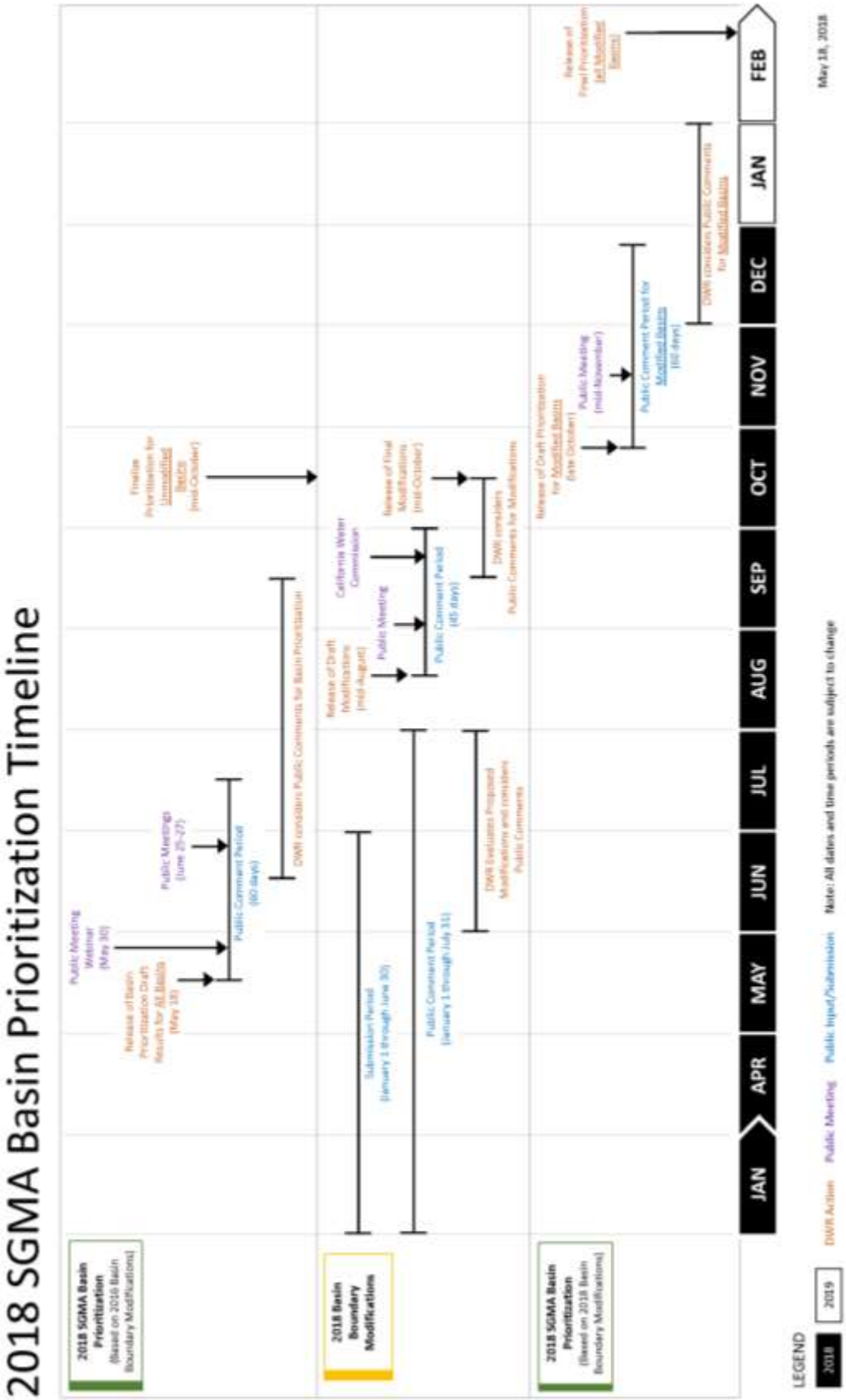
On September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act (SGMA).

On June 6, 2017 the Board of Directors approved the Memorandum of Agreement between several agencies to form the Groundwater Sustainability Agency for the San Timoteo Subbasin and the Yucaipa Basin as well. Subsequently, Yucaipa Valley Water District has been involved in the Sustainable Groundwater Management meetings in order to prepare the Groundwater Sustainability Plans which are due in 2022.

One component of SGMA is prioritization of the basins. The priority classifications are designated as very low, low, medium, and high. Following the release of the 2016 Basin Boundary Modifications, the Department of Water Resources (DWR) began the 2018 SGMA prioritization of California's 517 groundwater basins (Water Code 12924(b)) defined in Bulletin 118. Prioritization has changed for some basins due to the consideration of impacts from local habitat and local streamflow's, the change in area of basin as a result of boundary modifications, and incorporation of newly available data sources. DWR conducted a public meeting on May 30, 2018 to present the draft results and solicit public comments.

The San Timoteo Basin has been reprioritized from a medium to a 'very low priority basin'. DWR justified the reclassification due to the Beaumont Basin adjudication within the San Timoteo Basin as well as minimal pumping outside the adjudicated area. As a result, SGMA applies to all groundwater basins identified by DWR's Bulletin 118. SGMA requires that all high- and medium-priority basins be managed under a Groundwater Sustainability Plan (GSP) or Alternative. SGMA encourages and authorizes, but does not require, low- and very low- priority basins to be managed under a GSP (Water Code § 10720.7). Alternatively, the San Timoteo Basin could prepare a Groundwater Management Plan. The members of the GSA will analyze the options between the two reporting methods and meet with DWR as well to obtain additional feedback.


Yucaipa Valley Water District
San Timoteo Groundwater Sustainability Agency
San Timoteo GSA
Beaumont Adjudicated Boundary
San Timoteo Subbasin
0 1 2 4 Miles
N


2018 SGMA Basin Prioritization Timeline
2018 SGMA Basin Prioritization (Based on 2016 Basin Boundary Modifications)
2018 Basin Boundary Modifications
2018 SGMA Basin Prioritization (Based on 2018 Basin Boundary Modifications)
JAN
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
JAN
FEB
Public Meeting Webinar (May 30)
Release of Basin Prioritization Draft Results for All Basins (May 18)
Public Meetings (June 25-27)
Public Comment Period (60 days)
DWR considers Public Comments for Basin Prioritization
Finalize Prioritization for Unmodified Basins (mid-October)
Submission Period (January 1 through June 30)
Public Comment Period (January 1 through July 31)
DWR Evaluates Proposed Modifications and considers Public Comments
Release of Draft Modifications (mid-August)
Public Meeting
California Water Commission
Public Comment Period (45 days)
DWR considers Public Comments for Modifications
Release of Final Modifications (mid-October)
Release of Draft Prioritization for Modified Basins (late October)
Public Meeting (mid-November)
Public Comment Period for Modified Basins (60 days)
DWR considers Public Comments for Modified Basins
Release of Final Prioritization (all Modified Basins)
LEGEND
2018
2019
DWR Action
Public Meeting
Public Input/Submission
Note: All dates and time periods are subject to change
May 18, 2018

Yucaipa Valley Water District

Workshop Memorandum 18-158

Date: June 12, 2018

From: Allison M. Edmisten, Chief Financial Officer
Peggy Little, Administrative Supervisor

Subject: Presentation of the Unaudited Financial Report for the Period Ending on May 31, 2018

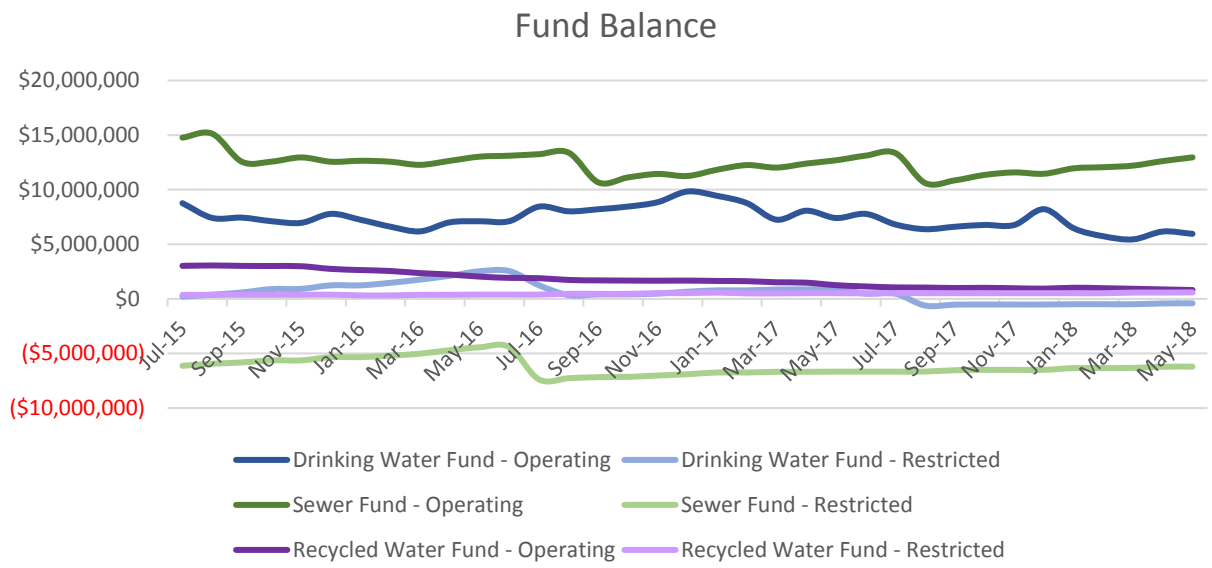
The following unaudited financial report has been prepared by the Administrative Department for your review. The report has been divided into five sections to clearly disseminate information pertaining to the financial status of the District. Please remember that the following financial information has not been audited.

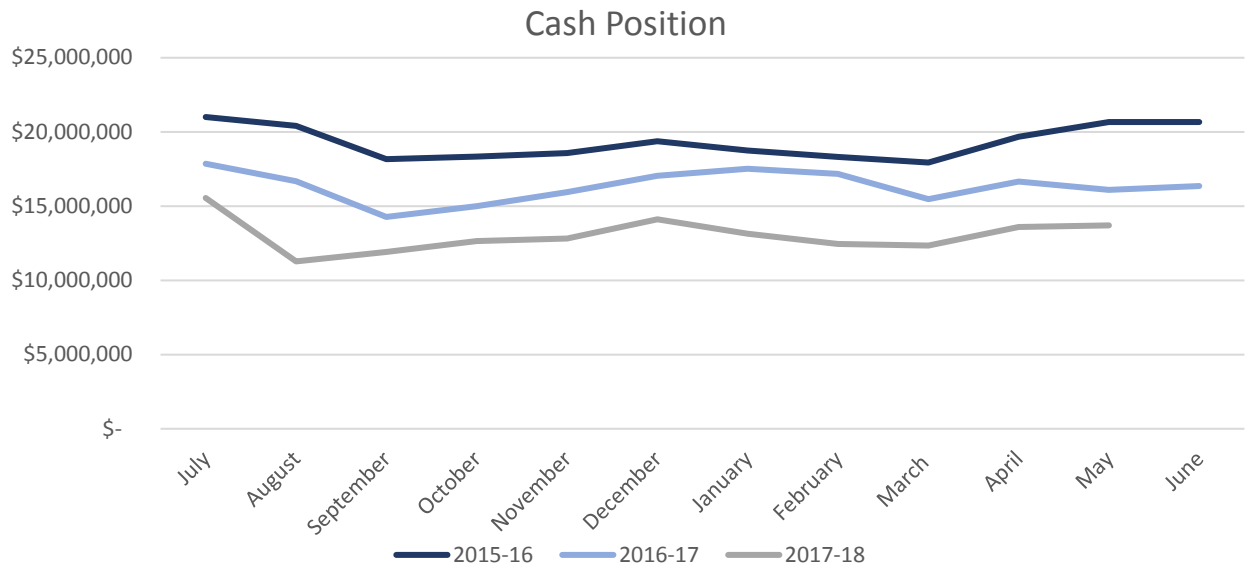
Cash Fund Balance and Cash Flow Reports

[Detailed information can be found on page 7 to 8 of 25]

The Cash Fund Balance Report provides a summary of how the total amount of funds maintained by financial institutions is distributed throughout the enterprise and non-enterprise funds of the District. A summary of the report is as follows:

Fund Source	Operating Funds	Restricted Funds	Total Funds
Water Division	$ 5,954,932.63	$ (404,728.00)	$ 5,550,204.63
Sewer Division	$ 12,956,524.55	$ (6,206,174.61)	$ 6,750,524.55
Recycled Water Division	$ 811,898.18	$ 592,031.41	$ 1,403,929.59
Total	**$ 19,723,355.36**	**$ (6,018,871.20)**	**$ 13,704,484.16**





Most of the funds reflected in the Cash Fund Balance Report are designated for specific purposes and are therefore restricted, either by law or by District policy.

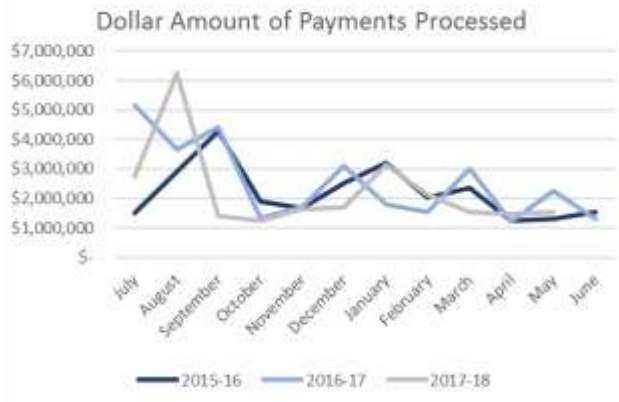
The Cash Flow Report provides a list of the debt service payment due dates and amounts as well as the cash flow requirements for debt service for each month of the fiscal year.

Cash Disbursement Report

[Detailed information can be found on pages 9 to 14 of 25]

The cash disbursement report lists each check and electronic payment processed during the month of May 2018. All payments are reviewed by District staff for accuracy and completeness, checks are usually signed by the General Manager and one Director, but may be signed by two Directors. The Chief Financial Officer will make any check, payment, invoice or supporting documentation available for review to any board member upon request.

	Number Processed	Amount Processed
Checks	250	$ 1,254,217.82
Electronic Payments	11	$ 295,418.24
Total	**261**	**$ 1,549,636.06**



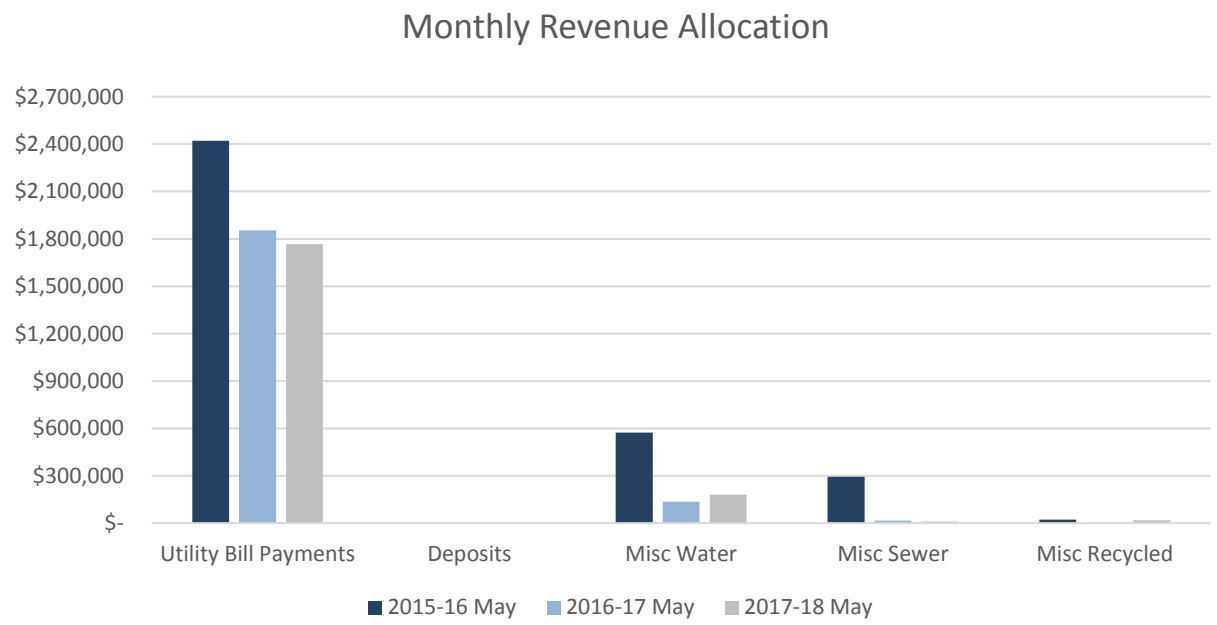
Financial Account Information

The District currently deposits all revenue received into the Deposit Checking account. The General Checking account is used as a sole processing account for all District checks and electronic payroll. The Investment Checking account is used for the purchase and redemption of US treasury notes and bills and for the transfer of LAIF funds. The US treasury notes and bills are booked at cost.

The LAIF investment account is a pooled money account administered by the State of California. Additional information on the LAIF account is provided below in the investment summary report.

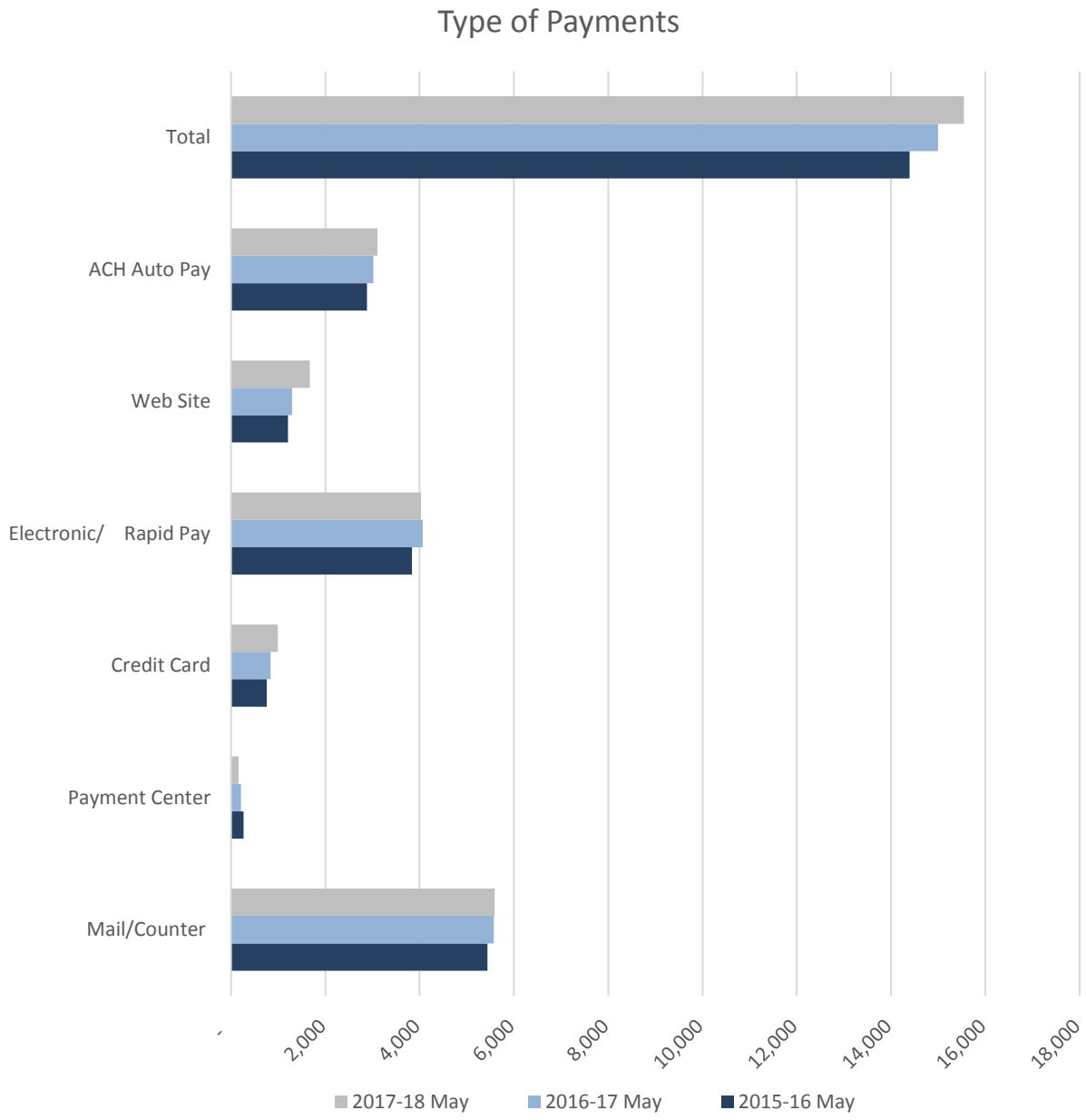
Monthly Revenue Allocation:

Funding Source	Total
Utility Bill Payments	$ 1,766,439.85
Deposits	$ 0
Misc. Water Related Activities	$ 180,110.42
Misc. Sewer Related Activities	$ 9,027.81
Misc. Recycled Related Activities	$ 17,907.69
Total	**$ 1,973,485.77**



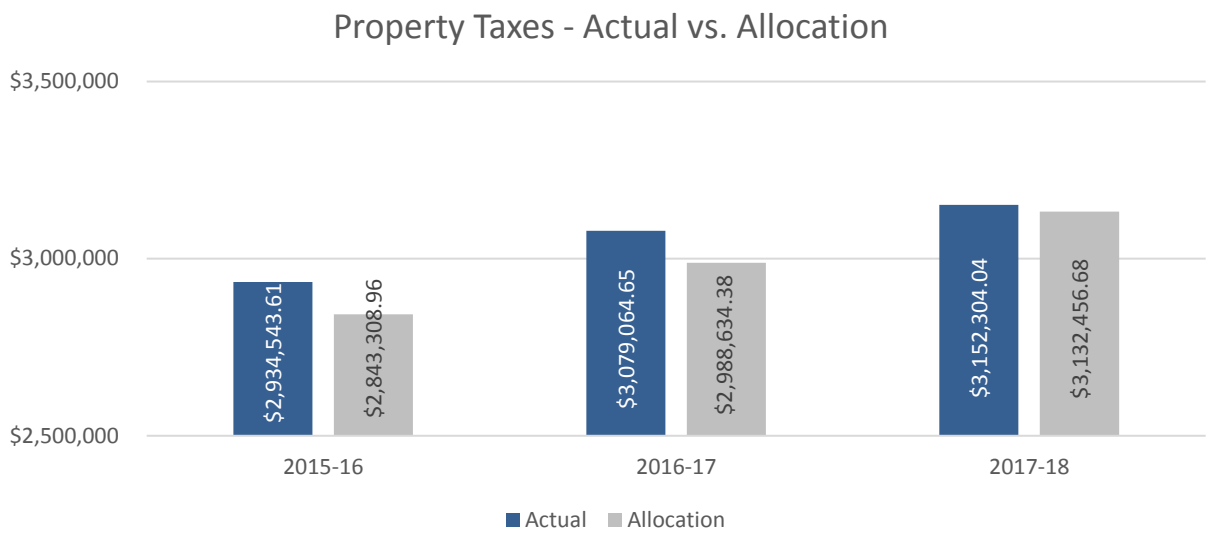
Summary of Utility Bill Payments:

Payment Method	Number of Payments	% of Total Received
Mail/Counter	5,593	35.97%
Payment Center	162	1.04%
Credit Card	995	6.40%
Electronic Rapid Pay	4,026	25.89%
Web Site	1,670	10.74%
ACH Auto Pay	3,102	19.95%
Total	**15,548**	**100.00%**



Summary of Property Tax Revenue:

Current Month	Year-to-Date	Allocation Amount*	Percentage
Property Taxes	$3,152,304.04	$ 3,132,456.68	100.63%



Investment Summary

[Detailed information can be found on pages 15 to 16 of 25]

The investment summary report illustrates the District's investments in US treasury notes and bills in addition to the investments held by the Local Agency Investment Fund or LAIF. The yields for the treasury notes and bills are provided for each individual transaction. The historical annual yield for funds invested with LAIF is also provided.

Separate pooled money investment reports prepared by the State of California are maintained by the District and available for review.

Investment Policy Disclosure - The District is currently compliant with the portfolio of its Investment Policy and State law. The District is using Sandy Gage with Merrill Lynch Wealth Management (Bank of America Corporation) for Treasury investments. The District expects to meet its expenditure requirements for the next six months.

Fiscal Year 2017-18 Detail Budget Status

[Detailed information can be found on pages 17 to 25 of 25]

The revenue and expense budget status for the 2017-18 Fiscal Year is provided for your review.

Questions or Comments

If you have any questions about a particular budget account, please do not hesitate to contact the Chief Financial Officer directly. If you need additional information, the members of the Administrative Department would be happy to provide you with any detailed information you may desire.

Summary of Revenue Budget
As of May 31, 2018 (81% of Budget Cycle)

Division	Current Month	Year-to-Date	Budget Amount	Percentage
Water	$ 1,015,916	$ 11,449,839	$ 13,936,171	82.16%
Sewer	$ 970,437	$ 10,205,989	$ 12,135,640	84.10%
Recycled Water	$ 46,111	$ 594,601	$ 813,795	73.07%
District Revenue	**$ 2,032,464**	**$ 22,250,429**	**$ 26,885,606**	**82.76%**

Summary of Water Budget vs. Expenses
As of May 31, 2018 (81% of Budget Cycle)

Department	Current Month	Year-to-Date	Budget Amount	Percentage
Water Resources	$ 243,540	$ 4,798,837	$ 5,370,600	89.35%
Public Works	$ 236,190	$ 2,405,457	$ 2,550,488	94.31%
Administration	$ 313,552	$ 3,473,835	$ 3,719,418	93.40%
Long Term Debt	$ -	$ 2,293,913	$ 2,294,665	99.97%
Asset Acquisition	$ -	$ -	$ -	0.00%
TOTAL	**$ 793,282**	**$ 12,972,042**	**$ 13,935,171**	**93.09%**

Summary of Sewer Budget vs. Expenses
As of May 31, 2018 (81% of Budget Cycle)

Department	Current Month	Year-to-Date	Budget Amount	Percentage
Treatment	$ 239,626	$ 3,694,383	$ 3,930,743	93.99%
Administration	$ 230,974	$ 2,923,232	$ 3,246,153	90.05%
Environmental Control	$ 67,908	$ 937,032	$ 1,124,463	83.33%
Long Term Debt	$ -	$ 3,833,694	$ 3,834,281	99.98%
Asset Acquisition	$ -	$ -	$ -	0.00%
TOTAL	**$ 538,508**	**$ 11,388,341**	**$ 12,135,640**	**93.84%**

Summary of Recycled Water Budget vs. Expenses
As of May 31, 2018 (81% of Budget Cycle)

Department	Current Month	Year-to-Date	Budget Amount	Percentage
Administration	$ 64,454	$ 849,178	$ 813,795	104.35%
TOTAL	**$ 64,454**	**$ 849,178**	**$ 813,795**	**104.35%**
District Expenses	**$ 1,396,244**	**$ 25,209,561**	**$ 26,884,606**	**93.77%**

Note: Budget amounts for certain categories were updated in November and April as a result of the budget adjustments that were approved by the Board.

Cash Fund Balance Report - May 2018

	Water Division	GL#		Balance
Restricted	*ID 1 Construction Funds	02-10216	$	293,145.85
	*ID 2 Construction Funds	02-10217	$	80,409.31
	*FCC - Debt Service YVRWFF Phase I	02-10401	$	(3,524,033.01)
	*FCC - Future YVRWFF Phase II & III	02-10403	$	428,605.82
	*FCC - Recycled System	02-10410	$	(850,911.32)
	*FCC - Booster Pumping Plants	02-10411	$	704,080.77
	*FCC - Pipeline Facilities	02-10412	$	149,188.04
	*FCC - Water Storage Reservoirs	02-10413	$	2,314,786.54
Operating	Depreciation Reserves	02-10310	$	629,427.17
	Infrastructure Reserves	02-10311	$	3,839,383.00
	Sustainability Fund	02-10313	$	117,821.16
	Rate Stabilization Fund	02-10314	$	500,209.14
	Imported Water Fund - MUNI	02-10315	$	436,995.68
	Imported Water Fund - SGPWA	02-10316	$	763,167.05
	Operating Funds:		$	(332,070.57)
		Total Water Division	**$**	**5,550,204.63**

	Sewer Division	GL#		Balance
Restricted	*SRF Reserve Fund - Brineline	03-10218	$	637,449.00
	*SRF Reserve Fund - WISE	03-10219	$	184,928.00
	*SRF Reserve Fund - R 10.3	03-10220	$	51,531.00
	*SRF Reserve Fund - Crow St	03-10221	$	19,255.00
	*FCC - Debt Service WWTP Expansion & Upgrade	03-10405	$	1,853,788.79
	*FCC - Future WWTP Expansion	03-10407	$	1,437,749.51
	*FCC - Sewer Interceptors	03-10415	$	(786,972.26)
	*FCC - Lift Stations	03-10416	$	354,538.30
	*FCC - Effluent Disposal Facilities	03-10417	$	(1,598,700.56)
	*FCC - Salt Mitigation Facilities	03-10418	$	(8,359,741.39)
Operating	Project Fund - Encumbered	03-10215	$	276,000.00
	Depreciation Reserves	03-10310	$	3,791,698.90
	Infrastructure Reserves	03-10311	$	5,252,970.00
	Rate Stabilization Fund	03-10314	$	1,464,394.90
	Operating Funds:		$	2,171,460.75
		Total Wastewater Division	**$**	**6,750,349.94**

	Recycled Water Division	GL#		Balance
Restricted	*FCC - Recycled System	04-10410	$	71,068.44
	*FCC - Booster Pumping Plants	04-10411	$	8,188.18
	*FCC - Pipeline Facilities	04-10412	$	255,492.90
	*FCC - Water Storage Reservoirs	04-10413	$	257,281.89
Operating	Project Fund - Encumbered	04-10215	$	-
	Depreciation Reserves	04-10310	$	43,665.84
	Infrastructure Reserves	04-10311	$	275,412.31
	Operating Funds:		$	492,820.03
		Total Recycled Water Division	**$**	**1,403,929.59**

DISTRICT TOTAL	**$**	**13,704,484.16**

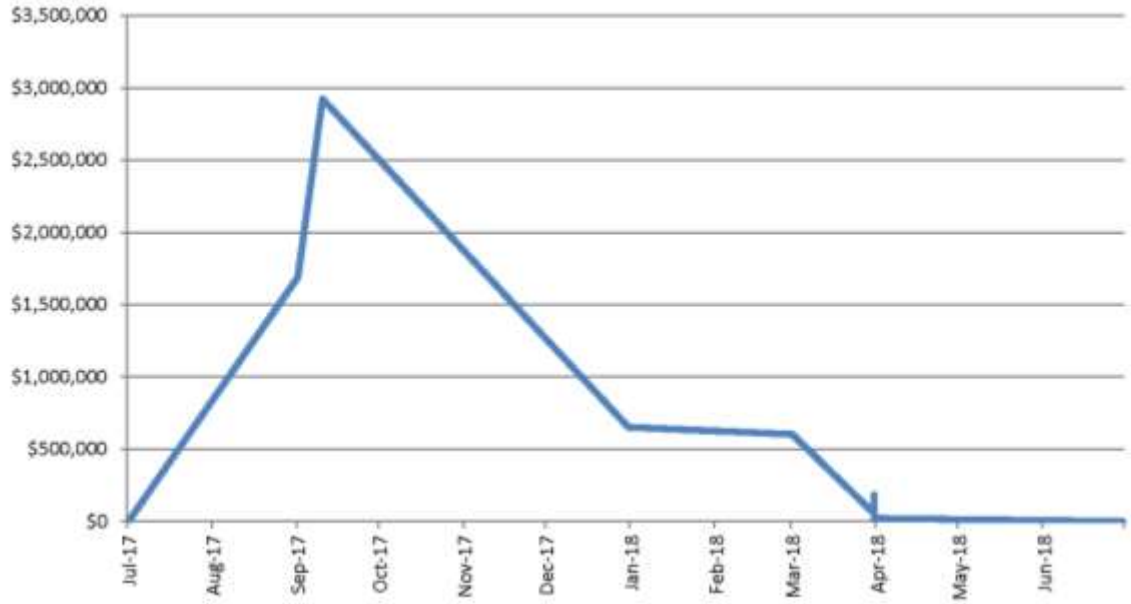
*=Restricted Funds

Cash Flow Report for Fiscal Year 2017-18

Financial Obligations for Fiscal Year 2017-18

Due Date	Fund	Description	Term of Obligation		Amount
9/1/2017	Water	2015A Bond Payment - YVRWFF	2015-2034	$	1,690,106.25
9/10/2017	Sewer	SRF Payment - WRWRF	2009-2028	$	2,923,668.75
12/31/2017	Sewer	SRF Payment - Yucaipa Regional Brineline	2013-2032	$	652,249.39
3/1/2018	Water	2015A Bond Payment - YVRWFF	2015-2034	$	603,806.25
3/31/2018	Sewer	SRF Payment - Recycled Reservoir R-10.3	2014-2033	$	54,243.03
3/31/2018	Sewer	SRF Payment - Desalinization at WRWRF	2014-2033	$	186,470.11
3/31/2018	Sewer	SRF Payment - Crow Street/Recycled Booster B-12.1	2016-2035	$	21,247.48
			Total	**$**	**6,131,791.26**

Payment Schedule and Cash Flow Requirements for Fiscal Year 2017-18



Checks and Electronic Payments - May 2018

Check Date	Check Number	Name	Check Amount
5/7/2018	31707	State Water Resources Control	$ 70.00
5/7/2018	31708	Matthew Hendrickson	$ 100.00
5/7/2018	31709	Geoff Risaliti	$ 130.00
5/7/2018	31710	State Controller's Office	$ 16.28
5/7/2018	31711	ADS, LLC	$ 4,275.00
5/7/2018	31712	AmeriGas Propane LP	$ 160.55
5/7/2018	31713	Ameripride Uniform Services	$ 1,262.44
5/7/2018	31714	Atlas Copco Compressors, LLC	$ 20,902.46
5/7/2018	31715	John F. Simister	$ 270.85
5/7/2018	31716	Best Home Center	$ 29.59
5/7/2018	31717	BSK Associates	$ 45.00
5/7/2018	31718	C & B Crushing, Inc.	$ 590.00
5/7/2018	31719	Cal-Mesa Steel Supply, Inc.	$ 53.88
5/7/2018	31720	Cliff's Pest Control, Inc.	$ 115.00
5/7/2018	31721	Coverall North America, Inc.	$ 1,021.00
5/7/2018	31722	First American Data Tree, LLC	$ 50.00
5/7/2018	31723	VP Imaging, Inc.	$ 2,700.00
5/7/2018	31724	Emergency Power Controls, Inc.	$ 1,008.00
5/7/2018	31725	Eco Pro Environmental Services	$ 85.00
5/7/2018	31726	Evoqua Water Technologies LLC	$ 1,384.16
5/7/2018	31727	Frontier Communications	$ 148.41
5/7/2018	31728	House Of Quality, Parts Plus	$ 1,776.70
5/7/2018	31729	Incode Division-Tyler Technolo	$ 250.00
5/7/2018	31730	Innerline Engineering	$ 3,500.00
5/7/2018	31731	Nicholas C. Hendrickson	$ 323.25
5/7/2018	31732	JB Paving & Engineering, Inc.	$ 84,770.00
5/7/2018	31733	Raiset R. Santana and Adriana	$ 44.75
5/7/2018	31734	KEC Engineering	$ 1,200.00
5/7/2018	31735	Krieger & Stewart	$ 118,942.59
5/7/2018	31736	Lupoid, LLC	$ 399.53
5/7/2018	31737	LUZ Investment Corp.	$ 1,614.76
5/7/2018	31738	Maintenance Connection Inc	$ 9,999.11
5/7/2018	31739	MBC Applied Environmental Scie	$ 1,300.00
5/7/2018	31740	Nagem, Inc.	$ 1,085.02
5/7/2018	31741	NetComp Technologies,Inc.	$ 2,750.00
5/7/2018	31742	Pacific Coast Landscape & Desi	$ 9,150.00
5/7/2018	31743	Q Versa, LLC	$ 44,791.81
5/7/2018	31744	Redlands Ford	$ 8,917.98
5/7/2018	31745	SCCI, Inc.	$ 350.00
5/7/2018	31746	SB CNTY-Solid Waste Mgmt Div	$ 33.44
5/7/2018	31747	South Coast A.Q.M.D.	$ 1,028.88
5/7/2018	31748	Association of San Bernardino	$ 160.00
5/7/2018	31749	Spectrum Business	$ 3,668.00
5/7/2018	31750	Steven Enterprises, Inc	$ 333.54
5/7/2018	31751	The Counseling Team Internatio	$ 480.00
5/7/2018	31752	The Gas Company	$ 370.01
5/7/2018	31753	U.S. Telepacific Corp	$ 2,652.16

Checks and Electronic Payments - May 2018

Check Date	Check Number	Name	Check Amount
5/7/2018	31754	Underground Service Alert Of S	$ 354.85
5/7/2018	31755	UPS Store#1504/ Mail Boxes Etc	$ 23.30
5/7/2018	31756	Westrux International, Inc.	$ 183.76
5/7/2018	31757	Yucaipa Disposal, Inc.	$ 1,641.05
5/7/2018	31758	Yucaipa Valley Chamber Of Comm	$ 20.00
5/7/2018	31759	Armorcast Products Company	$ 29,335.84
5/7/2018	31760	Brenntag Pacific, Inc	$ 35,451.95
5/7/2018	31761	Burgeson's Heating & Air Cond.	$ 16,800.00
5/7/2018	31762	Calolympic Glove & Safety Co.,	$ 1,080.24
5/7/2018	31763	Center Electric Services, Inc.	$ 28,727.64
5/7/2018	31764	CS Associated Municipal Sale C	$ 1,953.69
5/7/2018	31765	JW D'Angelo Co.	$ 461.26
5/7/2018	31766	Grainger	$ 57.66
5/7/2018	31767	Harrington Ind. Plastic, LLC	$ 2,713.45
5/7/2018	31768	Hasa, Inc.	$ 7,133.46
5/7/2018	31769	Hemet Valley Tool Inc.	$ 623.87
5/7/2018	31770	Myers & Sons Hi-Way Safety Inc	$ 2,928.65
5/7/2018	31771	Inland Water Works Supply Co.	$ 5,718.08
5/7/2018	31772	Lowe's Companies, Inc.	$ 853.30
5/7/2018	31773	Polydyne Inc.	$ 2,949.12
5/7/2018	31774	Pro-Pipe & Supply, Inc.	$ 494.61
5/7/2018	31775	Riverside Winnelson Company	$ 266.47
5/7/2018	31776	Rosemount Analytical, Inc.	$ 5,712.48
5/7/2018	31777	Sinclair Rock and Sand Inc.	$ 1,700.00
5/7/2018	31778	Donald Kent Stone	$ 897.05
5/7/2018	31779	Uline, Inc.	$ 2,512.58
5/7/2018	31780	US Bank	$ 3,207.75
5/7/2018	31781	ZEP Manufacturing Company	$ 879.57
5/11/2018	31782	PAYROLL CHECK	$ 2,324.91
5/11/2018	31783	PAYROLL CHECK	$ 582.97
5/11/2018	31784	WageWorks, Inc.	$ 1,433.43
5/11/2018	31785	IBEW Local 1436	$ 696.00
5/11/2018	31786	California State Disbursement	$ 115.38
5/11/2018	31787	California State Disbursement	$ 397.38
5/11/2018	31788	Department of the Treasury - I	$ 175.00
5/11/2018	31789	CA-EDD	$ 1,908.61
5/11/2018	31790	YVWD-Petty Cash	$ 348.30
5/11/2018	31791	Standard Insurance Company	$ 1,603.36
5/11/2018	31792	Standard Insurance Vision Plan	$ 639.32
5/11/2018	31793	MetLife Small Business Center	$ 147.22
5/11/2018	31794	Ashley Gibson	$ 40.33
5/11/2018	31795	Blue Shield of California	$ 2,005.00
5/11/2018	31796	Nippon Life Insurance Co. of A	$ 2,210.74
5/14/2018	31797	Delta Partners, LLC	$ 7,500.00
5/14/2018	31798	Dudek & Associates, Inc	$ 13,508.00
5/14/2018	31799	One Stop Landscape Supply Inc	$ 22,322.50
5/14/2018	31800	Platinum Advisors, LLC	$ 5,000.00

Check Date	Check Number	Name	Check Amount
5/14/2018	31801	WM Lyles Co	$ 43,600.00
5/14/2018	31802	David L. Wysocki	$ 3,750.00
5/14/2018	31803	Matthew M. Barlow	$ 650.00
5/14/2018	31804	Ameripride Uniform Services	$ 614.63
5/14/2018	31805	John F. Simister	$ 92.00
5/14/2018	31806	BSK Associates	$ 365.00
5/14/2018	31807	Central Communications	$ 319.49
5/14/2018	31808	Clinical Laboratory of San Ber	$ 8,305.50
5/14/2018	31809	Victor James Valenti	$ 3,799.00
5/14/2018	31810	Corelogic, Inc.	$ 330.00
5/14/2018	31811	Donegan Tree Service	$ 650.00
5/14/2018	31812	David Sunden	$ 340.23
5/14/2018	31813	Evoqua Water Technologies LLC	$ 1,932.41
5/14/2018	31814	G&G Environmental Compliance,I	$ 3,990.12
5/14/2018	31815	Incode Division-Tyler Technolo	$ 5,719.38
5/14/2018	31816	InfoSend, Inc.	$ 5,204.64
5/14/2018	31817	Innerline Engineering	$ 1,750.00
5/14/2018	31818	JB Paving & Engineering, Inc.	$ 26,950.00
5/14/2018	31819	JCS Welding, Inc.	$ 3,420.00
5/14/2018	31820	Konica Minolta Business Soluti	$ 699.21
5/14/2018	31821	Nagem, Inc.	$ 212.50
5/14/2018	31822	National Business Furniture LL	$ 5,473.61
5/14/2018	31823	John Deere Financial f.s.b.	$ 71.93
5/14/2018	31824	Pro-Pipe & Supply, Inc.	$ 22.03
5/14/2018	31825	Red Alert Special Couriers	$ 344.26
5/14/2018	31826	Riverside-Corona Resource Cons	$ 4,970.00
5/14/2018	31827	Santa Ana Watershed Project Au	$ 14,019.00
5/14/2018	31828	Separation Processes, Inc.	$ 424.00
5/14/2018	31829	Spectrum Business	$ 2,549.00
5/14/2018	31830	Yucaipa Valley Water District	$ 4,127.55
5/14/2018	31831	State Water Resources Control	$ 180.00
5/14/2018	31832	Jacob Duncan	$ 180.00
5/14/2018	31833	Aaron Blose	$ 119.55
5/14/2018	31834	Ward & Ward	$ 140.00
5/14/2018	31835	VALDEZ, ANTHONY AND	$ 54.85
5/14/2018	31836	All American Sewer Tools	$ 8,911.54
5/14/2018	31837	Belnick Retail, LLC	$ 14,098.80
5/14/2018	31838	Brenntag Pacific, Inc	$ 5,799.05
5/14/2018	31839	Crown Ace Hardware - Yucaipa	$ 1,089.15
5/14/2018	31840	Flow N Control, Inc.	$ 6,586.76
5/14/2018	31841	FMB Truck Outfitters, Inc.	$ 172.29
5/14/2018	31842	Grainger	$ 4,201.31
5/14/2018	31843	Hach Company	$ 2,049.55
5/14/2018	31844	Halcyon Electric Inc	$ 12,206.00
5/14/2018	31845	Hemet Valley Tool Inc.	$ 363.21
5/14/2018	31846	Hoppers Office & Drafting Furn	$ 1,384.59
5/14/2018	31847	Industrial Scientific Corporat	$ 126.61

Checks and Electronic Payments - May 2018

Check Date	Check Number	Name	Check Amount
5/14/2018	31848	Inland Water Works Supply Co.	$ 4,545.41
5/14/2018	31849	Nuckles Oil Company, Inc.	$ 6,272.73
5/14/2018	31850	NCL Of Wisconsin Inc	$ 874.07
5/14/2018	31851	Office Solutions Business Prod	$ 670.76
5/14/2018	31852	Safeguard Business Systems Inc	$ 1,204.92
5/14/2018	31853	Steven Enterprises, Inc	$ 98.38
5/14/2018	31854	Calmat Company	$ 4,199.81
5/14/2018	31855	Joe DeSalliers	$ 646.39
5/14/2018	31856	Rodd Greene	$ 648.15
5/14/2018	31857	Linda Kilday	$ 646.39
5/14/2018	31858	Dennis Neff	$ 599.99
5/14/2018	31859	Robert Wall	$ 599.99
5/14/2018	31860	Western Dental Services, Inc.	$ 203.54
5/14/2018	31861	Charlie Bailey	$ 629.40
5/14/2018	31862	Berkshire Hathaway Homestate C	$ 11,243.89
5/14/2018	31863	Peggy Little	$ 176.96
5/14/2018	31864	Steven Molina	$ 135.00
5/14/2018	31865	American Family Life Assurance	$ 3,529.28
5/21/2018	31866	State Water Resources Control	$ 110.00
5/21/2018	31867	CWEA-TCP (OAKPORT ST.)	$ 980.00
5/21/2018	31868	Courtland R. Gear	$ 115.55
5/21/2018	31869	Ameripride Uniform Services	$ 614.15
5/21/2018	31870	AT&T Mobility	$ 1,550.05
5/21/2018	31871	Best Home Center	$ 6.01
5/21/2018	31872	City of Riverside	$ 712.13
5/21/2018	31873	Dinosaur Tire Inc.	$ 629.79
5/21/2018	31874	ECORP Consulting, Inc.	$ 710.00
5/21/2018	31875	Innerline Engineering	$ 1,750.00
5/21/2018	31876	Nicholas C. Hendrickson	$ 260.70
5/21/2018	31877	NCL Of Wisconsin Inc	$ 873.39
5/21/2018	31878	NetComp Technologies,Inc.	$ 3,095.19
5/21/2018	31879	Francis O. Tello	$ 263.41
5/21/2018	31880	P & R Paper Supply Co., Inc.	$ 511.88
5/21/2018	31881	Pro-Pipe & Supply, Inc.	$ 804.55
5/21/2018	31882	Quinn Company	$ 66.21
5/21/2018	31883	SF CC Intermediate Holdings In	$ 49.05
5/21/2018	31884	Southern CA Emergency Medicine	$ 375.00
5/21/2018	31885	South Coast A.Q.M.D.	$ 257.22
5/21/2018	31886	SCAP	$ 3,119.00
5/21/2018	31887	Tom Malloy Corp.	$ 23.71
5/21/2018	31888	UPS Store#1504/ Mail Boxes Etc	$ 11.16
5/21/2018	31889	Westrux International, Inc.	$ 227.55
5/21/2018	31890	All American Sewer Tools	$ 2,995.04
5/21/2018	31891	Aqua-Metric Sales Company	$ 4,046.17
5/21/2018	31892	Doan and Hartwig Water Systems	$ 942.94
5/21/2018	31893	JW D'Angelo Co.	$ 3,738.40
5/21/2018	31894	Harrington Ind. Plastic, LLC	$ 23.88

Checks and Electronic Payments - May 2018

Check Date	Check Number	Name	Check Amount
5/21/2018	31895	Inland Water Works Supply Co.	$ 588.32
5/21/2018	31896	McMaster-Carr Supply Co.	$ 389.44
5/21/2018	31897	Nuckles Oil Company, Inc.	$ 2,672.76
5/21/2018	31898	Tom Ponton Industries, Inc.	$ 2,730.63
5/21/2018	31899	T.T. Technologies, Inc.	$ 117.74
5/21/2018	31900	Uline, Inc.	$ 1,152.33
5/21/2018	31901	Vortex Industries. Inc.	$ 4,639.03
5/21/2018	31902	Calmat Company	$ 4,894.79
5/21/2018	31903	State Water Resources Control	$ 285.00
5/21/2018	31904	Atkinson, Andelson, Loya, Ruud	$ 15,731.60
5/21/2018	31905	Gilbert A. Santacruz	$ 119.55
5/24/2018	31906	PAYROLL CHECK	$ 2,223.81
5/25/2018	31907	WageWorks, Inc.	$ 1,583.43
5/25/2018	31908	California State Disbursement	$ 115.38
5/25/2018	31909	California State Disbursement	$ 397.38
5/25/2018	31910	Department of the Treasury - I	$ 175.00
5/29/2018	31911	Clinical Laboratory of San Ber	$ 5,742.50
5/29/2018	31912	Three Peaks Corp.	$ 711.19
5/29/2018	31913	Juan Orozco	$ 1,759.21
5/29/2018	31914	Ronald Elisalda	$ 210.00
5/29/2018	31915	ELARBEE, TONYA	$ 50.58
5/29/2018	31916	JOYCE, PAT & MELANIE	$ 7,112.39
5/29/2018	31917	SANCHEZ, NIKOLAS M	$ 41.09
5/29/2018	31918	STOKES, STEVE	$ 84.00
5/29/2018	31919	ADS, LLC	$ 4,275.00
5/29/2018	31920	Luke's Transmission Inc.	$ 1,794.67
5/29/2018	31921	Ralph C. Casas	$ 84.95
5/29/2018	31922	Ameripride Uniform Services	$ 772.75
5/29/2018	31923	Cal-Mesa Steel Supply, Inc.	$ 38.79
5/29/2018	31924	Cliff's Pest Control, Inc.	$ 115.00
5/29/2018	31925	Computerized Embroidery Compan	$ 743.47
5/29/2018	31926	Eco Pro Environmental Services	$ 85.00
5/29/2018	31927	Frontier Communications	$ 150.01
5/29/2018	31928	Incode Division-Tyler Technolo	$ 300.00
5/29/2018	31929	InfoSend, Inc.	$ 1,979.74
5/29/2018	31930	Inland Leaders Charter School	$ 497.00
5/29/2018	31931	Innerline Engineering	$ 1,750.00
5/29/2018	31932	Carlos Murillo	$ 909.21
5/29/2018	31933	Krieger & Stewart	$ 87,292.16
5/29/2018	31934	Lowe's Companies, Inc.	$ 89.76
5/29/2018	31935	Nagem, Inc.	$ 4,922.15
5/29/2018	31936	Office Solutions Business Prod	$ 2,246.75
5/29/2018	31937	Quinn Company	$ 805.03
5/29/2018	31938	Redlands Ford	$ 237.50
5/29/2018	31939	Redlands Tire Pros & Service C	$ 109.99
5/29/2018	31940	SCCI, Inc.	$ 350.00
5/29/2018	31941	SCE Rosemead	$ 184,510.86

Checks and Electronic Payments - May 2018

Check Date	Check Number	Name	Check Amount
5/29/2018	31942	U.S. Telepacific Corp	$ 2,656.97
5/29/2018	31943	Aqua-Metric Sales Company	$ 55,678.85
5/29/2018	31944	Brenntag Pacific, Inc	$ 10,908.20
5/29/2018	31945	Grainger	$ 734.31
5/29/2018	31946	Haaker Equipment Company	$ 323.25
5/29/2018	31947	Hach Company	$ 1,544.21
5/29/2018	31948	Hasa, Inc.	$ 3,430.88
5/29/2018	31949	Home Depot U.S.A. Inc	$ 1,386.48
5/29/2018	31950	McMaster-Carr Supply Co.	$ 394.07
5/29/2018	31951	Nuckles Oil Company, Inc.	$ 3,213.32
5/29/2018	31952	Office Solutions Business Prod	$ 290.06
5/29/2018	31953	Star Fleet Filtration, Inc.	$ 1,900.03
5/29/2018	31954	US Bank	$ 3,655.09
5/29/2018	31955	Cobb's Printing, LLC	$ 212.44
5/29/2018	31956	WageWorks, Inc.	$ 207.50
			$ 1,254,217.82
5/11/2018	electronic pmt	IRS - PAYROLL TAXES	$ 52,182.09
5/11/2018	electronic pmt	CA-EDD	$ 9,416.52
5/11/2018	electronic pmt	VOYA-457	$ 6,038.62
5/11/2018	electronic pmt	CA-PERS Supplemental Income 45	$ 22,419.50
5/11/2018	electronic pmt	Public Employees' Retirement S	$ 24,936.31
5/14/2018	electronic pmt	CalPERS - HEALTH	$ 72,481.59
5/25/2018	electronic pmt	IRS - PAYROLL TAXES	$ 48,961.41
5/25/2018	electronic pmt	CA-EDD	$ 9,004.73
5/25/2018	electronic pmt	VOYA-457	$ 4,752.62
5/25/2018	electronic pmt	CA-PERS Supplemental Income 45	$ 19,729.97
5/25/2018	electronic pmt	Public Employees' Retirement S	$ 25,494.88
			$ 295,418.24

Investment Summary - May 2018

U.S. TREASURIES

Quantity	Description	Cusip	Maturity Date	Yield	Cost of Purchase	Market Value
500,000	US Treasury Bill	912796PQ6	July 12, 2018	0.330%	$ 496,612.76	$ 508,458.33
500,000			**Total Values**		**$ 496,612.76**	**$ 508,458.33**

Money Market Account Activity-Beginning Balance		**$ 506,808.14**
7/31/17 - Bond Interest	$	-
Dividend/Interest	$	2.95
Business Account Fee	$	-
Income	**$**	**2.95**
Intra-Bank Transfers to/from Investment Checking	$	-
Fund Transfers	**$**	**-**
Cusip Maturity	$	-
Redemptions	**$**	**-**
Cusip Purchase	$	(496,612.76)
Purchases	**$**	**(496,612.76)**
Ending Balance - Money Market	**$**	**10,198.33**
US Treasury Securities Investment Principal	**$**	**496,612.76**
Total Assets	**$**	**506,811.09**

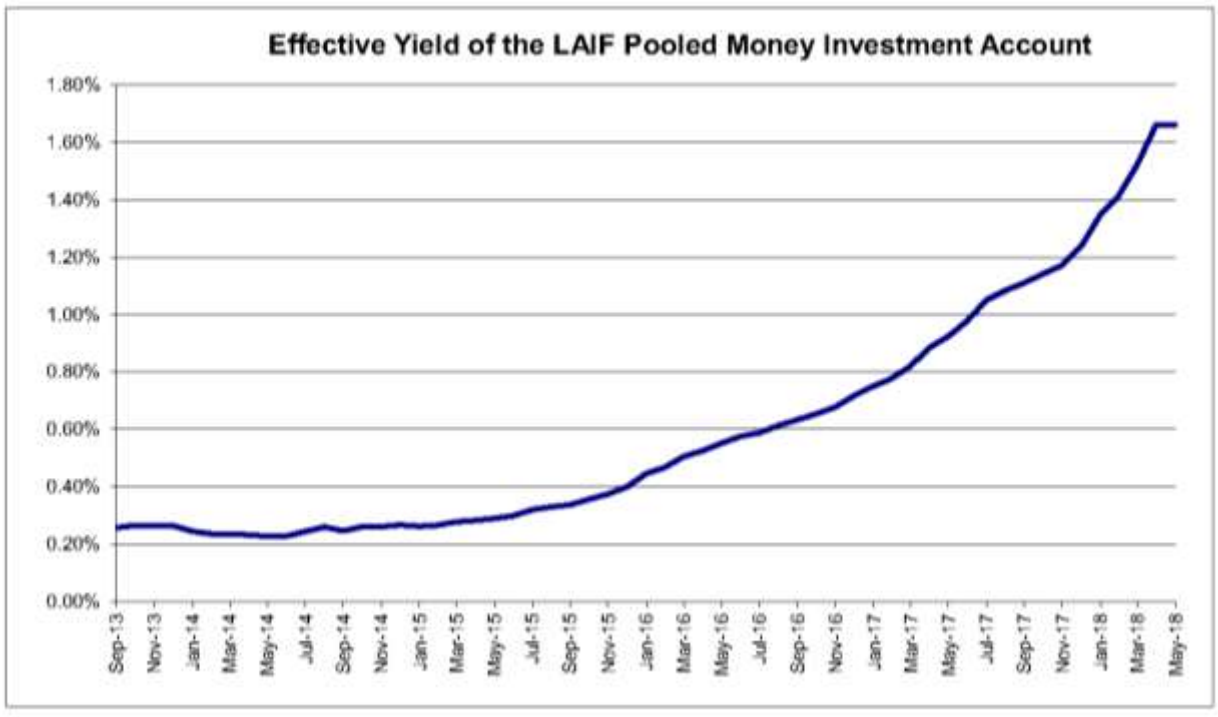
Note: As of 6/5/18, the updated treasury information for May has not been received. The information above is as of 4/30/18.

Investment Summary - May 2018

LOCAL AGENCY INVESTMENT FUND

PERIOD	TOTAL WITHDRAWAL AMOUNT	TOTAL DEPOSIT AMOUNT	ACCRUED INTEREST (QUARTERLY)	ENDING BALANCE
July 31, 2017	$ (1,600,000.00)	$ -	$ 34,146.51	$ 13,745,550.98
August 31, 2017	$ (4,000,000.00)	$ -	$ -	$ 9,745,550.98
September 30, 2017	$ -	$ -	$ -	$ 9,745,550.98
October 31, 2017	$ -	$ -	$ 32,517.12	$ 9,778,068.10
November 30, 2017	$ -	$ -	$ -	$ 9,778,068.10
December 31, 2017	$ -	$ 1,804,683.42	$ -	$ 11,582,751.52
January 31, 2018	$ -	$ -	$ -	$ 11,582,751.52
February 28, 2018	$ -	$ -	$ -	$ 11,582,751.52
March 31, 2018	$ (1,000,000.00)	$ -	$ -	$ 10,582,751.52
April 30, 2018	$ -	$ -	$ 40,921.99	$ 10,623,673.51
May 31, 2018	$ -	$ -	$ -	$ 10,623,673.51
June 30, 2018	$ -	$ -	$ -	$ 10,623,673.51

L.A.I.F. INCOME SUMMARY	CURRENT QUARTER	FY YEAR-TO-DATE
INCOME RECEIVED	$ 40,921.99	$ 107,585.62



FY 2017-18 Water Revenue					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
02-40010	Sales - Water	$ 5,912,971	$ 496,941	$ 4,658,974	78.79%
02-40011	Sales - Construction Water	$ 20,000	$ 3,398	$ 26,740	133.70%
02-40012	Sales - Imported Water (SGPWA)	$ 250,000	$ 20,858	$ 198,688	79.48%
02-40013	Sales - Imported Water (MUNI)	$ 850,000	$ 69,305	$ 634,203	74.61%
02-40014	Sales Disc.-Multi Units Usage Chrg.	$ (100,000)	$ (9,555)	$ (93,108)	93.11%
02-40015	Water Wholesale Revenue	$ 300,000	$ 5,310	$ 112,183	37.39%
02-40016	Service Establishment Fee	$ 5,000	$ 25	$ 925	18.50%
02-41000	Service Demand Charges	$ 3,200,000	$ 265,027	$ 2,702,107	84.44%
02-41001	Fire Service Standby Fees	$ 45,000	$ 3,243	$ 23,496	52.21%
02-41003	Construction Service Charge	$ 15,000	$ 218	$ 2,233	14.89%
02-41005	Sales Disc-Multi Units Service Chrg.	$ (135,000)	$ (11,379)	$ (116,285)	86.14%
02-41010	Unauthorized Use of Water Charge	$ 2,000	$ -	$ 375	18.75%
02-41110	Meter/Lateral Installation	$ 75,000	$ -	$ 27,300	36.40%
02-41112	Fire Flow Test Fees	$ 3,500	$ 525	$ 3,900	111.43%
02-41113	Disconnect/Reconnect Fees	$ 125,000	$ 6,910	$ 65,945	52.76%
02-41121	Penalty - Late Charges	$ 125,000	$ 6,182	$ 117,871	94.30%
02-42123	Management & Accounting Fees	$ 189,000	$ 15,750	$ 173,250	91.67%
02-41124	Bad Debt	$ (20,000)	$ (335)	$ (335)	1.68%
02-43010	Interest Earned	$ 62,000	$ 800	$ 68,208	110.01%
02-43110	Property Tax - Unsecured	$ 115,000	$ (215)	$ 49,842	43.34%
02-43120	Property Tax - Secured	$ 2,600,000	$ 112,487	$ 2,619,761	100.76%
02-43130	Tax Collection - Prior	$ 25,000	$ 719	$ (23,771)	-95.09%
02-43140	Other Taxes	$ 170,000	$ 27,423	$ 137,473	80.87%
02-49110	Rental Income (WATER STOCK)	$ 1,700	$ -	$ -	
02-49150	Revenue - Misc. Non-Operating	$ 100,000	$ 2,278	$ 59,866	59.87%
	WATER OPERATING REVENUE	**$ 13,936,171**	**$ 1,015,916**	**$ 11,449,839**	**82.16%**
	Grants	$ -	$ -	$ -	
02-89901	Facility Capacity Charges	$ -	$ 13,478	$ 221,272	
02-89902	Sustainability	$ -	$ 881	$ 70,174	
	TOTAL WATER REVENUE	**$ 13,936,171**	**$ 1,030,275**	**$ 11,741,284**	

NOTE: Plan check & inspection fees to 02-42122

FY 2017-18 Sewer Revenue					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
03-40016	Sales - Establish Service Fee	$ 500	$ -	$ 175	35.00%
03-41000	Sales - Sewer Charges	$ 11,890,265	$ 978,517	$ 9,978,748	83.92%
03-41005	Sales Disc-Multi Units Service Chrg.	$ (200,000)	$ (18,285)	$ (188,388)	94.19%
03-41110	Meter/Lateral Installation	$ 2,500	$ -	$ -	0.00%
03-41121	Penalty - Late Charges	$ 129,925	$ 9,525	$ 113,624	87.45%
03-41131	Front Footage Fees	$ 30,000	$ -	$ -	0.00%
03-41124	Bad Debt	$ (15,000)	$ -	$ -	0.00%
03-42122	Revenue - Other Operating	$ 1,950	$ 180	$ 1,620	83.08%
03-43010	Interest Earned	$ 59,000	$ -	$ 62,710	106.29%
03-43110	Property Tax - Unsecured	$ 50,000	$ -	$ 50,000	100.00%
03-43120	Property Tax - Secured	$ 175,000	$ -	$ 175,000	100.00%
03-43130	Tax Collection - Prior	$ 10,000	$ -	$ 10,000	100.00%
03-43140	Other Taxes	$ 1,500	$ -	$ 1,500	100.00%
03-49150	Misc. Non-Oper Revenue	$ -	$ 500	$ 1,000	#DIV/0!
	SEWER OPERATING REVENUE	**$ 12,135,640**	**$ 970,437**	**$ 10,205,989**	**84.10%**
	Grants	$ -		$ -	
03-89901	Facility Capacity Charges	$ -	$ 8,221	$ 458,600	
03-89903	Contrib Capital-Front Footage Fees	$ -	$ -	$ -	
03-89905	Contrib Capital-Infrastructure	$ -	$ -	$ -	
	TOTAL SEWER REVENUE	**$ 12,135,640**	**$ 978,658**	**$ 10,664,589**	

FY 2017-18 Recycled Revenue					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
04-40010	Sales - Recycled Water	$ 565,795	$ 39,003	$ 384,054	67.88%
04-40011	Sales - Construction Water	$ 20,000	$ 689	$ 2,592	12.96%
04-41000	Sales - Service Demand Chrg.	$ 60,000	$ 5,764	$ 57,754	96.26%
04-41003	Const. Water Minimum Chrg.	$ 5,000	$ 58	$ 788	15.76%
04-41110	Meter/Lateral installation	$ 15,000	$ 560	$ 400	2.67%
04-41121	Penalty - Late Charges	$ 1,000	$ 37	$ 3,722	372.23%
04-41122	Revenue - Other Operating	$ 500	$ -	$ (1,145)	-228.96%
04-43010	Interest Earned	$ 13,000	$ -	$ 13,936	107.20%
04-43110	Property Tax - Unsecured	$ 10,000	$ -	$ 10,000	100.00%
04-43120	Property Tax - Secured	$ 110,000	$ -	$ 110,000	100.00%
04-43130	Property Tax - Prior	$ 10,000	$ -	$ 10,000	100.00%
04-43140	Property Tax - Other	$ 2,500	$ -	$ 2,500	100.00%
04-49150	Misc. Non-Operating Revenue	$ 1,000	$ -	$ -	0.00%
	RECYCLED OPERATING REVENUE	**$ 813,795**	**$ 46,111**	**$ 594,601**	**73.07%**
	Grants	$ -		$ -	
04-89901	Facility Capacity Charges	$ -	$ 17,335	$ 72,660	
	TOTAL RECYCLED REVENUE	**$ 813,795**	**$ 63,446**	**$ 667,261**	

FY 2017-18 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
02-5-01-50010	Labor-Water Resources	$ 832,563	$ 65,647	$ 708,068	85.05%
02-5-01-50011	Labor Credit	$ -	$ -	$ -	
02-5-01-50013	Benefits-Fica	$ 55,800	$ 5,134	$ 57,624	103.27%
02-5-01-50014	Benefits-Life Insurance	$ 3,440	$ 121	$ 1,269	36.89%
02-5-01-50016	Benefits-Health\Defrd Comp	$ 144,480	$ 15,527	$ 170,539	118.04%
02-5-01-50017	Benefits-Disability Insurance	$ 6,565	$ 950	$ 9,836	149.82%
02-5-01-50019	Benefits-Workers Compensation	$ 19,693	$ -	$ 22,978	116.68%
02-5-01-50021	Benefits-PERS	$ 51,059	$ (122)	$ 25,738	50.41%
02-5-01-50022	Benefits-PERS-Employer	$ 106,500	$ 4,269	$ 45,740	42.95%
02-5-01-50023	Benefits-Uniforms	$ 2,580	$ 472	$ 2,830	109.71%
02-5-01-50024	Benefits-Vacation & Sick Pay	$ 7,500	$ 546	$ 7,606	101.41%
02-5-01-50025	Benefits-Boot Allowance	$ 1,720	$ -	$ 1,522	88.52%
02-5-01-51003	R&M - Structures	$ 525,000	$ 1,704	$ 547,482	104.28%
02-5-01-51011	R&M - CLA Valves	$ 30,000	$ -	$ 7,563	25.21%
02-5-01-51140	General Supplies & Expenses	$ 2,500	$ 411	$ 1,916	76.66%
02-5-01-51210	Utilities - Power Purchases	$ 1,400,000	$ 97,160	$ 1,135,776	81.13%
02-5-01-51211	Utilities - Electricity & Fuel	$ 5,000	$ 327	$ 3,848	76.96%
02-5-01-51316	Imported Water Purchases	$ 1,206,200	$ -	$ 1,140,649	94.57%
02-5-01-54019	Licenses & Permits	$ 70,000	$ -	$ 47,791	68.27%
02-5-01-54110	Laboratory Services	$ 50,000	$ -	$ 43,113	86.23%
02-5-01-57040	YVRWFF Operating Expense	$ 850,000	$ 51,395	$ 816,949	96.11%
	WATER RESOURCE TOTALS	**$ 5,370,600**	**$ 243,540**	**$ 4,798,837**	**89.35%**
02-5-03-50010	Labor-Public Works	$ 1,003,049	$ 94,287	$ 1,092,552	108.92%
02-5-03-50011	Labor Credit	$ -	$ (885)	$ (7,034)	
02-5-03-50013	Benefits-Fica	$ 126,030	$ 7,241	$ 84,509	67.05%
02-5-03-50014	Benefits-Life Insurance	$ 9,500	$ 188	$ 2,593	27.30%
02-5-03-50016	Benefits-Health\Defrd Comp	$ 399,000	$ 26,606	$ 324,695	81.38%
02-5-03-50017	Benefits-Disability Insurance	$ 14,900	$ 1,304	$ 15,113	101.43%
02-5-03-50019	Benefits-Workers Compensation	$ 44,500	$ -	$ 23,901	53.71%
02-5-03-50021	Benefits-PERS	$ 45,000	$ (590)	$ 21,588	47.97%
02-5-03-50022	Benefits-PERS Employer	$ 102,000	$ 5,861	$ 68,636	67.29%
02-5-03-50023	Benefits-Uniforms	$ 4,000	$ 695	$ 8,676	216.90%
02-5-03-50024	Benefits-Vacation & Sick Pay	$ 7,500	$ 452	$ 3,568	47.58%
02-5-03-50025	Benefits-Boot Allowance	$ 4,750	$ -	$ 3,783	79.65%
02-5-03-51001	R & M -Vehicles & Equipment	$ 230,000	$ 25,378	$ 294,099	127.87%
02-5-03-51011	R&M - Valves	$ 10,000	$ -	$ 7,172	71.72%
02-5-03-51020	R&M - Pipelines	$ 225,000	$ 69,525	$ 261,434	116.19%
02-5-03-51021	R&M - Service Lines	$ 175,000	$ 3,250	$ 61,044	34.88%
02-5-03-51022	R&M - Fire Hydrants	$ 40,000	$ 436	$ 19,018	47.55%
02-5-03-51030	R&M - Water Meters	$ 75,000	$ 2,616	$ 92,119	122.83%
02-5-03-51031	Fire Flow Testing	$ 28,259	$ -	$ 27,570	97.56%
02-5-03-51092	Equipment Credits	$ -	$ (541)	$ (5,727)	
02-5-03-51140	General Supplies & Expenses	$ 7,000	$ 366	$ 6,145	87.79%
	PUBLIC WORKS TOTALS	**$ 2,550,488**	**$ 236,190**	**$ 2,405,457**	**94.31%**
02-5-06-50010	Labor-Administration	$ 542,038	$ 55,555	$ 569,766	105.12%

FY 2017-18 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
02-5-06-50011	Labor Credit	$ -	$ -	$ 859	
02-5-06-50012	Director Fees	$ 22,500	$ 2,773	$ 23,688	105.28%
02-5-06-50013	Benefits-Fica	$ 62,000	$ 4,834	$ 48,893	78.86%
02-5-06-50014	Benefits-Life Insurance	$ 3,740	$ 134	$ 1,396	37.33%
02-5-06-50016	Benefits-Health\Defrd Comp	$ 154,600	$ 19,166	$ 205,824	133.13%
02-5-06-50017	Benefits-Disability Insurance	$ 7,300	$ 761	$ 7,650	104.80%
02-5-06-50019	Benefits-Workers Compensation	$ 21,900	$ -	$ 11,469	52.37%
02-5-06-50021	Benefits-PERS	$ 56,700	$ (180)	$ 21,452	37.83%
02-5-06-50022	Benefits PERS Employer	$ 118,200	$ 4,271	$ 43,035	36.41%
02-5-06-50023	Uniforms	$ 2,800	$ 328	$ 2,222	79.34%
02-5-06-50024	Benefits-Vacation & Sick Pay	$ 8,000	$ 267	$ 3,321	41.52%
02-5-06-50025	Benefits-Boots	$ 1,840	$ -	$ 1,381	75.05%
02-5-06-51003	R&M - Structures	$ 195,000	$ 54,009	$ 215,270	110.39%
02-5-06-51091	Expense Credits (overhead)	$ -	$ (183)	$ (3,260)	
02-5-06-51120	Safety Equipment/Supplies	$ 25,000	$ 94	$ 27,965	111.86%
02-5-06-51125	Petroleum Products	$ 106,000	$ 10,416	$ 100,586	94.89%
02-5-06-51130	Office Supplies & Expenses	$ 30,000	$ 9,385	$ 34,501	115.00%
02-5-06-51140	General Supplies & Expenses	$ 54,000	$ 1,579	$ 51,809	95.94%
02-5-06-51199	Disaster Incidences	$ -	$ -	$ -	
02-5-06-51211	Utilities - Electricity	$ 60,000	$ 2,148	$ 27,485	45.81%
02-5-06-51213	Utilities - Natural Gas	$ 3,000	$ 73	$ 1,342	44.72%
02-5-06-54002	Dues & Subscriptions	$ 16,500	$ 215	$ 15,443	93.59%
02-5-06-54005	Computer Expenses	$ 125,000	$ 12,300	$ 127,842	102.27%
02-5-06-54010	Postage	$ 3,500	$ -	$ 4,702	134.35%
02-5-06-54011	Printing & Publications	$ -	$ 96	$ 1,748	
02-5-06-54012	Education & Training	$ 15,000	$ 178	$ 9,045	60.30%
02-5-06-54013	Utility Billing Expenses	$ 180,000	$ 6,076	$ 161,247	89.58%
02-5-06-54014	Public Relations	$ 50,000	$ 9,668	$ 12,965	25.93%
02-5-06-54016	Travel Related Expenses	$ 15,000	$ 1,131	$ 15,602	104.02%
02-5-06-54017	Certifications & Renewals	$ 7,000	$ 1,070	$ 8,879	126.84%
02-5-06-54020	Meeting Related Expenses	$ 6,000	$ 648	$ 6,609	110.16%
02-5-06-54022	Utilities - YVWD Services	$ 50,000	$ -	$ 52,003	104.01%
02-5-06-54024	Utilities - Waste Disposal	$ 2,500	$ 278	$ 2,340	93.58%
02-5-06-54025	Utilities - Telephone & Internet	$ 45,000	$ 2,996	$ 39,552	87.89%
02-5-06-54099	Conservation & Rebates	$ 22,800	$ -	$ 22,735	99.71%
02-5-06-54104	Contractual Services	$ 130,000	$ 2,896	$ 109,843	84.49%
02-5-06-54107	Legal	$ 60,500	$ -	$ 64,577	106.74%
02-5-06-54108	Audit & Accounting	$ 16,000	$ -	$ 10,975	68.59%
02-5-06-54109	Professional Fees	$ 165,000	$ 2,500	$ 174,461	105.73%
02-5-06-55500	Depreciation Reserves	$ 200,000	$ 16,667	$ 183,333	91.67%
	Infrastructure Replacement	$ 1,000,000	$ 83,333	$ 916,663	91.67%
02-5-06-56001	Insurance	$ 100,000	$ 7,872	$ 87,781	87.78%
02-5-06-57030	Regulatory Compliance	$ 7,000	$ 200	$ 8,356	119.37%
02-5-06-57090	Election Related Expenses	$ -	$ -	$ -	
02-5-06-57096	Beaumont Basin Watermaster	$ 28,000	$ -	$ 40,482	144.58%
02-5-06-57199	Suspense	$ -	$ -	$ -	
	ADMINISTRATION TOTALS	**$ 3,719,418**	**$ 313,552**	**$ 3,473,835**	**93.40%**

FY 2017-18 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
02-5-40-57201	Debt Srv-Series 2015A Princ.(2500	$ 1,669,000	$ (603,806)	$ 1,065,000	63.81%
02-5-40-57402	Interest-Long-Term Debt Bonds	$ 625,665	$ 603,806	$ 1,228,913	196.42%
	40 - Debt	**$ 2,294,665**	**$ -**	**$ 2,293,913**	**99.97%**
02-5-40-57001	Asset Acq, - Water Resources	$ -	$ -	$ -	--
02-5-40-57003	Asset Acq, - Public works	$ -	$ -	$ -	--
02-5-40-57006	Asset Acq. - Admin (fuel master)	$ -	$ -	$ -	--
	40 - Capital Outlay	**$ -**	**$ -**	**$ -**	**--**
				$ 12,972,041	
	TOTAL WATER EXPENSES	**$ 13,935,171**	**$ 793,282**	**$ 12,972,041**	**93.09%**

FY 2017-18 Sewer Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
03-5-02-50010	Labor-S Treatment	$ 878,548	$ 65,829	$ 755,833	86.03%
03-5-02-50013	Benefits-Fica	$ 62,000	$ 5,059	$ 60,161	97.03%
03-5-02-50014	Benefits-Life Insurance	$ 3,680	$ 124	$ 1,377	37.41%
03-5-02-50016	Benefits-Health\Defrd Comp	$ 155,600	$ 14,530	$ 166,964	107.30%
03-5-02-50017	Benefits-Disability Insurance	$ 7,300	$ 934	$ 9,902	135.65%
03-5-02-50019	Benefits-Workers Compensation	$ 21,900	$ -	$ 22,978	104.92%
03-5-02-50021	Benefits-PERS	$ 53,000	$ (122)	$ 28,601	53.96%
03-5-02-50022	Benefits-PERS Employer	$ 92,375	$ 4,294	$ 48,893	52.93%
03-5-02-50023	Benefits-Uniforms	$ 2,800	$ 350	$ 4,429	158.19%
03-5-02-50024	Benefits-Vacation & Sick Pay	$ 5,000	$ 546	$ 5,077	101.55%
03-5-02-50025	Benefits-Boot Allowance	$ 1,840	$ -	$ 1,644	89.35%
03-5-02-51003	R&M - Structures	$ 483,200	$ 13,392	$ 551,871	114.21%
03-5-02-51010	R&M - Automation Control	$ 80,000	$ 3,079	$ 57,605	72.01%
03-5-02-51106	Chemicals	$ 586,000	$ 56,208	$ 575,263	98.17%
03-5-02-51111	Propane	$ 10,000	$ -	$ 321	3.21%
03-5-02-51115	Laboratory Supplies	$ 34,500	$ 6,365	$ 42,719	123.82%
03-5-02-51140	General Supplies & Expenses	$ 3,000	$ 191	$ 2,786	92.86%
03-5-02-51210	Utilities - Power Purchases	$ 800,000	$ 65,971	$ 756,398	94.55%
03-5-02-54110	Laboratory Services	$ 100,000	$ 1,769	$ 80,898	80.90%
03-5-02-57031	Sludge Disposal	$ 250,000	$ -	$ 225,776	90.31%
03-5-02-57034	Brine Operating Expenses	$ 300,000	$ 1,107	$ 294,884	98.29%
	TREATMENT TOTALS	**$ 3,930,743**	**$ 239,626**	**$ 3,694,383**	**93.99%**
03-5-06-50010	Labor-Administration	$ 557,579	$ 45,609	$ 466,248	83.62%
03-5-06-50011	Labor Credit	$ -	$ -	$ 859	
03-5-06-50012	Directors Fees	$ 22,500	$ 2,773	$ 23,688	105.28%
03-5-06-50013	Benefits-Fica	$ 54,200	$ 4,053	$ 40,576	74.86%
03-5-06-50014	Benefits-Life Insurance	$ 3,500	$ 116	$ 1,267	36.21%
03-5-06-50016	Benefits-Health\Defrd Comp	$ 144,700	$ 16,614	$ 181,119	125.17%
03-5-06-50017	Benefits-Disability Insurance	$ 6,400	$ 617	$ 6,351	99.24%
03-5-06-50019	Benefits-Workers Compensation	$ 19,100	$ -	$ 14,469	75.75%
03-5-06-50021	Benefits-PERS	$ 49,600	$ (135)	$ 17,763	35.81%
03-5-06-50022	Benefits PERS Employer	$ 103,300	$ 3,373	$ 35,055	33.94%
03-5-06-50023	Benefits-Uniforms	$ 2,564	$ 296	$ 1,204	46.97%
03-5-06-50024	Benefits-Vacation & Sick Pay	$ 10,000	$ 267	$ 3,322	33.22%
03-5-06-50025	Benefits-Boot Allowance	$ 1,710	$ -	$ -	0.00%
03-5-06-51120	Safety Equipment/Supplies	$ 10,000	$ 709	$ 4,733	47.33%
03-5-06-51125	Petroleum Products	$ 20,000	$ 1,200	$ 15,541	77.71%
03-5-06-51130	Office Supplies	$ 4,000	$ 1,134	$ 12,434	310.85%
03-5-06-51140	General Supplies & Expenses	$ 25,000	$ 962	$ 30,492	121.97%
03-5-06-51199	Disaster Repairs	$ -	$ -	$ -	
03-5-06-54002	Dues & Subscriptions	$ 10,000	$ 3,224	$ 11,367	113.67%
03-5-06-54003	Management & Admin Services	$ 189,000	$ 15,750	$ 173,250	91.67%
03-5-06-54005	Computer Expenses	$ 100,000	$ 9,869	$ 106,576	106.58%
03-5-06-54011	Printing & Publications	$ -	$ 96	$ 700	N/A
03-5-06-54012	Education & Training	$ 9,000	$ 413	$ 10,581	117.57%
03-5-06-54014	Public Relations	$ 50,000	$ 85	$ 1,666	3.33%
03-5-06-54016	Travel Related Expenses	$ 17,000	$ 985	$ 15,876	93.39%
03-5-06-54017	Certifications & Renewals	$ 7,500	$ 910	$ 4,525	60.33%
03-5-06-54019	Licenses & Permits	$ 67,500	$ -	$ 66,321	98.25%
03-5-06-54020	Meeting Related Expenses	$ 5,000	$ 533	$ 5,357	107.13%
03-5-06-54022	Utilities - YVWD Services	$ 2,000	$ -	$ 1,315	65.77%

FY 2017-18 Sewer Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
03-5-06-54024	Utilities - Waste Disposal	$ 13,000	$ 1,085	$ 12,116	93.20%
03-5-06-54025	Utilities - Telephone & Internet	$ 30,000	$ 4,158	$ 50,306	167.69%
03-5-06-54030	Drinking Water	$ 1,000	$ 85	$ 982	98.21%
03-5-06-54104	Contractual Services	$ 70,000	$ 853	$ 46,358	66.23%
03-5-06-54107	Legal	$ 45,000	$ -	$ 135,113	300.25%
03-5-06-54108	Audit & Accounting	$ 16,000	$ -	$ 10,975	68.59%
03-5-06-54109	Professional Fees	$ 225,000	$ 2,500	$ 174,937	77.75%
03-5-06-55500	Depreciation Reserves	$ 500,000	$ 41,667	$ 458,334	91.67%
	Infrastructure Replacement	$ 700,000	$ 58,333	$ 641,663	91.67%
03-5-06-56001	Insurance	$ 100,000	$ 7,872	$ 86,589	86.59%
03-5-06-57030	Regulatory Compliance	$ 55,000	$ 4,970	$ 53,202	96.73%
	ADMINISTRATION TOTALS	**$ 3,246,153**	**$ 230,974**	**$ 2,923,232**	**90.05%**
03-5-07-50010	Labor-Enviromental Control	$ 424,161	$ 30,806	$ 353,504	83.34%
03-5-07-50011	Labor Credit	$ -	$ -	$ -	
03-5-07-50013	Benefits-Fica	$ 43,302	$ 2,312	$ 27,379	63.23%
03-5-07-50014	Benefits-Life Insurance	$ 3,200	$ 69	$ 718	22.44%
03-5-07-50016	Benefits-Health\Defrd Comp	$ 134,400	$ 8,941	$ 90,191	67.11%
03-5-07-50017	Benefits-Disability Insurance	$ 5,100	$ 426	$ 4,582	89.85%
03-5-07-50019	Benefits-Workers Compensation	$ 15,300	$ -	$ 18,041	117.91%
03-5-07-50021	Benefits-PERS	$ 25,000	$ (212)	$ 8,856	35.42%
03-5-07-50022	Benefits-PERS Employer	$ 40,000	$ 1,859	$ 22,516	56.29%
03-5-07-50023	Benefits-Uniforms	$ 2,400	$ 188	$ 2,664	111.02%
03-5-07-50024	Benefits-Vacation & Sick Pay	$ 2,000	$ 243	$ 2,700	134.98%
03-5-07-50025	Benefits-Boot Allowance	$ 1,600	$ -	$ 338	21.12%
03-5-07-51003	R&M - Structures	$ 225,000	$ 12,933	$ 257,296	114.35%
03-5-07-51140	General Supplies & Expenses	$ 1,000	$ 60	$ 793	79.29%
03-5-07-51241	Lift Station #1	$ 65,000	$ 5,739	$ 52,145	80.22%
03-5-07-51242	Lift Station #2	$ 20,000	$ 871	$ 15,662	78.31%
03-5-07-51243	Lift Station #3	$ 12,000	$ 1,042	$ 9,765	81.37%
03-5-07-51244	Lift Station #4	$ 32,000	$ 721	$ 12,829	40.09%
03-5-07-51246	Lift Station #6	$ -	$ 129	$ 129	
03-5-07-51248	Lift Station #8	$ 7,000	$ 77	$ 6,963	99.48%
03-5-07-54111	Pretreatment	$ 66,000	$ 1,705	$ 49,960	75.70%
	ENVIRONMENTAL CONTROL TOTAL	**$ 1,124,463**	**$ 67,908**	**$ 937,032**	**83.33%**
03-5-40-57202	Debt Service - Principal - WRWRF	$ 2,199,524	$ -	$ 2,199,524	100.00%
03-5-40-57203	Debt Service - Principal - Brineline	$ 423,936	$ -	$ 423,936	100.00%
03-5-40-57204	Debt Service - Principal - WISE	$ 130,782	$ -	$ 130,782	100.00%
03-5-40-57205	Debt Service - Principal - R 10.3	$ 38,318	$ -	$ 38,318	100.00%
03-5-40-57206	Debt Service - Principal - Crow & B12-1	$ 15,014	$ -	$ 14,983	99.79%
03-5-40-57403	Debt Service - Interest	$ 1,026,707	$ -	$ 1,026,151	99.95%
	40 - Debt	**$ 3,834,281**	**$ -**	**$ 3,833,694**	**99.98%**
03-5-40-57002	Asset Acq. - Treatment	$ -	$ -	$ -	
03-5-40-57006	Asset Acq. - Admin (fuel master)	$ -	$ -	$ -	
03-5-40-57007	Asset Acq. - EC (ADS flow monitors & smart covers)	$ -	$ -	$ -	
	40 - Capital Outlay	$ -	$ -	$ -	
				$ 11,388,341	
	TOTAL SEWER EXPENSES	**$ 12,135,640**	**$ 538,508**	**$ 11,388,341**	**93.84%**

FY 2017-18 Recycled Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	May '18	Year to Date	%
04-5-06-50010	Labor-Recycled Water	$ 343,507	$ 32,673	$ 351,798	102.41%
04-5-06-50011	Labor - Credit	$ -	$ -	$ 191	
04-5-06-50012	Director Fees	$ 5,000	$ -	$ -	0.00%
04-5-06-50013	Benefits-FICA	$ 20,000	$ 2,501	$ 26,932	134.66%
04-5-06-50014	Benefits-Life Insurance	$ 1,820	$ 64	$ 608	33.42%
04-5-06-50016	Benefits-Health & Def Comp	$ 30,000	$ 9,094	$ 84,208	280.69%
04-5-06-50017	Benefits-Disability Insurance	$ 3,300	$ 447	$ 4,486	135.93%
04-5-06-50019	Benefits-Workers Compensation	$ 4,000	$ -	$ 11,384	284.60%
04-5-06-50021	Benefits-PERS Employee	$ 11,000	$ (172)	$ 10,261	93.28%
04-5-06-50022	Benefits-PERS Employer	$ 18,243	$ 2,266	$ 24,120	132.22%
04-5-06-50023	Benefits-Uniforms	$ 1,365	$ 58	$ 730	53.49%
04-5-06-50024	Benefits-Vacation & Sick Pay	$ 500	$ 55	$ 454	90.76%
04-5-06-50025	Benefits-Boots	$ 910	$ -	$ 200	21.98%
04-5-06-51003	R & M-Structures	$ 25,000	$ -	$ 29,018	116.07%
04-5-06-51011	R & M-Valves	$ 5,000	$ -	$ -	0.00%
04-5-06-51020	R & M-Pipelines	$ 5,000	$ -	$ 1,393	27.87%
04-5-06-51021	R & M-Service Lines	$ 15,000	$ -	$ 2,363	15.75%
04-5-06-51022	R & M-Fire Hydrants	$ 1,000	$ -	$ 271	27.14%
04-5-06-51030	R & M-Meters/Backflows	$ 9,000	$ -	$ 9,203	102.26%
04-5-06-51140	General Supplies & Expenses	$ 8,500	$ 20	$ 7,531	88.60%
04-5-06-51210	Utilities-Power Purchasess	$ 70,000	$ 10,850	$ 68,474	97.82%
04-5-06-54002	Dues & Subscriptions	$ 4,000	$ -	$ 1,688	42.20%
04-5-06-54005	Computer Expense	$ 14,000	$ 1,000	$ 11,298	80.70%
04-5-06-54011	Printing & Publications	$ -	$ 21	$ 152	N/A
04-5-06-54012	Education & Training	$ 5,000	$ 39	$ 4,427	88.54%
04-5-06-54014	Public Relations	$ 2,000	$ -	$ 1,078	53.91%
04-5-06-54016	Travel Related Expenses	$ 6,500	$ 199	$ 4,653	71.58%
04-5-06-54017	Certifications & Renewals	$ 2,000	$ 135	$ 1,371	68.55%
04-5-06-54019	Licenses & Permits	$ 20,000	$ -	$ 11,156	55.78%
04-5-06-54020	Meeting Related Expenses	$ 2,500	$ 56	$ 1,192	47.67%
04-5-06-54022	Utilities - YVWD Services	$ 25,000		$ 21,742	86.97%
04-5-06-54025	Utilities - Telephone & Internet	$ 1,500	$ -	$ 1,770	117.98%
04-5-06-54010	Contractural Services	$ 8,400	$ -	$ 4,111	48.94%
04-5-06-54107	Legal	$ 1,250	$ -	$ -	0.00%
04-5-06-54108	Audit & Accounting	$ 2,500	$ -	$ 1,950	78.00%
04-5-06-54109	Professional Fees	$ 61,000	$ -	$ 71,102	116.56%
04-5-06-54110	Laboratory Services	$ -	$ -	$ -	
04-5-06-55500	Depreciation	$ 8,000	$ 665	$ 7,335	91.69%
	Infrastructure Replacement	$ 25,000	$ 2,083	$ 22,913	91.65%
04-5-06-56001	Insurance	$ 20,000	$ 1,749	$ 19,242	96.21%
04-5-06-57030	Regulatory Compliance	$ 25,000	$ 650	$ 28,373	113.49%
04-5-06-57040	Environmental Compliance	$ 2,000	$ -	$ -	0.00%
				$ 849,178	
	TOTAL RECYCLED EXPENSES	**$ 813,795**	**$ 64,454**	**$ 849,178**	**104.35%**

Yucaipa Valley Water District

Workshop Memorandum 18-159

Date: June 12, 2018

From: Allison M. Edmisten, Chief Financial Officer

Subject: Review of Draft Resolution No. 2018-xx Establishing the Appropriation Limit for Fiscal Year 2018-19

In 1979, Proposition 4 (the Gann Initiative) was approved adding Article XIII B to the State Constitution. The provisions of this article place limits on the amount of revenue that can be appropriated by all entities of government. This initiative was designed to constrain government expenditures by placing an annual limit on revenue and appropriation growth.

In June 1990, Proposition 111 amended Article XIII B, making changes in the base year upon which the appropriations limit is based, establishing new cost of living factors and new population factors for use by local governments, and increasing appropriations not subject to the limit (primarily qualified capital outlay projects). The financial constraints of Article XIII B apply to State, all cities, counties, special districts and all other political subdivisions.

The Yucaipa Valley Water District has completed the computation associated with the appropriation limitation for fiscal year 2018-19 ("FY 2019"). Based on the attached calculation, the proposed adjustment to the District's appropriation limit includes an increase of 0.96% for the increase in non-residential assessed valuation of new construction and a weighted average increase of 1.34% for population change. These percentages have been used to calculate an increase in the appropriation limit from $73,987,896 in FY 2018 to $77,731,684 in FY 2019. This represents an overall increase of 5.06% to the appropriation limit. The District's annual appropriations are well below this limit.

RESOLUTION NO. 2018-xx

RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT ESTABLISHING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2018-19

WHEREAS, Article XIII B of the California Constitution provides that the State and each local government shall be subject to an appropriations limit, to govern the maximum amount of each entity's appropriations subject to limitation, in any fiscal year, as the same are defined in Article XIII B; and

WHEREAS, California Government Code Section 7910 provides for the annual establishment by local jurisdictions of their appropriations limit for each fiscal year, and further provides that upon establishment of such appropriations limit any judicial action or proceeding to attack, review, set aside, void, or annul such action by the District must be commenced within forty-five (45) days of the effective date of the resolution establishing the appropriations limit; and

WHEREAS, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to Board consideration of this resolution.

NOW THEREFORE, the Board of Directors of the Yucaipa Valley Water District does hereby resolve, determine and order as follows:

Section 1. That in accordance with Article XIII B of the California Constitution and Section 7910 of the Government Code of the State of California, the appropriation limit for the Fiscal Year 2018-19 for the Yucaipa Valley Water District is established as $77,731,684.

Section 2. The adjustment factors for computation of the FY 2018-19 appropriation limitation have been identified in the calculation of the appropriation limit.

Section 3. That documentation used in the determination of such appropriation limit has been available to the public at least fifteen days prior to this meeting of the Board of Directors.

This Resolution is effective immediately upon adoption.

PASSED AND ADOPTED this 19th day of June 2018.

YUCAIPA VALLEY WATER DISTRICT ATTEST:

Jay Bogh, President Board of Directors

Joseph B. Zoba, General Manager

12770 Second Street, Yucaipa, California 92399

Appropriation Limit for the Yucaipa Valley Water District

Fiscal Year 2018-19

Prepared by: Allison M. Edmisten, Chief Financial Officer

Overview of Appropriation Limit

Introduction

In the 1970s soaring property values in California led to dramatic increases in property taxes, prompting a tax revolt that resulted in the passage of Proposition 13 in the June 1978 California primary. Proposition 13 reduced local property taxes by 57% and thereby slashed the revenue base for local governments and schools. Over the years the revenue loss has been made up by a varying mix of state funds and new revenue from specialized local fees and taxes, as well as by outright local budget cuts.

The California tax revolt did not end with Proposition 13. Seventeen months later, in November 1979, voters passed the Proposition 4, known as the Gann Amendment. Proposition 4 imposed a limit on most state and local government expenditures from tax sources. The limit is calculated annually according to a formula based on population and the cost of living. Under Proposition 4, excess revenues must be returned to the taxpayers.

Both Propositions 13 and 4 have been modified in the years since their passage. While weakened by the changes, Propositions 13 and 4 remain constraints on California state and local budgeting, and continue to be focal points in the public policy debate about California taxing and spending.

Summary of Proposition 4 and Related Voter Initiatives

Modern spending limits in California began in 1979 with the passage of Proposition 4 (Article XIII B of the California Constitution). Also called the Gann Initiative after its chief sponsor, Paul Gann, Proposition 4 places an appropriations limit on most spending from tax proceeds. The limit for each year is equal to the prior year's spending with upward adjustments allowed for changes in population and the cost of living. Most state and local government appropriations are subject to the limit. However, the law exempts certain appropriations from the limit including capital outlay, debt service and local government subventions. When the limit is exceeded, Proposition 4 requires the surplus to be returned to the taxpayers within two years. Appropriations in the two year period can be averaged before becoming subject to the excess revenue provisions of the Gann limit.

Voters approved the Gann limit in a November 1979 special election by a 74% margin. The late 1970s were a time of surplus state revenues in California, and voter exasperation at the inability of the legislature and the governor to agree on a plan to return the surplus to the taxpayers in the form of refunds or property tax relief helped fuel the tax revolt that led first to Proposition 13 and then to Proposition 4. With the Gann limit, voters took the matter of spending limits into their own hands, and ignored objections that spending limit formulas are an artificial constraint on policy making and hamper the government's ability to address citizen needs.

During the early 1980s, increases in population and the consumer price index outpaced the growth in state revenue, and the Gann limit was not reached. However, a surge in state revenues in 1987 caused the limit to be breached, and led to the first refund to taxpayers.

Voters have modified the Gann limit in a series of initiative measures. Proposition 99 (1988) and Proposition 10 (1998) exempted new tobacco taxes from the Gann limit. Proposition 98 (1988)

required public schools to receive a share of revenues exceeding the Gann limit. That share was changed to a flat 50% by Proposition 111 (1990). Proposition 111 also added three exemptions to the Gann limit: capital outlay spending, appropriations supported by increased gas taxes, and appropriations resulting from national disasters. Most significantly, Proposition 111 changed the formula used for calculating annual adjustments to the Gann limit. Under Proposition 111, the population factor is based on a weighted average of population and K-14 school enrollment growth (instead of population only), and the cost of living factor is based solely on California per-capita personal income growth (and no longer takes into account the Consumer Price Index).

The changes to the Gann limit formula under Proposition 111 substantially raised the Gann limit, making it less likely that the limit will be reached in the future. Many observers believe that in its current weakened state the Gann limit has ceased to be a meaningful constraint on state spending.

How the Appropriations Limit Works

Which Revenues Are Subject to Limit?

Article XIII B places a limit on appropriations from most, but not all, government revenue sources. The limit applies to appropriations from proceeds of taxes from both the general fund and special funds of government entities. Proceeds of taxes include tax revenues, interest earnings on invested tax revenues, and any revenues collected by a regulatory license fee or user charge in excess of the amount needed to cover the cost of providing the regulation, product, or service.

Which Appropriations Are Subject to Limit?

Appropriations for almost all government functions are subject to limitation under Article XIII B. However, there are some important exceptions. The original Proposition 4 provided that the following appropriations are not limited, even if made from proceeds of taxes:

- Subventions from the state to local governments and schools, the use of which is unrestricted (these subventions are not subject to the state's limit, but instead are counted as subject to the local entity's limit);
- Appropriations to pay for costs of complying with federal laws and court mandates;
- Payments for interest and redemption charges on pre-existing (i.e., pre-Proposition 4) or voter-approved bonded indebtedness;
- Withdrawals from previously appropriated reserve funds; and
- Refunds of taxes.

Proposition 111 excluded capital outlay from the appropriations limit. This change reflects the fact that while capital outlay appropriations are made during a single budget year, they reflect long-term investments that are utilized over a number of years. Appropriations directly related to an emergency, such as a fire, earthquake, or other natural disaster, were also excluded from the limit by Proposition 111. No reduction in future limits is required for appropriations made for these emergency purposes.

The "Base Year" Limit.

The first year that limits were in effect was FY 1980-81. The base year for determining the appropriations limit in FY 1980-81 was FY 1978-79. Actual appropriations in the FY 1978-79

fiscal year that had been financed by the proceeds of taxes were the starting point. Appropriations not subject to limitation were subtracted from that figure and this became the "base year" level of appropriations for computing all subsequent years' limits. Proposition 111 updated the base year for calculating the limit for each government entity to FY 1986-87. For fiscal years beginning with FY 1990-91, the limit for each entity is the FY 1986-87 limit adjusted annually as specified by Article XIII B as amended by Proposition 111.

Annual Adjustments to the Limit.

The appropriations limit for each year since FY 1980-81 is calculated by adjusting the base year limit for changes in the cost-of-living and population. Proposition 111, passed by the voters in June 1990, and revised each of the adjustment factors. Specifically, annual adjustments to limits, either upward or downward, are made as follows:

- Cost-of-Living.
  - State and schools are adjusted by the change in California per capita personal income.
  - Local agencies are adjusted by the change in California per capita personal income or the change in the local property tax roll due to the addition of new nonresidential construction.
- Population.
  - The State uses a population factor calculated by adding: (a) the change in the state's total population weighted by the percent of the budget spent on non-educational programs, and (b) the change in average daily attendance (ADA) for K-14 education weighted by the percentage of the budget spent on K-14 education.
  - Local agencies use a population factor that is the percentage change in the jurisdiction or in the county in which the jurisdiction is located. Special districts located in two or more counties may use the change in the county in which the district has the highest assessed valuation.
  - Counties. The population change for counties can be calculated by using one of three methods: (a) the percentage change in population within the county; (b) the percentage change in population for both the county itself and contiguous counties; or (c) the percentage change in population within the incorporated portion of the county.
  - K-14 Schools use the change in population is the percentage change in average daily attendance.
- Program Transfers. Limits of governmental entities are modified to reflect transfers of financial responsibility from one level of government to another. The limit of the new service provider is increased by the amount the former service provider's limit is reduced.
- Funding Transfers. Adjustments either upward or downward are made to account for transfers of program funding sources, for example from tax revenues (subject to limit) to fees (not subject to limit).

The level of appropriations actually made by a government entity in any year does not have any bearing on the calculation of the appropriations limit for the subsequent years. Each year's limit is computed based on the prior year's limit, not the prior year's appropriations.

If the governing body actually appropriates less money than what would be permitted by the limit, it has "room" under its limit, and the limit will be further adjusted the following year for cost-of-living and population changes. A government entity does not "lose" room under its limit for the future by appropriating less than the maximum permitted in any year.

Appropriations Permitted in Excess of the Limit.

Article XIII B sets forth two circumstances under which governments may make appropriations in excess of their limits:

- Emergency. Appropriations for declared emergencies do not count towards and may be made in excess of the limit. Proposition 111 removed the requirement that the limits for future years must be reduced over a three-year period so that there would be no total increase in allowable appropriations.
- Voter Approval. Article XIII B permits voters of a jurisdiction to authorize an increase in the appropriations limit. However, no voter-approved increase may be in effect for more than four years. At the end of the four-year period, either the voters must approve another increase or the limit must return to the level it would otherwise have been.

When Revenues Exceed the Appropriations Limit.

A government entity may receive revenues during a fiscal year that exceed its appropriations limit. Proposition 111 allows governments to average appropriations over a two year period before becoming subject to the excess revenue provisions of Article XIII B. In other words, a government entity can offset appropriations that exceeds its appropriations limit in one year of a two-year period by appropriating less than the limit in the other year. If, after taking this two year averaging into account, authority to appropriate is not provided by either an emergency declaration or voter approval, Article XIII B as amended by Propositions 98 and 111 sets forth a process for disposing of the excess State revenues:

- Education Programs. After the two-year averaging period, 50% of any excess revenues are transferred to the State School Fund for elementary, secondary and community college education. A portion of this excess revenue (25%) may effectively be built into the base used to calculate future funding required by Proposition 98 if the excess funds are used for a specified purpose. The transfer to education is not required if the state's average expenditure per student and average class size is equal to or exceeds that of the ten states with the best performance in these areas.
- Return of Excess. The 50% of excess revenues remaining after the transfer to education must be returned to taxpayers within the following two years. The return can be made through a reduction in the tax rate or as a fee reduction.

Sources:

- "Government Appropriations Limit: Article XIII B of the Constitution." In: *Revenue and Taxation Reference Book 2003.* Sacramento: Assembly Revenue and Taxation Committee, Chapter 5, January 2004, pp. 150-7.
- "Tax and Expenditure Limitation in California: Proposition 13 & Proposition 4", Institute of Governmental Studies, University of California at Berkeley (http://www.igs.berkeley.edu/library/htTaxSpendLimits2003.html)

Calculation of Appropriation Limitation

Appropriation Limit Calculation – Part I

Greater of California per capita income or increase in non-residential assessed valuation of new construction		1.0367
Population percentage change factor	x	1.0134
Ratio of change		1.0506

Appropriation Limit Calculation – Part II

Ratio of change		1.0506
Prior year appropriation limit (2017-18)	x	$73,987,896
Current year appropriation (2018-19)		$77,731,684

Computation of Appropriation Limitation

Adjustment Factors

Cost of Living Price Factor: The computation of the appropriation limitation involves the greater of the two cost of living factors:

Percentage change in per capita income[1]		Percentage change in local assessment roll due to addition of non-residential new construction[2]
3.67%	or	0.96%

Population: The computation of the appropriation limitation involves the greater of the following factors for each county:

Growth within San Bernardino County[3]		Growth within the City of Yucaipa
0.95%	or	0.61%

Growth within Riverside County[4]		Growth within the City of Calimesa
1.40%	or	**3.61%**

The underlined factors above were used in calculating the District's appropriation limit for the fiscal year 2018-19. The resolution adopted by the Board of Directors will specify these factors.

[1] State of California, Department of Finance correspondence dated May 2018 (Attachment A)
[2] Ms. Linda Santillano, Auditor-Controller Office, Property Tax Section, July 2017 (909) 382-3189
[3] State of California, Department of Finance correspondence dated May 2018 (Attachment B-SB)
[4] State of California, Department of Finance correspondence dated May 2018 (Attachment B-RIV)

Procedure for Administering Revenue and Taxation Code Section 2228(a)

The Revenue and Taxation Code, Section 2228(a) requires the following:

If a special district is located within a single county or within more than one city or any combination of cities and incorporated area within a single county, the annual percentage change in population for the district shall be that established for the county or the weighted average of the percentage change of each city and the unincorporated area.

If a special district is located within more than one county, the annual percentage change in population for the district shall be the weighted average of the percentage change of each county or city or unincorporated area within the district or any combination provided that the areas selected are mutually exclusive.

The State of California, Department of Finance has specified that the weights applied shall be the relative share of the assessed valuation (A.V.) of the district in each local agency.

Population Percentage Change Factor:

Local Agency	Percentage Population Change		Assessed Valuation	=	Percentage Change x A.V.
San Bernardino County	0.95%	x	6,406,596,263	=	60,862,664
Riverside County	3.61%	x	1,101,787,030	=	39,774,512
Total District			7,508,383,293		100,637,176

Weighted Average Percent Change:

$$\frac{\text{Total District (Percentage Change x A.V.)}}{\text{Total District Assessed Valuation}} = \frac{100,637,176}{7,508,383,293} = 0.013403$$

Attachments

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR
EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2018

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2018, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2018-19. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2018-19 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2018.**

Please Note: The prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

May 2018

Attachment A

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2018-19 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2018-19	3.67

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2018-19 appropriation limit.

2018-19:

Per Capita Cost of Living Change = 3.67 percent
Population Change = 0.78 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.67 + 100}{100} = 1.0367$

Population converted to a ratio: $\frac{0.78 + 100}{100} = 1.0078$

Calculation of factor for FY 2018-19: 1.0367 x 1.0078 = 1.0448

Fiscal Year 2018-19

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2017 to January 1, 2018 and Total Population, January 1, 2018

County City	Percent Change 2017-2018	— Population Minus Exclusions — 1-1-17	 1-1-18	Total Population 1-1-2018
San Bernardino				
Adelanto	-0.02	34,603	34,597	35,293
Apple Valley	0.87	73,349	73,984	73,984
Barstow	0.54	23,888	24,018	24,411
Big Bear Lake	2.00	5,404	5,512	5,512
Chino	1.03	80,677	81,511	86,757
Chino Hills	4.61	79,498	83,159	83,159
Colton	0.45	53,482	53,724	53,724
Fontana	0.92	210,071	212,000	212,000
Grand Terrace	0.26	12,492	12,524	12,524
Hesperia	1.32	93,590	94,829	94,829
Highland	1.10	54,167	54,761	54,761
Loma Linda	0.16	23,824	23,862	23,946
Montclair	0.80	39,012	39,326	39,326
Needles	-0.12	5,183	5,177	5,177
Ontario	1.39	175,157	177,589	177,589
Rancho Cucamonga	0.79	175,282	176,671	176,671
Redlands	0.49	70,851	71,196	71,196
Rialto	0.55	106,455	107,041	107,041
San Bernardino	0.49	218,521	219,590	221,130
Twentynine Palms	3.52	17,679	18,301	27,046
Upland	0.10	76,937	77,017	77,017
Victorville	0.01	119,958	119,971	123,701
Yucaipa	0.61	54,317	54,651	54,651
Yucca Valley	0.38	21,752	21,834	21,834
Unincorporated	1.14	300,371	303,791	311,659
County Total	0.95	2,126,520	2,146,636	2,174,938

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2017 to January 1, 2018 and Total Population, January 1, 2018

County City	Percent Change 2017-2018	— Population Minus Exclusions — 1-1-17	 1-1-18	Total Population 1-1-2018
Riverside				
Banning	0.36	31,170	31,282	31,282
Beaumont	3.22	46,730	48,237	48,237
Blythe	1.11	13,416	13,565	19,389
Calimesa	3.61	8,567	8,876	8,876
Canyon Lake	1.25	10,882	11,018	11,018
Cathedral City	0.91	54,250	54,744	54,791
Coachella	0.80	45,273	45,635	45,635
Corona	1.05	166,819	168,574	168,574
Desert Hot Springs	1.35	29,347	29,742	29,742
Eastvale	1.78	63,720	64,855	64,855
Hemet	0.91	82,417	83,166	83,166
Indian Wells	0.45	5,549	5,574	5,574
Indio	1.44	86,632	87,883	87,883
Jurupa Valley	2.31	103,661	106,054	106,054
Lake Elsinore	1.41	62,342	63,220	63,365
La Quinta	1.48	40,605	41,204	41,204
Menifee	2.62	89,552	91,902	91,902
Moreno Valley	1.64	204,285	207,629	207,629
Murrieta	1.56	111,793	113,541	113,541
Norco	0.40	24,086	24,183	26,761
Palm Desert	1.37	52,058	52,769	52,769
Palm Springs	1.16	47,157	47,706	47,706
Perris	0.68	77,311	77,837	77,837
Rancho Mirage	0.86	18,579	18,738	18,738
Riverside	0.83	323,131	325,801	325,860
San Jacinto	1.23	47,560	48,146	48,146
Temecula	1.02	112,040	113,181	113,181
Wildomar	1.13	35,882	36,287	36,287
Unincorporated	1.77	378,894	385,598	385,953
County Total	1.40	2,373,708	2,406,947	2,415,955

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

RPP1112

COUNTY OF SAN BERNARDINO
PROPERTY INFORMATION SYSTEM
AGENCY PERCENTAGE CHANGE REPORT

DATE 07/19/2017
PAGE 7

AGENCY	NEW CONST INCREASE	TOTAL INCREASE	PERCENTAGE CHANGE
VICTORVILLE DOWNTOWN RDA	339,667.00	3,446,553.00	3.4847
VICTORVILLE RDA BEAR VALLEY ROAD	2,319,439.00	36,988,521.00	33.3041
VICTORVILLE STREET LIGHT DISTRICT	2,870,613.00	166,604,791.00	7.7126
VICTORVILLE WATER DISTRICT	19,743,501.00	357,283,073.00	5.3755
WEST VALLEY MWCD	81,528,707.00	2,261,670,571.00	3.6369
WEST VALLEY WATER DISTRICT	-30,303,369.00	631,650,680.00	-5.8705
YERMO COMMUNITY SERVICES DISTRICT	343,315.00	1,426,099.00	24.0737
YUCAIPA RDA	675,571.00	5,870,240.00	11.4757
YUCAIPA VALLEY WATER DISTRICT	2,170,656.00	226,521,086.00	0.9617
YUCAIPA-CALIMESA JOINT UNIFIED	2,200,402.00	237,382,592.00	0.9281
YUCCA VALLEY RDA	365,374.00	10,270,617.00	3.5574
29 PALMS CEMETERY DISTRICT	496,370.00	21,386,442.00	2.3335

PI163 SAN BERNARDINO COUNTY AUDITOR-CONTROLLER 11/01/17
21:52:36 PROPERTY TAX DIVISION PAGE 295

AGENCY NET VALUATIONS

ROLL YEAR: 2017

AGENCY: WW29 YUCAIPA VALLEY WATER DISTRICT

ADDRESS: P.O. BOX 730
YUCAIPA, CA 923990730

ACCT CODE	ACCT NAME	NET VALUE BEFORE RDA	RDA INCREMENT	NET VALUE AFTER RDA	HOME OWNERS EXEMPTION	TAX ROLL VALUE
DA01	DEBT SERVICE IMP 2					
LOCAL SECURED		864,331,578	66,807,030	797,524,548	9,998,800	787,525,748
SECURED UTILITY		0	0	0	0	0
UNSECURED		22,035,190	13,961,925	8,073,265	0	8,073,265
TOTAL		886,366,768	80,768,955	805,597,813	9,998,800	795,599,013
GA01	GENERAL TAX LEVY					
LOCAL SECURED		4,267,726,825	173,953,468	4,093,773,357	58,310,000	4,035,463,357
SECURED UTILITY		0	0	0	0	0
UNSECURED		64,251,512	20,585,297	43,666,215	0	43,666,215
TOTAL		4,331,978,337	194,538,765	4,137,439,572	58,310,000	4,079,129,572
GA02	GENERAL TAX LEVY IMP DIST A					
LOCAL SECURED		2,498,916,355	91,202,849	2,407,713,506	36,580,600	2,371,132,906
SECURED UTILITY		0	0	0	0	0
UNSECURED		27,891,762	3,495,526	24,396,236	0	24,396,236
TOTAL		2,526,808,117	94,698,375	2,432,109,742	36,580,600	2,395,529,142

0	0	04-4861	EAST BLYTHE COUNTY WATER		36,503,229	36,503,229	791,415		37,294,644
0	0	04-4866	MISSION SPRINGS WTR IMP G		1,436,108,556	1,436,108,556	15,198,971		1,451,307,527
	1		JUN 27, 2017	DISTRICT VALUATIONS - AUDITOR		FY17-18	PARCA050	PAGE 32	
	DIST.	NO.	DISTRICT NAME	SBE	LOCAL SECURED	TOTAL SECURED	UNSECURED		TOTAL VALUE
0	0	04-4867	MISSION SPRINGS WTR IMP E		49,025,502	49,025,502	58,154		49,083,656
0	0	04-4868	MISSION SPRINGS WTR IMP F		176,313,908	176,313,908	28,738,582		205,052,490
0	0	04-4869	MISSION SPRINGS WTR IMP S		1,390,228,070	1,390,228,070	24,304,032		1,414,532,102
0	0	04-4871	IDYLLWILD CO WATER		386,578,450	386,578,450	3,146,074		389,724,524
0	0	04-4872	IDYLLWILD CO WATER IMP 1		148,995,970	148,995,970	3,068,396		152,064,366
0	0	04-4873	IDYLLWILD CO WTR IMP 1 ANX						
0	0	04-4875	HOME GARDENS CO WATER		126,368,190	126,368,190	1,214,056		127,582,246
0	0	04-4877	MURRIETA COUNTY WATER						
0	0	04-4882	CHIRIACO SUMMIT CO WATER		3,369,202	3,369,202	131,960		3,501,162
0	0	04-4888	COACHELLA VAL IMP DST 16 ANX 3						
0	0	04-4889	CVWD WATER ASMT 65		80,421,894	80,421,894	10,195,691		90,617,585
0	0	04-4891	PINE COVE CO WATER		222,333,936	222,333,936	122,801		222,456,737
0	0	04-4892	PINYON PINES CO WATER		11,024,672	11,024,672	8,123		11,032,795
0	0	04-4893	WEST VALLEY WATER				24,506,350		24,506,350
0	0	04-4894	CO WATER WEST VALLEY J739-36		130,169,315	130,169,315			130,169,315
0	0	04-4895	YUCAIPA VALLEY CO WATER ANX						
0	0	04-4896	YUCAIPA VALLEY CO WTR		774,454,415	774,454,415	11,678,709		786,133,124
0	0	04-4897	YUCAIPA VALLEY CO WTR IMP 1		327,332,615	327,332,615	5,954,485		333,287,100
0	0	04-4898	YUCAIPA VALLEY CO WTR IMP 2		134,966,324	134,966,324	169,502		135,135,826
0	0	04-4899	YUCAIPA VAL CO WTR IMP#1 ANX						

Yucaipa Valley Water District

Workshop Memorandum 18-160

Date: June 12, 2018

From: Allison M. Edmisten, Chief Financial Officer
Erin Anton, Administrative Clerk V

Subject: Identification and Declaration of Bad Debt for Calendar Year 2016

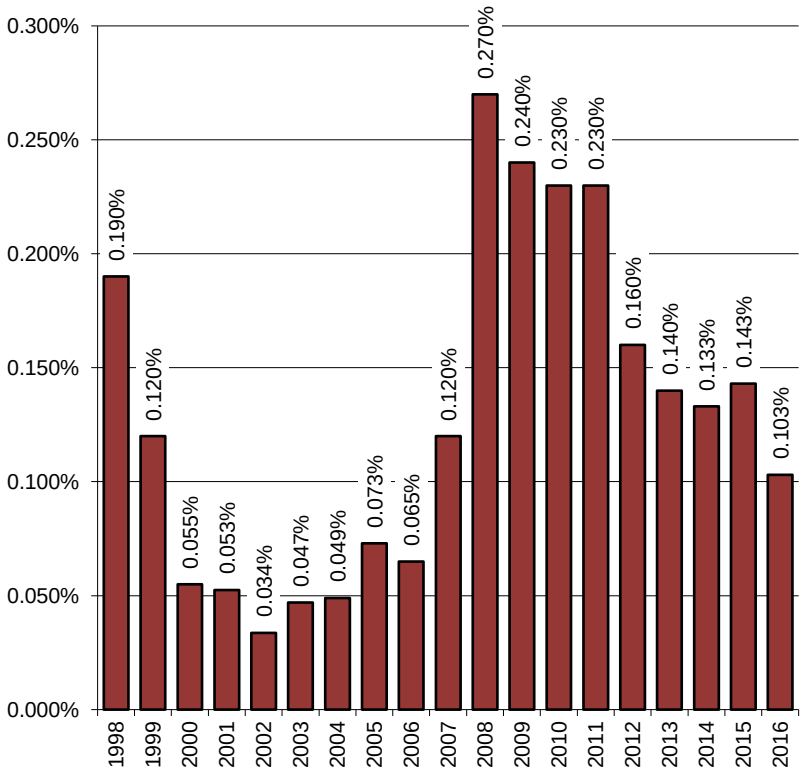
The District actively pursues delinquent accounts, and in most cases is able to collect delinquent fees through a combination of shutting off the services provided, sending accounts to a collection agency, placing a lien on the property involved, and/or pursuing the claims through legal actions such as small claims court. In some cases, the District is unable to collect the money owed the District.

During the calendar year 2016, the amount of bad debt totals $20,578.19, which includes $4,622.11 for sewer only customers and $13,700.63 for water/sewer customers. Of this bad debt total, $2,255.45 is due to home foreclosures, leaving account balances of $18,322.74 that was not collected in the normal collection process.

As a proper accounting procedure, this bad debt must be accounted for on our financial statements; otherwise the debt remains as a liability on the District's annual audit.

Overall, the total amount of bad debt represents a loss of 0.103% for calendar year 2016 based on total water and sewer revenues.

Bad Debt as a Percentage of Annual Water and Sewer Revenues



Yucaipa Valley Water District

Workshop Memorandum 18-161

Date: June 12, 2018

From: John Wrobel, Public Works Manager

Subject: Status Report on the Updated Pretreatment Local Limits for the Yucaipa Valley Water District

On January 3, 2001, the Board of Directors established the District's Pretreatment Program by the adoption of Resolution 2001-01. An important part of the pretreatment program, consistent with EPA Pretreatment Regulations 40 CFR Part 403, is the creation of technically based local limits. Under this requirement the District must establish existing discharge limits from specific commercial and industrial sewer customers to prevent pollutants from entering the treatment system that would interfere with the operation of the treatment plant, degrade the quality of biosolids, or pass untreated through the treatment plant to contaminate the receiving waters. The current local limits were established based upon the treatment processes in effect in 2009. Since that time, the treatment facility has been upgraded to 8.0 million gallons per day (MGD) capacity and a reverse osmosis treatment system was added.

On May 11, 2018, the Local Limits review was completed and sent to Santa Ana Regional Water Quality Control Board ("Regional Board") for review. The Regional Board has a 45-day review period to provide comments on the Local Limits.

Yucaipa Valley Water District
12770 Second Street • P. O. Box 730 • Yucaipa, California 92399-0730
(909) 797-5117 • Fax: (909) 797-6381 • www.yvwd.dst.ca.us

May 11, 2018

Santa Ana Regional Water Quality Control Board
Attn: Najah Amin
3737 Main Street, Suite 500
Riverside, CA 92501-3348

REF: REQUEST TO REVIEW REVISED LOCAL LIMITS FOR THE HENRY N. WOCHHOLZ REGIONAL WATER RECYCLING FACILITY

Dear Mr. Amin;

Yucaipa Valley Water District (District) has re-evaluated the existing local limits in response to upgrades at the Henry N. Wochholz Regional Water Recycling Facility; changes to the NPDES Permit for that facility; recommendations by the State and EPA during the recent Pretreatment Program Audit; and the connection to the Inland Empire Brine Line (IEBL).

The attached report contains the findings and recommendations for revised local limits based upon updated data, plant removal rates, and other factors that are necessary to continue protecting the quality of the discharge and in meeting all associated regulatory requirements.

The District looks forward to your review of the attached local limit report and would greatly appreciate a timely feedback, so we can move forward with formal adoption of the revised limits. It is our understanding that we should receive comments, recommendations, or a tentative approval within 60 days of the submittal.

G&G Environmental Compliance, Inc. (G&G) developed the technically based local limits under contract with the District so if you have any questions or comments, please send comments or questions to John Wrobel (jwrobel@yvwd.us at (909) 797-5117) or Gary Ethridge (ge@ggcorp.net at (951) 858-1542) .

Thanks in advance for your timely review of the enclosed local limits report.

Best Regards,

John Wrobel
Public Works Manager

Attachment: Local Limits Report

PROPOSED LIMITS & CURRENT LIMITS

Constituent	Proposed Limit (mg/L)	Current Limits (mg/L)
Arsenic	2.0	1.9
Bis (2-Ethylhexyl) Phthalate	0.4	0.013
BOD	3,500	2,500
Boron	8.4	Water Supply plus 1 mg/L
Cadmium	0.3	0.1
Chromium (Total)	10.5	1.7
Chromium (VI)	0.8	N/A
Copper	2.7	0.7
Cyanide	0.3	0.3
Lead	2.0	0.2
Mercury	0.01	0.01
Molybdenum	0.7	0.7
Nickel	6.1	2.3
Non-Polar Oil and Grease (Fats, Oils, Grease)	500	500 (Total Oil and Grease)
Polar Oil and Grease (Total Petroleum Hydrocarbons)	100	100
pH	5.0 – 11.0 pH Units	5.0 - 11.0 pH Units
Selenium	0.1	0.1
Silver	0.3	0.1
Sulfide	5.0	N/A
Sulfide (Dissolved)	0.1	0.1
Total Dissolved Solids (TDS)	1,493	Water Supply Plus 400
Total Inorganic Nitrogen (TIN)	83	Replaces Ammonia Nitrogen (50)
Total Suspended Solids (TSS)	3,500	2,500
Zinc	6.0	7.2
1,4 Dioxane	1.0	N/A (Emerging POC)
Polychlorinated Hydrocarbons (PCBs)	0.01	N/A
Pesticides	0.01	N/A
Total Toxic Organics (TTOs)	N/A	0.58 mg/L

Yucaipa Valley Water District

Workshop Memorandum 18-162

Date: June 12, 2018

From: Allison M. Edmisten, Chief Financial Officer

Subject: Overview of Proposed Changes to Utility Billing and Accounting Programs

District staff is in the process of pursuing an alternative government accounting software. There is a significant need in reporting out of the software system for various Board reports, as well as federal and state reports. The current system is lacking this reporting capability and many reports need to be compiled manually, even by rekeying data into excel spreadsheets.

With this change in government accounting software, the District would have the ability to integrate the utility management, general ledger, payroll, AMI, backflow, accounts payable and inventory. Staff is reviewing the annual ongoing costs and maintenance agreements as well as the level of service and future improvements that will be included.

Director Comments

Yucaipa Valley Water District

Adjournment

Yucaipa Valley Water District

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

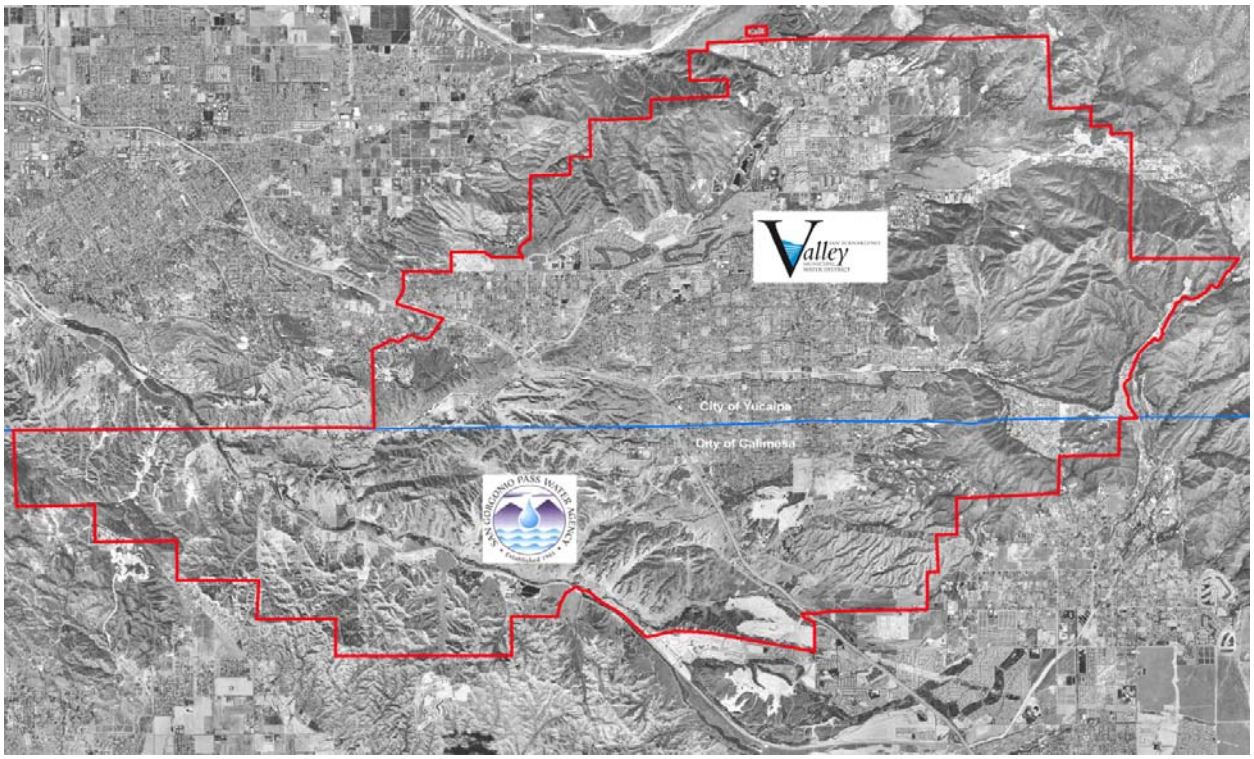
Water System:
215 miles of drinking water pipelines
27 reservoirs - 34 million gallons of storage capacity
18 pressure zones
12,000 ac-ft annual water demand (3.9 billion gallons)
Two water filtration facilities:
- 1 mgd at Oak Glen Surface Water Filtration Facility
- 12 mgd at Yucaipa Valley Regional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

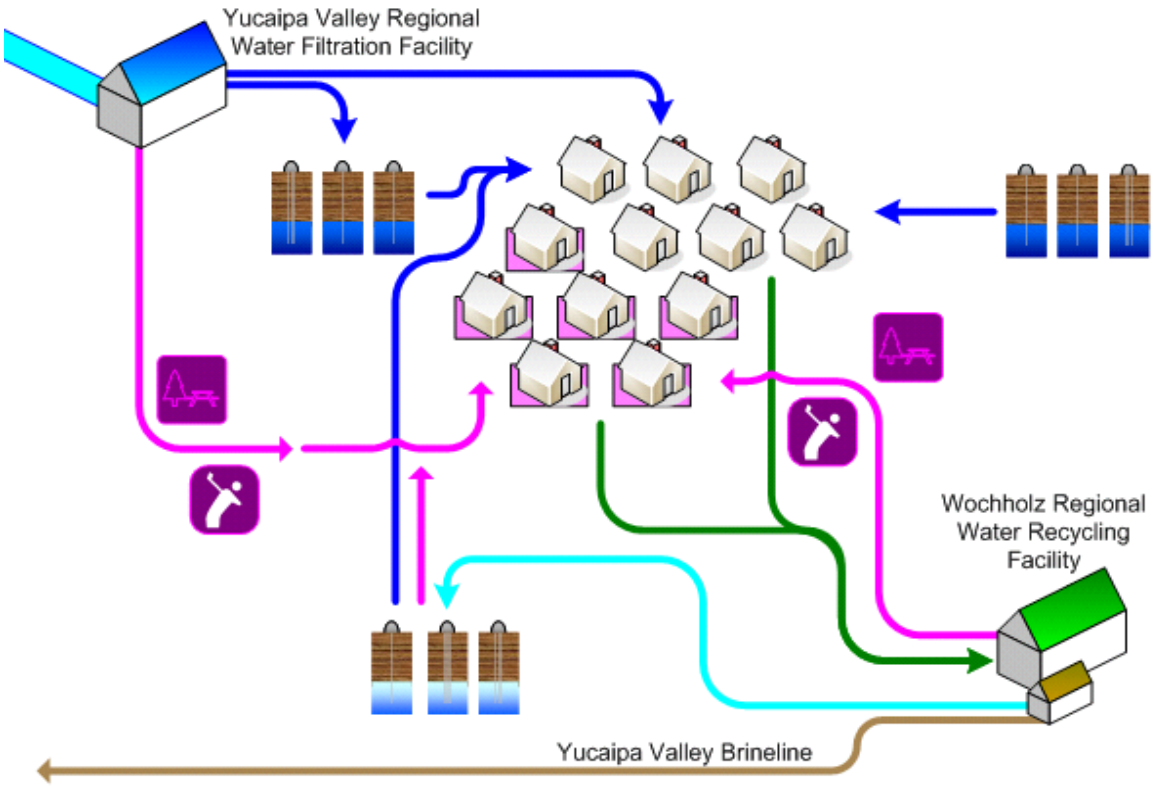
Recycled Water:
22 miles of recycled water pipelines
5 reservoirs - 12 million gallons of storage
1,200 ac-ft annual recycled demand (0.4 billion gallons)

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.



Yucaipa Valley Water District

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).

Yucaipa Valley Water District

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.

Yucaipa Valley Water District

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