



## Notice and Agenda of a Board Workshop

Tuesday, July 31, 2018 at 4:00 p.m.

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**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

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- I. **Call to Order**
  - II. **Public Comments** At this time, members of the public may address the Board of Directors on matters within its jurisdiction; however, no action or significant discussion may take place on any item not on the meeting agenda.
  - III. **Staff Report**
  - IV. **Presentations**
    - A. Overview of Proposition 3 - The Water Supply and Water Quality Bond Act of 2018 [[Workshop Memorandum No. 18-185 - Page 6 of 137](#)]
  - V. **Operational Updates**
    - A. Status Report for the Tracer Study Performed on the R-13.1 Clearwell at the Yucaipa Valley Regional Water Filtration Facility [[Workshop Memorandum No. 18-186 - Page 61 of 137](#)]
    - B. Overview of the Current Microbial Community Analyses at the Wochholz Regional Water Recycling Facility [[Workshop Memorandum No. 18-187 - Page 64 of 137](#)]
    - C. Status Report on the Rehabilitation of Belt Press No. 1 and No. 2 [[Workshop Memorandum No. 18-188 - Page 76 of 137](#)]
    - D. Status Report of the Automated Meter Infrastructure (AMI) Installation and Activation Projections [[Workshop Memorandum No. 18-189 - Page 77 of 137](#)]
    - E. Status Report on the Replacement of Automatic Transfer Switches with Integrated Power Metering at the Wochholz Regional Water Recycling Facility [[Workshop Memorandum No. 18-190 - Page 81 of 137](#)]
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Any person who requires accommodation to participate in this meeting should contact the District office at (909) 797-5117, at least 48 hours prior to the meeting to request a disability-related modification or accommodation.

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

**VI. Capital Improvement Projects**

- A. Status Report on the Installation of New Mesh Strainers at the Wochholz Regional Water Recycling Facility [[Workshop Memorandum No. 18-191 - Page 88 of 137](#)]
- B. Review of Proposed Construction Contract for the Replacement of Drinking Water Pipelines on Douglas Street, Cornell Drive, Auburn Avenue, Citibank / Yucaipa Boulevard and Oak Glen Road [[Workshop Memorandum No. 18-192 - Page 89 of 137](#)]

**VII. Administrative Items**

- A. Consideration of Consolidating 457(b) Deferred Compensation Plans with Voya Financial [[Workshop Memorandum No. 18-193 - Page 92 of 137](#)]
- B. Overview of Property Purchase Offer from the City of Yucaipa for Land Located at 11335 Pendleton Road, Yucaipa [[Workshop Memorandum No. 18-194 - Page 94 of 137](#)]
- C. Discussion Regarding Modifications to the Preparation of Monthly Utility Bills [[Workshop Memorandum No. 18-195 - Page 121 of 137](#)]
- D. Review of Public Disclosure Report Pursuant to Government Code Section 53065.5 for Fiscal Year Ending June 30, 2018 [[Workshop Memorandum No. 18-196 - Page 122 of 137](#)]
- E. Receipt and Acknowledgement of the *Auditor's Communication with Those Charged with Governance* [[Workshop Memorandum No. 18-197 - Page 124 of 137](#)]
- F. Discussion Regarding Annexation of Territory to the Yucaipa Valley Water District [[Workshop Memorandum No. 18-198 - Page 127 of 137](#)]

**VIII. Director Comments****IX. Announcements**

- A. August 7, 2018 at 6:00 p.m. - Regular Board Meeting
- B. August 14, 2018 at 4:00 p.m. - Board Workshop
- C. August 21, 2018 at 6:00 p.m. - Regular Board Meeting
- D. August 28, 2018 at 4:00 p.m. - Board Workshop
- E. September 4, 2018 at 6:00 p.m. - Regular Board Meeting
- F. September 11, 2018 at 4:00 p.m. - Board Workshop
- G. September 18, 2018 at 6:00 p.m. - Regular Board Meeting
- H. September 25, 2018 at 4:00 p.m. - Board Workshop
- I. October 2, 2018 at 6:00 p.m. - Regular Board Meeting
- J. October 9, 2018 at 4:00 p.m. - Board Workshop
- K. October 16, 2018 at 6:00 p.m. - Regular Board Meeting
- L. October 30, 2018 at 4:00 p.m. - Board Workshop
- M. November 6, 2018 at 6:00 p.m. - Regular Board Meeting
- N. November 13, 2018 at 4:00 p.m. - Board Workshop
- O. November 20, 2018 at 6:00 p.m. - Regular Board Meeting
- P. November 27, 2018 at 4:00 p.m. - Board Workshop
- Q. December 4, 2018 at 6:00 p.m. - Regular Board Meeting
- R. December 11, 2018 at 4:00 p.m. - Board Workshop
- S. December 18, 2018 at 6:00 p.m. - Regular Board Meeting
- T. ~~December 25, 2018 at 4:00 p.m. - Board Workshop Canceled~~
- U. ~~January 1, 2019 at 6:00 p.m. - Regular Board Meeting Canceled~~
- V. January 8, 2019 at 4:00 p.m. - Board Workshop
- W. January 15, 2019 at 6:00 p.m. - Regular Board Meeting

X. January 29, 2019 at 4:00 p.m. - Board Workshop

**X. Closed Session**

A. Conference with Real Property Negotiator(s) (Government Code 54956.8)  
Property: Assessor's Parcel Numbers: 413-380-005  
Agency Negotiator: Joseph Zoba, General Manager  
Negotiating Parties: Johnson  
Under Negotiation: Terms of Payment and Price

**XI. Adjournment**

# Staff Report



Yucaipa Valley Water District



# Presentations



Yucaipa Valley Water District



**Date:** July 31, 2018

**From:** Joseph Zoba, General Manager  
Jennifer Ares, Water Resource Manager

**Subject:** Overview of Proposition 3 - The Water Supply and Water Quality Bond Act of 2018

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On November 6, 2018, California voters will have an opportunity to consider supporting or rejecting Proposition 3 which would issue \$8.877 billion in general obligation bonds for water-related infrastructure and environmental projects. The state fiscal analyst estimates that the bond will cost the state a total of \$17.3 billion - \$8.9 billion in principle plus \$8.4 billion in interest.

The largest amount of bond revenue - \$2.355 billion - would go toward conservancies and state parks to restore and protect watershed lands and nonprofits and local agencies for river parkways. The measure would also allocate \$640 million to groundwater sustainability agencies to implement their plans and \$500 million for public water system infrastructure improvements to meet safe drinking water standards, including the treatment of contaminants, or ensure affordable drinking water.

The ballot initiative would require that \$1.398 billion be spent on projects benefitting what the state defines as disadvantaged communities and an additional \$2.637 billion be prioritized for disadvantaged communities.

The measure would distribute bond revenue as follows:

- **Safe drinking water and wastewater treatment for disadvantaged communities. \$750 million.** Provides safe drinking water and wastewater treatment for disadvantaged communities, especially in the Central Valley.
- **Wastewater recycling. \$400 million.** Recycles wastewater mainly for landscaping and industrial uses
- **Groundwater desalination. \$400 million.** Converts salty groundwater to usable water supply.
- **Urban water conservation. \$300 million.** Leak detection, toilet replacement, landscape conversion.
- **Agricultural water conservation. \$50 million.** Improves inefficient irrigation systems, increasing river flows
- **Central valley flood management, including flood plain restoration. \$100 million.** Makes farms and communities more flood safe, and makes flood plains for habitat friendly. Additional \$50 million for retrofit of a reservoir (probably Bullard's Bar) for better flood management.
- **San Francisco Bay Wetlands and flood improvements. \$200 million.** Improves wetlands in San Francisco Bay to provide flood protection and mitigate sea level rise.
- **Data management. \$60 million.** Better data collection and management: streamflow, etc.

- **Stormwater management \$600 million for a variety of state agencies.** Capture and treatment of stormwater flows improved river and ocean water quality and increasing water supplies
- **Watershed Improvement \$2355 million to a wide variety of state agencies.** Pays for better management of watersheds throughout the state to improve water quality and water supply. Includes \$150 million for the Los Angeles River, as well as \$100 million for the Delta Conservancy, which helps fund the governor's Eco-Restore program. Includes \$80 million for the removal of Matilija Dam, a silted-in dam in Ventura County. \$200 million for ecological restoration and dust control at the Salton Sea. Watershed restoration after fires in the Sierra Nevada and elsewhere receives \$100 million. Funds state conservancies and state parks to better manage watersheds.
- **Land Management for Water Yield. \$100 million.** Removal of invasive weeds which use excessive amounts of surface and groundwater such as tamarisk, yellow starthistle, and Arundo. Estimates of water savings are in excess of one million acre feet per year.
- **Fisheries restoration. \$400 million.** Restoring fish habitat. Supplements necessary streamflows.
- **Groundwater. \$675 million.** Implements the Sustainable Groundwater Management Act., stabilizing groundwater levels in overdraft groundwater basins.
- **Water and specific habitat improvements for fisheries. \$500 million.** Purchase of water for fish and waterfowl.
- **Completion of fish screens in Central Valley. \$100 million.** Will prevent baby fish from being diverted into irrigation systems.
- **San Joaquin River fisheries Restoration. \$100 million.** Restoration of Spring Run Chinook Salmon downstream of Friant dam.
- **Waterfowl habitat. \$280 million.** Helps meet waterfowl obligations under the Central Valley Project Improvement Act, and other waterfowl habitat improvement programs.
- **Bay Area Regional Reliability. \$250 million.** Improves interconnections between Bay Area water agencies, making it easier to survive droughts.
- **Improvement to Friant Kern Canal and other Friant water interconnections. \$750 million.** Restores lost capacity to Friant Kern Canal, pays for groundwater recharge programs, water conservation and possibly new water conveyance in the Friant area.
- **Oroville Dam Spillway Repair. \$200 million.** Makes Oroville Dam more flood safe.
- The initiative also allows state and federal water contractors to recover the funds they pay in climate change charges due to implementation of AB 32 and use those funds in their own systems for water and energy conservation to reduce greenhouse gas emissions.

Source: <https://waterbond.org/129-2/>

According to Ballotpedia.org, as of July 21, 2018, the committees in support of the ballot initiative had raised \$2.79 million. The largest contributions to the support committees were the Ducks Unlimited (\$400,000), California Waterfowl Association (\$275,000), and the California Wildlife Foundation Vesta Fund (\$200,000). As of July 21, 2018, there were no committees registered to oppose the ballot initiative.

## Support

The contribution and expenditure totals for the committees in support of the initiative were current as of July 21, 2018.<sup>[9]</sup>

Committees in support of Proposition 3				Totals in support	
Supporting committees	Cash contributions	In-kind services	Cash expenditures	Total raised:	\$2,789,330.71
				Total spent:	\$1,255,906.94
Californians for Safe Drinking Water and a Clean and Reliable Water Supply	\$2,766,057.05	\$761.02	\$1,246,778.64		
Northern California Water Association for a Water Bond	\$19,599.00	\$0.00	\$5,273.64		
Agricultural and Dairy Community for Safe Drinking Water and Reliable Water Supply	\$50.00	\$2,863.64	\$50.00		
<b>Total</b>	<b>\$2,785,706.05</b>	<b>\$3,624.66</b>	<b>\$1,252,102.28</b>		

## Donors

The following were the donors who contributed \$100,000 or more to the support committees as of July 21, 2018:<sup>[9]</sup>

Donor	Cash	In-kind	Total
Ducks Unlimited	\$400,000.00	\$0.00	\$400,000.00
California Waterfowl Association	\$275,000.00	\$0.00	\$275,000.00
California Wildlife Foundation Vesta Fund	\$200,000.00	\$0.00	\$200,000.00
California Fresh Fruit Association	\$105,000.00	\$0.00	\$105,000.00
California Wildlife Foundation	\$100,000.00	\$0.00	\$100,000.00
California Rice Industry Association	\$100,000.00	\$0.00	\$100,000.00
Northern California Water Association	\$100,000.00	\$0.00	\$100,000.00
Wonderful Orchards LLC	\$100,000.00	\$0.00	\$100,000.00

Source: [https://ballotpedia.org/California\\_Proposition\\_3,\\_Water\\_Infrastructure\\_and\\_Watershed\\_Conservation\\_Bond\\_Initiative\\_\(2018\)#Text\\_of\\_measure](https://ballotpedia.org/California_Proposition_3,_Water_Infrastructure_and_Watershed_Conservation_Bond_Initiative_(2018)#Text_of_measure)

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.**

Division 38 (commencing with Section 86000) is added to the Water Code, to read:

**DIVISION 38.** State water supply infrastructure, water conveyance, ecosystem and watershed protection and restoration, and drinking water protection act of 2018.

**CHAPTER 1. Short Title.**

**86000.** This division shall be known and may be cited as the Water Supply and Water Quality Act of 2018.

**CHAPTER 2. Findings and Declarations.**

**86001.** The people find and declare the following:

(a) In our frequently very dry state, our high-tech, agricultural and urbanized economy relies on an uninterrupted and high-quality water supply. By making water use more efficient, reducing the demand for water, providing new and diverse water supplies, improving the quality of our source watersheds, and protecting key environmental uses of water, this measure will assure that the economic and environmental engines of California are not derailed by a shortage of water.

(b) California's recent historic drought raises serious questions about the long-term reliability of our current water supplies. The drought underscores the need to use our existing water supplies more efficiently, increase investments in our water infrastructure, and more effectively integrate our water system from the headwaters to the end user.

(c) California's water situation requires implementation of the Governor's Water Action Plan to provide for the water needs of people, agriculture and the environment. This division will help provide a more reliable water supply by reducing waste, increasing the amount of water available to meet our needs, and improving water quality. This division also provides additional protection for our communities from floods.

(d) This division will implement cost effective methods of water development and conservation to meet California's present and future water needs in a changing climate, including capture of urban drainage and stormwater runoff, groundwater and brackish water desalting, groundwater storage, water recycling, water conservation, and watershed management, restoration, enhancement and protection.

(e) Many of the water supply and water quality investments provided by this division will be matched by agencies and grant recipients, more than doubling the effectiveness of the funding provided.

(f) Agencies implementing this division will give high priority to cost-effective projects, and to the most durable and most environmentally beneficial projects. Funding will go to projects that contribute to implementation of the Governor's Water Action Plan, the goal of which is to increase the resiliency of the California water system and the ability of California communities to cope with drought conditions.



(g) Every Californian has a right to safe, clean, affordable, and accessible drinking water. By complying with Section 106.3, agencies providing funds for safe drinking water pursuant to this division will help achieve the intent of that Section.

(h) This division provides a fair and reasonable distribution of funds directly and indirectly benefitting every region of the state.

(i) This division provides short and long-term cost-effective actions to address the water shortages caused by the recent drought, and will help prepare local communities for future droughts. Droughts reduce water supplies for people, agriculture and the environment. This division will help meet the water needs of people, agriculture, and the environment and make California more resilient in the face of a changing climate.

(j) By improving the health and water productivity of watersheds, communities will become more self-reliant with respect to water supply, and local environmental quality will be increased.

(k) By removing invasive plants such as yellow starthistle, giant reed (*Arundo donax*) and tamarisk, water supply will be increased and habitat for fish and wildlife will be improved.

(l) Flooding can devastate communities and infrastructure. We can make better use of floodwaters by capturing waters and putting them to use in our communities, on our farms, and by recharging groundwater basins. By providing funds to intelligently manage our watersheds and floodplains, this division will also help avoid flood damage, improve fish and wildlife habitat, remove pollutants from our water supply, enhance groundwater, remediate aquifers and improve the environment. Better floodplain management may allow improved operation of upstream reservoirs for water supply purposes.

(m) Severe fire conditions can lead to significant erosion, reduced water quality and impacts on water infrastructure. This division provides funding to manage forests and watersheds to reduce fire danger, mitigate the effects of wildfires on water supply and quality, and enhance water supplies.

(n) This division funds the following programs, which respond to human and environmental water needs in California:

(1) Improvement of water supply and water quality utilizing cost effective methods, including water conservation, desalting of groundwater and other inland saline water, stormwater management, wastewater recycling, and similar water management measures.

(2) Better management of forest and rangeland watersheds, such as through the Sierra Nevada Watershed Improvement Program to improve the pattern, quantity and quality of water runoff and groundwater recharge. Improving soil health improves the ability of the ground to better contain groundwater and moderate the rate of water runoff.

(3) Better groundwater management, including faster implementation of the Sustainable Groundwater Management Act, and better recognition of the connection between surface and groundwater.

(4) Provision of water for fish and wildlife, including restoration of the Pacific Flyway and management of habitat in a dynamic way to respond to changing environmental conditions.

(5) Increased capacity to convey water resulting in greater groundwater recharge and improved conveyance and utilization of floodwaters for use in drought years.

(o) The State Water Resources Control Board, the Department of Fish and Wildlife, and many other agencies have recognized that providing funding for fish habitat enhancement is vital to restoring native California fish populations, and that relying solely on flow to restore those populations will not be sufficient. Providing funding for fish habitat enhancement is a vital complement to reasonable flows to protect fish.

(p) California has lost ninety-five percent (95%) of its historical wetlands. These wetlands provide food, water and cover for migratory and other birds, fish, mammals, reptiles, amphibians and a vast number of plant species. Many species may become endangered or threatened without wetlands and many more survive only due to wetlands available today. This division combines work to sustain and protect current wetlands with the potential to increase wetlands in California to support a thriving flora and fauna.

(q) The implementation of this division will result in cost savings to local governments immediately by substantially more than one billion dollars, and reduce local government operating costs by hundreds of millions of dollars per year. This division will provide funding that displaces local government funding, resulting in the implementation of projects in the following areas. These projects would have eventually been implemented by local government.

(1) Safe Drinking Water. State direct and matching funds will reduce the cost to local government of implementing drinking water and wastewater treatment systems, and to some extent the operation of those systems.

(2) Wastewater recycling. State funds will reduce the cost of these plants, reducing the capital cost of the projects for local governments. By reducing local government capital costs, the cost of water from these plants will also be reduced. Implementation of wastewater recycling plants will defer the need for more expensive alternative sources of water supply, thus further reducing local capital and operating costs.

(3) Groundwater desalting. State funds will reduce the cost of these plants, reducing the capital cost of the projects for local governments. By reducing local government capital costs, the cost of water from these plants will also be reduced. Implementation of groundwater desalting plants will defer the need for more expensive alternative sources of water supply, thus further reducing local capital and operating costs.

(4) Water Conservation. State funds will reduce the cost of these projects, reducing costs to local government. More importantly, reduced water demand resulting from these projects will reduce operating costs, and will temporarily or permanently defer the construction and operating costs of more expensive capital outlay projects needed to provide new water.

(5) Repairing flood control reservoirs. State funds will reduce the costs of these projects for local government.

(6) San Francisco Bay Restoration Authority funds. State investment in wetlands projects providing flood protection around San Francisco Bay will reduce flood risk associated with climate change. This will reduce the cost of other flood control measures, and more importantly will reduce flood damage which often results in tremendous costs to local government for facility repair.



(7) Stormwater funding. Regulations imposed by the State Water Resources Control Board and various regional water quality control boards will result in the construction of various capital outlay projects costing billions of dollars. Providing funds through this measure will reduce the cost of these projects to local government.

(8) Fisheries restoration. This division provides hundreds of millions of dollars for fisheries restoration. Local and regional water agencies are voluntarily undertaking many of these projects. By providing state funds, this division will reduce local costs. In addition, the resulting increase in fish populations will make it possible to improve local water supplies, avoiding local government costs to provide replacement water supplies costing hundreds of millions or even billions of dollars.

(9) Bay Area Regional Reliability. Bay Area water districts are undertaking extensive improvements in their water distribution systems to interconnect their water supplies for greater drought water supply reliability and other benefits. By providing funds for this program, this division will reduce their costs by two hundred and fifty million dollars (\$250,000,000).

(10) Friant Kern Canal Repair. Groundwater overdraft has caused subsidence of the Friant Kern Canal. State funds to repair the canal will reduce the cost of repairing the canal to local water districts. Avoiding the cost to finance this project will also save tens of millions of dollars per year in interest costs which would have to be paid by these districts.

(11) Oroville Dam Repair. Although the costs of repairing Oroville Dam should be covered by the federal government either through the Federal Emergency Management Agency or the Corps of Engineers, the federal government may not fulfill this obligation. If the State Water Resources Development System contractors, all local agencies, are forced to cover all or part of these costs, this division will reduce their costs by two hundred million dollars (\$200,000,000). Interest costs would also be reduced.

(r) Substantial funds remain to be allocated to storage projects pursuant to Division 26.7. For this reason, and so as not to interfere with the work of the California Water Commission in awarding these funds, this measure does not include funding for the construction of specific storage projects.

### **CHAPTER 3. Definitions.**

**86002.** Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

(a) "Conservation" means rehabilitation, stabilization, restoration, reduced water use, development, and reconstruction, or any combination of those activities.

(b) "Conservation actions on private lands" means projects implemented with willing landowners that involve the adaptive and flexible management of natural resources in response to changing conditions and threats to habitat and wildlife. These investments and actions are specifically designed to create habitat conditions on private lands which, when managed dynamically over time, contribute to the long-term health and resiliency of vital ecosystems and enhance wildlife populations.

(c) "Delta" means the Sacramento-San Joaquin Delta as defined in Section 12220.

(d) "Department" means the Department of Water Resources.



- (e) "Desalination" means removing salt and other contaminants from polluted groundwater or other inland sources of water containing salts, including brackish water.
- (f) "Disadvantaged community" has the meaning set forth in subdivision (a) of Section 79505.5, as it may be amended.
- (g) "Economically distressed area" has the meaning set forth in subdivision (k) of Section 79702, as it may be amended.
- (h) "Finance committee" means the Water Supply Reliability and Drought Protection Finance Committee created by Section 86182.
- (i) "Fund" means the Water Supply Reliability and Drought Protection Fund of 2018 created by Section 86169.
- (j) "Groundwater sustainability agency" means an agency defined in subdivision (j) of Section 10721.
- (k) "Integrated Regional Water Management Plan" means a comprehensive plan for a defined geographic area that meets the requirements of Part 2.2 (commencing with Section 10530) of Division 6, as that part may be amended.
- (l) "Invasive plant" means a terrestrial or aquatic plant not native to California of no or negligible agricultural value which does any of the following: displaces native plants, threatens native plant biodiversity, harms agricultural or rangeland productivity, degrades wildlife habitat, contributes to fire hazard, or uses more water than the plants it displaces.
- (m) "Multi-benefit project" means a project that serves more than one purpose, including but not limited to flood management, water supply, water quality improvement, environmental enhancement, recreation, energy conservation, reduction of emission of climate-changing gases, and fish and wildlife improvement.
- (n) "Nonprofit organization" means an organization qualified to do business in California and exempt under Section 501(c)(3) or Section 501(c)(6) of Title 26 of the United States Code, to the extent permitted by state and federal law.
- (o) "Protection" means those actions necessary to prevent harm or damage to persons, property or natural resources or those actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition, development, restoration, conservation, preservation and interpretation as interpretation is defined in subdivision (i) of Section 75005 of the Public Resources Code.
- (p) "Public agency" means a state agency or department, special district, joint powers authority, city, county, city and county, or other political subdivision of the state.
- (q) "Public water systems" are defined in subdivision (h) of section 116275 of the Health and Safety Code and means regional, municipal, and district urban water suppliers, including privately owned water suppliers as defined in Part 2.6, Section 10617 of the Water Code Division 6.
- (r) "Restoration" means the improvement of physical structures or facilities and, in the case of natural systems and landscape features, includes but is not limited to projects that improve physical and

ecological processes, including but not limited to erosion control; sediment management; the control and elimination of invasive species; prescribed burning; fuel hazard reduction; fencing out threats to existing or restored natural resources; meadow, wetland, riparian, and stream restoration; and other plant and wildlife habitat improvement to increase the natural system value of the property. Restoration projects shall include the planning, monitoring and reporting necessary to ensure successful implementation of the project objectives.

(s) "Severely disadvantaged community" means a community with a median household income of less than 60 percent (60%) of the statewide median household income.

(t) "Sierra Nevada Watershed Improvement Program" is a coordinated, integrated, collaborative program to restore the health of California's primary watershed by increasing the pace and scale of forest restoration in order to maintain the important benefits that the Sierra Nevada region provides.

(u) "State board" means the State Water Resources Control Board.

(v) "State General Obligation Bond Law" means the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code.

(w) "Stormwater" and "dry weather runoff" are defined as in Section 10561.5.

(x) "Stormwater Resource Plans" are defined as in Part 2.3 (commencing with Section 10560) of Division 6.

#### **CHAPTER 4. Accountability.**

**86003.** (a) (1) The California Natural Resources Agency shall provide for an independent audit of expenditures pursuant to this division no less than every three years.

(2) On or before January 10, 2020, and every six months thereafter, the Natural Resources Agency shall publish on its website a report that contains all of the following information relating to this division for the previous six months with the information summarized by section of this division:

(A) Funding encumbrances.

(B) Summary of new projects funded.

(C) Summary of projects completed.

(D) Discussion of progress towards meeting the metrics of success established pursuant to Section 86157.

(E) Discussion of common challenges experienced by state agencies and recipients of funding in executing projects.

(F) Discussion of major accomplishments and successes experienced by state agencies and recipients of funding in executing projects.

(3) This subsection shall remain in effect only until January 1, 2028, and as of that date is repealed.

(b) The Department of Finance or the Controller, or the California State Auditor at the direction of the Legislature, may conduct an audit of the expenditures of any state agency receiving funding pursuant to

this act.

(c) The state agency issuing any grant with funding authorized by this division shall require adequate reporting of the expenditures of the funding from the grant.

#### **CHAPTER 5. Improvement of Water Supply and Water Quality.**

##### **CHAPTER 5.1. Safe Drinking Water.**

**86004.** The sum of seven hundred fifty million dollars (\$750,000,000) is appropriated from the Fund to the State board for expenditures, grants, and loans to improve water quality or help provide clean, safe, and reliable drinking water to all Californians.

**86005.** The projects eligible for funding pursuant to this chapter shall help improve water quality for a beneficial use. The purposes of this chapter are to:

- (a) Reduce contaminants in drinking water supplies regardless of the source of the water or the contamination.
- (b) Assess and prioritize the risk of contamination to drinking water supplies.
- (c) Address the critical and immediate needs of disadvantaged, rural, or small communities that suffer from contaminated or inadequate drinking water supplies, including, but not limited to, projects that address a public health emergency.
- (d) Leverage other private, federal, state, and local drinking water quality and wastewater treatment funds.
- (e) Provide disadvantaged communities with public drinking water infrastructure that provides clean, safe, and reliable drinking water supplies that the community can sustain over the long term.
- (f) Ensure access to clean, safe, reliable, and affordable drinking water for California's communities.
- (g) Meet primary and secondary drinking water standards or remove contaminants identified by the state or federal government to meet primary or secondary drinking water standards.

**86006.** The contaminants that may be addressed with funding pursuant to this chapter may include, but shall not be limited to, lead, nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic, selenium, hexavalent chromium, mercury, PCE (perchloroethylene), TCE (trichloroethylene), DCE (dichloroethene), DCA (dichloroethane), 1,2,3-TCP (trichloropropane), carbon tetrachloride, 1,4-dioxane, 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron, manganese, total dissolved solids, electrical conductivity, and uranium.

**86007.** (a) (1) Of the funds authorized by Section 86004, five hundred million dollars (\$500,000,000) shall be available for grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water, or both. Priority shall be given to projects that provide treatment for contamination or access to an alternate drinking water source or sources for small community water systems or state small water systems in disadvantaged communities whose drinking water source is impaired by chemical and nitrate contaminants and other health hazards



identified by the State board. Eligible recipients serve disadvantaged communities and are public water systems or public agencies.

(2) Eligible expenses may include initial operation and maintenance costs for systems serving disadvantaged communities. Priority shall be given to projects that provide shared solutions for multiple communities, at least one of which is a disadvantaged community that lacks safe, affordable drinking water and is served by a small community water system, state small water system, or a private well. Construction grants shall be limited to five million dollars (\$5,000,000) per project, except that the State board may set a limit of not more than twenty million dollars (\$20,000,000) for projects that provide regional benefits or are shared among multiple entities, including consolidation of two or more drinking water systems, at least one of which shall be a small disadvantaged community. Not more than 50 percent (50%) of a grant may be awarded in advance of actual expenditures.

(3) For the purposes of this subdivision, "initial operation and maintenance costs" means those initial, eligible, and reimbursable costs under a construction funding agreement that are incurred up to, and including, but not limited to, initial startup testing of the constructed project in order to deem the project complete. Initial operation and maintenance costs are eligible to receive funding pursuant to this section for a period not to exceed three years.

(b) Of the funds authorized by this section, up to ten million dollars (\$10,000,000) shall be available for grants to provide school children with safe drinking water under the Drinking Water for Schools Grant Program pursuant to Section 116276 of the Health and Safety Code.

**86008.** Of the funds authorized by Section 86004, two hundred fifty million dollars (\$250,000,000) shall be available for deposit in the State Water Pollution Control Revolving Fund Small Community Grant Fund created pursuant to Section 13477.6 for grants and loans for wastewater treatment projects. Priority shall be given to projects that serve disadvantaged communities and severely disadvantaged communities, and to projects that address public health hazards. Projects may include, but not be limited to, projects that identify, plan, design, and implement regional mechanisms to consolidate wastewater systems or provide affordable treatment technologies.

**86009.** Of the funds authorized by Section 86004, up to sixty million dollars (\$60,000,000) shall be made available for drinking water infrastructure and/or wastewater improvements on private property, or for interim replacement drinking water supplies.

(a) Funds may be used for the following purposes:

(1) To conduct water quality testing of drinking water wells.

(2) To install and replace laterals, repair or replace private wells or onsite wastewater systems, properly close abandoned wells and septic system infrastructure, and provide infrastructure necessary to connect residences to a public water or wastewater system.

(3) To replace interior drinking water plumbing and fixtures that contain lead.

(4) To provide interim replacement drinking water supplies.

(b) The State board may establish a revolving loan fund to facilitate financing for activities allowable under this section.

(c) Priority shall be given to projects that assist low-income homeowners, including mobile home owners, and vulnerable populations.

**86010.** (a) For the purposes of awarding funding pursuant to this chapter, a local cost share of not less than 50 percent (50%) of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or an economically distressed area.

(b) At least 10 percent (10%) of the funds available pursuant to this chapter shall be allocated for projects serving severely disadvantaged communities.

(c) Up to 15 percent (15%) of the funds available pursuant to this chapter may be allocated for technical assistance to disadvantaged communities. The State board shall operate a multidisciplinary technical assistance program for small and disadvantaged communities which may include, but is not limited to, outreach and education, needs assessments, review of alternative approaches to provide communities with safe drinking water or wastewater services, project selection and design, board and operator training, and other technical, managerial, and financial capacity building assistance for utilities serving disadvantaged communities related to providing communities with safe drinking water or wastewater services. The agency may also contract with a nonprofit organization, resource conservation district, or other local agency to provide these services.

#### **CHAPTER 5.2. Water Recycling and Desalination.**

**86020.** The sum of four hundred million dollars (\$400,000,000) is appropriated from the Fund to the State board to award grants and loans to eligible entities as defined in subdivision (a) of Section 86166 on a competitive basis for wastewater recycling projects. Grants pursuant to this section may be made for all of the following:

(a) Water recycling projects, including, but not limited to, treatment, storage, conveyance, brine disposal, and distribution facilities for potable and nonpotable recycling projects.

(b) Dedicated distribution infrastructure to serve residential, commercial, agricultural, fish and wildlife habitat, and industrial end-user retrofit projects to allow use of recycled water.

(c) Pilot projects for new potable reuse and contaminant removal technology.

(d) Multi-benefit recycled water projects that improve water quality.

(e) Multi-benefit recycled water projects that protect, conserve and restore wetland and other wildlife habitat.

(f) Technical assistance and grant writing assistance related to specific projects for disadvantaged communities and economically distressed areas.

**86021.** The sum of four hundred million dollars (\$400,000,000) is appropriated from the Fund to the State board to award grants to eligible entities as defined in subdivision (a) of Section 86166 on a competitive basis for desalination of brackish groundwater, and other brackish water desalination projects which do

not directly negatively affect riparian habitat, estuaries, coastal bays, coastal lagoons, or ocean waters of California as defined by the State board. Grants pursuant to this section must comply with the requirements of this section, and may be made for all of the following:

- (a) Treatment, storage, conveyance, and distribution facilities. Projects may remove contaminants in addition to salts, but shall be primarily constructed and operated to remove salt.
- (b) Distribution infrastructure to serve residential, commercial, agricultural, fish and wildlife habitat, and industrial end-user retrofit projects to allow use of desalted water.
- (c) Multi-benefit salt removal projects that improve water quality.
- (d) Technical assistance and grant writing assistance related to specific projects for disadvantaged communities and economically distressed areas.
- (e) Multi-benefit salt removal projects that provide water supply for wetland and other wildlife habitat.
- (f) Technical assistance and grant writing assistance related to specific projects for disadvantaged communities and economically distressed areas.

**86022.** No grant made pursuant to this chapter shall exceed fifty percent (50%) of the cost of the project, but this requirement may be eliminated or reduced for that portion of projects that primarily serve disadvantaged communities, economically distressed areas, or wildlife habitat.

**86023.** Projects funded pursuant to this chapter shall be selected on a competitive basis with priority given to the following criteria:

- (a) Water supply reliability improvement.
- (b) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or from local rivers and streams, and benefits related to attainment of beneficial uses and water quality objectives in local receiving waters.
- (c) Public health benefits from improved drinking water quality or supply.
- (d) Cost-effectiveness, based on the amount of water produced per dollar invested, and other cost-effectiveness criteria adopted by the State board.
- (e) Energy efficiency and greenhouse gas emission reductions.
- (f) Water supply or water quality improvements benefitting disadvantaged communities.
- (g) Protection and restoration of fish and wildlife habitat, as well as provision of a reliable water supply for fish and wildlife.

#### **CHAPTER 5.3. Water Conservation.**

**86030.** The sum of three hundred million dollars (\$300,000,000) is appropriated from the Fund to the



department for the following purposes:

(a) Statewide turf removal program.

(1) The program shall provide financial incentives to public and private property owners to convert their irrigated or watered landscaping to drought tolerant plantings, including appropriate low water using plants. The department shall set a maximum amount each applicant can receive, and shall allow greater incentives to low-income homeowners who could not otherwise afford to participate in the landscape water conversion program. No less than seventy-five percent (75%) of the funds allocated to this program shall be spent on programs benefitting residential property owners. The department shall make awards to nonresidential applicants on the basis of cost-effectiveness with respect to water supply. Each grant must reduce water consumption by at least fifty percent (50%) compared to current water use.

(2) The most cost-effective projects and those projects that provide the greatest environmental benefits based on the state investment shall receive highest priority for funding. Environmental benefits shall include, but not be limited to, planting appropriate drought resistant native and other plants, reduction in consumptive water use, and increased availability of water for environmental benefits.

(3) The department shall not reject or reduce eligibility to residents residing in service areas which have previously offered turf removal rebate programs as long as the resident was not a participant in the program.

(4) The department shall cooperate with eligible entities as defined in subdivision (a) of Section 86166 and the California Public Utilities Commission to develop an on-bill repayment mechanism to pay for the consumer's share of the landscape conversion project.

(b) Leak detection.

(1) Competitive grants on a matching basis to public water systems to reduce leaks in their water distribution systems, eliminate leaks in the water systems of their customers if the water system operator determines that customer leak detection and elimination is a cost-effective way to improve the water system operator's water supply and provides a public benefit, and install instrumentation to detect leaks at residential, institutional, and commercial properties. The department shall make awards on the basis of cost-effectiveness with respect to water supply. Water system operators receiving grants pursuant to this subdivision shall give highest priority to leak detection and water waste elimination programs in disadvantaged communities and economically distressed areas.

(2) No grant award shall exceed fifty percent (50%) of the cost of the project. Cost sharing may be reduced or eliminated for a grant award that primarily benefits residential property owners in a disadvantaged community or an economically distressed area.

(c) Toilet replacement. Competitive grants on a matching basis to public water systems or eligible entities as defined in subdivision (a) of Section 86166 to replace toilets using more than three gallons per flush with new toilets that conserve water and flush 1.28 gallons per flush or less. The department shall make awards on the basis of cost-effectiveness with respect to water supply. Entities receiving grants pursuant to this subdivision shall give highest priority to toilet replacement programs in disadvantaged communities and economically distressed areas.

(d) Water meters. Installation of water meters in disadvantaged communities that are not metered.

(e) Energy saving water conservation. Competitive grants on a matching basis to public water systems to undertake water conservation projects that promote saving energy. These projects shall document the greenhouse gas emission reductions coming from water conservation programs. The department shall make awards on the basis of cost-effectiveness with respect to water supply as well as energy savings. Highest priority shall be given to programs in disadvantaged communities and economically distressed areas.

(f) In determining how to allocate the funds appropriated pursuant to this section, the department shall determine which technologies are most cost-effective, produce the greatest environmental benefits, and provide the most benefit to disadvantaged communities and economically distressed areas.

(g) Any entity receiving a grant pursuant to this section may use grant funds to establish a revolving fund from which the entity may make loans to implement water conservation programs. The interest rate shall be established by the entity, and the entity may charge a reasonable administration fee to be paid along with the interest on the loan over the lifetime of the loan. Payments made on loans made pursuant to this program shall be returned to the revolving fund to be used for additional loans to implement water conservation programs. Loans made pursuant to this section may be for up to 15 years, or for the useful life of the water conservation project, whichever is shorter.

**86031.** The sum of fifteen million dollars (\$15,000,000) is appropriated from the Fund to the California Energy Commission for the Water Energy Technology Program to accelerate the deployment of innovative water and energy saving technologies and help continue to make water conservation a California way of life.

**86032.** (a) The purpose of this section is to help make it possible to improve flows in tributaries to the Delta, and to expedite the transfer of conserved agricultural water while minimizing impacts on water rights holders.

(b) The sum of fifty million dollars (\$50,000,000) is appropriated from the Fund to the department for matching grants to local agencies to aid in the construction and implementation of agricultural water conservation projects, and for grants in accordance with Section 79158.

(c) For the purposes of approving a grant under this section, the department shall determine if there will be a net savings of water as a result of each proposed project and if the project is cost-effective and technically sound.

(d) A project under this section shall not receive more than five million dollars (\$5,000,000) in grant proceeds from the department.

(e) The department shall give preference to the most cost-effective and technically sound projects.

(f) Priority shall be given to grants that result in water savings which are used to improve the quality of fish and wildlife through increased flows in tributaries to the Delta. Grants improving internal water district efficiency for other uses and transfers are also eligible for funding.

(g) No project may cause adverse impacts to fish or wildlife without mitigating those impacts below a level of significance. The cost of mitigation may be included in grant funds.



**CHAPTER 5.4. Flood Management for Improved Water Supply.**

**86040.** (a) The sum of two hundred million dollars (\$200,000,000) is appropriated from the Fund to the Central Valley Flood Protection Board for:

(1) Enlargement and environmental enhancement of existing floodways and bypasses within the jurisdiction of the Central Valley Flood Protection Board, including providing recreation opportunities.

(2) Improvement of flood control facilities and environmental enhancement within the jurisdiction of the Central Valley Flood Protection Board.

(b) To be eligible for funding under this section, a project shall provide reduced flood risk, reduced liability, or reduced maintenance responsibility for state agencies or local flood control districts or both.

(c) The Central Valley Flood Protection Board shall give preference to:

(1) Those projects that primarily benefit disadvantaged communities or economically distressed areas.

(2) Multi-benefit projects designed to reduce flood risk and enhance fish and wildlife habitat by allowing rivers and floodplains to function more naturally. These projects create additional public benefits such as protecting farms and ranches, improving water quality, increasing groundwater recharge, and providing public recreation opportunities.

(3) Those projects that include matching funds, including but not limited to matching funds from other state agencies. Matching fund requirements may be reduced or eliminated to the extent the project directly benefits disadvantaged communities or economically distressed areas.

(d) The Central Valley Flood Protection Board may make grants to eligible entities as defined in subdivision (a) of Section 86166 to implement this section.

(e) The Central Valley Flood Protection Board may use up to one million (\$1,000,000) of these funds to develop a programmatic permit for authorization of habitat restoration and related multi-benefit floodplain restoration projects whose primary purpose is restoration and that meet the criteria described in paragraphs (a) and (b) of this section.

(f) Of the amount appropriated in paragraph (a), fifty million dollars (\$50,000,000) shall be awarded for matching grants to public agencies to construct flood control improvements to existing dams on rivers in the Sacramento Valley that provide flood protection to urbanized areas. If these funds are not awarded for this purpose by January 1, 2032, they may be used for the other purposes of this section.

**86041.** (a) The sum of one hundred million dollars (\$100,000,000) is appropriated from the Fund to the department for grants to local agencies on a fifty percent (50%) matching basis to repair or reoperate reservoirs that provide flood control either as a principal purpose or as an indirect effect of their operation. Grantees must demonstrate that the proposed repair or reoperation will increase the amount of water stored in those reservoirs that could be put to beneficial use. No funds appropriated under this section shall be used to raise the height of any dam. Spillway modification projects that do not raise the

crest height of the dam are eligible for grant funds.

(b) (1) To be eligible for funding under this section, a project must provide substantial increases in recreational opportunities, such as trails along river channels, and significant net improvements to fish and wildlife habitat in and adjacent to the river channel downstream of the reservoir, and to the extent compatible with safe reservoir operation, within the reservoir. At least ten percent (10%) of project costs shall be allocated to these recreational and habitat purposes. The funds to carry out these purposes shall be allocated by the department directly to a state conservancy if there is a conservancy with jurisdiction over the area of the project. If there is no conservancy, the Natural Resources Agency's California River Parkways Program shall contract with an eligible entity as defined in subdivision (a) of Section 86166 to carry out these purposes. The agency operating the reservoir being repaired or reoperated shall approve the recreational and habitat elements of the project and shall not charge any fees for review, plan check, permits, inspections, or any other related costs associated with the project, and shall provide permanent operation and maintenance of the entire project, including the habitat and recreational elements. Projects may include grants to eligible entities as defined in subdivision (a) of Section 86166 to implement this paragraph.

(2) All costs associated with the requirements of this subdivision may be paid for with funds provided to local agencies by this section, and do not have to be matched by the agency.

(c) Grants made pursuant to this section may be for the purpose of seismic retrofit.

(d) No grants made pursuant to this section shall be for reservoir maintenance or sediment removal from the reservoir or upstream of the reservoir, except as necessary to complete projects authorized under paragraphs (a), (b), and (c).

(e) Applicants shall certify that projects paid for by funds provided by this section will be permanently operated and maintained.

(f) First priority shall be given to projects that benefit disadvantaged communities.

(g) Projects to assist in the reoperation of eligible reservoirs shall increase water supply for beneficial uses through the purchase and installation of water measuring equipment, acquisition of information systems, and the use of technologies and data to improve reservoir management.

(h) (1) A local public agency, Indian tribe or nonprofit organization that receives funding under this chapter to create recreational facilities or wildlife habitat may use up to twenty percent (20%) of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of those recreational facilities or wildlife habitat.

(2) A local public agency, Indian tribe or nonprofit organization that acquires an interest in land, recreation facilities or wildlife habitat with money from this chapter and transfers the interest in land, recreation facilities or wildlife habitat to another public agency, Indian tribe or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in the land, recreation facilities or wildlife habitat.

(3) This subdivision does not apply to state agencies.

(4) If the local public agency, Indian tribe or nonprofit organization does not establish a trust fund



pursuant to this subdivision, the agency, tribe or organization shall certify to the state agency making the grant that it can maintain the land, recreational facilities or wildlife habitat to be acquired or developed from funds otherwise available to the agency, tribe or organization.

(5) If the interest in land, recreational facilities or wildlife habitat is condemned or if the local public agency, Indian tribe or nonprofit organization determines that the interest in land, recreational facilities or wildlife habitat is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this section.

(i) The department shall give preference to those projects that coordinate reservoir reoperation with the provision of water for groundwater recharge through conjunctive use or other integrated surface/groundwater projects.

**86042.** The sum of two hundred million dollars (\$200,000,000) is appropriated from the Fund to the San Francisco Bay Restoration Authority to provide matching grants for flood management, wetlands restoration, and other projects consistent with Article 2 (commencing with Section 66704.5) of Chapter 5 of Title 7.25 of the Government Code. For purposes of this section, matching funds may include funds provided by local governments, regional governments, the federal government, private parties, or other funds raised by the San Francisco Bay Restoration Authority. No grant shall exceed fifty percent (50%) of the cost of the project.

**86043.** (a)(1) A local public agency, Indian tribe or nonprofit organization that receives funding under this chapter to acquire an interest in land may use up to twenty percent (20%) of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of that interest in land.

(2) A local public agency, Indian tribe or nonprofit organization that acquires an interest in land with money from this chapter and transfers the interest in land to another public agency, Indian tribe or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in land.

(3) This subdivision does not apply to state agencies.

(b) If the local public agency, Indian tribe or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency, tribe or organization shall certify to the state agency making the grant that it can maintain the land to be acquired from funds otherwise available to the agency, tribe or organization.

(c) If the interest in land is condemned or if the local public agency, Indian tribe or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this chapter.

#### **CHAPTER 5.5. Funding for Water Measurement and Information.**

**86048.** The sum of sixty million dollars (\$60,000,000) is appropriated from the Fund for water measurement and information systems, as follows:

(a) The sum of twenty million dollars (\$20,000,000) is appropriated to the department for development of

methods and installation of water measuring equipment to improve estimates of water balance, water budgets, diversions and water use to support water allocations, drought management, groundwater management, water quality management and water rights.

(b) The sum of ten million dollars (\$10,000,000) is appropriated to the State board for development of information systems, technologies, and data that improve the State board's ability to manage water rights. These systems will include, but not be limited to, digitizing and making available the 10 million pages of paper records on water rights within the State board and in other repositories and the creation of a digital repository for water diversion and use data.

(c) The sum of ten million dollars (\$10,000,000) is appropriated to the Water Data Administration Fund established pursuant to Section 12420, to be used by the department in consultation with the State board for the purpose of making California water information interoperable, consistent with Part 4.9 of Division 6 of the Water Code.

(d) The sum of twenty million dollars (\$20,000,000) is appropriated as follows:

(1) Five million dollars (\$5,000,000) is appropriated to the University of California for its multi-campus Water Security and Sustainability Research Initiative to develop core elements of a water resources information system, in cooperation with the department and the State board.

(2) Five million dollars (\$5,000,000) is appropriated to the California Water Institute at California State University, Fresno to undertake research leading to improvement and conservation of water supplies and improved water quality in California.

(3) Five million dollars (\$5,000,000) is appropriated to the Irrigation Training and Research Center at California Polytechnic State University San Luis Obispo to undertake research leading to improvement and conservation of water supplies and improved water quality in California.

(4) Five million dollars (\$5,000,000) is appropriated to the Office of Water Programs at California State University, Sacramento to undertake research leading to improvement and conservation of water supplies and improved water quality in California.

(5) The institutions of higher education receiving funds pursuant to this paragraph shall work together to assure that their efforts do not conflict or overlap, but are complementary to each other.

#### **CHAPTER 5.6. Capture and Use of Urban Runoff and Stormwater.**

**86050.** (a) The sum of four hundred million dollars (\$400,000,000) is appropriated from the Fund to the State board for projects to capture and use urban dry weather runoff and stormwater runoff. All grants made pursuant to this section by the State board for construction projects must be to counties or cities, a city and county, or a joint powers authority containing a city, county, or city and county with responsibility for flood control or management. The State board may spend up to fifty million dollars (\$50,000,000) for grants to eligible entities as defined in subdivision (a) of Section 86166 to develop Stormwater Resource Plans. Funds available pursuant to this section shall be allocated to projects serving and providing a direct benefit to disadvantaged and severely disadvantaged communities. The State board may use these funds to make grants for technical assistance and outreach to disadvantaged communities.



(b) The sum of thirty million dollars (\$30,000,000) is appropriated from the Fund to the California Tahoe Conservancy for projects to capture and use dry weather runoff and stormwater runoff in the Lake Tahoe Basin pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.

(c) The sum of forty million dollars (\$40,000,000) is appropriated from the Fund to the Santa Monica Mountains Conservancy for projects to capture and use dry weather runoff and stormwater runoff pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code in the area defined in paragraph (2) of subdivision (d) of Section 86080.

(d) The sum of forty million dollars (\$40,000,000) is appropriated from the Fund to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for projects to capture and use dry weather runoff and stormwater runoff pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code.

(e) The sum of forty million dollars (\$40,000,000) is appropriated from the Fund to the State Coastal Conservancy for projects to capture and use dry weather runoff and stormwater runoff pursuant to Division 21 (commencing with Section 31000) of the Public Resources.

(f) Funds spent pursuant to this section shall be used for competitive grants for projects that develop, implement, or improve multi-benefit projects identified and prioritized in Stormwater Resource Plans consistent with Part 2.3 (commencing with Section 10560) of Division 6, as that part may be amended, and shall include as many as possible of the following benefits: capture and treatment of stormwater or dry weather runoff for beneficial uses; removal of pollutants from the captured and treated runoff; creation or restoration of habitat or parkland to capture and treat stormwater or dry weather runoff for beneficial uses by using best management practices that improve environmental quality; removal of pollutants from the captured and treated runoff; creation or restoration of habitat or parkland; storage, infiltration or use of the captured and treated runoff to augment local water supplies; creation or restoration of native habitat, trails, park land or other natural open space; reduction of urban heat islands; and provision of other public recreational opportunities. Projects that include wetlands and native habitat or project elements designed to mimic or restore natural watershed functions shall be given the highest priority.

(g) Of the amount appropriated pursuant to subdivision (a), at least forty million dollars (\$40,000,000) shall be available for projects that reduce the flow of trash and other pollutants: (1) into a National Estuarine Research Reserve, onto beaches, or into near-shore coastal waters in San Diego County, or (2) into San Diego Bay. Priority shall be given to projects that reduce the flow of trash or other pollutants into one or more units of the State Parks System.

**86051.** (a) Each state agency receiving funds pursuant to this chapter shall require at least a fifty percent (50%) cost share by recipients of grant funds, but may eliminate or reduce the matching requirements for that portion of projects primarily benefiting disadvantaged communities or economically distressed areas.

(b) Projects funded by this section must comply with water quality policies or regulations adopted by the State board or the regional water quality control board with jurisdiction over the project.

(c) Project costs may include development of decision support tools, data acquisition, and geographic information system data analysis to identify and evaluate the benefits and costs of potential stormwater capture and reuse projects.

(d) Preference shall be granted to projects that divert stormwater or dry weather runoff from storm drains or channels and put it to beneficial use.

(e) Agencies receiving funds pursuant to this section shall give high priority to projects benefitting disadvantaged communities. Each agency receiving funds pursuant to this chapter shall allocate at least thirty-five percent (35%) of the funds they receive for projects that benefit disadvantaged communities.

(f) In implementing this chapter, each agency receiving funds pursuant to this chapter shall consult with the Natural Resources Agency regarding the integration and prioritization of the habitat, park land, open space, recreational and public use components of stormwater and dry weather runoff capture and reuse projects, and shall seek assistance from the Natural Resources Agency in the review and scoring of proposed projects.

(g) Projects may prevent stormwater and dry weather runoff from entering storm drains or channels.

**86052.** Entities defined in subdivision (a) of Section 86166 are eligible to receive funds under subdivisions (b), (c), (d) and (e) of Section 86050.

**86053.** Funds allocated pursuant to this chapter may be granted to an eligible applicant for single or multiple small-scale projects that are consistent with Chapter 6.5 of Division 2 of the Fish and Game Code, regardless of whether that Chapter is still in effect.

#### **Chapter 5.7. Integrated Regional Water Management.**

**86054.** The sum of five million dollars (\$5,000,000) is allocated to the department to provide direct funding support to approved Integrated Regional Water Management (IRWM) regional water management groups for the purpose of maintaining ongoing IRWM planning and implementation efforts, thereby sustaining the significant investment made through IRWM for regional collaboration on water management.

### **CHAPTER 6. Watershed, Land, and Fisheries Improvements.**

#### **CHAPTER 6.1. Watershed Improvement for Water Supply and Water Quality Enhancement.**

**86080.** The sum of two billion three hundred fifty-five million dollars (\$2,355,000,000) is appropriated from the Fund to protect, restore and improve the health of watershed lands, including forest lands (including oaks, redwoods and sequoias), meadows, wetlands, chaparral, riparian habitat and other watershed lands, including lands owned by the United States, in order to protect and improve water supply and water quality, improve forest health, reduce fire danger consistent with the best available science, mitigate the effects of wildfires on water quality and supply, increase flood protection, remediate aquifers, or to protect or restore riparian or aquatic resources. No grants made pursuant to this section shall be for reservoir maintenance or sediment removal from a reservoir or upstream of a reservoir, except as necessary for field research required pursuant to subdivision (a). Funds shall be allocated as follows:

(a) Two hundred million dollars (\$200,000,000) to the Sierra Nevada Conservancy for the protection, restoration and improvement of Sierra Nevada watersheds, pursuant to Division 23.3 (commencing with Section 33300) of the Public Resources Code and including the purposes outlined in Section 33320 of the Public Resources Code. Funds shall also be spent for the implementation and to further the goals and



purposes of the Sierra Nevada Watershed Improvement Program. Projects eligible for funding under the Sierra Nevada Watershed Improvement Program may include research and monitoring to measure the impact of forest restoration work on water supply, climate and other benefits, including long-term air quality, water quality and quantity, greenhouse gas emissions, carbon storage, habitat, recreational uses, and community vitality. Projects funded under the Sierra Nevada watershed Improvement Program shall be based on the best available science regarding forest restoration and must be undertaken to improve water supply and quality, protect and restore ecological values and to promote forest conditions that are more resilient to wildfire, climate change, and other disturbances. The Sierra Nevada Conservancy may make grants to federal agencies if it determines such grants are the most efficient way to implement the intent of this division on federally managed lands.

(b) Sixty million dollars (\$60,000,000) to the California Tahoe Conservancy for the protection and restoration of watersheds of the Lake Tahoe Basin, pursuant to Title 7.42 (commencing with Section 66905) of the Government Code. Funds shall be spent for implementation and to further the goals and purposes of the Lake Tahoe Environmental Improvement Program, pursuant to Article 6 of Chapter 1.692 of Division 5 (commencing with Section 5096.351) of the Public Resources Code.

(c) One hundred million dollars (\$100,000,000) to the San Francisco Bay Area Conservancy Program of the Coastal Conservancy for the protection and restoration of watersheds of the San Francisco Bay Area, pursuant to Chapter 4.5 of Division 21 of the Public Resources Code (commencing with Section 31160).

(d) One hundred eighty million dollars (\$180,000,000) for the protection and restoration of watersheds of Los Angeles, Ventura, and Orange Counties as follows:

(1) Sixty million dollars (\$60,000,000) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for the protection and restoration of the watersheds of the San Gabriel and Lower Los Angeles Rivers pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code.

(2) Sixty million dollars (\$60,000,000) to the Santa Monica Mountains Conservancy, for the protection and restoration of the watersheds of Santa Monica Bay, the Upper Los Angeles River and the Upper Santa Clara River pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code, and the watersheds defined in subdivision (c) of Section 79570.

(3) Thirty million dollars (\$30,000,000) to the Santa Ana River Conservancy Program of the Coastal Conservancy for the protection and restoration of watersheds of the Santa Ana River pursuant to Chapter 4.6 of Division 21 of the Public Resources Code (commencing with Section 31170).

(4) Thirty million dollars (\$30,000,000) to the Baldwin Hills Conservancy for the protection and restoration of the Baldwin Hills and Ballona Creek watersheds, and for projects to capture dry weather runoff and stormwater runoff pursuant to Division 22.7 (commencing with Section 32550) of the Public Resources Code.

(e) Forty million dollars (\$40,000,000) to the San Diego River Conservancy for the protection and restoration of watersheds in San Diego County pursuant to Division of 22.9 (commencing with Section 32630) of the Public Resources Code.

(f) One hundred thirty-five million dollars (\$135,000,000) to the State Coastal Conservancy for the protection and restoration of coastal watersheds pursuant to Division 21 (commencing with Section

31000) of the Public Resources Code.

(g) One hundred fifty million dollars (\$150,000,000) for the protection and restoration of the watersheds of the Sacramento and San Joaquin Rivers as follows:

(1) One hundred million dollars (\$100,000,000) to the Sacramento-San Joaquin Delta Conservancy for protection and restoration of the Delta pursuant to Division 22.3 (commencing with Section 32300) of the Public Resources Code. Highest priority shall be given to projects that benefit the restoration of native species and that reduce the negative impacts of excessive salinity intrusion. Highest priority shall also be given to projects that restore habitat important to species listed pursuant to the federal Endangered Species Act (16 U.S.C. Chapter 35) and the California State Endangered Species Act (Fish and Game Code Sections 2050-2100). The funds may also be used for improvement of public recreational facilities in the Delta, and for grants to local agencies and nonprofit organizations to increase community access to parks and recreational opportunities for underserved urban communities in the Delta. The Conservancy may implement programs designed to reduce greenhouse gas emissions from the Delta.

(2) Twenty million dollars (\$20,000,000) to the San Joaquin River Conservancy for the implementation of the San Joaquin River Parkway pursuant to Division 22.5 (commencing with Section 32500) of the Public Resources Code.

(3) Thirty million dollars (\$30,000,000) to the Lower American River Conservancy Fund created by Section 5845.9 of the Public Resources Code. The Wildlife Conservation Board shall use these funds to implement Chapter 10.5 of Division 5 of the Public Resources Code (commencing with Section 5845).

(h) One hundred and seventy million dollars (\$170,000,000) for river parkways, as follows:

(1) Seventy million dollars (\$70,000,000) to the California Natural Resources Agency for projects pursuant to the California River Parkways Act of 2004, Chapter 3.8 (commencing with Section 5750) of Division 5 of the Public Resources Code. The Secretary of the Natural Resources Agency shall allocate at least sixty-five percent (65%) of these funds for projects that benefit disadvantaged communities. With the remaining funds, the Secretary shall seek to benefit poorer communities that do not qualify as disadvantaged communities.

(2) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Guadalupe River corridor.

(3) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Russian River corridor.

(4) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Santa Clara River corridor.

(5) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Tijuana River corridor.



(6) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Carmel River corridor.

(7) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Napa River corridor.

(8) Fifteen million dollars (\$15,000,000) to the State Coastal Conservancy for river parkway projects within the San Diego Bay watershed.

(9) Fifteen million dollars (\$15,000,000) to the State Coastal Conservancy for river parkway projects along the Santa Margarita River in San Diego County.

(10) Ten million dollars (\$10,000,000) to the California Tahoe Conservancy to implement habitat restoration, public recreation, and water quality improvements along the Upper Truckee River corridor.

(i) One hundred fifty million dollars (\$150,000,000) shall be available for projects that restore, protect and preserve the Los Angeles River and its tributaries, as follows:

(1) Seventy-five million dollars (\$75,000,000) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code, and Section 79508 of the Water Code.

(2) Seventy-five million dollars (\$75,000,000) to the Santa Monica Mountains Conservancy pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code, and Section 79508 of the Water Code.

(j) Three hundred million dollars (\$300,000,000) to the Wildlife Conservation Board for the following:

(1) For the protection and restoration of the watersheds of the Sacramento, Smith, Eel, and Klamath Rivers and other rivers of Marin, Sonoma, Mendocino, Humboldt and Del Norte Counties, and the Carrizo Plain pursuant to Chapter 4 of Division 2 (commencing with Section 1300) of the Fish and Game Code.

(2) For protection and restoration of oak woodlands and rangelands pursuant to Division 10.4 (commencing with Section 10330) of the Public Resources Code and Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code.

(3) For acquisition and restoration of riparian habitat, migratory bird habitat, anadromous fisheries, wetland habitat and other watershed lands pursuant to Chapter 4 of Division 2 (commencing with Section 1300) of the Fish and Game Code.

(4) Grants may include funding to help fulfill state commitments to implement Natural Community Conservation Plans adopted pursuant to Chapter 10 of Division 3 (commencing with Section 2800) of the Fish and Game Code, and to large scale regional Habitat Conservation Plans adopted pursuant to the federal Endangered Species Act (16 U.S.C. Chapter 35).

(5) Of the amount made available pursuant to this subdivision, the sum of ten million dollars (\$10,000,000) shall be available to assist farmers in integrating agricultural activities with watershed restoration and wildlife protection. Priority shall be given to projects that include partnerships with resource conservation districts.

(6) Of the amount made available pursuant to this subdivision, the sum of fifty million dollars (\$50,000,000) is appropriated to the Oak Woodlands Conservation Fund established by Section 1363 of the Fish and Game Code, and may be expended pursuant to Article 3.5 of Chapter 4 of Division 2 of the Fish and Game Code.

(7) Of the amount made available pursuant to this subdivision, the sum of thirty million dollars (\$30,000,000) shall be available for grazing land protection pursuant to the California Rangeland, Grazing Land and Grassland Protection Act, commencing with Section 10330 of Division 10.4 of the Public Resources Code.

(8) Of the amount made available pursuant to this subdivision, not less than sixty million dollars (\$60,000,000) shall be available for projects that advance the conservation objectives of natural community conservation plans adopted pursuant to the Natural Community Conservation Planning Act, Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code. First priority shall be given to plans that include protection of aquatic ecosystems. Funding pursuant to this paragraph shall not be used to offset mitigation obligations otherwise required.

(k) Twenty-five million dollars (\$25,000,000) to the Coachella Valley Mountains Conservancy for the protection and restoration of the Coachella Valley watershed pursuant to Division 23.5 (commencing with Section 33500) of the Public Resources Code.

(l) One hundred fifty million dollars (\$150,000,000) to the Department of Parks and Recreation for protection and restoration of watershed lands within and affecting units of the State Parks System, with high priority to redwood and other forest land important to protecting river and stream flows and quality. In addition to other purposes authorized pursuant to this section, the Department of Parks and Recreation may allocate funds to improve and increase the efficiency and effectiveness of State Park water supply and wastewater treatment systems.

(m) Sixty million dollars (\$60,000,000) to the Department of Conservation for watershed restoration and conservation projects on agricultural lands, rangelands, managed wetlands, and forested lands.

(1) No less than thirteen million dollars (\$13,000,000) shall be used for grants pursuant to Section 9084 of the Public Resources Code.

(2) No less than thirty-one million dollars (\$31,000,000) shall be used for the purposes of Division 10.2 (commencing with Section 10200) of the Public Resources Code.

(3) Ten million dollars (\$10,000,000) shall be used for the Watershed Coordinator Grant Program.

(n) One hundred million dollars (\$100,000,000) to the California Ocean Protection Council for projects that: (1) reduce the amount of pollutants that flow to beaches, bays, coastal estuaries, and near-shore ecosystems; and (2) protect coastal and near-shore ocean resources from the impacts of rising sea levels, storm surges, ocean acidification and related hazards, including, but not limited to, increasing the resiliency of near-shore ocean habitats. Projects may include, but are not limited to, projects that protect



or restore beaches, coastal estuaries and watersheds, bays, and near-shore ecosystems including marine protected areas. Of this amount, the Council shall use at least five million dollars (\$5,000,000) for the Local Coastal Program sea level rise grant program that supports Local Coastal Program updates to address sea level rise, including sea-level rise modeling, vulnerability assessments, and adaptation planning and policy development.

(o) The sum of two hundred million dollars (\$200,000,000) is appropriated from the Fund to the Natural Resources Agency, for water-related projects that implement the Natural Resources Agency's Salton Sea Management Program consistent with provisions of Article 2 (commencing with Section 2940) of Chapter 13 of Division 3 of the Fish and Game Code, and in fulfillment of the obligations of the State of California to comply with the terms of Chapters 611, 612, 613, and 614 of the Statutes of 2003. These statutes were enacted to facilitate the execution and implementation of the Quantification Settlement Agreement, including restoration of the Salton Sea. The Natural Resources Agency may expend these funds on projects that provide multiple benefits of ecosystem restoration, air quality improvement, and economic recovery for severely disadvantaged communities.

(1) Of the amount appropriated pursuant to this paragraph, not less than twenty million dollars (\$20,000,000) shall be available for purposes consistent with the New River Water Quality, Public Health, and River Parkway Development Program, as described in Section 71103.6 of the Public Resources Code.

(2) Of the amount allocated pursuant to this section, the sum of one million dollars (\$1,000,000) shall be available for a Salton Sea Integrated Watershed Plan providing technical assistance for, outreach to, and engagement with severely disadvantaged communities.

(p) Five million dollars (\$5,000,000) to the Delta Stewardship Council for the Delta Science Program as described in Section 85280.

(q) Fifty million dollars (\$50,000,000) to the department for Urban Streams Restoration Program competitive grants pursuant to Section 7048. The department shall allocate at least sixty-five (65%) of these funds for projects that benefit disadvantaged communities. With the remaining funds, the department shall seek to benefit poorer communities that do not qualify as disadvantaged communities.

(r) Twenty million dollars (\$20,000,000) to the California Department of Forestry and Fire Protection for grants for urban forestry projects that manage, capture or conserve stormwater, recharge local groundwater supplies or improve water supplies or water quality through infiltration, sediment management and erosion control pursuant to the California Urban Forestry Act, Chapter 2 (commencing with Section 4799.06) of Part 2.5 of Division 4 of the Public Resources Code.

(s) Fifteen million dollars (\$15,000,000) to the Delta Protection Commission for expenditures, grants, or loans for projects that improve water quality by improving wastewater treatment in Delta legacy communities (as described in section 32301(f) of the Public Resources Code) and at recreational facilities in the Delta. Funds may be expended on wastewater improvement projects serving Delta legacy communities, or Delta legacy community households with failing septic systems which threaten the quality of groundwater or surface water supplies used for urban, agricultural or fisheries purposes. Funds may also be allocated to improve and increase the efficiency and effectiveness of Delta recreational facility wastewater treatment systems. Priority shall be given to projects that address public health hazards. Projects may identify, plan, design, and implement regional mechanisms to consolidate wastewater systems or provide affordable treatment technologies.

(t) Twenty million dollars (\$20,000,000) to the Department of Parks and Recreation for projects that provide access to rivers for non-motorized recreation, and for grants to eligible entities as defined in subdivision (a) of Section 86166 for this purpose. First priority shall be given to projects that include matching funds, and to projects that serve disadvantaged communities and economically distressed areas, whether or not they include cost sharing.

(u) (1) Twenty million dollars (\$20,000,000) to the Wildlife Conservation Board for the construction of a Pacific Flyway Center in the vicinity of the Suisun Marsh, to be operated by the California Department of Fish and Wildlife. The Department of Fish and Wildlife may contract with a nonprofit organization to operate the Center. The Center shall be used to educate the public about the importance of California's wetlands, agricultural lands (including rice) and riparian areas in benefitting waterfowl, shorebirds, native plants and animals, the value of wetlands in absorbing gases that cause climate change, and similar educational purposes. The operator of the Center shall make special efforts to bring people, and especially students, from disadvantaged communities to the Center for educational purposes. If the Wildlife Conservation Board determines that all or part of these funds is not needed to complete this project, it may allocate the unneeded part of the funds to the purposes of paragraph (j) of this section.

(2) (A) Of the amount appropriated by paragraph (1), the Wildlife Conservation Board may make a grant of up to four million dollars (\$4,000,000) to a nonprofit organization whose principal purpose is wildlife conservation to establish a trust fund, the interest from which shall be used exclusively to operate the Pacific Flyway Center and bring people from disadvantaged communities to the Center.

(B) With the approval of the Department of Fish and Wildlife, the nonprofit organization can transfer the operation of the Pacific Flyway Center to another nonprofit organization. If such a transfer takes place, the trust fund shall be transferred to the new nonprofit organization.

(3) If the funds allocated by this section are not all used to construct the Pacific Flyway Center by January 1, 2028, any remaining funds are appropriated to the Wildlife Conservation Board for the purposes of Section 86123.

(v) Eighty million dollars (\$80,000,000) to the Coastal Conservancy for the removal of Matilija Dam, and for associated levee and flood control improvements, water supply improvements, and related projects on Matilija Creek and the Ventura River, and for river parkway projects along the Ventura River. The Conservancy may grant all or part of these funds to Ventura County. Highest priority for the river parkway projects shall be those which benefit disadvantaged communities. If the Coastal Conservancy determines that all or part of these funds is not needed to complete this project, it may allocate the unneeded part of the funds to the purposes of paragraph (f) of this section.

(w) The sum of twenty-five million dollars (\$25,000,000) to the University of California for the Natural Reserve System for matching grants for land acquisition and for the construction and development of facilities that will be used for research and training to improve the management of aquatic ecosystems, natural lands and the preservation or conservation of California's wildlife resources. Priority shall be given to projects that advance research on the impacts of climate change, reduction of greenhouse gas emissions, and adaptation of natural systems to the impacts of climate change.

(x) (1) The sum of fifty million dollars (\$50,000,000) is appropriated from the Fund to the Sierra Nevada Conservancy for the purpose of awarding grants within the jurisdiction of the Conservancy to eligible entities as defined in subdivision (a) of Section 86166 for the purpose of reducing the threat of wildfires which would negatively impact watershed health. Projects may be for the purpose of hazardous fuel



reduction, postfire watershed rehabilitation, forest management practices that promote forest resilience to severe wildfire, climate change, and other disturbances, and development of local plans to reduce the risk of wildfires that could adversely affect watershed health. Preference shall be given to grants which include matching funds, but this preference may be reduced or eliminated for grants which benefit disadvantaged communities or economically distressed areas.

(2) The sum of fifty million dollars (\$50,000,000) is appropriated from the Fund to the Department of Forestry and Fire Protection for the purpose of awarding grants in areas outside the jurisdiction of the Sierra Nevada Conservancy to eligible entities as defined in subdivision (a) of Section 86166 for the purpose of reducing the threat of wildfires which would negatively impact watershed health. Projects may be for the purpose of hazardous fuel reduction, postfire watershed rehabilitation and restoration, forest management practices that promote forest resilience to severe wildfire, climate change, and other disturbances, and development of local plans to reduce the risk of wildfires that could adversely affect watershed health. Preference shall be given to grants which include matching funds, but this preference may be reduced or eliminated for grants which benefit disadvantaged communities or economically distressed areas.

**86083.** Consistent with the other requirements of this chapter, funds spent pursuant to this chapter may be used for grants to eligible entities as defined in subdivision (a) of Section 86166. Funds awarded to eligible entities may be used for projects on land owned by a state or federal agency. With the exception of funds allocated to grant programs, funds may also be used directly by the state agency receiving the funds to implement watershed improvement projects consistent with this chapter. In making grants pursuant to this chapter, agencies shall give high priority to applications that include cost sharing, and to grants that benefit disadvantaged communities and economically distressed areas whether or not they include cost sharing.

**86084.** (a) For a project to be eligible for funding pursuant to this chapter, the project shall have watershed protection and restoration, water supply or water quality benefits, or ecosystem benefits relating to rivers, streams, forests, meadows, wetlands or other water-related resources.

(b) (1) Funds appropriated pursuant to this chapter may be used for protection and restoration of forests, meadows, wetlands, riparian habitat, coastal resources, and near-shore ocean habitat; to acquire land and easements to protect these resources and avoid development that may reduce watershed health, and to take other measures that protect or improve the quality or quantity of water supplies downstream from projects funded in whole or in part by this chapter. Forest restoration projects, including but not limited to hazardous fuel reduction, post-fire watershed rehabilitation, and forest management and tree planting using appropriate native plants shall be based on the best available science regarding forest restoration and must be undertaken to protect and restore ecological values and to promote forest conditions that are more resilient to wildfire, climate change, and other disturbances.

(2) Fuel hazard reduction activities on United States Forest Service lands in the Sierra Nevada and similar forest types shall be generally consistent with objectives of the Sierra Nevada Watershed Improvement Program and the best available science, including United States Forest Service General Technical Report 220 as it may be updated.

**86085.** Any entity receiving funds pursuant to this chapter that expends funds on private lands shall secure an agreement or interest in the private lands to assure the purpose of the expenditure is maintained for such time as is commensurate with the best practices for the type of project.

**86086.** (a)(1) A local public agency, Indian tribe or nonprofit organization that receives funding for a project pursuant to this chapter may use up to twenty percent (20%) of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of that project.

(2) A local public agency, Indian tribe or nonprofit organization that acquires an interest in a project with money from this chapter and transfers the interest in the project to another public agency, Indian tribe or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in the project.

(3) This subdivision does not apply to state agencies.

(b) If the local public agency, Indian tribe or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency, tribe or organization shall certify to the state agency making the grant that it can maintain the project to be undertaken using funds otherwise available to the agency, tribe or organization.

(c) The interest from the trust fund shall be used only to monitor the implementation of a project, and maintain a project and its water supply and water quality benefits implemented pursuant to this chapter.

(d) If an interest in a project is condemned or if the local public agency, Indian tribe or nonprofit organization determines that the interest in the project is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated and shall be returned to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this chapter.

**86087.** Funds allocated pursuant to this chapter may be granted to an eligible applicant for single or multiple small-scale projects that are consistent with Chapter 6.5 of Division 2 of the Fish and Game Code, regardless of whether that Chapter is still in effect.

**86088.** By April 30, 2019, the Natural Resources Agency shall recommend provisions for grant approval guidelines to each state agency that receives an appropriation pursuant to this chapter in order to ensure appropriate consistency of the guidelines. Each agency shall consider the recommendations of the Natural Resources Agency as they adopt their own guidelines.

**86089.** Agencies receiving funds pursuant to this chapter shall give high priority to projects that benefit the native wildlife, birds and fishes of California.

#### **CHAPTER 6.2. Land and Water Management for Water Supply Improvement.**

**86090.** The sum of one hundred million dollars (\$100,000,000) is appropriated from the Fund to the Wildlife Conservation Board for the purpose of awarding competitive grants to eligible entities as defined in subdivision (a) of Section 86166 to improve the quality of public and private rangelands, wildlands, meadows, wetlands, riparian areas and aquatic areas for the purpose of increasing groundwater recharge and water supply from those lands, and for improving water quality consistent with protecting and restoring ecological values.

**86091.** Funds allocated pursuant to this chapter may be granted to an eligible applicant for single or multiple small-scale projects that are consistent with Chapter 6.5 of Division 2 of the Fish and Game Code,



regardless of whether that Chapter is still in effect.

**86094.** In making grants pursuant to this chapter, the Wildlife Conservation Board shall give highest priority to projects which:

(a) Are most cost-effective in producing improved water supply or water quality, and which provide the greatest fish and wildlife benefits.

(b) Include matching funds.

(c) Benefit disadvantaged communities and economically distressed areas.

(d) Are for the purpose of invasive plant control and eradication, restoration of riparian habitat, meadows and wetlands, and other projects that improve the flow of water from the lands, and reduce the use of water by invasive plant species.

**86096.** For a project to be eligible for funding pursuant to this chapter, the project shall have water supply or water quality benefits or both. A project that targets the removal of invasive plants to increase water supply shall only be funded if the applicant guarantees that the land from which plants will be removed will be maintained.

**86097.** (a)(1) A local public agency, Indian tribe or nonprofit organization that receives funding under this chapter may use up to twenty percent (20%) of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of the funded project.

(2) A local public agency, Indian tribe or nonprofit organization that undertakes a project with money from this division and can no longer maintain the project shall transfer the ownership of the trust fund to another public agency, Indian tribe or nonprofit organization that is willing and able to maintain that project.

(3) This subdivision does not apply to state agencies.

(b) If the local public agency, Indian tribe or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency, tribe or organization shall certify to the state agency making the grant that it can maintain the project in an appropriate condition.

(c) The interest from the trust fund established from the funds available pursuant to this section shall be used only to maintain a project and its water supply and water quality benefits implemented pursuant to this chapter.

(d) If the interest in a project is condemned or if the local public agency, Indian tribe or nonprofit organization determines that the interest in the project is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated and shall be returned to the Wildlife Conservation Board. The funds returned may be utilized only for projects authorized by this chapter.

**86098.** In implementing this chapter, the Wildlife Conservation Board may provide incentives to landowners for conservation actions on private lands or use of voluntary habitat credit exchange mechanisms.

**86099.** At least ten percent (10%) of the funds available pursuant to this section shall be allocated for projects that provide a direct benefit to disadvantaged communities. These benefits may include range improvement, among other benefits. These projects may include technical assistance for, outreach to, and engagement with disadvantaged communities.

### **CHAPTER 6.3. Conservation Corps.**

**86105.** The sum of forty million dollars (\$40,000,000) is appropriated from the Fund to the California Conservation Corps for projects to protect, restore, and improve the health of watershed lands, including forest lands, meadows, wetlands, chaparral, riparian habitat and other watershed lands. Projects may include, but are not limited to, regional and community fuel hazard reduction projects on public lands, invasive species removal, and stream, river, and riparian restoration projects. The California Conservation Corps shall allocate at least fifty percent (50%) of the funds pursuant to this section for grants to certified local conservation corps. Projects shall improve water quality, water supply reliability, or riparian or watershed health. Projects shall be undertaken in coordination with a nonprofit organization or public agency.

### **CHAPTER 6.4. Central Valley Fisheries Restoration.**

**86106.** (a) The people of California find and declare that the protection, restoration and enhancement of native fish populations (including anadromous salmonids) of the Central Valley is necessary for the ecological and economic health of the State of California.

(b) Fish need both suitable habitat and appropriately timed flows in rivers and their tributaries.

(c) The State Water Resources Control Board shall take note of the funding provided by this chapter and the resulting fish habitat restoration as the Board determines flows necessary to restore Central Valley native fish populations and fisheries.

(d) Many state and federal agencies, including the Department of Water Resources, Department of Fish and Wildlife, Delta Stewardship Council, Delta Conservancy, Wildlife Conservation Board, Central Valley Flood Protection Board, and federal Bureau of Reclamation, United States Fish and Wildlife Service, and National Marine Fisheries Service have prepared policies and plans to restore Central Valley native fish and fisheries habitat, but these policies and plans are not fully funded.

(e) Many state and federal laws require the restoration of Central Valley native fish populations and fisheries habitat, but funding has not been fully available to carry out the requirements of these laws.

(f) The sum of four hundred million dollars (\$400,000,000) is appropriated from the Fund to the California Natural Resources Agency for the restoration of Central Valley populations of native fish and fisheries habitat.

(1) (A) The Secretary of the Natural Resources Agency shall appoint a Central Valley Fisheries Advisory Committee made up of representatives from the Central Valley Salmon Habitat Partnership, appropriate local, state and federal fish and water management and other agencies, nonprofit organizations, commercial fishing organizations, universities, local agencies and Indian tribes with relevant scientific expertise including representation from the upper watersheds. The committee shall advise the Secretary on the annual expenditure of funds appropriated pursuant to this Chapter. The



committee may solicit projects, and direct the creation of projects pursuant to this chapter, subject to approval by the Secretary.

(B) The committee shall work closely with representatives from each river basin in the Central Valley, including local government and water agencies, Indian tribes, and nonprofit organizations, to develop projects that are most suitable for the conditions in the basin, and which meet the other requirements of this section.

(C) In proposing projects, the committee shall take into account the entire life cycle of the fish species to be benefitted, and shall consider the interaction of the effects of each project within a river basin with projects in other river basins. The committee shall also consider adverse impacts resulting from poor watershed health, including severe wildfire and extensive tree mortality.

(2) Projects funded pursuant to this section shall increase self-sustaining populations of native fish, or contribute to an existing fish population becoming self-sustaining in the future, with a minimal requirement of expenditures to continue to operate the project. No funds may be expended on fish hatcheries.

(3) The committee shall give high priority to projects that provide multiple benefits, such as improved flood management, improved water quality, improved water supply, enhanced groundwater sustainability, aquifer remediation and reduction of emission of greenhouse gases, while also improving conditions for native fish species and their habitats. The committee shall also give high priority to projects that can be integrated into an existing flow regime and provide multi-species benefits over a range of flow conditions. The committee shall also give high priority to projects that are consistent with recovery plan and resiliency strategies for native California fish species.

(4) Expenditures shall be for capital outlay projects, such as conservation easements, water measurement needed to measure the effects of the project, projects that restore or enhance fisheries habitat such as floodplain expansion, reintroductions of fish into their historical habitat, improved fish passage opportunities, creation or enhancement of spawning and rearing habitat and other projects. Acquisition of land or easements as part of a fisheries enhancement project must be from willing sellers. Project costs shall include the costs of planning, environmental review, mitigation of the impacts of the project, and permitting. High priority shall be given to projects that provide adult and juvenile fish access to or fish passage through agricultural fields or floodplain habitats that will provide enhanced juvenile rearing and food production opportunities.

(5) Of the funds authorized by this section, the Secretary of the Natural Resources Agency may allocate up to ten million dollars (\$10,000,000) for one or more grants for capital outlay and related programmatic purposes to institutions of higher education for facilities that can be used to improve scientific and technical coordination, communication and training among those institutions, the department, the Department of Fish and Wildlife, the State board and other state agencies to assure that developments in ecosystem and fisheries science and management are deployed and employed across higher education institutions and state government agencies.

(g) Based on the recommendations of the committee, the Secretary of the Natural Resources Agency may make grants to any state or local agency, Indian tribe, or nonprofit organization to carry out the purpose of this section. The Secretary shall give high priority to projects that include matching funds, projects with a local agency as the lead agency, and projects supporting proposed actions in the Sacramento Valley Salmon Resiliency Strategy (as published by the California Natural Resources Agency in June 2017, and as

it may be amended), the National Marine Fisheries Service California Central Valley Steelhead Recovery Plan and other similar strategies as they are adopted.

(h) Of the amount appropriated pursuant to this section, not less than thirty-five million dollars (\$35,000,000) shall be available for projects to restore rivers and streams in support of fisheries and wildlife, including, but not limited to, reconnection of rivers with their floodplains, riparian and side-channel habitat restoration pursuant to the California Riparian Habitat Conservation Program, Chapter 4.1 (commencing with Section 1385) of Division 2 of the Fish and Game Code, and restoration and protection of upper watershed forests and meadow systems that are important for fish and wildlife resources. Subdivision (f) of Section 79738 of the Water Code applies to this subdivision. Priority shall be given to projects supported by multi-stakeholder public or private partnerships, or both, using a science-based approach and measurable objectives to guide identification, design, and implementation of regional actions to benefit salmon and steelhead.

(i) Of the amount appropriated pursuant to this section, five million dollars (\$5,000,000) shall be available to assist in the development of the Central Valley Salmon Partnership Habitat Implementation Plan.

(j) The Secretary shall give high priority to the removal of Dennett Dam on the Tuolumne River, if additional funds are still needed to complete removal of the Dam.

(k) A local public agency, Indian tribe or nonprofit organization receiving funding under this chapter may use up to twenty percent (20%) of those funds to establish a trust fund, the proceeds of which shall be used exclusively to pay or help pay for the maintenance and monitoring of the project being funded.

(1) If the local public agency, Indian tribe or nonprofit organization is unable to continue to maintain and monitor the project, it may transfer ownership of the trust fund to another public agency, Indian tribe or nonprofit organization, with the approval of the Secretary of the Natural Resources Agency.

(2) This subdivision does not apply to state agencies.

(3) If the local public agency, Indian tribe or nonprofit organization does not establish a trust fund pursuant to paragraph (1), the agency, tribe or organization shall certify to the Secretary of the Natural Resources Agency that it can maintain the project from funds otherwise available to the agency, tribe or organization.

(4) If all or part of the project cannot be maintained or is condemned, the trust fund and any unexpended interest are appropriated to the California Natural Resources Agency. The funds returned to the Agency may be utilized only for projects pursuant to this chapter.

(l) Of the amount appropriated to the California Natural Resources agency pursuant to this section, seven million dollars (\$7,000,000) is appropriated to the Department of Fish and Wildlife for native fish restoration projects on the upper Feather River below Oroville dam for gravel restoration, streambed restoration, and salmon habitat restoration projects.

#### **CHAPTER 7. Groundwater Sustainability and Storage.**

**86110.** (a) The sum of six hundred seventy-five million dollars (\$675,000,000) is appropriated from the Fund to the department for projects and programs that support sustainable groundwater management



consistent with Part 2.74 of Division 6 (commencing with Section 10720). The funds shall be used for competitive grants that advance sustainable groundwater management through implementation of groundwater sustainability plans and projects that protect, enhance, or improve groundwater supplies. At least ten percent (10%) of all grants made pursuant to this paragraph shall be made to groundwater sustainability agencies whose groundwater basins underlie disadvantaged communities.

(b) The sum of ten million dollars (\$10,000,000) is appropriated from the fund to the State board, for use by the Office of Sustainable Water Solutions to implement a multidisciplinary technical assistance program for small and disadvantaged communities, and support the involvement of disadvantaged communities and the public in groundwater sustainability agencies and in the development and implementation of groundwater sustainability plans.

**86111.** (a) Of the funds authorized by section 86110, six hundred forty million dollars (\$640,000,000) shall be available for grants to groundwater sustainability agencies implementing groundwater sustainability plans pursuant to subdivision (k) of Section 10721 for the following purposes:

(1) Groundwater recharge and storage projects including but not limited to acquisition of land and groundwater pumping allocations from willing sellers, planning of facilities such as feasibility studies and environmental compliance, distribution systems, and monitoring facilities. No grant made pursuant to this section shall exceed twenty million dollars (\$20,000,000).

(2) Projects that implement groundwater sustainability plans pursuant to Part 2.74 of Division 6 (commencing with Section 10720). Projects eligible for funding include but are not limited to feasibility studies, environmental compliance, engineering work used to develop groundwater use and sustainable yield for specific projects, well use measurement and innovative decision support tools.

(3) Projects that assess and address saltwater intrusion including future impacts related to climate change.

(4) Matching grants to groundwater sustainability agencies to develop groundwater sustainability plans pursuant to subdivision (k) of Section 10721. No grant shall exceed one million dollars (\$1,000,000), and no groundwater sustainability agency shall receive more than one grant.

(b) Of the funds authorized by this section, the sum of five million dollars (\$5,000,000) shall be available for research to guide investments made pursuant to this section. Research activities may include, but are not limited to, geophysical surveys, system-level modeling and analysis, development of novel methods and tools that can be applicable to local decision-making, cross-sector economic and policy analysis of novel recharge methods, and development of new approaches to significantly enhance groundwater recharge and fit-for-purpose water treatment and reuse.

(c) Of the funds authorized by this section, the department may allocate up to ten million dollars (\$10,000,000) for the development of publicly accessible decision support tools to assist groundwater sustainability agencies in conducting drinking water quality analysis, including the development and assessment of sustainable yield, undesirable results, measurable objectives and other required targets. The decision support tools should also support vulnerability assessments to help determine communities that may be at risk of facing water supply or contamination challenges. The tools should be available for other efforts such as drought vulnerability assessments and shall be linked to the Human Right to Water indicator housed at the State board.

(d) Of the funds authorized by this section, the department may allocate up to five million dollars (\$5,000,000) for one or more grants for capital outlay and related programmatic purposes to institutions of higher education for facilities that can be used to improve communication and coordination among these institutions, the department and the State board in order to assure that developments in groundwater science and management are efficiently deployed and employed across higher education institutions and state government agencies.

(e) A local public agency, Indian tribe or nonprofit organization receiving funding under this section may use up to twenty percent (20%) of those funds to establish a trust fund used exclusively to pay or help pay for the maintenance and monitoring of the agency's or organization's interest in land acquired pursuant to this section.

(1) If the local public agency, Indian tribe or nonprofit organization that acquired an interest in land with money from this section decides to transfer that interest to another public agency, Indian tribe or nonprofit organization, the ownership of the trust fund established to maintain that interest in land shall also be transferred.

(2) This subdivision does not apply to state agencies.

(3) If the local public agency, Indian tribe or nonprofit organization does not establish a trust fund pursuant to this subdivision the agency, tribe or organization shall certify to the state agency making the grant that it can maintain the land to be acquired from funds otherwise available to the agency, tribe or organization.

(4) If the interest in land is condemned or if the local public agency, Indian tribe or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this chapter.

**86112.** (a) The department shall give priority for funding pursuant to this chapter to the following in equal priority:

(1) Groundwater basins designated by the department as critically overdrafted basins, groundwater basins which are in danger of becoming critically overdrafted, and groundwater basins where surface and groundwater are interconnected.

(2) Groundwater basins with documented water quality problems, land subsidence, impacts on surface streams or groundwater dependent ecosystems, or other undesirable results as defined by subdivision (x) of Section 10721.

(3) Groundwater basins that protect important state-owned resources, such as state parks and wildlife areas.

(4) Projects that support the use of floodwaters of acceptable water quality to recharge groundwater basins. This innovative multi-benefit concept brings together four important California water management objectives, including flood hazard reduction, sustainable groundwater management, ecosystem restoration, and water supply reliability.



(A) Projects may include adaptive modification of flood and conservation storage operations at reservoirs, modifications to spillway facilities at existing reservoirs, inundation of new or expanded flood bypasses or temporary flood storage land areas, application of floodwaters to agricultural lands during fallow or dormant seasons, or increased use of existing groundwater recharge facilities.

(B) Projects may include using floodwaters for recharge of groundwater projects, with both flood hazard reduction and groundwater sustainability benefits.

(C) Projects that provide benefits in flood hazard reduction and groundwater sustainability. Project feasibility can also be supported by ecosystem restoration and water supply benefits.

(b) Of the amount appropriated in section 86110, the department may use up to ten million dollars (\$10,000,000) for the following purposes:

(1) Assess statewide potential for use of floodwaters for recharge and prioritize locations based upon proximity and conveyance connections in the State with flood hazard reduction and groundwater sustainability needs.

(2) Complete a pilot study of a priority location to demonstrate potential water resources management innovations to facilitate flood hazard reduction and groundwater recharge.

(3) Identify and demonstrate use of analytical tools and innovative water management techniques to support development of available floodwaters and recharge of groundwater basins.

(4) Develop economic monetization techniques of groundwater recharge benefits.

(5) Demonstrate application of the department's climate change methodology to both water supply and flood management applications.

(6) Provide technical assistance to groundwater sustainability and local flood management agencies, as well as coordination with state and federal flood agencies.

(c) The department shall consider the following criteria when awarding grants:

(1) The potential of the project to prevent or correct undesirable results due to groundwater use.

(2) The potential of the project to maximize groundwater storage, reliability, recharge or conjunctive use.

(3) The potential of the project to support sustainable groundwater management.

(4) The annualized cost-effectiveness of the project to achieve the goals of the Sustainable Groundwater Management Act, Chapter 2.74 of Division 6 (commencing with Section 10720).

(d) Eligible entities as defined in subdivision (a) of Section 86166, including groundwater sustainability agencies, shall be eligible for grants. Priority for funding shall be given to local agencies implementing the Sustainable Groundwater Management Act.



(e) For purposes of awarding funding under this chapter, a local cost share of not less than fifty percent (50%) of the total cost of the project shall be required. The cost-sharing requirement may be waived or reduced for that portion of a project that directly benefits a disadvantaged community or economically distressed area, or for projects the majority of whose benefits are to restore ecosystems dependent on groundwater.

(f) No grant may be made unless the Department of Fish and Wildlife certifies that harm done to fish or wildlife as a result of the project will be mitigated to ensure any potential impacts are less than significant.

(g) Eligible projects may include such infrastructure improvements such as improved canal and infiltration capacity.

**86113.** (a) For purposes of this section, "District" means the Borrego Water District.

(b) Of the amount appropriated in Section 86110, thirty-five million dollars (\$35,000,000) shall be awarded as a grant to the District for the following programs:

(1) Acquisition of land and acquisition of the right to pump groundwater from willing sellers to reduce groundwater pumping in order to bring groundwater pumping within the boundaries of the Borrego Springs Subbasin of the Borrego Valley Groundwater Basin to a level that is sustainable on a long-term basis pursuant to the Sustainable Groundwater Management Act, Chapter 2.74 of Division 6 (commencing with Section 10720). Lands acquired may be transferred to the Department of Parks and Recreation, a nonprofit organization or another public agency for future management.

(2) Water end-use efficiency, including urban and agricultural water conservation, and water conservation on recreational facilities such as golf courses.

(3) Restoration of lands acquired pursuant to this section.

(4) Stormwater capture for groundwater basin recharge and re-use.

(5) Other District projects implementing the Sustainable Groundwater Management Act.

(c) (1) No cost sharing by the District is required to implement this section. This is justified because the community of Borrego Springs is a severely disadvantaged community, and because excessive groundwater pumping can impact important resources in Anza-Borrego Desert State Park whose 500,000 annual visitors contribute an estimated forty million dollars (\$40,000,000) annually to the region, as well as support 600 jobs.

(2) The District may require cost sharing by beneficiaries when making grants pursuant paragraphs (2) and (4) of subdivision (b).

(d) As a condition of this grant, the District must agree to:

(1) Implement measures which assure that lands not presently being irrigated will not come into irrigation, and that presently irrigated lands will not become more intensively irrigated; and

(2) Require new development to pay all costs of water purchases the District incurs, and all costs of water projects the District undertakes in order to accommodate that development.

(e) (1) The District or a nonprofit organization that receives funding pursuant to this chapter to acquire an interest in land may use up to twenty percent (20%) of those funds to establish a trust fund that is exclusively used to help pay for the maintenance, monitoring and restoration of that interest in land.

(2) The District or a nonprofit organization that acquires an interest in land with money from this chapter and transfers the interest in land to another public agency or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in land.

(3) This subdivision does not apply to state agencies.

(4) If the District or nonprofit organization does not establish a trust fund pursuant to this subdivision, the agency or organization shall certify to the department that it can maintain the land to be acquired from funds otherwise available to the agency or organization.

(5) If the interest in land is condemned or if the District or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated to the District. The funds returned to the District may be utilized only for projects pursuant to this chapter.

(f) Any funds not needed by the District to implement the program described in this section may be granted by the District to a nonprofit organization or the California Department of Parks and Recreation to acquire lands adjacent to or in the immediate proximity of Anza-Borrego Desert State Park to prevent development or irrigation of that land which might impact groundwater resources in the Park. These lands may be inside or outside the boundaries of the District, but must be within the boundaries of the Borrego Springs Subbasin of the Borrego Valley Groundwater Basin, which is the source of all potable water for the Borrego Springs community and visitors to the Park. The lands may be used for wildlife habitat.

(g) The District may award grants to nonprofit organizations in order to carry out all or part of the programs authorized by this section.

#### **CHAPTER 8. Water for Wildlife, Pacific Flyway Restoration, and Dynamic Habitat Management.**

**86120.** The sum of three hundred million dollars (\$300,000,000) is appropriated from the Fund to the Wildlife Conservation Board (hereinafter in this section "the Board") to acquire water from willing sellers and to acquire storage and delivery rights to improve conditions for fish and wildlife in streams, rivers, wildlife refuges, wetland habitat areas and estuaries. High priority shall be given to meeting the water delivery goals of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575). The Board may arrange for acquisition, long-term lease agreements, or transfer of water rights if it determines such actions are beneficial to wildlife conservation. The Board may sell, transfer, or store water or storage rights purchased pursuant to this section, if the Board finds that the sale, transfer or storage will not cause harm to fish and wildlife. In years when the Board does not require the water for fish and wildlife purposes, the Board may temporarily sell or lease the water or delivery rights. Notwithstanding Section 13340 of the Government Code, the proceeds of any water sales pursuant to this section by the Board are appropriated directly to the Board without regard to fiscal year. The Board shall use the proceeds of the sale, lease or transfer of water or delivery rights to achieve conservation purposes authorized by this



section. The acquisition of water using funds expended pursuant to this chapter shall only be used for projects that will provide fisheries, wildlife or ecosystem benefits.

**86121.** The sum of fifty million dollars (\$50,000,000) is appropriated from the Fund to the California Department of Fish and Wildlife for the purpose of improving water supply and water quality conditions for fish and wildlife on private lands. The California Department of Fish and Wildlife may provide incentives to landowners for conservation actions on private lands or use of voluntary habitat credit exchange mechanisms. Such incentives shall be designed to be appropriately flexible and responsive to the highly variable amounts of water required by fish and wildlife.

The Department of Fish and Wildlife shall use a portion of the funds provided by this section to develop a programmatic authorization to expedite approval of habitat restoration and water quality improvement projects not covered under Chapter 6.5 of Division 2 of the Fish and Game Code, and for the implementation of that Chapter.

**86122.** The sum of three hundred million dollars (\$300,000,000) is appropriated from the Fund to the Wildlife Conservation Board for coastal and Central Valley salmon and steelhead fisheries restoration projects. The Wildlife Conservation Board shall give priority to projects that contribute to the recovery of salmon and steelhead species listed pursuant to the state or federal endangered species acts, to enhance commercial and recreational salmon fisheries and to achieve the goals of Chapter 8 of Part 1 of Division 6 (commencing with Section 6900) of the Fish and Game Code.

(a) Of the amount appropriated by this section, up to one hundred million dollars (\$100,000,000) shall be spent for matching grants to local agencies for capital outlay projects to implement programs to improve fish passage opportunities and to restore anadromous salmonid habitats, particularly juvenile rearing habitat for spring run salmon, on rivers in the Sacramento Valley that have dams blocking the main stem of the river.

(b) Of the amount appropriated by this section, at least one hundred million dollars (\$100,000,000) shall be spent to install fish screens on the Sacramento and San Joaquin Rivers and their tributaries and in the Delta to screen anadromous fish from water intakes. High priority shall go to projects identified as high priority in the Sacramento Valley Salmon Resiliency Strategy (as published by the California Natural Resources Agency in June 2017, and as it may be amended).

**86123.** (a) The sum of two hundred eighty million dollars (\$280,000,000) is appropriated from the Fund to the Wildlife Conservation Board for projects to protect migratory birds through habitat acquisition, easements, restoration, or other projects, and to provide water for wildlife refuges and wildlife habitat areas to fulfill the purposes identified in the Central Valley Joint Venture Implementation Plan, as it may be amended, including:

- (1) Projects to implement this section which may include conservation actions on private lands.
- (2) Protection and restoration of riparian and wetland habitat in the Sacramento River Basin.
- (3) Protection and restoration of riparian and wetland habitat in the San Joaquin and Tulare Basins.

(b) Of the amount appropriated by this section, forty million dollars (\$40,000,000) shall be deposited in the California Waterfowl Habitat Preservation Account established pursuant to Section 3467 of the Fish



and Game Code, for the purposes of implementing the California Waterfowl Habitat Program pursuant to Article 7 (commencing with Section 3460) of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code, the California Landowner Incentive Program of the Department of Fish and Wildlife, the Permanent Wetland Easement Program of the Wildlife Conservation Board, and the establishment or enhancement of waterfowl nesting and other wildlife habitat cover on fallowed lands including projects authorized pursuant to Section 1018.

(c) Of the amount appropriated by this section, ten million dollars (\$10,000,000) shall be deposited in the Shared Habitat Alliance for Recreational Enhancement (SHARE) Account established pursuant to Section 1572 of the Fish and Game Code and administered by the Department of Fish and Wildlife for the purposes of providing hunting and other wildlife-dependent recreational opportunities to the public through voluntary agreements with private landowners.

(d) Of the amount appropriated by this section, at least one hundred and ten million dollars (\$110,000,000) shall be expended for acquisition and delivery of water to wildlife refuges, and associated infrastructure projects, to achieve full compliance with the terms of subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

#### **CHAPTER 8.6. Sacramento Region Water Reliability and Habitat Protection.**

**86124.** (a) Ten million dollars (\$10,000,000) is appropriated from the Fund to the department for grants to the Regional Water Authority and to the City of Sacramento on behalf of the Sacramento Area Water Forum for projects that are consistent with the coequal objectives of the Water Forum Agreement. Eligible projects include facilities, studies and other actions to improve flow and temperature conditions and habitat in the lower American River, increase water use efficiency and conservation, or improve the integration of surface water and groundwater supplies to provide for dry year water supply reliability.

(b) The Regional Water Authority and the Water Forum shall jointly develop and approve studies, projects, or programs to be funded by the grants. Highest priority shall be given to improving water temperature conditions in the lower American River, and to projects or programs that contribute to both of the Water Forum's coequal objectives of improving water supply and protecting the environment. The Regional Water Authority will be the grantee for water supply and water efficiency projects. The City of Sacramento, on behalf of the Water Forum, will be the grantee for environmental protection, water temperature studies, and habitat restoration projects.

(c) The amount allocated in aggregate to the package of projects shall not exceed fifty percent (50%) of the projects' total cost.

(d) No funds appropriated pursuant to this section may be spent to build new surface storage or raise existing reservoirs.

#### **CHAPTER 9. Bay Area Regional Water Reliability.**

**86125.** Two hundred and fifty million dollars (\$250,000,000) is appropriated from the Fund to the department for a grant to the group of eight water agencies collectively known as the Bay Area Regional Reliability Partnership (BARR) for new facilities that extend the benefits of surface water storage for region-wide benefits in any of the following areas: drought supply reliability, drinking water quality, and emergency storage, as generally described in the Final Mitigation Project List contained in the San Francisco Bay Area Regional Reliability Drought Contingency Plan. The Contra Costa Water District may

receive the grant on behalf of the Partnership unless the BARR Partnership has a governance structure in place at the time of the grant award that makes its eligible to receive the funds directly. The participating water agencies in the San Francisco Bay Area Regional Reliability Drought Contingency Plan will determine and designate funds to one or any of the listed projects, however in no case will the amount determined for any single project be more than 50% of the project's total cost. No funds appropriated pursuant to this section may be spent to build new surface storage, or raise existing reservoirs.

#### **CHAPTER 10. Improved Water Conveyance and Water Conservation.**

**86126.** Even though the drought has eased, the effects of the drought are still being felt in many areas throughout the state, including the San Joaquin Valley. Further exacerbating the impact of drought conditions on water users were legal requirements restricting pumping from the Sacramento-San Joaquin Delta. One of the consequences of both the drought and pumping restrictions was a significant increase in groundwater pumping as a means to replace reduced surface supplies. Such increase in groundwater pumping lowers groundwater tables, which in turn causes wells to go dry and land to subside, which has particularly been the case on the east side of the San Joaquin Valley. The Friant-Kern Canal has lost 60% of its capacity to convey water for both consumptive uses and groundwater recharge. Unless conveyance capacity is restored and increased, the subsidence will continue to get worse and those local communities, including disadvantaged communities, who largely rely on groundwater to serve their citizens, will continue to suffer adverse effects. Significant public benefits will result from this state investment, including avoiding increased unemployment, stabilization of groundwater, and securing a more stable food supply for California.

**86127.** The sum of seven hundred fifty million dollars (\$750,000,000) is appropriated from the Fund to the department for a grant to the Friant Water Authority for water conveyance capital improvements, including restored and increased conveyance capacity to and in the Madera and Friant-Kern canals, resulting in greater groundwater recharge, improved conveyance and utilization of floodwaters, and for water conservation. Improvements with funds provided by this paragraph shall be completed consistent with applicable state and federal laws and contracts.

**86128.** The sum of one hundred million dollars (\$100,000,000) is appropriated from the Fund to the Natural Resources Agency for actions that support projects defined in paragraph 11 in the settlement agreement to restore the San Joaquin River referenced in Section 2080.2 of the Fish and Game Code. Before expenditure may occur, formal concurrence on specific projects to be undertaken is required by the settling parties to the agreement.

**86129.** The diversion of water from Barker Slough to the North Bay Aqueduct adversely impacts listed fish species, and also adversely impacts water quality served to a large urban area. There would be multiple public benefits to relocating the diversion to the North Bay Aqueduct to the Sacramento River.

**86130.** The sum of five million dollars (\$5,000,000) is appropriated from the fund to the department to plan for a diversion of water from the Sacramento River to the North Bay Aqueduct to reduce the adverse impact on listed fish species, and provide a higher quality of drinking water to those served by the Aqueduct.

#### **CHAPTER 11. Oroville Dam Flood Safety.**



**86131.** Oroville Dam provides flood control for the Sacramento Valley. The inclusion of flood control at Oroville Dam was not an obligation of the public water agencies that receive water from Oroville Dam. The flood control function of Oroville Dam was paid for by the federal government.

**86132.** The sum of two hundred million dollars (\$200,000,000) is appropriated from the Fund to the department for repair and reconstruction of the spillways at the Oroville Dam.

**86133.** The sum of twenty-one million dollars (\$21,000,000) is appropriated from the Fund to the department. Fifteen million dollars (\$15,000,000) shall be spent for Feather River sediment management and removal between Live Oak and Verona in coordination with the Sutter Butte Flood Control Agency. Six million dollars (\$6,000,000) of these funds shall be awarded as a grant to the Sutter Butte Flood Control Agency for floodwater attenuation projects at the Oroville Wildlife Area that provide downstream flood control relief and ecosystem restoration.

**86134.** The sum of one million dollars (\$1,000,000) is appropriated from the Fund to the department for a grant to Butte County for capital outlay projects and equipment for emergency preparedness coordination and communications consistent with the California Office of Emergency Services Standardized Emergency Management System (SEMS).

#### **CHAPTER 12. General Provisions.**

**86151.** (a) In projects involving voluntary habitat restoration, water quality improvement and multi-benefit floodplain restoration each agency administering provisions of this division shall encourage interagency coordination and develop and utilize efficient project approval and permitting mechanisms, including but not limited to the provisions of Chapter 6.5 of Division 2 of the Fish and Game Code (regardless of whether that chapter is still in effect) and programmatic permits for voluntary habitat restoration, so as to avoid project delays and maximize the amount of money spent on project implementation.

(b) Projects designed to primarily protect migratory birds through acquisition, easements, restoration or other projects shall be consistent with the plans and recommendations established by the federal Migratory Bird Joint Venture partnerships that encompass parts of California.

(c) Any agency providing funds pursuant to this division to disadvantaged communities or economically distressed areas may provide funding to assist these communities in applying for that funding, including technical and grant writing assistance. These funds may be provided to nonprofit organizations and local public agencies assisting these communities.

(d) Any agency receiving funds pursuant to this division may contract for the services of resource conservation districts pursuant to Section 9003 of the Public Resources Code.

(e) Agencies may count in-kind contributions up to twenty-five percent (25%) of the total project cost as part of cost sharing. Agencies may count the value of the donated land in a bargain sale as part of cost sharing.

(f) Agencies considering proposals for acquisition of lands shall also consider the ability of the proposed final owner of the land to maintain it in a condition that will protect the values for which it is to be acquired, and to prevent any problems that might occur on neighboring lands if the land is not properly managed.



(g) Trust funds established pursuant to this act shall be managed pursuant to the requirements of the Uniform Prudent Management of Institutional Funds Act, Part 7 (commencing with Section 18501) of Division 9 of the Probate Code.

(h) Projects designed to primarily protect riparian habitat through acquisition, easements, restoration or other projects shall consider the plans and recommendations established by the California Riparian Habitat Conservation Program pursuant to Chapter 4.1 of Division 2 of the Fish and Game Code (commencing with Section 1385).

(i) The administering agency shall provide advance payment of 50% of grant awards for those projects that satisfy both of the following criteria:

(1) The project proponent is a disadvantaged community or eligible entity as defined in subdivision (a) of Section 86166, or the project benefits a disadvantaged community.

(2) The grant award for the project is less than one million dollars (\$1,000,000).

(j) Eligible grant costs shall include indirect costs as defined in federal Office of Management and Budget guidelines, as well as reasonable overhead costs.

(k) Agencies receiving funds designated for specific programs or grantees shall expedite the expenditure or transfer of those funds with the least amount of process necessary to comply with existing state laws and regulations, and the requirements of this division. It is the intent of this division that the expenditure or transfer of funds shall be efficient, cost-effective, and expeditious, and generally should occur no later than 90 days from demonstrated eligibility by the recipient for the funds requested.

**86152.** Agencies shall, to the extent practicable, quantify the amount of water generated for human and environmental use resulting from proposed expenditures they make pursuant to this division. Agencies shall, to the extent practicable, quantify the improvement in the quality of water generated for human and environmental use resulting from proposed expenditures they make pursuant to this division.

**86153.** To the extent consistent with the other provisions of this division, statewide agencies making grants pursuant to this division shall seek to allocate funds equitably to eligible projects throughout the state, including northern and southern California, coastal and inland regions, and Sierra and Cascade foothill and mountain regions.

**86154.** Applicants for grants pursuant to this division shall indicate whether the grant proposal is consistent with the local Integrated Regional Water Management Plan, if one exists. However, consistency with the Integrated Regional Water Management Plan shall not be required as a condition of any grant, and grant proposals shall not be given lower priority if they are not consistent with Integrated Regional Water Management Plans.

**86155.** (a) Notwithstanding any other provision of this division, a local public agency with a population of less than 100,000 and a median household income of less than one hundred percent (100%) of the state average household income shall be required to provide matching funds of no more than thirty-five percent (35%) for a grant for a project entirely within their jurisdiction. State agencies making grants to these local public agencies may provide funding in advance of construction of portions of the project, if the state agency determines that requiring the local public agency to wait for payment until the project is completed would make the project infeasible.

(b) Nothing in this section prohibits a state agency from making a grant to a disadvantaged community or economically distressed area that does not require cost sharing.

**86156.** Any repayment of loans made pursuant to this division, including interest payments, and interest earnings shall be deposited in the Fund and shall be available solely for the purposes of the chapter or section that authorized the loan.

**86157.** (a) Each state agency that receives an appropriation of funding made available by this division shall be responsible for establishing metrics of success and reporting the status of projects and all uses of the funding on the state's bond accountability Internet Web site.

(b) Each state agency that receives an appropriation of funding made available by this division shall do the following:

(1) Evaluate the outcomes of projects funded by this division.

(2) Include in the agency's reporting pursuant to Section 86003 the evaluation described in subdivision (a) of this section.

(3) Hold a grantee of funds accountable for completing projects funded by this division on time and within scope.

**86158.** (a) For projects carried out by state agencies pursuant to this division, up to ten percent (10%) of funds allocated for each program funded by this division may be expended for planning, monitoring and reporting necessary for the successful design, selection, and implementation of the projects and verification of benefits. An eligible entity receiving a grant for a project pursuant to this division may also receive sufficient funds for planning, monitoring and reporting necessary for the successful design, selection, and implementation of the projects. This section shall not otherwise restrict funds ordinarily used by an agency for "preliminary plans," "working drawings," and "construction" for a capital outlay project or grant project.

(b) Permit and plan check fees and reasonable administrative and indirect project fees and costs related to managing construction shall be deemed part of construction costs. Project costs allocated for project planning and design, and direct and indirect administrative costs shall be identified as separate line items in the project budget.

**86159.** Notwithstanding Section 16727 of the Government Code, funding provided pursuant to Chapters 6 and 8 may be used for grants and loans to nonprofit organizations to repay financing described in Section 22064 of the Financial Code related to projects that are consistent with the purposes of those chapters.

**86160.** Not more than a total of five percent (5%) of the funds allocated to any state agency under this division may be used to pay for its costs of administering programs and projects specified in this division.

**86161.** (a) Water quality monitoring data shall be collected and reported to the State board in a manner that is compatible and consistent with surface water monitoring data systems or groundwater monitoring data systems administered by the State board, consistent with Part 4.9 of Division 6. Watershed monitoring data shall be collected and reported to the Department of Conservation in a manner that is compatible and consistent with the statewide watershed program administered by the Department of Conservation.



(b) State agencies making grants or loans pursuant to this division may include specific expenditures for compliance with local, state and federal permitting and other requirements.

(c) Up to one percent (1%) of funds allocated for each program funded by this division may be expended for research into methods to improve water supply, water related habitat, and water quality relevant to that program, in addition to any other amounts provided for in this division.

**86162.** (a) Prior to disbursing grants or loans pursuant to this division, each state agency that receives an appropriation from the funding made available by this division to administer a grant or loan program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines shall include monitoring and reporting requirements and may include a limitation on the dollar amount of each grantor loan to be awarded. The guidelines shall not include a prohibition on the recovery of reasonable overhead or indirect costs by local public agencies, Indian tribes or nonprofit organizations. If the state agency has previously developed and adopted project solicitation and evaluation guidelines that comply with the requirements of this division, it may use those guidelines. Overhead or indirect costs incurred by a local public agency, Indian tribe or nonprofit organization are eligible for reimbursement and shall not weigh negatively in the evaluation of funding proposals pursuant to this division.

(b) Prior to disbursing grants or loans, the state agency shall conduct three regional public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its website at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California, one meeting shall be conducted at a location in the Central Valley of California, and one meeting shall be conducted at a location in southern California. Agencies without jurisdiction in one or more of these three regions may omit the meetings in the region or regions within which they do not have jurisdiction. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

(c) At least 45 days prior to soliciting projects pursuant to this division, a state agency administering funds pursuant to this division shall post an electronic form of the guidelines for grant applicants on its website. Project solicitation and evaluation guidelines shall only include criteria based on the applicable requirements of this division.

(d) Nothing in this division restricts agencies from enforcing and complying with existing laws.

**86163.** Each project funded from this division shall comply with the following requirements:

(a) The investment of public funds pursuant to this division will result in public benefits that address the most critical statewide needs and priorities for public funding, as determined by the agency distributing the funds.

(b) In the appropriation and expenditure of funding authorized by this division, priority will be given to projects that leverage private, federal, or local funding or produce the greatest public benefit. All state agencies receiving funds pursuant to this division shall seek to leverage the funds to the greatest extent possible, but agencies shall take into account the limited ability to cost share by small public agencies, and by agencies seeking to benefit disadvantaged communities and economically distressed areas.

(c) A funded project shall advance the purposes of the chapter from which the project received funding.



(d) In making decisions regarding water resources pursuant to this division, state and local agencies will use the best available science to inform those decisions.

(e) To the extent practicable, a project supported by funds made available by this division will include signage informing the public that the project received funds from the Water Supply and Water Quality Act of 2018.

(f) To the extent feasible, projects funded with proceeds from this division shall promote state planning priorities consistent with the provisions of Section 65041.1 of the Government Code and sustainable communities strategies consistent with the provisions of subparagraph (B) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code.

(g) To the extent feasible, watershed objectives for private lands included in this division should be achieved through use of conservation easements and voluntary landowner participation, including, but not limited to, the use of perpetual conservation easements pursuant to Division 10.2 (commencing with Section 10200) and Division 10.4 (commencing with Section 10330) of the Public Resources Code, voluntary habitat credit exchange mechanisms, and conservation actions on private lands.

**86164.** Funds provided by this division shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta water conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.

**86165.** (a) This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law. This division does not limit or affect the application of Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220, inclusive.

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2018.

(c) Nothing in this division supersedes, limits, or otherwise modifies the applicability of Chapter 10 (commencing with Section 1700) of Part 2 of Division 2, including petitions related to any new conveyance constructed or operated in accordance with Chapter 2 (commencing with Section 85320) of Part 4 of Division 35.

(d) Unless otherwise expressly provided, nothing in this division supersedes, reduces, or otherwise affects existing legal protections, both procedural and substantive, relating to the State board's regulation of diversion and use of water, including, but not limited to, water right priorities, the protection provided to municipal interests by Sections 106 and 106.5, and changes in water rights. Nothing in this division expands or otherwise alters the State board's existing authority to regulate the diversion and use of water or the courts' existing concurrent jurisdiction over California water rights.

(e) Nothing in this division shall be construed to affect the California Wild and Scenic Rivers Act (Chapter

1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code) or the federal Wild and Scenic Rivers Act (16 U.S.C. Section 1271 et seq.) and funds authorized pursuant to this division shall not be available for any project that could have an adverse effect on the values upon which a wild and scenic river or any other river is afforded protections pursuant to the California Wild and Scenic Rivers Act or the federal Wild and Scenic Rivers Act.

(f) Nothing in this division supersedes, limits, or otherwise modifies the Sacramento-San Joaquin Delta Reform Act of 2009 (Division 35 (commencing with Section 85000)) or any other applicable law, including, but not limited to, Division 22.3 (commencing with Section 32300) of the Public Resources Code.

(g) Notwithstanding any other provision of law, any agency or nonprofit organization acquiring land pursuant to this division may make use of the Natural Heritage Preservation Tax Credit Act of 2000 (Division 28 (commencing with Section 37000) of the Public Resources Code). Funds appropriate pursuant to this division that are not designated for competitive grant programs may also be used for the purposes of reimbursing the General Fund pursuant to the Natural Heritage Preservation Tax Credit Act of 2000.

(h) Funds provided pursuant to this division, and any appropriation or transfer of those funds, shall not be deemed to be a transfer of funds for the purposes of Chapter 9 (commencing with Section 2780) of Division 3 of the Fish and Game Code.

**86166.** (a) Applicants eligible to receive grants, loans and contracts pursuant to this division are public agencies, state universities (including university-managed national laboratories), resource conservation districts, nonprofit organizations, public utilities, mutual water companies, public water systems as defined in subdivision (h) of Section 116275 of the Health and Safety Code, urban water suppliers as defined in Section 10617 of the Water Code, federally recognized Indian tribes, federal agencies owning or managing land in California, and state Indian tribes listed on the Native American Heritage Commission's California Tribal Consultation List. State agencies granting funds pursuant to this division shall give priority to eligible applicants with experience in planning, designing, and developing the types of projects receiving funding from the agencies, or which have access to consulting help in these areas.

(b)(1) To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission, or a mutual water company, shall have a clear and definite public purpose and the project shall benefit the customers of the watersystem and not the investors.

(2) To be eligible for funding under this division, an urban water supplier shall have adopted and submitted an urban water management plan in accordance with the Urban Water Management Planning Act, Part 2.6 (commencing with Section 10610) of Division 6.

(3) To be eligible for funding under this division, an agricultural water supplier shall have adopted and submitted an agricultural water management plan in accordance with the Agricultural Water Management Planning Act, Part 2.8 (commencing with Section 10800) of Division 6.

(4) In accordance with Section 10608.56, an agricultural water supplier or an urban water supplier is ineligible for grant funding under this division unless it complies with the requirements of Part 2.55 (commencing with Section 10608) of Division 6.

(5) Notwithstanding any other provision of this division, agencies receiving funds pursuant to this division may reduce or eliminate cost sharing requirements when making grants of one million dollars (\$1,000,000) or less to nonprofit organizations with budgets less than one million dollars (\$1,000,000) if



the agency determines that such grants would be the most effective way to achieve the purposes of this division.

**86167.** Where feasible, projects funded pursuant to this division may use the services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5 of the Public Resources Code. Public agencies receiving funding under this division shall give additional priority to projects that involve the services of the California Conservation Corps or a certified community conservation corps, or other nonprofit entities that provide job training and education opportunities for veterans, foster care recipients, farmworkers or local youth in conservation or restoration projects.

**86168.** Each state agency that receives an appropriation of funding made available by this division shall be responsible for establishing and reporting on the state's bond accountability website each of the following: metrics of success, metrics for benefitting disadvantaged communities and economically distressed areas, progress in meeting those metrics, status of projects funded under this division, and all uses of the funding the state agency receives under this division. The Secretary of the Natural Resources Agency shall annually report to the Legislature expenditures made pursuant to this division, and the benefits derived from those expenditures.

**86169.** The proceeds of bonds issued and sold pursuant to this division (excluding the proceeds of any refunding bonds issued in accordance with Section 86192) shall be deposited in the Water Supply Reliability and Drought Protection Fund of 2018, which is hereby created in the State Treasury.

**86169.1** Notwithstanding Section 13340 of the Government Code, moneys in the Water Supply Reliability and Drought Protection Fund of 2018 are continuously appropriated without regard to fiscal year for the purposes of this division in the manner set forth in this division. Funds authorized by, and made available pursuant to this division shall be available and expended only as provided in this division, and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose.

**86170.** Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division.

**86171.** (a) Funds provided by this division shall not be used to support or pay for the costs of environmental mitigation, except for the costs of environmental mitigation for projects funded pursuant to this division.

(b) Funds provided by this division shall be used for environmental enhancements or other public benefits.

(c) Notwithstanding paragraphs (a) and (b) of this section, the costs of mitigation of the environmental impacts directly related and limited to expenditures under this division may be paid for by funds provided by this division.

(d) Funds available pursuant to this division shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.

**86172.** Every entity implementing this division shall give highest priority to funding projects that combine relatively high cost-effectiveness, durability, and enhanced environmental quality.



**86174.** Acquisitions pursuant to Chapter 6 of this division shall be from willing sellers only.

**86177.** The requirement that a project be cost-effective does not require a full benefit/cost analysis.

**86178.** Agencies implementing this division shall give special consideration to projects that employ new or innovative technology or practices, including decision support tools that support the integration of multiple strategies and jurisdictions, including, but not limited to, water supply, wildfire reduction, habitat improvement, invasive weed control, flood control, land use, and sanitation.

**86179.** Any contract (including a contract to provide a grant) between a public agency, Indian tribe or nonprofit organization and the Department of Fish and Wildlife or the Wildlife Conservation Board for work funded pursuant to this division, or pursuant to Division 26.7 shall be considered a contract subject to the requirements of Section 1501.5 of the Fish and Game Code, and therefor shall not be considered a public work or a public improvement, and is not subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

**86179.1.** Priority shall be given to the expenditure of funds on activities that affect the Delta and the species that rely on it that are generally consistent with the report "A Delta Renewed: A Guide to Science-Based Ecological Restoration in the Sacramento-San Joaquin Delta" prepared in 2016 by the San Francisco Estuary Institute-Aquatic Science Center.

**86179.2.** In the awarding of grants to be made by any agency pursuant to this act or Division 26.7 after the effective date of this act, overhead or indirect costs incurred by a local public agency, Indian tribe or nonprofit organization are eligible for reimbursement and shall not weigh negatively in the evaluation of funding proposals. Eligible grant costs shall include indirect costs as defined in federal Office of Management and Budget guidelines, as well as reasonable overhead costs. For nonprofit organizations, grants shall provide for reimbursement of indirect costs by applying the organization's federally negotiated indirect cost rate, if one exists. If a negotiated rate does not exist, the organization may elect to use the default indirect cost rate of 10 percent (10%) of its modified total direct costs as defined by the Office of Management and Budget.

**86179.3.** No grants made pursuant to this division shall result in an unmitigated increase in a community's exposure to flood hazards or in a net reduction in flood conveyance capacity of any publicly owned flood protection facility.

**86179.4.** In awarding grants for land acquisition, the Wildlife Conservation Board shall give preference to organizations that voluntarily pay property taxes.

#### **CHAPTER 13. Fiscal Provisions.**

**86180.** (a) Bonds in the total amount of eight billion eight hundred seventy-seven million dollars (\$8,877,000,000), or so much thereof as is necessary, not including the amount of any refunding bonds issued in accordance with Section 86192 may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall from time to time sell the bonds authorized by the committee pursuant to Section 86182. Bonds shall be sold upon the terms and conditions specified in one or more resolutions to be adopted by the committee pursuant to Section 16731 of the Government Code.

**86181.** The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law, as that law may be amended, apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division, except subdivisions (a) and (b) of Section 16727 of the Government Code.

**86182.** (a) Solely for the purpose of authorizing the issuance and sale pursuant to the State General Obligation Bond Law of the bonds authorized by this division, the Water Supply Reliability and Drought Protection Finance Committee is hereby created. For purposes of this division, the Water Supply Reliability and Drought Protection Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law.

(b) The finance committee consists of the Director of Finance, the Treasurer, and the Controller. Notwithstanding any other provision of law, any member may designate a representative to act as that member in his or her place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as chairperson of the finance committee.

(d) A majority of the finance committee may act for the finance committee.

**86183.** The finance committee shall determine whether or not it is necessary or desirable to issue bonds authorized by this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

**86184.** For purposes of the State General Obligation Bond Law, "board," as defined in Section 16722 of the Government Code, means the Secretary of the Natural Resources Agency.

**86185.** There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

**86186.** Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 86189, appropriated without regard to fiscal years.



**86187.** The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division less any amount withdrawn pursuant to Section 86189. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold (excluding any refunding bond authorized pursuant to Section 86192) for the purpose of carrying out this division. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the Fund to be allocated in accordance with this division.

**86188.** Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

**86189.** For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold (excluding any refunding bond authorized pursuant to Section 86192) for the purpose of carrying out this division less any amount borrowed pursuant to Section 86187. Any amounts withdrawn shall be deposited in the Fund. Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

**86190.** All moneys deposited in the Fund that are derived from premium and accrued interest on bonds sold pursuant to this division shall be reserved in the Fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premium may be reserved and used to pay the cost of bond issuance prior to any transfer to the General Fund.

**86191.** Pursuant to the State General Obligation Bond Law, the cost of bond issuance shall be paid out of the bond proceeds, including premiums, if any. To the extent the cost of bond issuance is not paid from premiums received from the sale of bonds, these costs shall be shared proportionately by each program funded through this division by the applicable bond sale.

**86192.** The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing such refunded bonds.

**86193.** The proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is

not subject to the limitations imposed by that article.

**SECTION 2.** Section 1 of this act shall take effect immediately upon approval by the voters of the Water Supply and Water Quality Act of 2018, as set forth in that section at the November 6, 2018, statewide general election. In order to fund a water supply reliability and drought protection program at the earliest possible date, it is necessary that this act take effect immediately.

**SECTION 3. Conflicting Provisions.**

(a) The provisions and intent of the Water Supply and Water Quality Act of 2018 shall be given precedence over any state law, statute, regulation or policy that conflicts with this section, and the policy and intent of this act shall prevail over any such contrary law, statute, regulation or policy.

(b) If this division is approved by the voters, but superseded by any other conflicting ballot division approved by more voters at the same election, and the conflicting ballot division is later held invalid, it is the intent of the voters that this act shall be given the full force of law.

(c) If any rival or conflicting initiative regulating any matter addressed by this act receives the higher affirmative vote, then all non-conflicting parts of this act shall become operative.

**SECTION 4.** If any provision of this act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

**SECTION 5.**

Section 2799.7 is added to the Fish and Game Code to read:

**2799.7.** Subdivision (f) of Section 2787 does not apply to Section 2795. Notwithstanding other provisions of this article and Section 13340 of the Government Code, as of July 2, 2020 funds transferred pursuant to Section 2795 shall be continuously appropriated to the Wildlife Conservation Board for purposes of Chapter 8 (commencing with Section 86120) of Division 38 of the Water Code.

**SECTION 6.**

Part 12 is added to Division 6 of the Water Code to read:

**Section 11860.** (a) Notwithstanding any other provision of law (including Section 13340 of the Government Code and Sections 39710 through 39723 of the Health and Safety Code), the fees paid, the cost of compliance instruments acquired, and the increased cost of power purchased by the Department of Water Resources, hereafter "Department," as a result of the implementation of Division 25.5 of the Health and Safety Code are continuously appropriated to the Department from the Greenhouse Gas Reduction Fund, as defined in Section 16428.8 of the Government Code, and the fees paid, the cost of compliance instruments acquired and the increased cost of power purchased by the Metropolitan Water District of Southern California (Statutes 1969, chapter 209, as amended), hereafter "District," as a result of the implementation of Division 25.5 of the Health and Safety Code are continuously appropriated to the District from the Greenhouse Gas Reduction Fund, as defined in Section 16428.8 of the Government Code.



(b) The funds appropriated to the Department pursuant to this section shall be expended within the State Water Resources Development System, and on consumer water conservation programs within the jurisdiction of the State Water Resources Development System.

(c) The funds appropriated to the District pursuant to this section shall be expended within the water storage, treatment, conveyance, and distribution system of the District and on consumer water conservation programs within the jurisdiction of the District.

(d) Of the consumer water conservation programs authorized by subdivisions (b) and (c), highest priority shall be given to those benefitting disadvantaged communities (as defined subdivision (a) of Section 79505.5, as it may be amended) and economically distressed areas (as defined in subdivision (k) of Section 79702, as it may be amended).

(e) All expenditures pursuant to this section shall meet the requirements of Chapter 4.1 of Part 2 of Division 26 of the Health and Safety Code. The Department and District will provide an annual report to the Air Resources Board on the prior-year's project implementation along with a plan for current year implementation.

(f) No funds provided by this part shall be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of new Delta water conveyance facilities. No funds provided by this section shall be expended to pay the costs of construction of new surface water storage facilities or to expand the capacity of the California Aqueduct or the Colorado River Aqueduct. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.

(g) All reasonable and feasible measures shall be taken to reduce, avoid, or mitigate significant negative environmental impacts from projects undertaken pursuant to this section.

**Section 11861.** (a) Notwithstanding any other provision of law (including Section 13340 of the Government Code and Sections 39710 through 39723 of the Health and Safety Code), the fees paid, the cost of compliance instruments acquired, and the increased cost of power purchased by the Contra Costa Water District, hereafter "District," as a result of the implementation of Division 25.5 of the Health and Safety Code are continuously appropriated to the District from the Greenhouse Gas Reduction Fund, as defined in Section 16428.8 of the Government Code, and the fees paid, the cost of compliance instruments acquired and the increased cost of power purchased by the San Luis and Delta Mendota Water Authority hereafter "San Luis Authority," as a result of the implementation of Division 25.5 of the Health and Safety Code are continuously appropriated to the San Luis Authority from the Greenhouse Gas Reduction Fund, as defined in Section 16428.8 of the Government Code.

(b) (1) The funds appropriated to the Contra Costa Water District pursuant to this section shall be expended within the boundaries of the District, and on consumer water conservation programs within the District.

(2) The funds appropriated to the San Luis Authority pursuant to this section shall be expended within the water storage, treatment, conveyance, and distribution system of the San Luis Authority and on water conservation, water quality improvement, water treatment, water supply and similar water programs within the jurisdiction of the Authority.

(c) Of the funds appropriated pursuant to subdivision (b), highest priority shall be given to those projects

benefitting disadvantaged communities (as defined subdivision (a) of Section 79505.5, as it may be amended) and economically distressed areas (as defined in subdivision (k) of Section 79702, as it may be amended).

(d) All expenditures pursuant to this section shall meet the requirements of Chapter 4.1 of Part 2 of Division 26 of the Health and Safety Code. The District and San Luis Authority will provide an annual report to the Air Resources Board on the prior-year's project implementation along with a plan for current year implementation.

(e) All reasonable and feasible measures shall be taken to reduce, avoid, or mitigate significant negative environmental impacts from projects undertaken pursuant to this section.



# Operational Updates



Yucaipa Valley Water District



**Date:** July 31, 2018

**Prepared By:** Mike Kostelecky, Operations Manager

**Subject:** Status Report for the Tracer Study Performed 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.





The original HDR fee estimate (see attached) for the tracer test was based on the minimum operating level in the finished water storage reservoir of 6 feet. Based on a discussion with District staff, the operating level of the reservoir 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, HDR estimated that they can perform this work with an additional \$4,000.



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]. Maintaining 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 was needed resulting in additional sampling. See below for an explanation of the \$4,000 increase received from HDR on June 1, 2018.



The study for effluent high flows, 11.5 million gallons per day, was started on Thursday, June 7, 2018. Preliminary results indicate a conservative contact time in excess of 8 hours.

The study for effluent low flows, 6 million gallons per day, was performed on Monday, June 18, 2018. The Division of Drinking Water staff Andres Aguirre,

Amanda Chapman, and Mario Ramirez were on site to overview the tracer protocol and ask any questions. Preliminary results indicate a conservative contact time in excess of 16 hours.

A full report will be provided once the HDR report is received. Also, this report will be submitted to the State Water Resources Control Board Division of Drinking Water for review and approval.





**Date:** July 31, 2018

**Prepared By:** Kathryn Hallberg

**Subject:** Overview of the Current Microbial Community Analyses at the Wochholz Regional Water Recycling Facility

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At the Board Workshop on February 27, 2018, the District staff discussed DNA sequencing testing for wastewater and state project water [Workshop Memorandum 18-069]. DNA sequencing identifies the microbes and their functions. This information can help the District reduced the need for chemicals and energy, maintained plant stability, increase effluent quality, and increase recovery of nutrients. DNA analyses identify indicator species, to serve as early warning systems for pathogens, and micro-pollutants, and allow for control strategies.

The following results were from a sample taken on May 16, 2018. The results are known as a Microbial Community Analysis (MCA), which is essentially a census of the bacteria present in the wastewater system at the Wochholz Regional Water Recycling Facility (WRWRF). MCA identifies the microbes doing the actual work (or causing problems) at the WRWRF. Currently we are collecting samples to create a baseline, which gives an idea of what "normal" looks like for the system. Once a baseline is established, sampling on a quarterly basis is generally sufficient to follow seasonal drifts in the system. However, sampling during an upset can help identify the cause of the upset and potential remedies.

As seen from the results below, the WRWRF system has a highly diverse microbial population (no single organism makes up more than 3% of the sequencing reads). This diversity helps a system degrade a wide variety of influent chemicals and is generally associated with a faster recovery from upset conditions. The charts and graphs below detail the results from the samples taken.

The District staff is recommending to continue the use of Novozymes Biologicals for sludge microscopic examinations, onsite microscopic and microbiological training, and onsite wastewater consulting, particularly for chlorination programs where filamentous organism reduction is desired. A report will be generated which includes an explanation of the floc characteristics of the sludge and a rating of the filament abundance including the primary and secondary filament species. Microscopic photographs will be taken of the filamentous organisms present as well as predominant types of protozoa, macroinvertebrates, and specific features of the sludge floc



## Environmental Genomics™ Report Microbial Community Analysis

Report Date  
Prepared By Paul Campbell, PhD

<b>Client/Site</b>	Yucaipa Valley Water District Wastewater 880 West County Line Rd. Yucaipa, CA 92399	<b>Sampler</b>	Lina Robert
<b>Sample Type</b>	MLSS, (4A), AB4, Zone A	<b>Tests Requested</b>	Microbial Community Analysis
<b>Preservation</b>	ESP+		
<b>Sample Date</b>	5/16/18		
<b>Note</b>	Foaming event		

DNA Isolation	Volume	QA/QC
	1 ml	pass

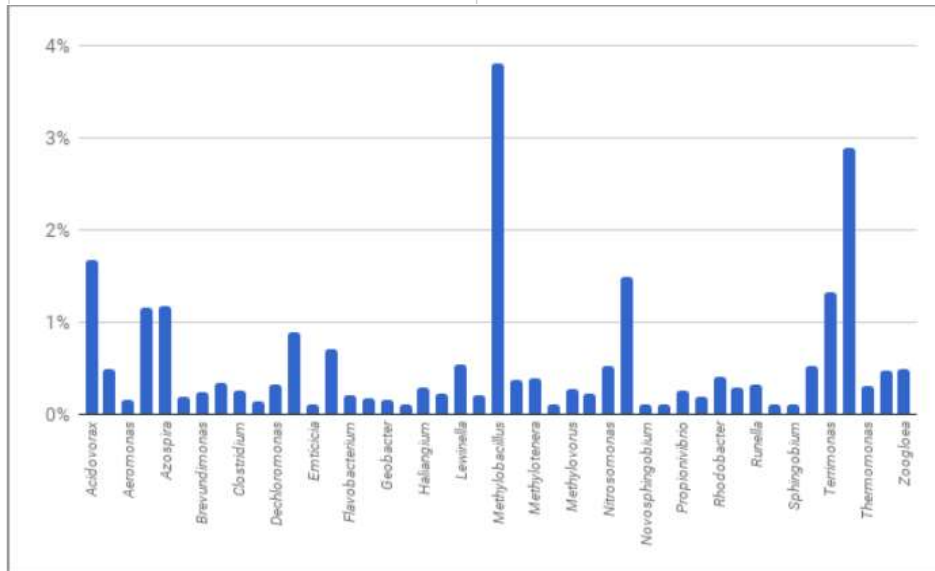
Reads	
Classified	177,087
Unclassified	16,474

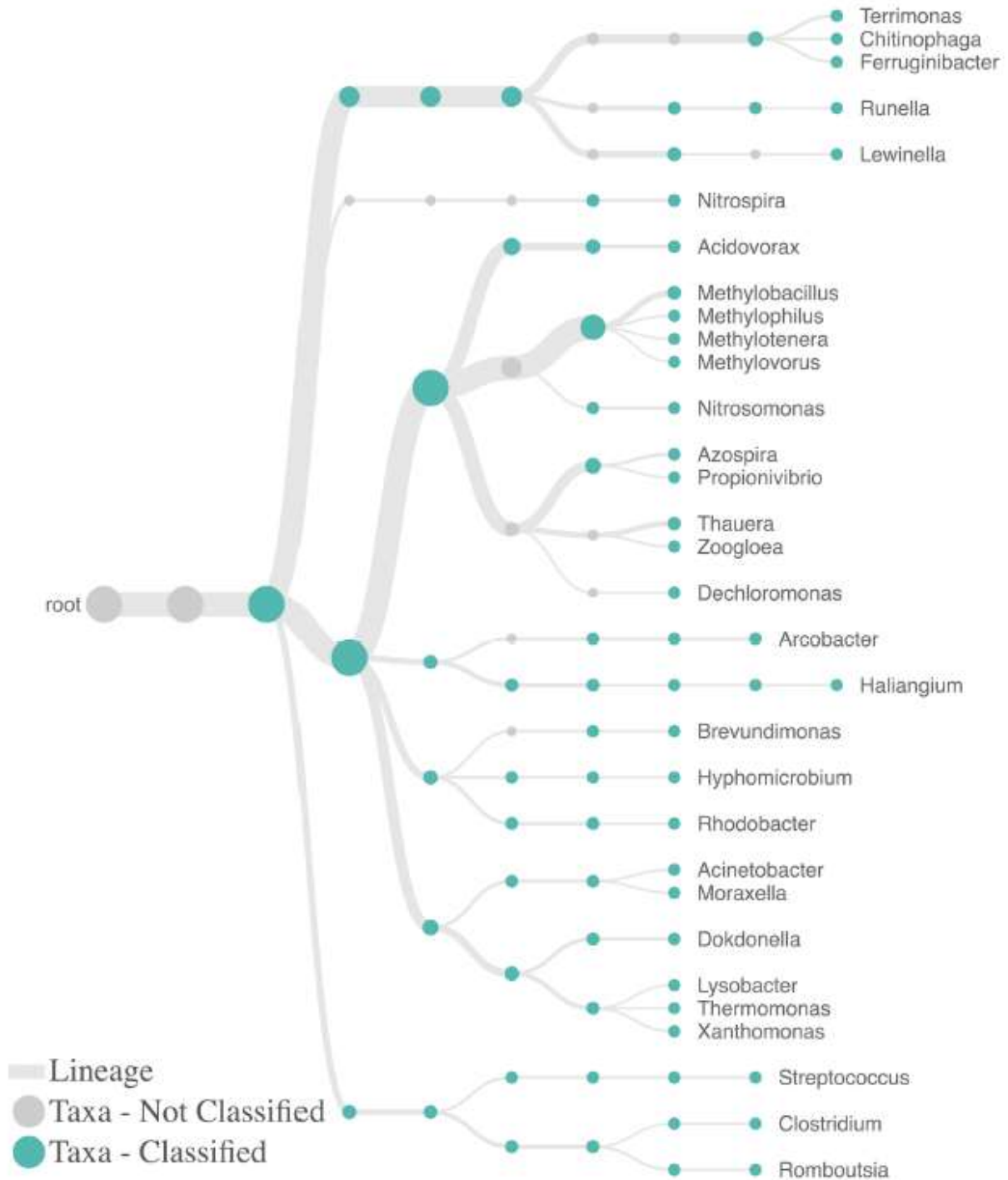
### Comments

- *Gordonia* (primarily *G. amarae*) is present at 0.1% in the MLSS.
- The AOB + NOB population is ~2%
- Low levels of filaments identified include:
  - Flexibacter*
  - Curvibacter*
  - Tetrasphaera* (*N. limicola* Type II)
  - Trichococcus* (*N. limicola* Type I)
  - Thiothrix*
  - Sphaerotilus*



Rank	Genus	Relative Freq.	Rank	Genus	Relative Freq.
1	<i>Methylobacillus</i>	3.80%	24	<i>Haliangium</i>	0.29%
2	<i>Thauera</i>	2.89%	25	<i>Methylovorus</i>	0.28%
3	<i>Acidovorax</i>	1.68%	26	<i>Propionivibrio</i>	0.26%
4	<i>Nitrospira</i>	1.49%	27	<i>Clostridium</i>	0.26%
5	<i>Terrimonas</i>	1.32%	28	<i>Brevundimonas</i>	0.25%
6	<i>Azospira</i>	1.17%	29	<i>Hyphomicrobium</i>	0.23%
7	<i>Arcobacter</i>	1.16%	30	<i>Moraxella</i>	0.22%
8	<i>Dokdonella</i>	0.90%	31	<i>Lysobacter</i>	0.21%
9	<i>Ferruginibacter</i>	0.71%	32	<i>Flavobacterium</i>	0.20%
10	<i>Lewinella</i>	0.55%	33	<i>Blautia</i>	0.19%
11	<i>Nitrosomonas</i>	0.52%	34	<i>Pseudomonas</i>	0.19%
12	<i>Streptococcus</i>	0.52%	35	<i>Flexibacter</i>	0.17%
13	<i>Acinetobacter</i>	0.49%	36	<i>Geobacter</i>	0.16%
14	<i>Zoogloea</i>	0.49%	37	<i>Aeromonas</i>	0.15%
15	<i>Xanthomonas</i>	0.47%	38	<i>Curvibacter</i>	0.13%
16	<i>Rhodobacter</i>	0.40%	39	<i>Novosphingobium</i>	0.11%
17	<i>Methylotenera</i>	0.39%	40	<i>Methyloversatilis</i>	0.11%
18	<i>Methylophilus</i>	0.38%	41	<i>Pedobacter</i>	0.11%
19	<i>Chitinophaga</i>	0.35%	42	<i>Solitalea</i>	0.10%
20	<i>Dechloromonas</i>	0.33%	43	<i>Sphingobium</i>	0.10%
21	<i>Runella</i>	0.32%	44	<i>Emticicia</i>	0.10%
22	<i>Thermomonas</i>	0.30%	45	<i>Gordonia</i>	0.10%
23	<i>Romboutsia</i>	0.29%			







## Environmental Genomics™ Report Microbial Community Analysis

Report Date  
Prepared By Paul Campbell, PhD

<b>Client/Site</b>	Yucaipa Valley Water District Wastewater 880 West County Line Rd. Yucaipa, CA 92399	<b>Sampler</b>	Lina Robert
<b>Sample Type</b>	MLSS, (1A), AB1, Zone A	<b>Tests Requested</b>	Microbial Community Analysis
<b>Preservation</b>	ESP+		
<b>Sample Date</b>	5/16/18		
<b>Note</b>	Foaming event		

DNA Isolation	Volume	QA/QC
	1 ml	pass

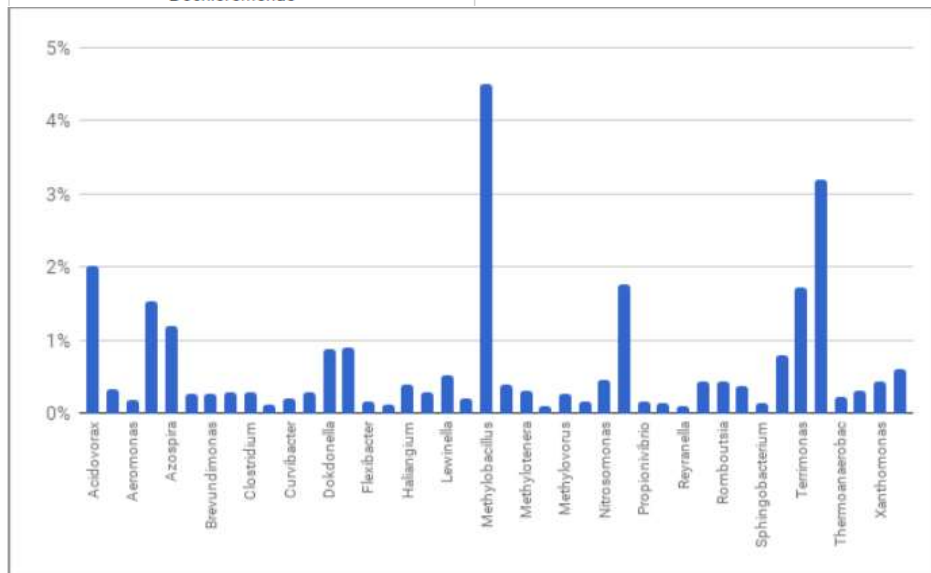
Reads	
Classified	177,087
Unclassified	16,474

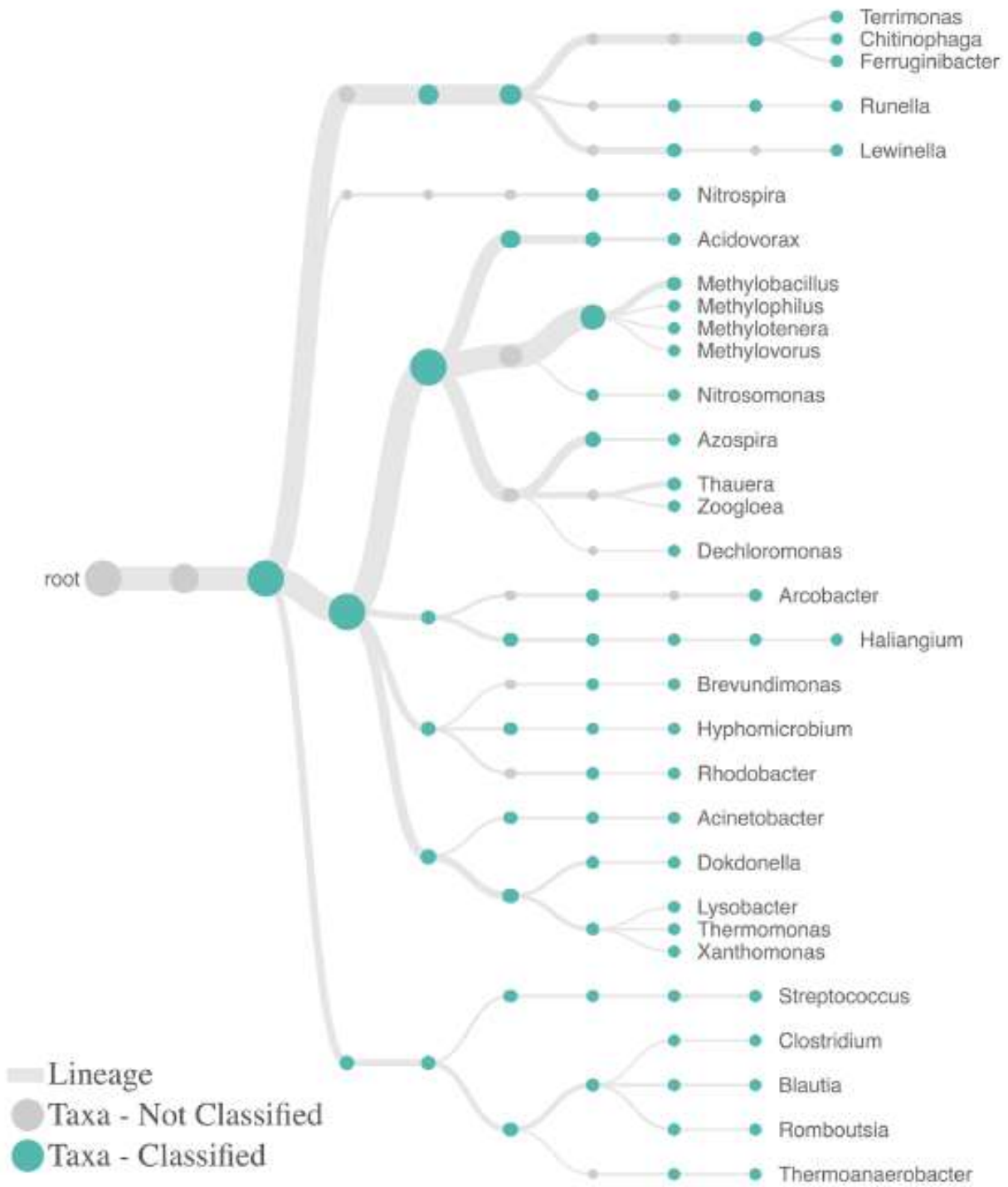
### Comments

- *Gordonia* (primarily *G. amarae*) is present at 0.1% in the MLSS.
- The AOB + NOB population is ~2%
- Low levels of filaments identified include:
  - Curvibacter*
  - Flexibacter*
  - Tetrasphaera* (*N. limicola* Type II)
  - Trichococcus* (*N. limicola* Type I)
  - Thiothrix*
  - Sphaerotilus*



Rank	Genus	Relative Freq.	Rank	Genus	Relative Freq.
1	<i>Methylobacillus</i>	4.49%	24	<i>Chitinophaga</i>	0.30%
2	<i>Thauera</i>	3.20%	25	<i>Clostridium</i>	0.30%
3	<i>Acidovorax</i>	2.01%	26	<i>Hyphomicrobium</i>	0.29%
4	<i>Nitrospira</i>	1.77%	27	<i>Blautia</i>	0.27%
5	<i>Terrimonas</i>	1.72%	28	<i>Brevundimonas</i>	0.27%
6	<i>Arcobacter</i>	1.54%	29	<i>Methylovorus</i>	0.26%
7	<i>Azospira</i>	1.20%	30	<i>Thermoanaerobaci</i>	0.23%
8	<i>Ferruginibacter</i>	0.90%	31	<i>Lysobacter</i>	0.21%
9	<i>Dokdonella</i>	0.87%	32	<i>Curvibacter</i>	0.20%
10	<i>Streptococcus</i>	0.80%	33	<i>Aeromonas</i>	0.19%
11	<i>Zoogloea</i>	0.60%	34	<i>Propionivibrio</i>	0.17%
12	<i>Lewinella</i>	0.52%	35	<i>Flexibacter</i>	0.17%
13	<i>Nitrosomonas</i>	0.46%	36	<i>Moraxella</i>	0.16%
14	<i>Rhodobacter</i>	0.44%	37	<i>Pseudomonas</i>	0.15%
15	<i>Xanthomonas</i>	0.44%	38	<i>Sphingobacterium</i>	0.14%
16	<i>Romboutsia</i>	0.43%	39	<i>Comamonas</i>	0.12%
17	<i>Haliangium</i>	0.40%	40	<i>Geobacter</i>	0.12%
18	<i>Methylophilus</i>	0.39%	41	<i>Reyranella</i>	0.11%
19	<i>Runella</i>	0.38%	42	<i>Methyloversatilis</i>	0.11%
20	<i>Acinetobacter</i>	0.35%			
21	<i>Methylotenera</i>	0.32%			
22	<i>Thermomonas</i>	0.31%			
23	<i>Dechloromonas</i>	0.30%			







## Environmental Genomics™ Report Microbial Community Analysis

Report Date  
Prepared By Paul Campbell, PhD

<b>Client/Site</b>	Yucaipa Valley Water District Wastewater 880 West County Line Rd. Yucaipa, CA 92399	<b>Sampler</b>	Lina Robert
<b>Sample Type</b>	Foam - 4A	<b>Tests Requested</b>	Microbial Community Analysis
<b>Preservation</b>	ESP+		
<b>Sample Date</b>	5/16/18		
<b>Note</b>	Foaming event		

DNA Isolation	Volume	QA/QC
	1 ml	pass

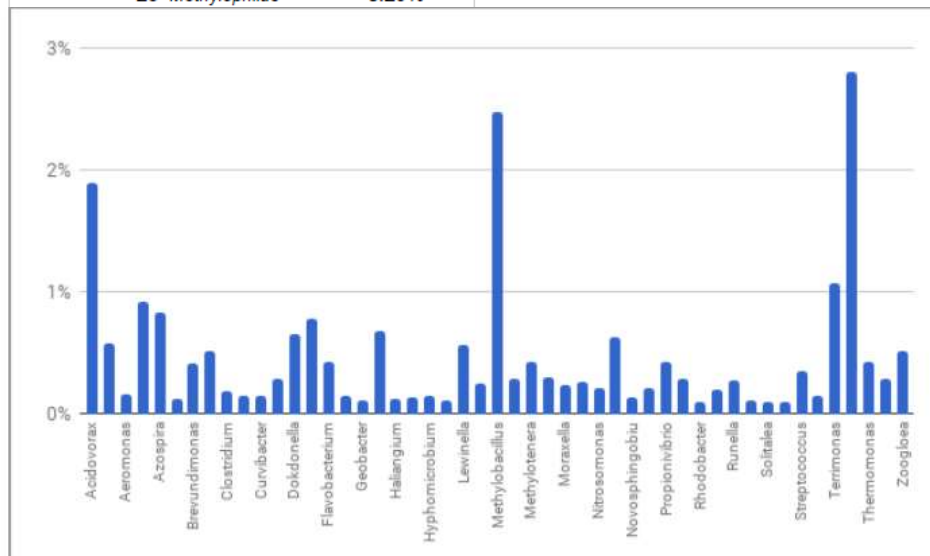
Reads	
Classified	245,884
Unclassified	30,003

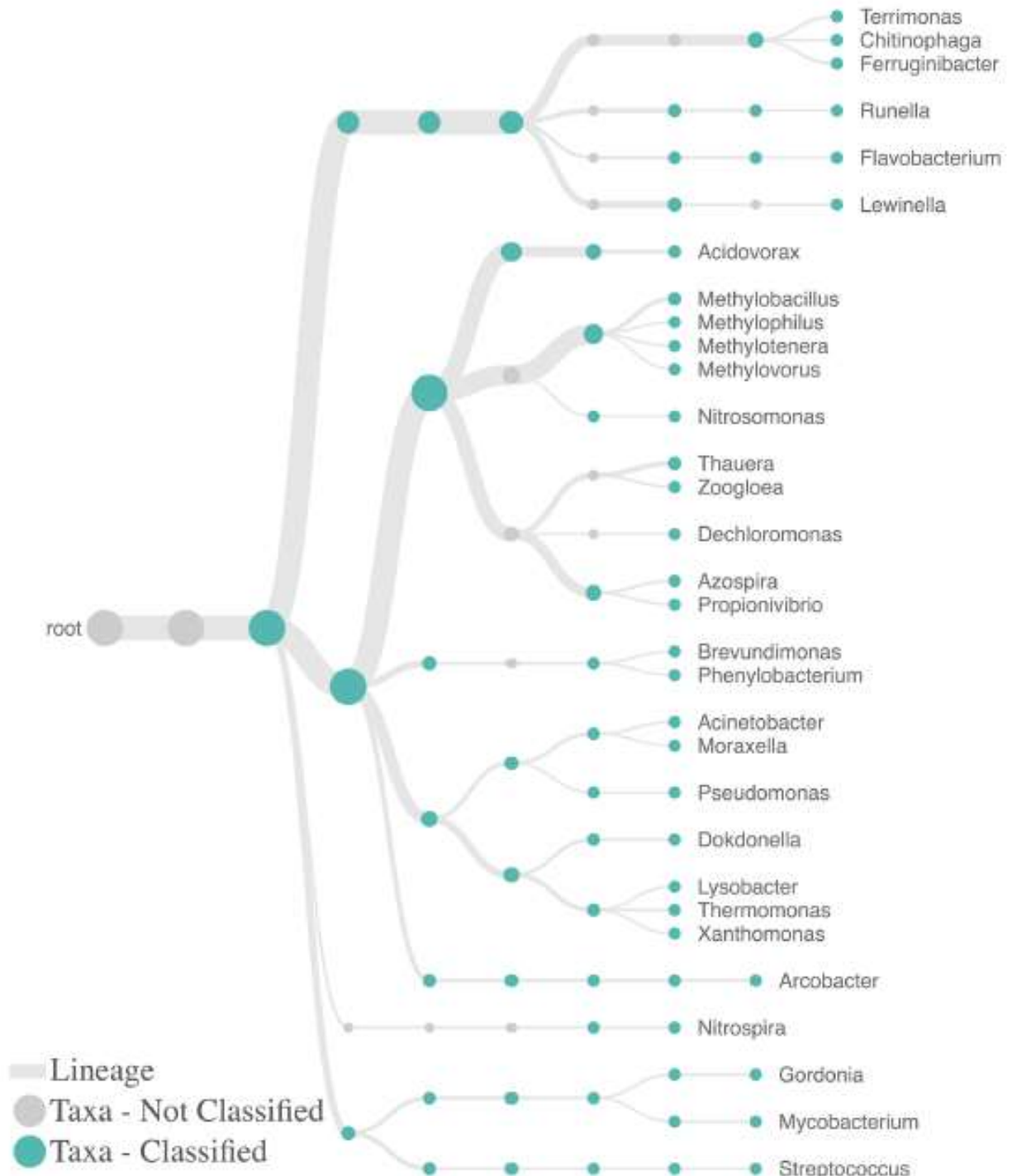
**Comments**

- *Gordonia* (primarily *G. amarae*) is enriched in the foam when compared to the 4A MLSS sample.



Rank	Genus	Relative Freq.	Rank	Genus	Relative Freq.
1	<i>Thauera</i>	2.80%	26	<i>Runella</i>	0.27%
2	<i>Methylobacillus</i>	2.47%	27	<i>Mycobacterium</i>	0.27%
3	<i>Acidovorax</i>	1.89%	28	<i>Lysobacter</i>	0.25%
4	<i>Terrimonas</i>	1.07%	29	<i>Moraxella</i>	0.24%
5	<i>Arcobacter</i>	0.92%	30	<i>Nitrosomonas</i>	0.22%
6	<i>Azospira</i>	0.83%	31	<i>Phenylobacterium</i>	0.21%
7	<i>Ferruginibacter</i>	0.78%	32	<i>Romboutsia</i>	0.21%
8	<i>Gordonia</i>	0.68%	33	<i>Clostridium</i>	0.19%
9	<i>Dokdonella</i>	0.65%	34	<i>Aeromonas</i>	0.16%
10	<i>Nitrospira</i>	0.63%	35	<i>Hyphomicrobium</i>	0.16%
11	<i>Acinetobacter</i>	0.58%	36	<i>Curvibacter</i>	0.15%
12	<i>Lewinella</i>	0.57%	37	<i>Comamonas</i>	0.15%
13	<i>Chitinophaga</i>	0.52%	38	<i>Flexibacter</i>	0.15%
14	<i>Zoogloea</i>	0.51%	39	<i>Taibaiella</i>	0.15%
15	<i>Methylotenera</i>	0.43%	40	<i>Novosphingobium</i>	0.14%
16	<i>Propionivibrio</i>	0.43%	41	<i>Hydrogenophaga</i>	0.13%
17	<i>Flavobacterium</i>	0.42%	42	<i>Haliangium</i>	0.13%
18	<i>Thermomonas</i>	0.42%	43	<i>Blautia</i>	0.13%
19	<i>Brevundimonas</i>	0.41%	44	<i>Lacunisphaera</i>	0.11%
20	<i>Streptococcus</i>	0.35%	45	<i>Simplicispira</i>	0.11%
21	<i>Methylovorus</i>	0.30%	46	<i>Geobacter</i>	0.11%
22	<i>Pseudomonas</i>	0.29%	47	<i>Rhodobacter</i>	0.10%
23	<i>Xanthomonas</i>	0.29%	48	<i>Sphingorhabdus</i>	0.10%
24	<i>Dechloromonas</i>	0.29%	49	<i>Solitalea</i>	0.10%
25	<i>Methylophilus</i>	0.29%			







March 8, 2018

Yucaipa Valley Water District

**Re: Microscopic Exams and Filament Control Management Services**

Dear Katie,

As per your meeting with Steve Leach, please find the following proposal for contracting Novozymes Biologicals Inc. for sludge microscopic examinations, onsite microscopic and microbiological training, and onsite wastewater consulting, particularly for chlorination programs where filamentous organism reduction is desired.

**Microscopic Examinations:**

Novozymes Biologicals will provide microscopic examinations of Yucaipa sludge samples at a cost of \$400 per exam. A report will be generated which includes an explanation of the floc characteristics of the sludge and a rating of the filament abundance including the primary and secondary filament species. Microscopic photographs will be taken of the filamentous organisms present as well as predominant types of protozoa, macroinvertebrates, and specific features of the sludge floc.

**Onsite Consulting:**

Novozymes personnel are available for onsite consulting. An hourly charge will be issued for time onsite as well as any other charges such as microscopic exams. A charge of \$150 per hour will be charged for this with a minimum of 2 hours per day.

**Microscopic Training:**

4 hour onsite training programs will be provided by Novozymes to cover the following:

- Familiarization and operation of the Olympus microscope
- Slide preparation
- Microscopic identification of protozoa and macro-invertebrates
- Sludge floc characteristics and quality
- Filamentous rating and simple identification

Novozymes Biologicals, Inc.

5400 Corporate Circle  
Salem, VA 24153

Telephone:  
(800) 859-2972  
(540) 389-9361

Internet:  
[www.novozymes.com](http://www.novozymes.com)  
Fax: (540) 389-9364





### Review of Costs:

Based on on-site visits, data analysis, remote microscopic analysis, operator training and travel expenses, here is a breakdown of the proposed costs:

<i>Description</i>	<i>Unit</i>	<i>Unit Price,\$</i>	<i>Total,\$</i>
Microscopic Exams	28	400	\$11,200
Consulting, hrs	100	150	\$15,000
On Site Operator Training	2	1,000	\$2,000
Travel Expenses	4	600	\$2,400
Total not to exceed			\$30,600

Novozymes Biologicals is a world leader in the bioaugmentation of wastewater treatment systems and serves the industrial and municipal markets with products and services for wastewater treatment, line maintenance, industrial cleaning, remediation, and odor control. Our personnel, technologies and expertise are widely recognized within the wastewater industry. Using nature's own technologies, we continuously expand the frontiers of biological solutions to improve treatment performance *everywhere*.

If you have any questions, or would like to discuss anything about our products or services, please feel free to contact me.

Best regards,

Steven S. Endres, P.E.  
 Northeast Regional Account Manager  
 Novozymes Biologicals Inc.

Novozymes Biologicals, Inc.

5400 Corporate Circle  
 Salem, VA 24153

Telephone:  
 (800) 859-2972  
 (540) 389-9361

Internet:  
[www.novozymes.com](http://www.novozymes.com)  
 Fax: (540) 389-9364



**Date:** July 31 2018

**Prepared By:** Kevin Lee, Interim Wastewater Manager  
Thaxton Van Belle, Interim Wastewater Manager

**Subject:** Status Report on the Rehabilitation of Belt Press No. 1 and No. 2

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On February 20, 2018, the Board of Directors authorized the refurbishment of Belt Press No. 1 and No. 2 at the Wochholz Regional Water Recycling Facility for a sum not to exceed \$349,561. [Director Memorandum No. 18-032]



The Belt Press Rehabilitation project has started with equipment arriving since mid-July. The contractor started the rehabilitation on Tuesday July 24, 2018.





**Date:** July 31, 2018

**Prepared By:** Matthew Porras, Implementation Manager

**Subject:** Status Report of the Automated Meter Infrastructure (AMI) Installation and Activation Projections

The Automated Meter Infrastructure (AMI) is the system that is capable of reading water meters, identifying leaks and backflow conditions, and compiling drinking water / recycled water consumption data using radio frequency communications.

**Project Status:** The installation of three strategically located base-stations is now essentially complete. Two of the three locations had existing electrical service and are fully operational. The third location will need an electrical service to make the base-station operational, a project that is currently being designed. The District staff is making the installations of the endpoint equipment to remotely read water meters throughout the service area.



**Endpoint Installation:** The endpoint is comprised of two pieces, the AMI capable meter and the radio transceiver. To complete the installation of the radio transceiver, the meter box is modified to accommodate a flush mount configuration. The service area has approximately 40% of the AMI capable meters already installed and will just need a radio transceiver and meter box lid modification (Retro-Fit). The remaining water services that do not already have an AMI capable meter installed will receive an AMI capable meter, radio transceiver, and meter box lid modification (Replacement). All endpoints are programmed at the time of installation to eliminate an additional step of completion. District staff is currently performing the endpoint installations and the following table reflects the progress of the project.



Yucaipa Valley Water District - Actual AMI Meter Appurtenance Quantities							
Action	Description	Part	2018				2018 Totals
			Q-1	Q-2	Q-3	Q-4	
New Homes	1" Fire Service Meters (Drinking Water)	1" FS iPearl	0	44	0	0	
	3/4" Irrigation Meter (Recycled Water)	3/4" iPearl	0	0	0	0	
	Radio Transceiver	520M Dual Port	0	44	0	0	
Retro-Fit	Radio Transceiver	520M Dual Port	0	745	0	0	
Replacement	3/4" Drinking Water Meter	3/4" iPearl	0	69	0	0	
	Radio Transceiver	520M Dual Port	0	69	0	0	
Other	Larger Meter with Radio	520M Dual Port	0	2	0	0	
Totals	1" Fire Service iPearl		0	44	0	0	44
	3/4" iPearl		0	69	0	0	69
	520M Dual Port Radio		0	860	0	0	860
	Other		0	2	0	0	2
	Total Installations		0	862	0	0	862
	Installation Target		450	450	450	450	1800
Notes:	The values assigned herein are the actual quantities installed.						

**Project Projections:** The task of installing 12,600 endpoints will take approximately seven (7) years if the District staff installs 1,800 endpoints per year, 150 per month.

The schedule developed by District staff is provided as a recommendation for budget purposes and aligns with current staff levels. As budget, staffing levels, or direction by the Board of Directors change, the projections will be adjusted accordingly.

After gaining experience installing and programming endpoints, District staff is on schedule to meet the stated targets. The rate of installation is appropriate relative to the current workload.

**Financial Consideration**

The attached quote from our local authorized Sensus dealer will provide the required meter appurtenance supply to perform the third quarter installations. The total cost of the installations including labor and additional materials will be summarized at the end of the year for a cost analysis.

AMI Capable Meter	Radio Transceiver	Quarterly Cost	Annual Cost	Endpoint Cost
\$118.20	\$148.75	\$91,229	\$364,916	\$2,554,418

Funding for this project will be from the Water Fund, Infrastructure Reserves [GL Account #02-10311]. This project is included in the 2018-19 budget as a Capital Improvement Project. There is sufficient funding available in the reserve fund listed above.







**Date:** July 31, 2018

**Prepared By:** Thaxton Van Belle, Interim Operations Manager  
Kevin Lee, Interim Operations Manager

**Subject:** Status Report on the Replacement of Automatic Transfer Switches with Integrated Power Metering at the Wochholz Regional Water Recycling Facility

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The District uses an Automated Transfer Switch (ATS) to: (1) detect the loss of power from the main electrical power supply (from Southern California Edison); (2) send a signal to start our on-site generator; and (3) transfers the power supply from the on-site generator to maintain electrical service to our treatment processes.

The Wochholz Regional Water Recycling Facility has a total of eight Automatic Transfer Switches throughout the treatment plant.

The ATS located at the Primary Clarifier was one of two remaining from the original treatment plant construction until it recently failed. All of the recently installed ATS by means of construction projects are manufactured by GE/Zenith.



Overview of Wastewater Plant with Primary Clarifier Building Location



Original Russel ATS at Primaries



Comparison of Old vs New ATS

Emergency Power Controls Inc. (EPC) is the GE authorized service center in our service area and they perform our annual NFPA 110 testing, as well as serve as an emergency response contact.

EPC responded to our emergency call out for the old Russel Electric ATS at the Primary Clarifier and determined a hardware component failed. The cost of the individual failed component exceeds the price of an entirely new, modern unit.

For some time, District staff has been considering ideas on how to better track energy usage data throughout the Plant. While the EPC engineer was on site to properly size and spec a new ATS, staff inquired into the possibility of incorporating power monitoring at the ATS. EPC proposed a solution using a GE *EPM 2200 Power Meter*. District Staff intended to replace the ATS for a cost of \$4,400 as quoted and later consider the power meter(s) as a project. However, EPC learned of substantial savings if the new ATS was ordered with the power metering interface built in from the factory, rather than adding it on later. At that time District Staff moved forward with the ATS/EPM combined proposal at a cost of \$6,875, saving \$2,400 if the work were to be done as two separate projects.



Exterior Mounted ATS Digital Controls



GE EPM 2200 Power Meter

District staff recommends replacing the final remaining Russel ATS with a new GE/Zenith ATS including the EPM 2200 power monitoring feature as both preventative measure and an improvement over the existing equipment.

District staff is also pursuing quotes to add EPM 2200 Power Meters to all remaining ATS cabinets and a breaker level power monitoring system in order to be able to track power usage on a per process basis throughout the Plant.



GE Energy  
Digital Energy

# Zenith ZTG Series

Low-Voltage Automatic Transfer Switches



GE's Zenith ZTG Series switches are built for standard applications requiring the dependability and ease of operation found in a power contactor switch.

- Ratings 40 to 3000 amps (2, 3 or 4 poles)
- UL 1008 listed at 480 VAC
- CSA certified at 600 VAC (200-260 amps - 480V)
- NFPA 70, 99, 101 and 110
- IEEE 446 and 241
- NEC 517, 700, 701 and 702
- NEMA ICS2-447
- UL 508 and 50
- ANSI C33.76
- ICS 6
- NEMA 250
- Equipment (Controls and Power Section) **Seismic Test Qualified to:**
  - ✓ IBC-2006
  - ✓ IEEE-693-2005
- Double throw, mechanically interlocked contactor mechanism
- Electrically operated, mechanically held
- Designed for emergency and standby applications
- Available in standard (ZTG) or delayed transition (ZTGD) models

ZTG switches are equipped with GE's Zenith MX150 microprocessor panel, which controls the operation and displays the status of the transfer switch's position, timers and available sources. As an embedded digital controller, the MX150 offers high reliability and ease of unattended operation across a range of applications. The MX150 features include:

- Timer and voltage/frequency settings adjustable without disconnection from the power section
- Built-in diagnostics with an LCD display for immediate troubleshooting
- LED/LCD indicators for ease of viewing and long life
- Nonvolatile memory—clock battery backup not required for standard switch operation
- Processor and digital circuitry isolated from line voltage
- Inputs optoisolated for high electrical immunity to transients and noise
- Communications network interface



**Fully Approved**

- UL and CSA listed
- NFPA 70, 99 101 and 110
- IEEE 446 and 241
- NEC 517, 700, 701 and 702
- NEMA ICS2-447
- UL 508 and 50
- ANSI C33.76
- ICS 6
- NEMA 250
- IBC-2006
- IEEE-693-2005
- Ringing wave immunity per IEEE 472 (ANSI C37.90A)

- Conducted and Radiated Emissions per EN55022 Class B (CISPR 22) (Exceeds EN55011 & MILSTD 461 Class 3)
- ESD immunity test per EN61000-4-2 Class B (Level 4)
- Radiated RF, electromagnetic field immunity test per EN61000-4-3 (ENV50140) 10w/m
- Electrical fast transient/burst immunity test per EN61000-4-4
- Surge immunity test per EN61000-4-5 IEEE C62.41 (1.2 X 50µs, 0.5 & 4 kV)
- Conducted immunity test per EN61000-4-6 (ENV50141)
- Voltage dips and interruption immunity EN61000-4-11

**Design and Construction Features**

- Close differential 3 phase under-voltage sensing of Source 1 (normal)—factory standard setting 90% pickup, 80% dropout (adjustable); under-frequency sensing of Source 1 factory setting 95% pickup (adjustable)
- Voltage and frequency sensing of the Source 2 (emergency)—factory standard setting 90% pickup voltage, 95% pickup frequency (adjustable)
- Test switch (fast test/load/no load) to simulate Source 1 (normal) failure—automatically bypassed should the Source 2 (emergency) fail
- NEMA Type 1 enclosure is standard—also available in open style or NEMA Types 3R, 4, 4X or 12

GE  
Grid Solutions

# Multilin EPM 2200

## Economical Power and Energy Measurement

The Multilin™ EPM 2200 meter is an economical, multifunction power meter providing accurate energy measurements to baseline, support and implement an effective energy management strategy. Its flexible communications options provides easy integration into both electrical monitoring and Building Management systems (BMS). The EPM 2200 provides energy visibility, allowing owners and operators to quickly, accurately and centrally verify system uptime, measure power and energy usage to reduce operating expenses as well as support reporting to qualify for environmental standards (LEED) or various incentive programs.

The EPM 2200 empowers users with greater energy and operational awareness providing opportunities to lower energy costs, improve tenant attraction and retention and ensure standards compliance throughout facilities. Furthermore, the EPM 2200's compact size provides easy panel or enclosure mounting for energy monitoring for generator, substation automation, and industrial applications.

### Key Benefits

- Easy integration to both electrical monitoring systems or Building Management (BMS) through optional Modbus Serial or optional simultaneous BACnet MS/TP and Modbus Ethernet communications
- 0.5% Class revenue accuracy to support detailed reporting requirements
- Reliable, compact, industrial rated design with easy ANSI/DIN installation
- Ultra compact, easy to install, program and use
- Highly visible, long life, large 3 line 0.56" bright LED display to easily read measured values
- Application flexibility with user programmability for different system voltages and current measurement requirements
- Available pre-wired meter enclosure option enabling easy new installations or extension of existing metering capabilities without operational downtime or expensive engineering efforts

### Applications

- Low and medium voltage applications including circuit/operational monitoring for main feeders, branch circuits, and gensets
- Building Management Systems (BMS)/HVAC Monitoring
- Energy metering for LEED Projects and Green/Smart Buildings
- Industrial/Commercial Energy Management and Data Center Power Usage Effectiveness (PUE)
- Tenant sub-metering and cost allocation
- Load management and load curtailment



## Comprehensive Energy Awareness

- 0.5% Class revenue accuracy to support detailed reporting requirements
- Measures 3-phase, real-time amps and volts
- Provide accountable, detailed, metrics-based end user awareness to drive ownership of energy savings
- Flexible and economical ordering options for Power, Energy, Frequency and Power Factor measurements

## Easy Integration

- Optional Serial RS485 Modbus communications (up to 57.6k Baud and Pulse output) or Simultaneous BACnet MS/TP & Modbus Ethernet communications
- Easy remote data retrieval through Modbus/BACnet as well as front panel 3-Line, 0.56" bright red LED display for local reading

## Flexible and Economical Installation

- Easy to use, software based configuration using GE Communicator meter setup software
- Reliable, compact, industrial rated design with easy ANSI/DIN installation
- Available option for factory pre-wired, tested installation ready meter in compact NEMA1 tested and UL/cUL certified enclosure



# Capital Improvement Projects



Yucaipa Valley Water District



**Date:** July 31, 2018

**Prepared By:** Kevin Lee, Interim Wastewater Manager  
Thaxton VanBelle, Interim Wastewater Manager

**Subject:** Status Report on the Installation of New Mesh Strainers at the Wochholz Regional Water Recycling Facility

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Existing strainer upstream of microfiltration membranes

On September 19, 2017, the Board of Directors approved the installation of a bank of ultrafiltration (UF) membranes and a new mesh strainer to test their efficiency and effectiveness compared to the existing microfiltration (MF) membranes at the Wochholz Regional Water Recycling Facility [DM 17-088].

The new mesh strainer was recently installed by Pascal & Ludwig Constructors. The new strainer will protect the ultrafiltration (UF) membranes on Rack 6 which will be changed out to Scinor Ultrafiltration Membranes to gain additional treatment and log removals and test as a potential replacement for the remaining microfiltration (MF) membranes.

The new strainer has a coarse screen and a 200-micron mesh screen with a moving scrubber system which should outperform the original installation of a 320-micron slit wedge wire system.

District staff is anticipating installing the new Scinor ultrafiltration (UF) membranes on Rack 6 on July 31, 2018.



New strainer upstream of future ultrafiltration membranes



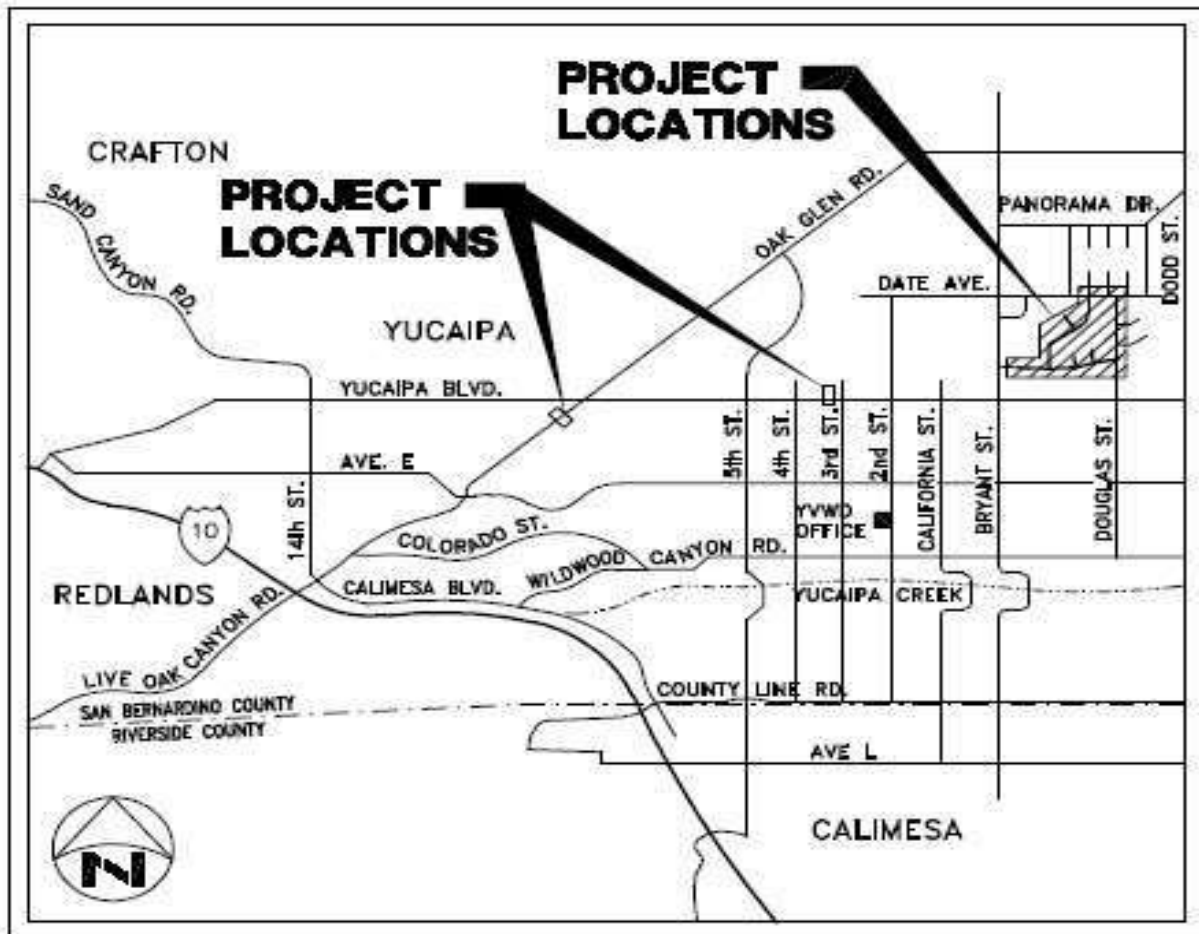
**Date:** July 31, 2018

**Prepared By:** Dustin Hochreiter, Senior Engineering Technician

**Subject:** Review of Proposed Construction Contract for the Replacement of Drinking Water Pipelines on Douglas Street, Cornell Drive, Auburn Avenue, Citibank / Yucaipa Boulevard and Oak Glen Road

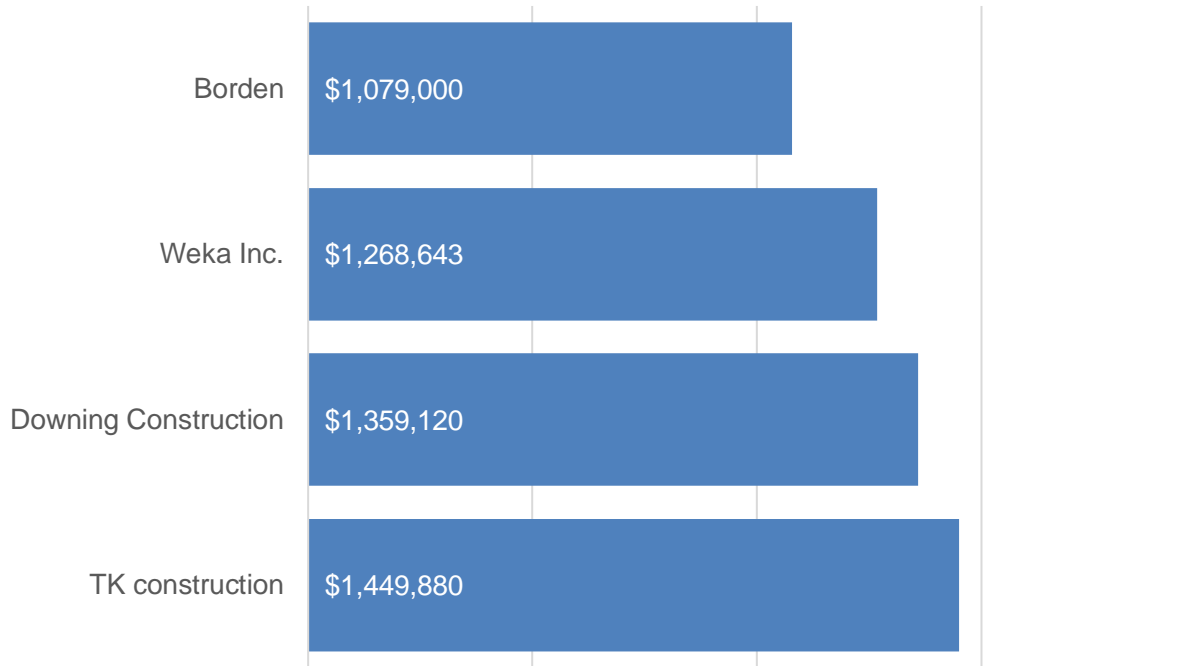
On, June 5, 2018 the Board of Directors authorized District staff to solicit bids for the construction of Drinking Water Pipelines on Douglas Street, Cornell Drive, Auburn Avenue, Citibank / Yucaipa Blvd and Oak Glen Road. The project includes the construction of 411 linear feet of 6- inch ductile iron pipe in the Citibank / Yucaipa Blvd area and 3,409 linear feet of 8-inch ductile iron pipe on Auburn Avenue, Cornell Drive, Douglas Street and Oak Glen Road.

On July 25, 2018 the District received 4 bids for the pipeline replacement project.





### Proposed Site Improvements - Bid Results



**Financial Considerations:**

The construction of the proposed pipelines were included in the 2019 approved Capital Improvement Projects Budget.

# Administrative Items



Yucaipa Valley Water District



**Date:** July 31, 2018

**Prepared By:** Allison M. Edmisten, Chief Financial Officer

**Subject:** Consideration of Consolidating 457(b) Deferred Compensation Plans with Voya Financial

The District currently offers employees two options for their 457(b) Deferred Compensation plans, one plan through CalPERS and one plan through Voya. Voya also provides the underlying administration for the CalPERS plan. By consolidating our two plans into one plan through Voya, we will provide an overall reduction in fees paid by employees, significant improvements to the plan, and additional options available to employees.

	Current CalPERS 457(b) Plan	Current VOYA 457(b) Plan	Proposed Consolidated VOYA 457(b) Plan
Recordkeeping Fee	None	1.25%	0.40%
Investment Fee	0.40%-0.55%	0.86%	0.20%

Other options included in the proposed consolidation are as follows:

- Voya Fixed Account with current interest rate of 2.00% for all employees, with a guaranteed minimum of 1.00%
  - Current plan with CalPERS does not offer guaranteed investment option for those who want stability of principal.
- Access to open architecture investment menu
  - Allows District to engage in selection and ongoing review of investment menu with no restriction on mutual fund choices
  - Allows full transparency in fees and investment information for plan participants – able to track online (not currently available with CalPERS or Voya existing plans)
  - New proposed investment menu from well know, cost effective, high quality investment managers (e.g. Vanguard, American Funds).
  - New proposed investment menu fills asset classes missing from current choices with CalPERS (e.g. Large Cap Value, Large Cap Growth, Mid Cap Value, Mid Cap Blend, Mid Cap Growth, Small Value, Small Growth, Global and International).
- Administrative function outsourcing to relieve staff burden and improve participant experience. The following functions will be reviewed and approved by Voya:
  - Domestic Relations Orders
  - Unforeseen Emergency Withdrawals
  - Participant Account Loans
- New feature allowing participants to change contribution rates either online, via smartphone app, via call center, or traditional paper-based changes
- Loan Option for both General Purpose and Residential loans for all employees.



- Addition of optional third-party advice and managed account program through Morningstar Associates, LLC
- Optional Self-Directed Brokerage Account through TD Ameritrade

Currently, there are approximately 8 employees and 10 retirees who have funds in an account earning 4% interest. This account is paying higher interest rates than the market, which is resulting in higher fees to all Voya participants. This “4% fund” was frozen in 2016 from any new employees joining and in 2017, no new funds were allowed to be deposited. We currently have approximately 66 employees who are unable to take advantage of the interest rate paid by this fund. There is no guarantee this “4% fund” will continue for any period into the future.

By consolidating both 457(b) plans to Voya, employees will still have the option to have a diversified portfolio, instead it will be all under the same provider.

At this time, staff recommends allowing employees to vote on the option of consolidating the plans or keeping two separate plans as we currently have now.

#### Financial Consideration

There is no financial impact to the District. All fees are paid by employees who utilize the 457(b) Deferred Compensation Plan option.



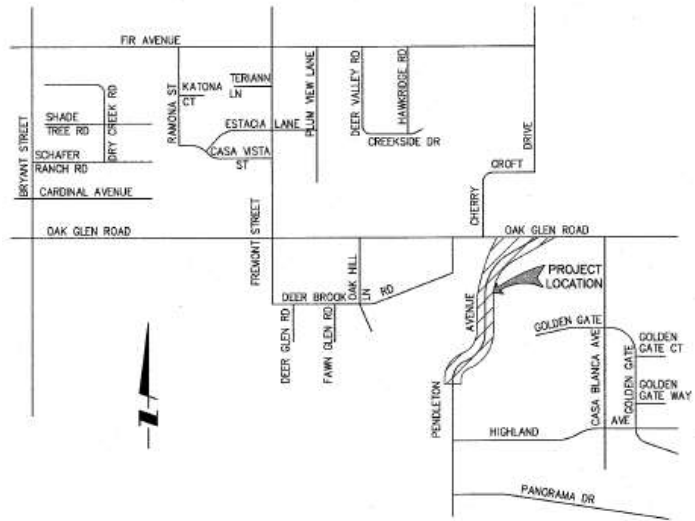
**Date:** July 31, 2018

**Prepared By:** Matthew Porras, Implementation Manager

**Subject:** Overview of Property Purchase Offer from the City of Yucaipa for Land Located at 11335 Pendleton Road, Yucaipa

The City of Yucaipa is planning a project that will adjust the alignment and elevation of the roadway on Pendleton Road, south of Oak Glen Road and north of Highland Avenue. The project will also improve the surrounding area and will assist in flood control.

The District owns property that will be impacted by this project. The City of Yucaipa has prepared an offer to purchase the property of approximately 10,000 square feet for a price of \$25,000 as described in the attachment. The District has an interest in maintaining a monitoring well and limited access.



**VICINITY MAP**



The attached updated agreement outlines the scope of the exchange between The City of Yucaipa and the District. The City of Yucaipa has executed the agreement.

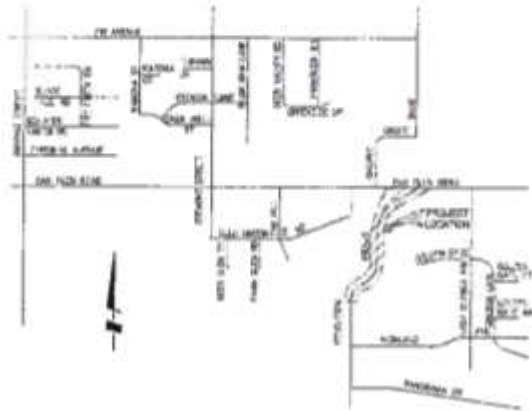
District Staff recommends the Board of Directors authorize the Board President to execute the attached agreement and property offer.

Financial Consideration The payment of \$25,000 from the City of Yucaipa for the sale of the property will be included in the District's revenue for the year.

**11355 PENDELTON AVENUE  
 AGREEMENT BY AND BETWEEN  
 THE CITY OF YUCAIPA AND THE YUCAIPA VALLEY WATER DISTRICT  
 July 9, 2018**

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

A. Purpose of Agreement. The City is planning a Project that includes street improvements to Pendleton Avenue and flood control improvements in the nearby area. The City has offered to purchase property owned by the District which contains a ground water monitoring well. The District is interested in maintaining the ability to monitor groundwater levels in this area. The project requires the relocation of the existing well to a new position within APN 0321-411-09, a parcel due north owned by the City.



VICINITY MAP

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

1. The District will execute the property offer as presented by the City attached herein.
2. The District will fully abandon the existing monitoring well as before the start of Project construction to ensure the groundwater is not contaminated.
3. The City will grant the attached easement in favor of the District for the installation, operation, and maintenance of a new monitoring well before the start of Project construction within the APN 0321-411-09.
4. The District will install the new monitoring well within APN 0321-411-09.

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

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

**City of Yucaipa**

*Raymond A. Casey*  
 \_\_\_\_\_  
 Raymond A. Casey, City Manager  
 7/10/18  
 \_\_\_\_\_  
 Date

**Yucaipa Valley Water District**

\_\_\_\_\_  
 Jay Bogh, Board of Directors, President  
 \_\_\_\_\_  
 Date



Recording Requested by:  
YUCAIPA VALLEY WATER DISTRICT

WHEN RECORDED MAIL TO:

YUCAIPA VALLEY WATER DISTRICT  
12770 2<sup>ND</sup> STREET  
YUCAIPA, CA 92399

Exempt from recording fee pursuant to  
Government Code Section 6603

APN: 0321-411-09

CITY OF YUCAIPA  
34272 YUCAIPA BOULEVARD  
YUCAIPA, CA 92399

**YUCAIPA VALLEY WATER DISTRICT**

**GRANT OF EASEMENT**

CITY OF YUCAIPA, a municipal corporation, owner of record of the herein described parcel of land, hereinafter called GRANTOR, hereby grants and conveys to THE YUCAIPA VALLEY WATER DISTRICT, its heirs, successors, and assigns, hereinafter called GRANTEE, an easement and right-of-way to construct, reconstruct, alter, replace, use, operate, inspect and repair a monitoring well (including well appurtenances, support structures, and monitoring equipment) within that certain real property in the County of San Bernardino, State of California, described as follows:

SEE ATTACHED EXHIBITS "A" & "B" AND MADE A PART HEREOF

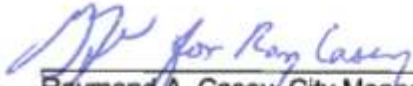
Together with the right of ingress and egress, across, along, over, under, through and within APN 0321-411-09 to access the above referenced monitoring well.

GRANTEE covenants to maintain the area around the monitoring well in good repair so that no unreasonable damage will result to the adjacent land of the GRANTOR, his heirs, successors, and assigns, from its use. GRANTEE reserves the right to clear all brush, plants, shrubs, trees, trash and other obstructions from the area around the monitoring well. GRANTOR, his heirs, successors, and assigns, covenants that he will not erect, place, or allow to be erected, placed, or maintained, within 50' of the monitoring well, any structure, without first securing permission of the GRANTEE. GRANTOR, agrees that GRANTEE, it heirs, successors and assigns, and its agents, or employees may trim or remove any plants, shrubs, or trees that encroach on the area around the monitoring well.

Any use hereinabove permitted to be made of the surface of said land by GRANTOR, its heirs, successors, and assigns, shall be exercised so as to not impair, endanger, or interfere with the present or prospective exercise of any of the rights herein granted.

The terms and covenants of this easement and right-of-way shall bind and inure to the benefit of the heirs, successors, executors, administrators and assigns of GRANTOR and the heirs, successors, and assigns of GRANTEE.

IN WITNESS WHEREOF, this instrument is executed on this, the 17<sup>th</sup> of July 2018.

  
\_\_\_\_\_  
Raymond A. Casey, City Manager  
City of Yucaipa

### All-Capacity Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA    }  
CO. OF SAN BERNARDINO} ss.

On July 9, 2018 before me, **JENNIFER SHANKLAND, CITY CLERK**, personally appeared **GREG FRANKLIN, ASSISTANT CITY MANAGER**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instruments.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
JENNIFER SHANKLAND  
CITY CLERK





EXHIBIT A  
LEGAL DESCRIPTION

Real property in the City of Yucaipa, County of San Bernardino, State of California, described as follows:

LOT 4 BLOCK D OF YUCAIPA WATER & LUMBER COMPANY SUBDIVISION, IN THE CITY OF YUCAIPA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE(S) 27, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 4, SAID POINT BEARS A ¾" IRON PIPE TAGGED "L.S." 2345;

THENCE NORTH 00° 17' 00" WEST ALONG THE LINE OF SAID LOT 4, 137.85 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 0° 17' 00" WEST 100.00 FEET;

THENCE AT RIGHT ANGLES SOUTH 89° 43' 00" WEST 100.00 FEET;

THENCE AT RIGHT ANGLES SOUTH 00° 17' 00" EAST 65.00 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "A";

THENCE CONTINUING SOUTH 00° 17' 00" EAST 35.00 FEET;

THENCE AT RIGHT ANGLES NORTH 99° 43' 00" EAST 100.00 FEET TO THE POINT OF BEGINNING.

APN: 0321-411-09-0-000

EXHIBIT B  
PLAT





December 20, 2016

Yucaipa Valley Water District  
Joseph Zoba, General Manager  
12770 2<sup>nd</sup> Street  
Yucaipa, California 92399

Reference: Offer to purchase in fee your real property identified as 11355 Pendleton Avenue, Yucaipa, California and San Bernardino County Assessor's Parcel Number 0321-411-10

Dear Joe:

The City of Yucaipa ("City") seeks to acquire your property located at 11355 Pendleton Avenue in the City of Yucaipa and also identified as San Bernardino County Assessor's Parcel Number 0321-411-10 (referred to below as the "Property") to construct the proposed Oak Glen Creek Open Space Acquisition Project ("Project").

The proposed project in and along Pendleton Avenue is part of the City Yucaipa's Low Water Crossing Replacement Project. Construction in the manner proposed necessitates the acquisition of private property for the realignment of Pendleton Avenue consistent with existing and proposed flood control basin improvements in the vicinity.

I apologize for the formality of this letter, but the law requires that it contain certain information. I am happy to meet with you to discuss the City's offer and to answer any questions you may have regarding this offer.

1. **OFFER TO PURCHASE.** Subject to, and upon the terms and conditions set forth below, the City hereby offers to purchase the Property for a public use:

- An approximate 10,000 square foot parcel described more particularly on Exhibit "A" to this letter and depicted on Exhibit "B" to this letter.

Exhibits "A" and "B" are incorporated herein by this reference.

It is the policy of the City to acquire property that is in private ownership only when it is necessary to do so, and through voluntary purchase, if possible. In accordance with the applicable law, the City has obtained, and has reviewed and approved, an appraisal of the fair market cash value of the Property.

2. **PURCHASE PRICE.** The City offers to purchase the Property for \$25,000.00. This amount represents at least the full amount that the City believes to be just compensation for the acquisition of the Property as of September 12, 2016. It is not less than the approved



appraisal of the Property on the date of value of September 12, 2016 and does not include any increase or decrease in value of the Property caused by the Project for which the City seeks to acquire the Property.

This amount does not reflect any relocation assistance, benefits or payments, if any, that you may be entitled to receive. However, there are no structures located on the Property, and accordingly, the proposed acquisition of the Property will not result in the displacement of any person, personal property or business. Since no businesses were found operating on the Property, the acquisition of the Property will not result in loss of business goodwill. Enclosed with this letter as Exhibit "C" is a brochure summarizing the Eminent Domain process and the legal requirements for establishing loss of business goodwill as set forth in Code of Civil Procedure section 1263.510.

Pursuant to Code of Civil Procedure section 1263.615, a public entity is required to advise a property owner if it plans to commence use of the property it seeks to purchase within two years, and if not, to offer the property owner an opportunity to lease back the property at market value. The City does not offer a leaseback agreement for the Property pursuant to Code of Civil Procedure section 1263.615 because the City's public use of the Property is scheduled to begin as soon as the City acquires the necessary property interests needed for the Project, or within two years, whichever is sooner.

**3. BASIS FOR OFFER.** The appraisal of the Property took into consideration the highest and best use of the Property, the location, the condition and size of any improvements existing on the land, zoning, the September 12, 2016 date of value, and other factors that affect fair market value. Fair market value is defined as "the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available." (Code of Civil Procedure § 1263.320).

#### *Description of the Property*

The subject parcel is an interior lot located approximately 280 feet east of Pendleton Avenue and approximately 400 feet south of Oak Glen Road, in the vicinity of Oak Glen Creek, east of Casa Blanca Avenue and northwest of Golden Gate Drive. The Property has no frontage on Pendleton Avenue; it does have legal access for ingress and egress from Lot 4, Block D owned by the City of Yucaipa. The subject has a street address of 11355 Pendleton Avenue, Yucaipa, California. Pendleton Avenue is a secondary arterial of the City.

The Property is within zoning district Institutional (IN).

#### *Highest and Best Use*

The appraiser opined that based on the physically possible, legally permissible, and financially feasible uses of the Property and based upon the general plan designation and zoning, the highest and best use of the Property is to hold for speculation: potential residential development.

### *Summary of Valuation Analysis*

Since the Property was valued as vacant land, only the Sales Comparison Approach is considered relevant with respect to estimating the Fee Simple value of the Property. The Cost Approach and Income Approach are not considered applicable in the valuation of vacant land. The sales transactions that were considered in the Sales Comparison Approach reflected properties with many qualities similar to the Property. Given the nature of the Property, and current market practice, exclusive consideration is given to the Sales Comparison Approach.

Under the Sales Comparison Approach, the appraiser relied on land sales transactions of properties with similar highest and best uses, zoning, utility and other factors of comparability. Specifically, the appraiser relied on five comparable land sales between April 2014 and March 2016. Two of the comparable sales are located in Banning; three are in Mentone. The comparable sales ranged in size from 10,850 s.f. to 12,632 s.f. They sold between \$2.23 per square foot to \$3.04 per square foot.

### *Fair Market Land Value of Property*

After making the relevant applicable adjustments, including adjustments for size, location, and market conditions, the appraiser opined that the fair market land value of the Property was \$2.50 per square foot. Thus, the fair market value of the Property is \$25,000, calculated as follows:

$$10,000 \text{ S.F.} \times \$2.50 \text{ per square foot} = \$25,000$$

The appraiser's valuation analysis and the market data relied on by the appraiser are attached hereto collectively as Exhibit "D" to this letter.

4. **CONDITIONS OF OFFER.** This offer is subject to and conditioned upon the following:

(a) the City's approval, in its sole and absolute discretion, of the results of such soils geological, toxic waste, hazardous substance, and/or any other kind of tests and analyses, as the City, or its representative, may perform prior to the opening of escrow, or, in the City's sole and absolute discretion, after the opening of escrow;

(b) the willingness to issue, and subsequent issuance as of the close of escrow, by a title insurance company of the City's choice, of a CLTA title insurance policy for the amount of the purchase price showing fee title to the Property vested in the City, subject only to such conditions, covenants, restrictions, and utility easements of record as are approved by the City in its sole and absolute discretion; and

(c) the timely acceptance of this offer in accordance with paragraph 6, below.

5. **RIGHT OF ENTRY.** By accepting this offer, you hereby grant to the City and its representatives, a right of entry at reasonable times for the purpose of conducting investigations and tests. Such investigation shall be at the City's expense.



6. **ACCEPTANCE AND POSSESSION.** If the above offer is acceptable, within thirty (30) days of the date of this offer, please date and sign the enclosed copy of this letter in the space provided and return it to me in the self-addressed reply envelope. Following receipt of your acceptance, the City will prepare a purchase and sale agreement and related documents and forward them for your review and execution.

7. **OFFER TO PAY REASONABLE COSTS OF AN INDEPENDENT APPRAISAL PURSUANT TO CODE OF CIVIL PROCEDURE SECTION 1263.025.** Pursuant to Code of Civil Procedure section 1263.025, the City hereby offers to pay your reasonable costs, up to \$5,000.00, for an independent appraisal of the Property. By law, an appraiser licensed by the Office of Real Estate Appraisers must prepare the independent appraisal. Although you are not required to obtain an appraisal at this time or at all, if you believe such an appraisal will assist you in evaluating this offer, it is in your interest to obtain the independent appraisal as expeditiously as possible. Please let us know by January 31, 2017 whether you wish to have the City issue this money to you for this purpose. If you choose to have the City issue a check to your attention towards the reasonable costs of an independent appraisal of the Property please forward to the City an invoice from your appraiser identifying the property that is the subject of the appraisal and the fee charged for the appraisal. Alternatively, you can submit a declaration providing the relevant information under penalty of perjury in the form attached as Exhibit E hereto.

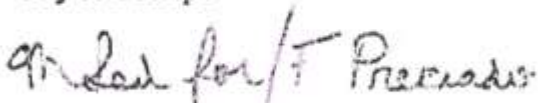
8. **ADMISSIBILITY OF OFFER.** If for any reason you should reject this offer, please be advised that this letter and the offer made herein are tendered under the provisions of Evidence Code section 1152, and shall not be admissible to prove the City's liability and may not be used as an admission of value in litigation or other proceeding involving the Property.

9. **EXPIRATION OF OFFER.** This offer will expire at 5:00 p.m. on January 31, 2017 unless your written acceptance is received at this office prior to that date and time.

If you have any questions or would like to discuss this offer, please do not hesitate to contact Mike Seal at (909) 797-2489. In the meantime, I will call you to schedule a meeting to discuss the City's offer and the Project.

Sincerely,

City of Yucaipa



Fermin Preciado, P.E.  
City Engineer

Enclosures



We hereby accept the above offer of the City of Yucaipa to purchase the Property identified as 11355 Pendleton Avenue, Yucaipa and San Bernardino County Assessor's Parcel Number 0321-411-10.

YUCAIPA VALLEY WATER DISTRICT

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

File No: 616674348

**EXHIBIT "A"**

All that certain real property situated in the County of San Bernardino, State of California, described as follows:

**PARCEL 1:**

**That portion of Lot 4, Block D, Yucaipa Water & Lumber Company Subdivision NO. 1, in the City of Yucaipa, County of San Bernardino, State of California, as shown by Map on file in Book 17, Page 27 of Maps, in the Office of the County Recorder of said County, described as follows:**

**Commencing at the southeast corner of said Lot 4, said point being a ¾" iron pipe tagged "L.S. 2345;  
Thence North 00° 17' 00" West along the east line of said Lot 4, 137.85 feet to the True Point of Beginning;  
Thence continuing North 0° 17' 00" West, 100.00 feet;  
Thence at right angles, South 89° 43' 00" West, 100.00 feet;  
Thence at right angles South 00° 17' 00" East, 65.00 feet to a point hereinafter referred to as Point "A";  
Thence continuing South 00° 17' 00" East, 35.00 feet;  
Thence at right angles, North 89° 43' 00" East, 100.00 feet to the Point of Beginning.**

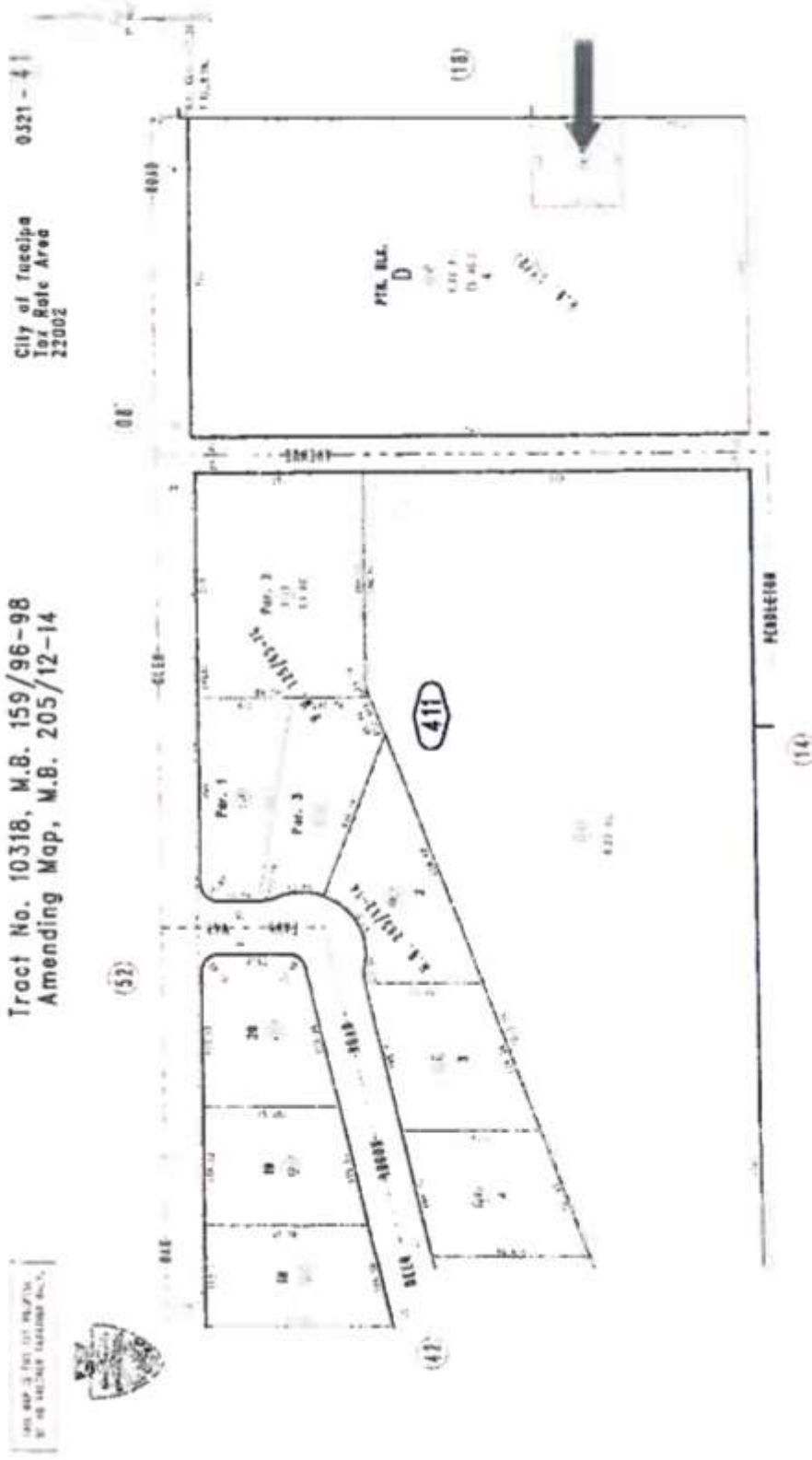
Assessor's Parcel No: 0321-411-10

**PARCEL 2:**

**An easement for water lines, utility purposes, and ingress and egress over, under and across that portion of Lot 4, Block D, Yucaipa Water & Lumber Company Subdivision NO. 1, in the City of Yucaipa, County of San Bernardino, State of California, as shown by Map on file in Book 17, Page 27 of Maps, in the Office of the County Recorder of said County, said easement being 20 feet in width, the centerline of said easement being described as follows:**

**Beginning at the aforesaid Point "A";  
Thence South 89° 43' 00" West, 259.75 feet to a point on the easterly right of way line of Pendleton Avenue, as shown by Map of Yucaipa Water & Lumber Company Subdivision NO. 1**

# EXHIBIT 'B'



City of Yucaipa  
Tax Rate Area  
22002

Tract No. 10318, M.B. 159/96-98  
Amending Map, M.B. 205/12-14

Assessor's Map  
Book 0321 Page 41  
San Bernardino County

Pln. N.E. 1/4, Sec. 31  
T.15., R.1W., S.8.B.&M..

Parcel No. 10318, P. 10318-10  
City of Yucaipa, California, San Bernardino County

January 2000



## Exhibit "C"

### EMINENT DOMAIN INFORMATIONAL PAMPHLET

#### INTRODUCTION

California Government Code Section 7267.2 requires a public entity to provide property owners with an information pamphlet detailing the eminent domain process and their rights under the Eminent Domain Law at the time it offers to purchase the owners' real property or portions of their property. This informational pamphlet provides a general overview of the eminent domain process and answers questions commonly asked by property owners regarding their rights. This is an informational pamphlet only and is not intended to give a complete statement of all state or federal laws and regulations regarding eminent domain or to provide property owners with any form of legal advice.

#### OVERVIEW OF EMINENT DOMAIN PROCESS

##### What is eminent domain?

Eminent domain is the acquisition of private property by a public entity for a public use. Public entities, such as the state and the federal government, counties, cities, and school districts, may exercise the power of eminent domain to acquire real property for a public use if they meet all legal requirements, including the payment of just compensation to the owners or into the court for the benefit of the owners. (CALIFORNIA CONSTITUTION, art. I, sec. 19). Public uses include, but are not limited to roads, parks, public facilities, public utilities, police stations, fire stations, libraries, and schools.

A public entity may acquire any interest in real property such as a fee interest, permanent easement, slope easement, or temporary construction easement. A public entity may acquire only the property interests that are needed for the public use. If a public entity acquires a portion of a parcel and this results in damage to the remainder parcel, the owner is entitled to be compensated for the loss of value, if any, to the remainder parcel. If the appraiser determines that the remainder parcel is an uneconomic remnant because it will be left in a size, shape or condition to be of little or no value to the owner, the public entity will offer to purchase the entire parcel.

The law requires that public entities make every reasonable effort to acquire real property expeditiously by negotiated purchase. As discussed more fully below, there are several steps that a public entity must take prior to acquiring real property by eminent domain. These legal prerequisites are meant to protect property owners and ensure that they have an opportunity to participate in the acquisition process. These preacquisition steps include the appraisal process, offers and negotiations.

##### Appraisal Process

The public entity is required to obtain a fair market value appraisal of the real property before it can acquire it by eminent domain.

***Notice Informing Owners of Public Entity's Decision to Appraise Their Real Property***

When a public entity identifies real property or portions of that property that it may need for a proposed project, it sends to the property owners a notice informing the owners that it intends to appraise their property. This notice informs the owners that the public entity has decided to appraise their real property and notifies them that an appraiser will contact them. An appraiser licensed by the Office of Real Estate Appraisers will contact the owners and request permission to inspect their property. The appraiser will also invite the owners to accompany the appraiser on the inspection and to provide to the appraiser any information that the owners consider relevant to the value of the real property. Permitting the inspection and accompanying the appraiser on the site inspection will allow the appraiser to fully assess the value of the real property. If the owners do not allow the appraiser to inspect the real property, the appraiser will inspect the subject property from the public right of way.

***Appraisal of Fair Market Value of Real Property***

After the appraiser inspects the real property, the appraiser prepares an appraisal of the fair market value of the property.

***What is fair market value?***

The Eminent Domain Law defines fair market value as the highest price on the date of value that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for selling the property, and a buyer, ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available. (Code of Civil Procedure Section 1263.320). The appraisal will take into consideration the highest and best use of the real property. The appraisal can take several weeks to several months to be completed, depending on the appraiser's workload.

After the appraisal is completed, staff will review the appraisal to see if it complies with the requirements of the Eminent Domain Law. Staff will then recommend that the governing body of the public entity approve the appraisal and set just compensation. Just compensation must be at least the fair market value of the real property as set forth in the appraisal.

**Offer**

***When will the property owners receive an offer to purchase the property?***

The public entity will provide the owner with a written offer to purchase the real property or real property interests after it sets just compensation. The public entity generally sends the written offer within thirty (30) days from the date the public entity sets just compensation. The public entity cannot offer to purchase the real property for less than the fair market value of the property as determined by the appraisal. (Government Code Section 7267.2).



***What must the public entity include in the written offer to purchase the property?***

Government Code Section 7267.2 requires that the offer include a written statement of, and summary of the basis for, the amount the public entity established as just compensation. The offer must also include the following:

- \* The date of value, highest and best use, and applicable zoning of the real property;
- \* The principal transactions, reproduction or replacement cost analysis, or capitalization analysis, supporting the determination of value; and
- \* Where appropriate, the just compensation for the real property acquired and for damages to the remainder shall be separately stated and shall include the calculations and narrative explanation supporting the compensation, including any offsetting benefits.

If the real property is owner-occupied residential property and contains no more than four residential units, the owners are entitled to review a copy of the appraisal.

***Negotiations***

The public entity will negotiate with the property owners for the sale of the real property after it sends the offer letter

***Can the property owners obtain their own appraisal of their real property?***

As of January 1, 2007, the public entity is required to offer to pay the owners' reasonable costs, up to \$5,000.00, for an independent appraisal of their real property. The law requires that an appraiser licensed by the Office of Real Estate Appraisers prepare the independent appraisal. The public entity will inform the owners of their rights to be reimbursed for these appraisal costs at the time it sends the offer letter.

***Are the property owners required to accept the public entity's offer to purchase the property?***

No. The property owners are encouraged to contact the public entity to negotiate the sale of the real property. The owners can negotiate the amount they believe to be the fair market value of the real property and the terms and conditions of the offer.

***Are there any advantages to selling the real property to a public entity?***

Yes. The property owner will receive at least the fair market value of the real property and will not be responsible for real estate commissions, title fees, title insurance, escrow fees, closing costs, and other fees and costs. Some acquisitions by public entities in lieu of condemnation may result in tax benefits to the property owners. The owners should discuss any such tax benefits, if any, with their tax advisors.



### *Negotiated Acquisition*

If a negotiated agreement for the sale of the real property is reached, the public entity will prepare a purchase and sale agreement. The conveyance of the real property is handled through an escrow.

### **Resolution of Necessity**

If the public entity and the property owners do not reach an agreement for the sale of the real property, the public entity can hold a hearing to determine whether it will acquire the property by eminent domain.

### *Notice of Hearing on Resolution of Necessity*

If the public entity has determined that it is necessary to consider the acquisition of the real property by eminent domain, it will send a written notice to the property owners informing them of the date, time and location of the public entity's hearing at which it will consider the adoption of a resolution of necessity. (Code of Civil Procedure Section 1245.235). The notice informs the property owners of their right to be heard at this hearing and of their right to present evidence and to preserve their objections to the public entity's right to take the real property.

The Eminent Domain Law requires that a public entity make the following findings pursuant to Code of Civil Procedure Section 1245.230 to adopt a resolution of necessity authorizing the public entity to acquire the real property by eminent domain:

- That the public interest and necessity require the project;
- That the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
- That the subject property is necessary for the project; and
- That either the offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record, or the offer has not been made because the owner cannot be located with reasonable diligence. (Code of Civil Procedure Section 1240.030).

A public entity may adopt a resolution of necessity only after the governing body has given each person whose real property is to be acquired by eminent domain and whose name and address appears on the last equalized assessment roll notice a reasonable opportunity to appear and be heard on the above matters.

The governing body of the public entity will consider all written and oral evidence before it at the hearing, including any objections to the adoption of the resolution of necessity. The public entity can adopt a resolution of necessity authorizing the acquisition of the real property by eminent domain if at least two-thirds of the all of the members of the governing body vote to adopt the resolution. If the governing body consists of five members, the adoption of a resolution of necessity requires at least four out of five affirmative votes.

### **Eminent Domain Proceeding**

The resolution of necessity is the document that authorizes the public entity's attorneys to commence an eminent domain proceeding. Accordingly, if the governing body of the public entity adopts a resolution of necessity, its attorneys will prepare a complaint in eminent domain and related pleadings to acquire the real property by eminent domain. Generally, the complaint in eminent domain will name as defendants any parties that have a recorded interest in the parcel, including the record owners, tenants, easement holders whose interests may be impacted by the acquisition of the property or beneficiaries under deeds of trust.

The public entity will serve the property owners and other named defendants with a copy of the summons, complaint and related documents filed with the court. The defendants served with the summons and complaint have thirty (30) days from the date that they are served with the summons and complaint to file an answer or responsive pleading with the court. (Code of Civil Procedure Section 412.20). Property owners should consider retaining an attorney with experience in eminent domain proceedings to represent them. The parties can continue to negotiate after the eminent domain proceeding is filed.

### ***Orders for Prejudgment Possession and Deposit of Probable Compensation***

#### ***Can the public entity take possession of the real property before trial?***

A public entity may request an order from the court for early possession of the real property or real property interests. This is called an order for prejudgment possession.

To obtain an order for prejudgment possession, the public entity must show that it is entitled to acquire the real property by eminent domain and that it has deposited with the court for deposit into the county treasury or directly with the State Treasury the amount of probable compensation for the property. The public entity must submit a summary of the basis for the appraisal when it applies to deposit the amount of probable compensation with the court.

Property owners have the right to oppose a public entity's motion for an order for prejudgment possession. The public entity's motion for an order for prejudgment possession notifies property owners that they have the right to oppose the motion and that they must serve the public entity and file with the court the opposition to the motion within thirty (30) days from the date on which the property owner was served with the motion. If the property owners' opposition asserts a hardship, it has to be supported by a declaration signed under penalty of perjury stating facts supporting the hardship. The public entity can file a reply to the opposition not less than fifteen (15) days before the hearing. At the hearing, if the motion is opposed, the court may enter an order for possession of the real property after considering the relevant facts and any opposition if it finds each of the following:

- The public entity is entitled to take the property by eminent domain;
- The public entity has deposited the amount of probable compensation pursuant to Code of Civil Procedure Section 1255.010 *et seq.*;



- There is an overriding need for the public entity to possess the property prior to the issuance of final judgment in the case and the public entity will suffer a substantial hardship if the application for possession is denied or limited; and
- The hardship that the public entity will suffer if possession is denied or limited outweighs any hardship on the defendant or occupant that would be caused by the granting of the order for possession. (Code of Civil Procedure Section 1255.410).

#### ***Withdrawal of Deposit of Probable Compensation***

Property owners can apply to withdraw the funds on deposit with the court. Property owners must serve a copy of their application to withdraw the funds on the public entity. The court cannot order the disbursement of the funds on deposit until 20 days after the date on which the application for withdrawal was served on the public entity. The public entity may file an objection to the withdrawal if, for example, other parties to the proceeding are known or believed to have an interest in the just compensation. Property owners waive any challenges to the public entity's right to take if they withdraw the funds on deposit with the court. Property owners do not, however, waive their claims for greater compensation for the real property if they withdraw the funds on deposit.

#### **Trial**

In eminent domain proceedings, the judge decides legal issues, such as the right to take and the issue of entitlement to certain damages. Property owners are entitled to have the jury determine the amount of just compensation. The majority of eminent domain proceedings are resolved by the respective public entity and property owner prior to trial.

#### **VACATING THE PROPERTY**

##### **When will property owners and tenants be required to move from the real property?**

If you reach a negotiated settlement with the public entity, the public entity will attempt to determine a mutually agreeable date for you to move. If the real property is condemned, the public entity cannot require that you move without a court order. If your real property is lawfully occupied, the public entity must serve you with a motion for an order for prejudgment possession ninety (90) days before the court hearing. Orders for prejudgment possession are discussed more fully above. If the order for prejudgment possession is granted, the public entity must serve you with the order thirty (30) days before it intends to take possession of your property. If your real property is unoccupied, the public entity must serve you with a motion for an order for possession sixty (60) days before the court hearing. If the order is granted, the public entity must serve you with the order ten (10) days before it intends to take possession of your property.

#### **RELOCATION ASSISTANCE**

Property owners and occupants of real property (tenants) that are displaced as the result of a public project may be entitled to relocation assistance and benefits under the Uniform



Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*), if applicable, or under Title 1, Division 7, Chapter 1 of the Government Code of the State of California (Section 7260 *et seq.*) and the Relocation Assistance and Real Property Acquisition Guidelines (Chapter 6 of Title 25 of the California Code of Regulations). Relocation benefits may include moving expenses, re-establishment costs, rent differential payments, or interest differential payments. A relocation consultant, hired by the public entity, will meet with the property owners and or tenants to determine their eligibility and potential benefits.

#### **LOSS OF BUSINESS GOODWILL**

Goodwill is the benefit that accrues to a business as a result of its location, reputation, skill and other factors that contribute to a business maintaining and acquiring patrons. Public entities are required to compensate owners of a business conducted on the real property, or on the remainder parcel, if the business owners prove all of the following:

- The loss is caused by the taking of the real property or the injury to the remainder;
- The loss cannot reasonably be prevented by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill;
- Compensation for the loss will not be including in payments under Section 7262 of the Government Code; and
- Compensation for the loss will not duplicated in the compensation otherwise awarded to the owner.

Business owners must raise their claim for loss of business goodwill in their answer to the public entity's complaint. The public entity will engage a business valuation expert to determine the value of the goodwill of the business in the eminent domain proceeding.

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**CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1263.510**

(a) The owner of a business conducted on the property taken, or on the remainder if the property is part of a larger parcel, shall be compensated for loss of goodwill if the owner proves all of the following:

(1) The loss is caused by the taking of the property or the injury to the remainder.

(2) The loss cannot reasonably be prevented by a relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.

(3) Compensation for the loss will not be included in payments under Section 7262 of the Government Code.

(4) Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owner.

(b) Within the meaning of this article, "goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage.

(c) If the public entity and the owner enter into a leaseback agreement pursuant to Section 1263.615, the following shall apply:

(1) No additional goodwill shall accrue during the lease.

(2) The entering of a leaseback agreement shall not be a factor in determining goodwill. Any liability for goodwill shall be established and paid at the time of acquisition of the property by eminent domain or subsequent to notice that the property may be taken by eminent domain.

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**Low Water Crossing Replacement Project****EXECUTIVE SUMMARY**

<b>Identification of Properties:</b>	The parcel of the proposed full acquisition is identified as 11355 Pendleton Avenue, Yucaipa, CA.
<b>Assessor Parcel No.:</b>	0321-411-10-0-000
<b>Thomas Map No:</b>	SB 650C-1
<b>Date of Value:</b>	September 12, 2016
<b>Property Rights Appraised:</b>	Fee simple interest
<b>Land Area:</b>	Approximately 0.2296 acre or 10,000 square feet.
<b>Improvements:</b>	Raw land
<b>Zoning:</b>	Institutional Zoning District (IN) Municipal Plan and General Plan, City of Yucaipa Planning Department.
<b>Flood Zone:</b>	The site is located in Community Panel Number 060739-06071C8745H. The panel date is 08/28/2008. The site is located in Zone A. Flood Zone A is within the 100-year Floodplain and requires flood insurance.
<b>Earthquake:</b>	According to the California Division of Mines and Geology, the subject City of Yucaipa is located within an Alquist/Priolo Special Earthquake Zone.
<b>Utilities:</b>	Electricity, water, gas, telephone, and sewer are available on Oak Glen Road but not at the subject property.

EXHIBIT "D" (page 1 of 5)



**Low Water Crossing Replacement Project**

**Highest & Best Use  
of Parcel:**

**As Vacant:**

**hold for speculative nature that has  
residential potential in conjunction with  
adjacent properties.**

OPINION OF VALUE CONCLUSION - FEE SIMPLE LAND VALUE		
FAIR MARKET VALUE / APN 0321-411-10	\$	25,000

EXHIBIT "D" (page 2 of 5)

### Low Water Crossing Replacement Project

### COMPARABLE SALES MAP

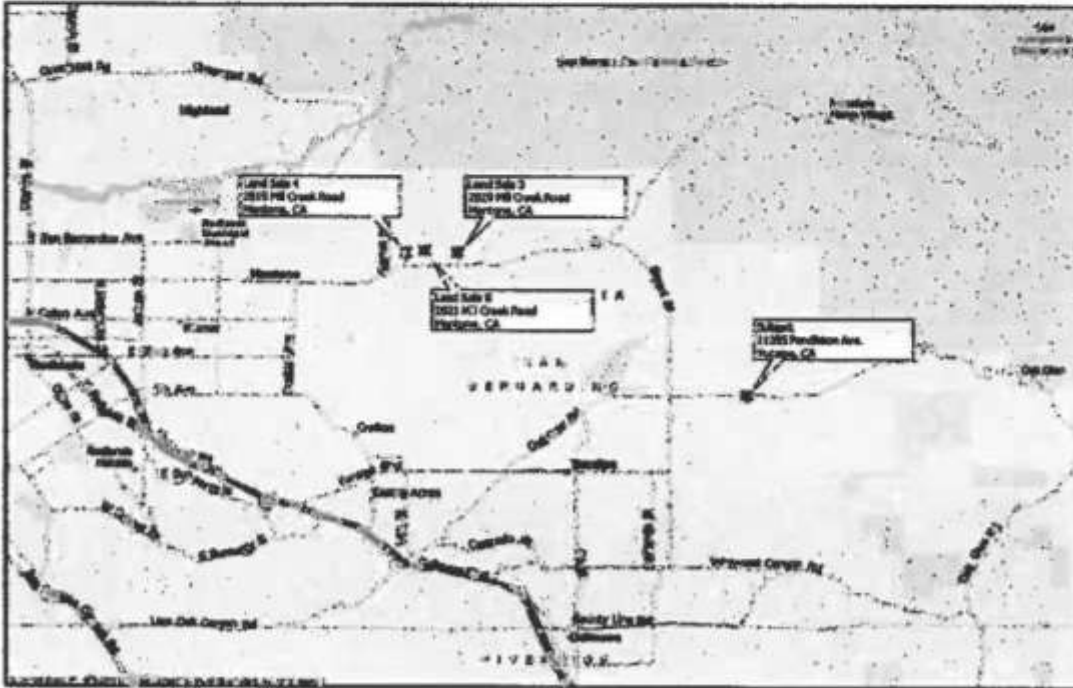
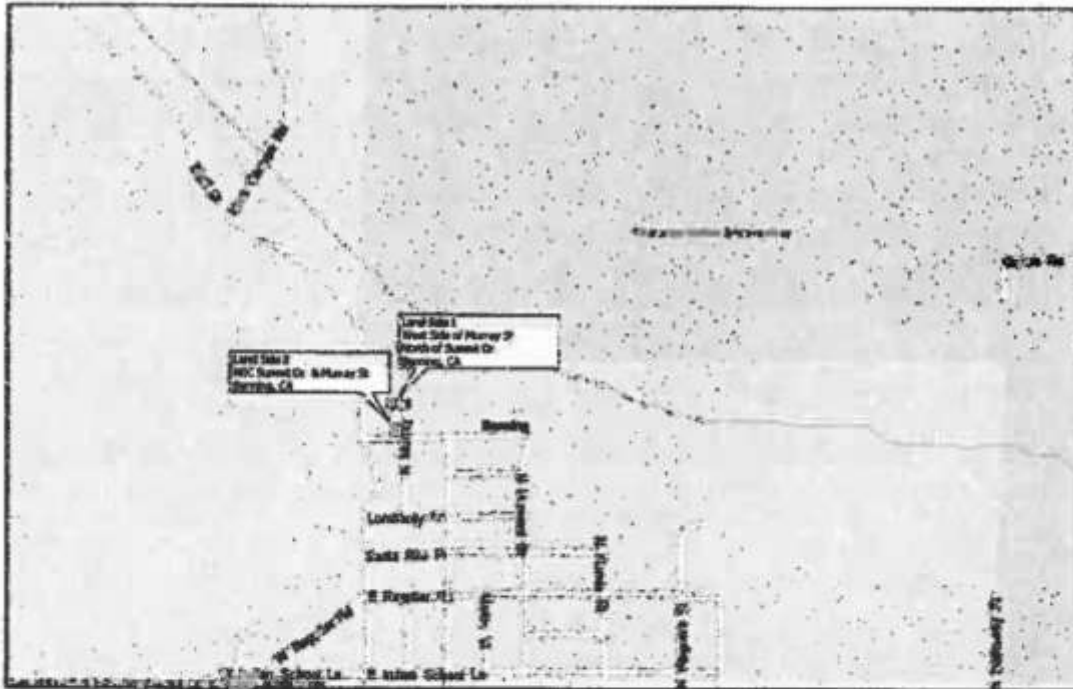


EXHIBIT "D" (page 3 of 5)

**Low Water Crossing Replacement Project**

**SUMMARY OF EFFECTIVELY VACANT LAND SALES**

ITEM	STREET ADDRESS	SALE DATE	ZONE	CASH EQV. PRICE	
	CITY STATE ZIP	DOCUMENT NO.	SQUARE FEET	PRICE PSF	
	ASSESSOR'S PARCEL NUMBER	BUYER	ACRES		
		SELLER			

**Low Density Residential**

1	West Side of Murray St. North of Summit Dr. Banning, CA 92220 534-021-018	March 14, 2014 99083 John Mundy Ken & Barbara Hicks	LDR 12,832 0.29	\$	32,500 2.57
	2	NWC Murray St. & Summit Dr. Banning, CA 92220 534-021-018	March 14, 2014 99083 John Mundy Ken & Barbara Hicks	LDR 12,832 0.29	\$ \$ 32,500 2.57
3	2829 Mill Creek Road Mantone, CA 92359 0302-152-15	June 17, 2014 217100 James & Marjorie Sharplin Gerald P. Living Trust	RS 11,200 0.26	\$ \$	25,000 2.23
	4	2815 Mill Creek Road Mantone, CA 92359 0302-152-09	May 20, 2014 182676 James & Marjorie Sharplin Rosa M. Mendoza Trust	RS 10,850 0.25	\$ \$ 33,000 3.04
5	2821 Mill Creek Road Mantone, CA 92359 0302-152-11	April 21, 2014 140983 Jaime Sebastian Rosa M. Mendoza Trust	RS 10,850 0.25	\$ \$	27,500 2.53

EXHIBIT "D" (page 4 of 5)



	SUBJECT	One	Two	Three	Four	Five
Sale Price	N/A	\$10,000	\$20,000	\$25,000	\$75,000	\$77,500
Site Size (sf)	10,000	12,422	12,422	11,200	10,800	10,800
Acres	0.23	0.29	0.28	0.26	0.25	0.25
\$ psf	N/A	\$2.37	\$2.37	\$2.23	\$3.04	\$2.63
Rights Conveyed	Fee Simple	0%	0%	0%	0%	0%
Adjusted \$ psf	N/A	\$2.37	\$2.37	\$2.23	\$3.04	\$2.63
Financing Terms	Conventional	0%	0%	0%	0%	0%
Condition of Sale	Conventional	0%	0%	0%	0%	0%
Adjusted \$ psf	N/A	\$2.37	\$2.37	\$2.23	\$3.04	\$2.63
Date	September-16	2.5%	2.5%	11.0%	12.0%	13.0%
Adjusted \$ psf	N/A	\$2.34	\$2.34	\$2.48	\$3.41	\$3.41
General Location	Upper Income	10%	10%	0%	0%	0%
Specific Location	Pendleton Road	-5%	-5%	-5%	-5%	-5%
Site Improvements	None	0%	0%	0%	0%	0%
Site Shape	Rectangular	0%	0%	0%	0%	0%
Topography	Essentially Level	0%	0%	0%	0%	0%
Utility Status	None	-5%	-5%	-5%	-5%	-5%
Zone/Density	Institutional	-3%	-3%	-3%	-3%	-3%
Access	Interior	0%	-2%	0%	0%	0%
Flood Hazard	A-Zone	-10%	-10%	-10%	-10%	-10%
Site Size (sf)	10,000	10%	10%	5%	5.5%	5%
Subtotal of Adjustments	Residential	-4%	-2%	-13%	-19%	-19.00%
<b>FINAL INDICATORS</b>	Adjusted \$ psf	\$2.92	\$2.40	\$2.08	\$2.78	\$2.78

EXHIBIT "D" (page 5 of 5)



**Date:** July 31, 2018  
**From:** Joseph Zoba, General Manager  
**Subject:** Discussion Regarding Modifications to the Preparation of Monthly Utility Bills

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The District staff is in the process of implementing a new utility billing program that will fully utilize the automatic meter infrastructure. With the ability to read all water meters on the same day, the District will be able to consolidate our four billing cycles into one larger billing cycle. Additionally, by reading water meters at the end of the month, our revenue data will match the monthly reporting data submitted to the State for water consumption and water loss data. This provides additional analytical information that will be useful for the District staff.

As the District staff evaluates the consolidation of our four weekly billing cycles into one billing cycle at the end of each month, it will be important to make sure the board members and public are aware of the proposed changes to the billing cycles.



**Date:** July 31, 2018

**Prepared By:** Allison M. Edmisten, Chief Financial Officer

**Subject:** Review of Public Disclosure Report Pursuant to Government Code Section 53065.5 for Fiscal Year Ending June 30, 2018

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Government Code Section 53065.5 requires all special districts to disclose reimbursements paid by the District within the immediately preceding fiscal year of one hundred dollars (\$100) or more for each individual charge for services or products received. The individual charge includes, but is not limited to, tuition reimbursement, certificate or license reimbursement, or meals, lodging, and transportation, or registration fee reimbursed to any employee or member of the governing body.

The disclosure requirement is fulfilled by including the reimbursement information in a document published or printed at least annually and made available for public inspection.

Attached is the report of these reimbursements for the fiscal year ending on June 30, 2018.



**Yucaipa Valley Water District**  
**Government Code 53065-5, Public Disclosure Reports - Reimbursements By YVWD**  
**July 1, 2017 - June 30, 2018**

EMPLOYEE NAME	TITLE	CHECK NO.	CHECK DATE	AMOUNT	DESCRIPTION
Chelsie Fogus	Engineering Technician I	29462	07/21/17	\$ 151.34	ESRI Conference meal & mileage reimbursement
Matthew Porras	Management Analyst	29469	07/21/17	\$ 335.30	ESRI Conference meal & mileage reimbursement
Kathryn Hallberg	Management Analyst	29470	07/21/17	\$ 230.74	ESRI Conference meal & mileage reimbursement
Ronald Elisalda	Utility Service Worker IV	29608	08/14/17	\$ 359.75	Reimbursement for CIT class
Dale Fundak	Integrated Operator III	29607	08/14/17	\$ 117.55	Reimbursement for WTPO class
Kyle Westerlin	Utility Service Worker III	29719	08/28/17	\$ 205.00	Reimbursement for CSM4 test
Matthew Flordelis	Senior Utility Services Worker	30017	10/02/17	\$ 400.75	Tri-State Seminar meal & travel exp
Matthew Porras	Management Analyst	30020	10/02/17	\$ 126.91	CMMS training meal & travel exp
John Wrobel	Public Works Manager - Operations	30053	10/13/17	\$ 299.24	Tri-State Seminar meal & travel exp
Christopher Beard	Utility Service Worker II	30070	10/16/17	\$ 332.00	Reimbursement for CSM1 Exam & CWEA dues
Mike Kostelecky	Operations Manager	30175	11/01/17	\$ 155.00	Reimbursement for D5 exam
Courtland Gear	Utility Service Worker II	30177	11/01/17	\$ 113.55	Reimbursement for WD class
Sara Onate	Administrative Clerk IV	30338	11/09/17	\$ 389.65	Purchase pizza for employees (District pizza day)
Erin Anton	Administrative Clerk IV	30339	11/09/17	\$ 297.91	Food purchased for District BBQ
Luis Crespo	Utility Service Worker I	30437	11/20/17	\$ 180.00	Reimbursement for CWEA dues
Erin Anton	Administrative Clerk IV	30543	12/04/17	\$ 384.19	Reimbursement for misc items purchased for Special Districts Dinner & District Christmas Luncheon
Steven Molina	Public Works Supervisor	30607	12/18/17	\$ 149.00	Reimbursement for RC backflow test certificate
Aaron Blose	Utility Service Worker II	30713	01/02/18	\$ 118.55	Reimbursement for WDS class
Sean Ferris	Integrated Operator II	30743	01/08/18	\$ 100.00	Reimbursement for T3 exam
Eric Grubert	Utility Service Worker I	30745	01/08/18	\$ 418.00	Reimbursement for CSM1 & Class A license
James Rowell	Integrated Operator IV	30806	01/16/18	\$ 290.00	Reimbursement for CWEA dues & WWTP03 renewal
Jacob Duncan	Utility Service Worker III	30807	01/16/18	\$ 155.00	Reimbursement for D5 exam
Steven Eldridge	Utility Service Worker III	30808	01/16/18	\$ 175.00	Reimbursement for CSM2 exam
Gilbert Santacruz	Integrated Operator II	30853	01/16/18	\$ 125.00	Reimbursement for WWTP02 cert
Jeremy Costello	Public Works Supervisor	30879	01/22/18	\$ 361.00	Reimbursement for SBC Backflow
Gilbert Santacruz	Integrated Operator II	30881	01/22/18	\$ 180.00	Reimbursement for WWTP02 exam
Steven Molina	Public Works Supervisor	30882	01/22/18	\$ 361.00	Reimbursement for SBC Backflow
Matthew Porras	Management Analyst	30935	01/22/18	\$ 114.55	Reimbursement for Wells Class
Luis Crespo	Utility Service Worker I	31011	02/05/18	\$ 165.00	Reimbursement for CSM1 exam
Ashley Gibson	Water Resource Project Supervisor	31072	02/05/18	\$ 131.84	ESRI Conference meal & mileage reimbursement
Aaron Blose	Utility Service Worker III	31424	03/26/18	\$ 173.11	Reimbursement for OWTP1 class
Steven Molina	Public Works Supervisor	31426	03/26/18	\$ 180.00	Reimbursement for AWWA Backflow & Testing
Allison Edmisten	Chief Financial Officer	31511	04/02/18	\$ 147.04	Mileage reimbursement
Aaron Blose	Utility Service Worker III	31514	04/09/18	\$ 115.00	Reimbursement for QSP renewal
Michael Rivera	Public Works Supervisor	31640	04/16/18	\$ 111.09	Reimbursement for 457 DC loan paid off (overpaid)
Courtland Gear	Utility Service Worker II	31634	04/16/18	\$ 162.53	Reimbursement for O & M Wastewater Collection Class
Mathew Hendrickson	Integrated Operator II	31708	05/07/18	\$ 100.00	Reimbursement for D3 test
Geoffrey Risaliti	Utility Service III	31709	05/07/18	\$ 130.00	Reimbursement for D4 test
Jacob Duncan	Utility Service Worker III	31832	05/14/18	\$ 180.00	Reimbursement for CSM2 exam
Aaron Blose	Utility Service Worker III	31833	05/14/18	\$ 119.55	Reimbursement for WWTP0 exam
Steven Molina	Public Works Supervisor	31864	05/14/18	\$ 135.00	Reimbursement for AWWA CC test
Peggy Little	Administrative Supervisor	31863	05/14/18	\$ 176.96	Reimbursement for misc expenses (retirement luncheon & BBQ)
Courtland Gear	Utility Service Worker III	31868	05/21/18	\$ 115.55	Reimbursement for OEM WW class
Gilbert Santacruz	Utility Service Worker II	31905	05/21/18	\$ 119.55	Reimbursement for WWTP Vol 2
Ronald Elisalda	Utility Service Worker IV	31914	05/29/18	\$ 210.00	Reimbursement for CSM4 exam
James Rowell	Integrated Senior Plant Operator	32003	06/08/18	\$ 440.00	Reimbursement for WWTP05 exam
Aaron Blose	Integrated Operator-in-Training	32132	06/28/18	\$ 140.00	Reimbursement for O&M WW class
Dhaval Kothari	Integrated Operator-in-Training	32133	06/28/18	\$ 350.00	Reimbursement for WWTP03 exam
Ashley Gibson	Water Resource Project Supervisor	32201	06/28/18	\$ 548.11	Reimbursement for meal & travel during the GSA Summit



**Date:** July 31, 2018

**Prepared By:** Allison M. Edmisten

**Subject:** Receipt and Acknowledgement of the *Auditor's Communication with Those Charged with Governance*

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The certified public accounting firm of Vavrinek, Trine, Day & Co., LLP (VTD) is currently performing the fiscal year audit for the period ending June 30, 2018. Correspondence dated June 18, 2018 from VTD is attached regarding the *Auditor's Communication with Those Charged with Governance*. The correspondence outlines the scope, timing, and information about communicating directly with the auditors any known matter(s) that have a material bearing on the financial statements.

If you are aware of any matters that may have an impact on the financial statements, please contact Phil White, Partner with VTD. He is also able to answer any questions.

***Phillip White, CPA, Partner***  
**Vavrinek, Trine, Day, & Co., LLP**  
**Certified Public Accountants**  
10681 Foothill Blvd, Suite 300  
Rancho Cucamonga, CA 91730  
Office: (909) 466-4410  
Fax: (909) 466-4431  
Email: [pwhite@vtdcpa.com](mailto:pwhite@vtdcpa.com)

For additional information, the District staff attached AU Section 380<sup>1</sup> from the American Institute of CPAs to provide background information and guidance about the purpose of the attached correspondence from VTD.

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<sup>1</sup> <https://www.aicpa.org/Research/Standards/AuditAttest/DownloadableDocuments/AU-00380.pdf>



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

June 18, 2018

To the Board of Directors  
Yucaipa Valley Water District

We are engaged to audit the financial statements of the Yucaipa Valley Water District (District) for the year ended June 30, 2018. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated June 18, 2018, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the District. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the Management's Discussion and Analysis, Schedule of the District's Proportionate Share of Net Pension Liability, and Schedule of Contributions, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have not been engaged to report on the Transmittal Letter, which accompanies the financial statements but is not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.



Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

If any member of the Board is aware of matters that have a material bearing on the financial statements taken as a whole (such as those described above in items 1-4), please contact me at (909) 466-4410 or by email at [pwhite@vtcdcpa.com](mailto:pwhite@vtcdcpa.com) by September 1, 2018.

We expect to begin our audit on approximately July 9, 2018 and issue our report in October 2018. Phil White is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Directors and management of the Yucaipa Valley Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Phil White, Partner  
Vavrinek, Trine, Day & Co., LLP



**Date:** July 31, 2018

**From:** Joseph Zoba, General Manager

**Subject:** Discussion Regarding Annexation of Territory to the Yucaipa Valley Water District

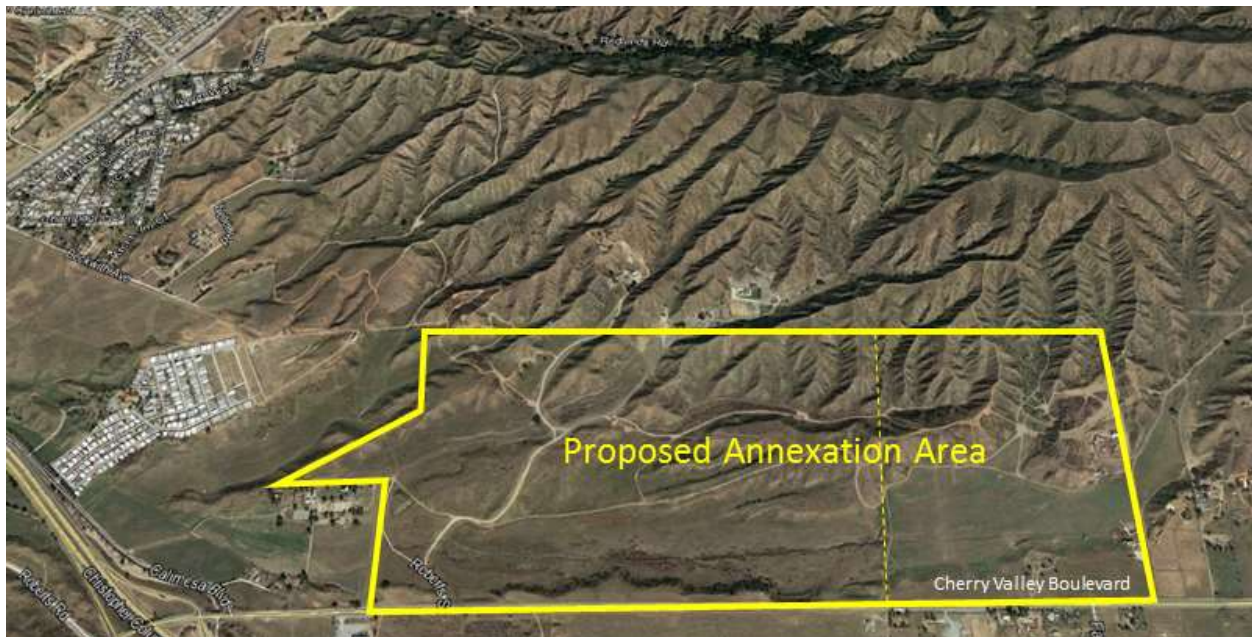
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On May 16, 2018, the District received a request to proceed with the annexation of 242.63 acres of territory into the District's boundary for drinking water, recycled water, and sewer service. The area is currently within the District's sphere of influence.



The District staff was recently informed that an additional 124 acres of contiguous property might request annexation to the District. Once the District staff receives confirmation of the additional area, an updated annexation resolution will be presented to the Board of Directors.

an updated annexation resolution will be



# Director Comments



Yucaipa Valley Water District



# Adjournment



Yucaipa Valley Water District



## FACTS ABOUT THE YUCAIPA VALLEY WATER DISTRICT

**Service Area Size:** 40 square miles (sphere of influence is 68 square miles)

**Elevation Change:** 3,140 foot elevation change (from 2,044 to 5,184 feet)

**Number of Employees:** 5 elected board members  
62 full time employees

**Operating Budget:** Water Division - \$13,397,500  
Sewer Division - \$11,820,000  
Recycled Water Division - \$537,250  
Total Annual Budget - \$25,754,750

**Number of Services:** 12,434 water connections serving 17,179 units  
13,559 sewer connections serving 20,519 units  
64 recycled water connections

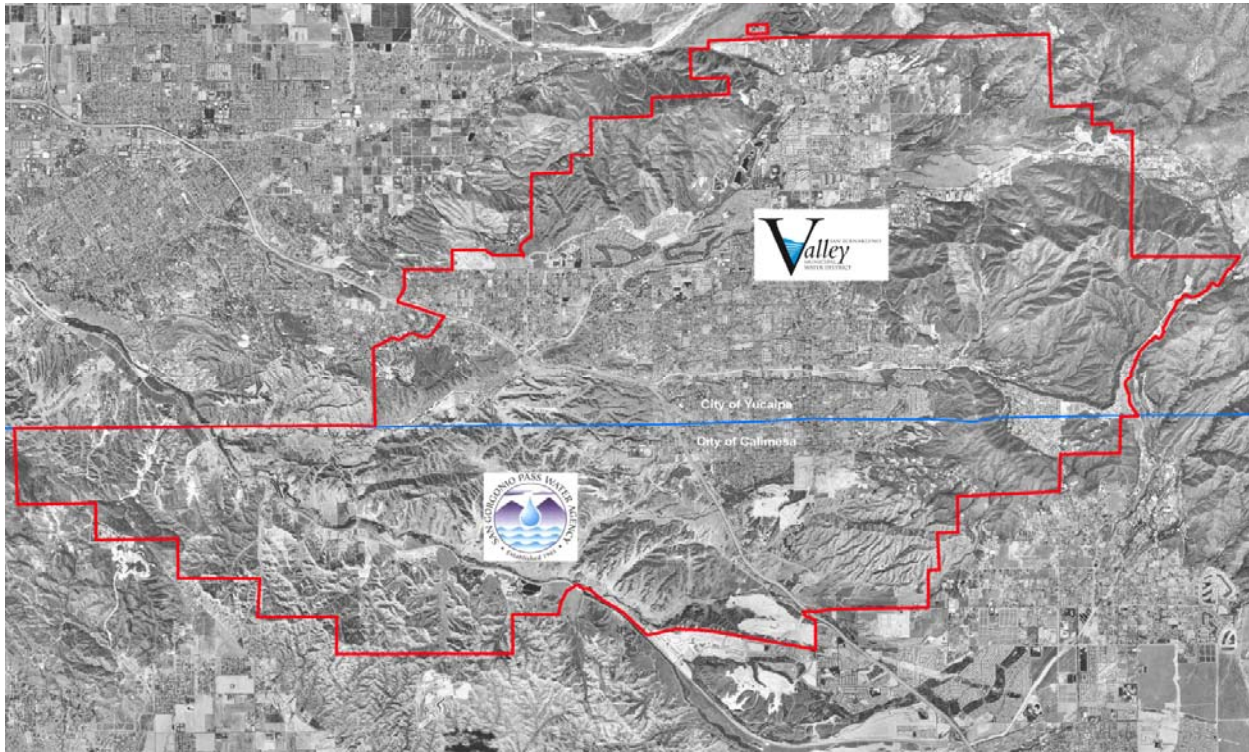
**Water System:** 215 miles of drinking water pipelines  
27 reservoirs - 34 million gallons of storage capacity  
18 pressure zones  
12,000 ac-ft annual water demand (3.9 billion gallons)  
Two water filtration facilities:  
- 1 mgd at Oak Glen Surface Water Filtration Facility  
- 12 mgd at Yucaipa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

**Sewer System:** 8.0 million gallon treatment capacity - current flow at 4.0 mgd  
205 miles of sewer mainlines  
5 sewer lift stations  
4,500 ac-ft annual recycled water prod. (1.46 billion gallons)

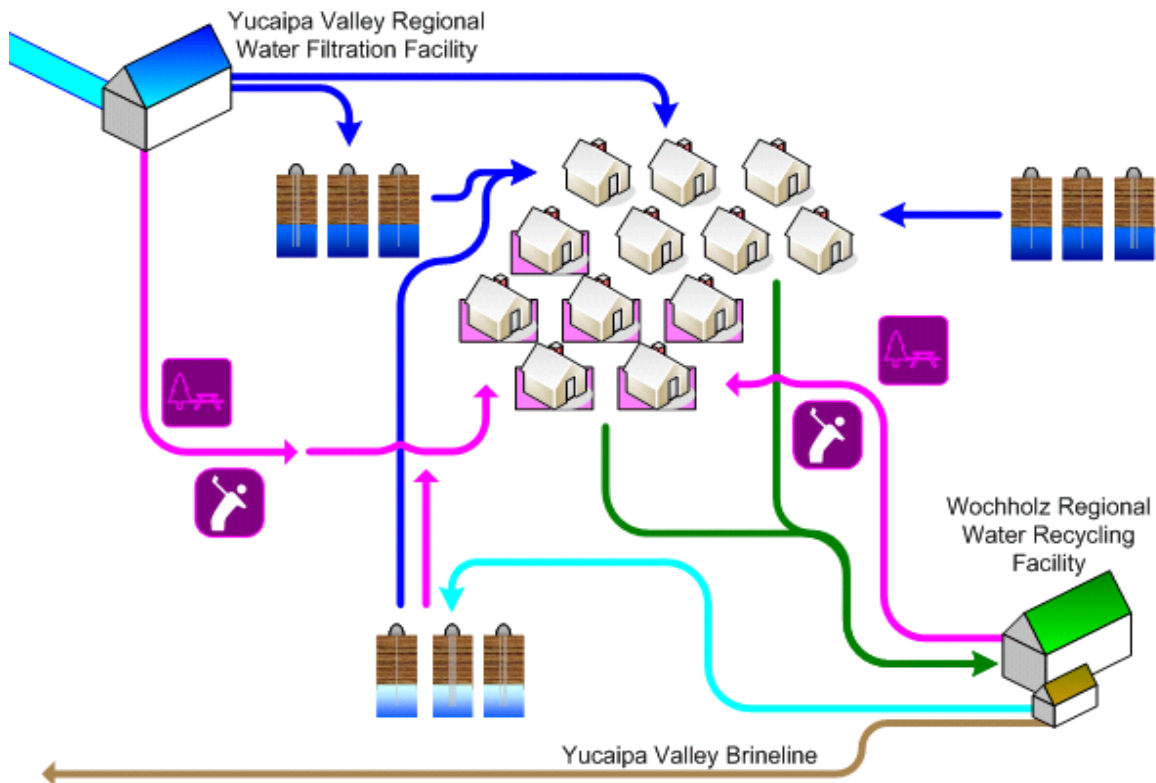
**Recycled Water:** 22 miles of recycled water pipelines  
5 reservoirs - 12 million gallons of storage  
1,200 ac-ft annual recycled demand (0.4 billion gallons)

**Brine Disposal:** 2.2 million gallon desalination facility at sewer treatment plant  
1.108 million gallons of Inland Empire Brine Line capacity  
0.295 million gallons of treatment capacity in Orange County

**State Water Contractors:** San Bernardino Valley Municipal Water District  
San Geronimo Pass Water Agency



**Sustainability Plan:** A Strategic Plan for a Sustainable Future: The Integration and Preservation of Resources, adopted on August 20, 2008.







## THE MEASUREMENT OF WATER PURITY

**One part per hundred** is generally represented by the percent (%).  
This is equivalent to about fifteen minutes out of one day.

**One part per thousand** denotes one part per 1000 parts.  
This is equivalent to about one and a half minutes out of one day.

**One part per million (ppm)** denotes one part per 1,000,000 parts.  
This is equivalent to about 32 seconds out of a year.

**One part per billion (ppb)** denotes one part per 1,000,000,000 parts.  
This is equivalent to about three seconds out of a century.

**One part per trillion (ppt)** denotes one part per 1,000,000,000,000 parts.  
This is equivalent to about three seconds out of every hundred thousand years.

**One part per quadrillion (ppq)** denotes one part per 1,000,000,000,000,000 parts.  
This is equivalent to about two and a half minutes out of the age of the Earth (4.5 billion years).





## GLOSSARY OF COMMONLY USED TERMS

Every profession has specialized terms which generally evolve to facilitate communication between individuals. The routine use of these terms tends to exclude those who are unfamiliar with the particular specialized language of the group. Sometimes jargon can create communication cause difficulties where professionals in related fields use different terms for the same phenomena.

Below are commonly used water terms and abbreviations with commonly used definitions. If there is any discrepancy in definitions, the District's Regulations Governing Water Service is the final and binding definition.

**Acre Foot of Water** - The volume of water (325,850 gallons, or 43,560 cubic feet) that would cover an area of one acre to a depth of 1 foot.

**Activated Sludge Process** – A secondary biological sewer treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen, and consume dissolved nutrients in the wastewater.

**Annual Water Quality Report** - The document is prepared annually and provides information on water quality, constituents in the water, compliance with drinking water standards and educational material on tap water. It is also referred to as a Consumer Confidence Report (CCR).

**Aquifer** - The natural underground area with layers of porous, water-bearing materials (sand, gravel) capable of yielding a supply of water; see Groundwater basin.

**Backflow** - The reversal of water's normal direction of flow. When water passes through a water meter into a home or business it should not reverse flow back into the water mainline.

**Best Management Practices (BMPs)** - Methods or techniques found to be the most effective and practical means in achieving an objective. Often used in the context of water conservation.

**Biochemical Oxygen Demand (BOD)** – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

**Biosolids** – Biosolids are nutrient rich organic and highly treated solid materials produced by the sewer treatment process. This high-quality product can be used as a soil amendment on farm land or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

**Catch Basin** – A chamber usually built at the curb line of a street, which conveys surface water for discharge into a storm sewer.

**Capital Improvement Program (CIP)** – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

**Collector Sewer** – The first element of a wastewater collection system used to collect and carry wastewater from one or more building sewer laterals to a main sewer.

**Coliform Bacteria** – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere and is generally used as an indicator of sewage pollution.

**Combined Sewer Overflow** – The portion of flow from a combined sewer system, which discharges into a water body from an outfall located upstream of a wastewater treatment plant, usually during wet weather conditions.

**Combined Sewer System**– Generally older sewer systems designed to convey both sewage and storm water into one pipe to a wastewater treatment plant.

**Conjunctive Use** - The coordinated management of surface water and groundwater supplies to maximize the yield of the overall water resource. Active conjunctive use uses artificial recharge, where surface water is intentionally percolated or injected into aquifers for later use. Passive conjunctive use is to simply rely on surface water in wet years and use groundwater in dry years.

**Consumer Confidence Report (CCR)** - see Annual Water Quality Report.

**Cross-Connection** - The actual or potential connection between a potable water supply and a non-potable source, where it is possible for a contaminant to enter the drinking water supply.

**Disinfection By-Products (DBPs)** - The category of compounds formed when disinfectants in water systems react with natural organic matter present in the source water supplies. Different disinfectants produce different types or amounts of disinfection byproducts. Disinfection byproducts for which regulations have been established have been identified in drinking water, including trihalomethanes, haloacetic acids, bromate, and chlorite

**Drought** - a period of below average rainfall causing water supply shortages.

**Dry Weather Flow** – Flow in a sanitary sewer during periods of dry weather in which the sanitary sewer is under minimum influence of inflow and infiltration.

**Fire Flow** - The ability to have a sufficient quantity of water available to the distribution system to be delivered through fire hydrants or private fire sprinkler systems.

**Gallons per Capita per Day (GPCD)** - A measurement of the average number of gallons of water use by the number of people served each day in a water system. The calculation is made by dividing the total gallons of water used each day by the total number of people using the water system.

**Groundwater Basin** - An underground body of water or aquifer defined by physical boundaries.

**Groundwater Recharge** - The process of placing water in an aquifer. Can be a naturally occurring process or artificially enhanced.

**Hard Water** - Water having a high concentration of minerals, typically calcium and magnesium ions.

**Hydrologic Cycle** - The process of evaporation of water into the air and its return to earth in the form of precipitation (rain or snow). This process also includes transpiration from plants, percolation into the ground, groundwater movement, and runoff into rivers, streams and the ocean; see Water cycle.

**Infiltration** – Water other than sewage that enters a sewer system and/or building laterals from the ground through defective pipes, pipe joints, connections, or manholes. Infiltration does not include inflow. See *Inflow*.

**Inflow** - Water other than sewage that enters a sewer system and building sewer from sources such as roof vents, yard drains, area drains, foundation drains, drains from springs and swampy areas, manhole covers, cross connections between storm drains and sanitary sewers, catch basins, cooling towers, storm waters, surface runoff, street wash waters, or drainage. Inflow does not include infiltration. See *Infiltration*.

**Inflow / Infiltration (I/I)** – The total quantity of water from both inflow and infiltration.

**Mains, Distribution** - A network of pipelines that delivers water (drinking water or recycled water) from transmission mains to residential and commercial properties, usually pipe diameters of 4" to 16".

**Mains, Transmission** - A system of pipelines that deliver water (drinking water or recycled water) from a source of supply the distribution mains, usually pipe diameters of greater than 16".

**Meter** - A device capable of measuring, in either gallons or cubic feet, a quantity of water delivered by the District to a service connection.

**Overdraft** - The pumping of water from a groundwater basin or aquifer in excess of the supply flowing into the basin. This pumping results in a depletion of the groundwater in the basin which has a net effect of lowering the levels of water in the aquifer.

**Peak Flow** – The maximum flow that occurs over a specific length of time (e.g., daily, hourly, instantaneously).

**Pipeline** - Connected piping that carries water, oil or other liquids. See Mains, Distribution and Mains, Transmission.



**Point of Responsibility, Metered Service** - The connection point at the outlet side of a water meter where a landowner's responsibility for all conditions, maintenance, repairs, use and replacement of water service facilities begins, and the District's responsibility ends.

**Potable Water** - Water that is used for human consumption and regulated by the California Department of Public Health.

**Pressure Reducing Valve** - A device used to reduce the pressure in a domestic water system when the water pressure exceeds desirable levels.

**Pump Station** - A drinking water or recycled water facility where pumps are used to push water up to a higher elevation or different location.

**Reservoir** - A water storage facility where water is stored to be used at a later time for peak demands or emergencies such as fire suppression. Drinking water and recycled water systems will typically use concrete or steel reservoirs. The State Water Project system considers lakes, such as Shasta Lake and Folsom Lake to be water storage reservoirs.

**Runoff** - Water that travels downward over the earth's surface due to the force of gravity. It includes water running in streams as well as over land.

**Sanitary Sewer System** - Sewer collection system designed to carry sewage, consisting of domestic, commercial, and industrial wastewater. This type of system is not designed nor intended to carry water from rainfall, snowmelt, or groundwater sources. See *Combined Sewer System*.

**Sanitary Sewer Overflow** – Overflow from a sanitary sewer system caused when total wastewater flow exceeds the capacity of the system. See *Combined Sewer Overflow*.

**Santa Ana River Interceptor (SARI) Line** – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the sewer treatment plant operated by Orange County Sanitation District.

**Secondary Treatment** – Biological sewer treatment, particularly the activated-sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

**Supervisory Control and Data Acquisition (SCADA)** - A computerized system which provides the ability to remotely monitor and control water system facilities such as reservoirs, pumps and other elements of water delivery.

**Service Connection** - The water piping system connecting a customer's system with a District water main beginning at the outlet side of the point of responsibility, including all plumbing and equipment located on a parcel required for the District's provision of water service to that parcel.

**Sludge** – Untreated solid material created by the treatment of sewage.

**Smart Irrigation Controller** - A device that automatically adjusts the time and frequency which water is applied to landscaping based on real-time weather such as rainfall, wind, temperature and humidity.

**Special District** - A political subdivision of a state established to provide a public services, such as water supply or sanitation, within a specific geographic area.

**Surface Water** - Water found in lakes, streams, rivers, oceans or reservoirs behind dams.

**Total Suspended Solids (TSS)** – The amount of solids floating and in suspension in water or sewage.

**Transpiration** - The process by which water vapor is released into the atmosphere by living plants.

**Trickling Filter** – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in primary treated sewage as it trickles over them.

**Underground Service Alert (USA)** - A free service that notifies utilities such as water, telephone, cable and sewer companies of pending excavations within the area (dial 8-1-1 at least 2 working days before you dig).

**Urban Runoff** - Water from city streets and domestic properties that typically carries pollutants into the storm drains, rivers, lakes, and oceans.

**Valve** - A device that regulates, directs or controls the flow of water by opening, closing or partially obstructing various passageways.

**Wastewater** – Any water that enters the sanitary sewer.

**Water Banking** - The practice of actively storing or exchanging in-lieu surface water supplies in available groundwater basin storage space for later extraction and use by the storing party or for sale or exchange to a third party. Water may be banked as an independent operation or as part of a conjunctive use program.

**Water cycle** - The continuous movement water from the earth's surface to the atmosphere and back again; see Hydrologic cycle.

**Water Pressure** - Pressure created by the weight and elevation of water and/or generated by pumps that deliver water to the tap.

**Water Service Line** - The pipeline that delivers potable water to a residence or business from the District's water system. Typically the water service line is a 1" to 1½" diameter pipe for residential properties.

**Watershed** - A region or land area that contributes to the drainage or catchment area above a specific point on a stream or river.

**Water Table** - The upper surface of the zone of saturation of groundwater in an unconfined aquifer.

**Water Transfer** - A transaction, in which a holder of a water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water under that water right or entitlement.

**Water Well** - A hole drilled into the ground to tap an underground water aquifer.

**Wetlands** - Lands which are fully saturated or under water at least part of the year, like seasonal vernal pools or swamps.

**Wet Weather Flow** – Dry weather flow combined with stormwater introduced into a combined sewer system, and dry weather flow combined with infiltration/inflow into a separate sewer system.





## COMMONLY USED ABBREVIATIONS

<b>AQMD</b>	Air Quality Management District
<b>BOD</b>	Biochemical Oxygen Demand
<b>CARB</b>	California Air Resources Board
<b>CCTV</b>	Closed Circuit Television
<b>CWA</b>	Clean Water Act
<b>EIR</b>	Environmental Impact Report
<b>EPA</b>	U.S. Environmental Protection Agency
<b>FOG</b>	Fats, Oils, and Grease
<b>GPD</b>	Gallons per day
<b>MGD</b>	Million gallons per day
<b>O &amp; M</b>	Operations and Maintenance
<b>OSHA</b>	Occupational Safety and Health Administration
<b>POTW</b>	Publicly Owned Treatment Works
<b>PPM</b>	Parts per million
<b>RWQCB</b>	Regional Water Quality Control Board
<b>SARI</b>	Santa Ana River Inceptor
<b>SAWPA</b>	Santa Ana Watershed Project Authority
<b>SBVMWD</b>	San Bernardino Valley Municipal Water District
<b>SCADA</b>	Supervisory Control and Data Acquisition system
<b>SSMP</b>	Sanitary Sewer Management Plan
<b>SSO</b>	Sanitary Sewer Overflow
<b>SWRCB</b>	State Water Resources Control Board
<b>TDS</b>	Total Dissolved Solids
<b>TMDL</b>	Total Maximum Daily Load
<b>TSS</b>	Total Suspended Solids
<b>WDR</b>	Waste Discharge Requirements
<b>YVWD</b>	Yucaipa Valley Water District