



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399 Phone: (909) 797-5117

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

Tuesday, November 20, 2018 at 6:00 p.m.

- I. **CALL TO ORDER** - Pledge of Allegiance
- II. **ROLL CALL**
- III. **PUBLIC COMMENTS** - At this time, members of the public may address the Board of Directors on matters within its jurisdiction. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the board meeting.
- IV. **CONSENT CALENDAR** - All consent calendar matters are routine and will be acted upon in one motion. There will be no discussion of these items unless board members, administrative staff, or members of the public request specific items to be discussed and/or removed prior to the vote for approval.
 - A. Minutes of Meetings
 - 1. Regular Board Meeting - November 6, 2018
 - 2. Board Workshop - November 13, 2018
 - B. Payment of Bills
 - 1. Approve/Ratify Invoices for Board Awarded Contracts
 - 2. Ratify General Expenses for October 2018
- V. **STAFF REPORT**
- VI. **DISCUSSION ITEMS**
 - A. Presentation of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2018 [[Director Memorandum No. 18-143 - Page 23 of 305](#)]
RECOMMENDED ACTION: That the Board receives and files the audited financial statements.
 - B. Presentation of the GASB 75 Compliance Actuarial Report [[Director Memorandum No. 18-144 - Page 77 of 305](#)]
RECOMMENDED ACTION: That the Board receives and files the GASB 75 Compliance Actuarial Report.
 - C. Presentation of the Unaudited Financial Report for the Period Ending on October 31, 2018 [[Director Memorandum No. 18-145 - Page 87 of 305](#)]
RECOMMENDED ACTION: That the Board receives and files the unaudited financial report.

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

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

- D. Discussion Regarding the Adoption of an Updated Personnel Manual for the Yucaipa Valley Water District [\[Director Memorandum No. 18-146 - Page 112 of 305\]](#)
RECOMMENDED ACTION: That, by minute order, the Board adopts the proposed Personnel Manual.
- E. Discussion Regarding the Adoption of Ordinance No. 58-2018 - Rules and Regulations for Recycled Water Use and Distribution [\[Director Memorandum No. 18-147 - Page 194 of 305\]](#)
RECOMMENDED ACTION: That the Board adopt Ordinance No. 58-2018.
- F. Ratification of the Issuance of a Class II Non-Significant Industrial User Discharge Permit to Skat-Trak Performance Products - Permit No. CP-003-03 [\[Director Memorandum No. 18-148 - Page 263 of 305\]](#)
RECOMMENDED ACTION: That the Board ratify the issuance of Permit No. CP-003-03.
- G. Acceptance of Property Associated with Lift Station No. 6 [\[Director Memorandum No. 18-149 - Page 285 of 305\]](#)
RECOMMENDED ACTION: Pending
- H. Adoption of Resolutions Related to State Revolving Funding for the Calimesa Recycled Water Pipeline Project [\[Director Memorandum No. 18-150 - Page 291 of 305\]](#)
RECOMMENDED ACTION: That the Board adopt:
- Resolution No. 2018-29 - A Resolution of the Yucaipa Valley Water District Approving Reimbursement for Recycled Water Capital Improvement Projects Financed by the State Revolving Fund Loan Program of the State Water Resources Control Board
 - Resolution No. 2018-30 - A Resolution of the Yucaipa Valley Water District Authorizing the Completion of Financial Assistance Application Material with the State Water Resources Control Board
 - Resolution No. 2018-31 - A Resolution of the Yucaipa Valley Water District Pledging Revenues and Funds for the Payment of Loan Financings with the State Water Resources Control Board

VII. BOARD REPORTS & DIRECTOR COMMENTS

VIII. ANNOUNCEMENTS

- A. October 30, 2018 at 4:00 p.m. - Board Workshop
- B. November 6, 2018 at 6:00 p.m. - Regular Board Meeting
- C. November 13, 2018 at 4:00 p.m. - Board Workshop
- D. November 20, 2018 at 6:00 p.m. - Regular Board Meeting
- E. November 27, 2018 at 4:00 p.m. - Board Workshop
- F. December 4, 2018 at 6:00 p.m. - Regular Board Meeting
- G. December 11, 2018 at 4:00 p.m. - Board Workshop
- H. December 18, 2018 at 6:00 p.m. - Regular Board Meeting
- I. ~~December 25, 2018 at 4:00 p.m. - Board Workshop~~ Canceled
- J. ~~January 1, 2019 at 6:00 p.m. - Regular Board Meeting~~ Canceled
- K. January 8, 2019 at 4:00 p.m. - Board Workshop
- L. January 15, 2019 at 6:00 p.m. - Regular Board Meeting
- M. January 29, 2019 at 4:00 p.m. - Board Workshop

IX. CLOSED SESSION

- A. Conference with Real Property Negotiator(s) - Government Code 54956.8

Property: Assessor's Parcel Number: 473-070-019
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Vinh Nguyen
Under Negotiation: Terms of Payment and Price

- B. Conference with Real Property Negotiator(s) - Government Code 54956.8
Property: Assessor's Parcel Numbers: 413-380-001 - 009, and 013
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Johnson Brothers Partnership
Under Negotiation: Terms of Payment and Price
- C. Conference with Real Property Negotiator(s) - Government Code 54956.8
Property: Assessor's Parcel Number(s): 294-121-24, 25 / 473-020-006, 008, 029, 043
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Joanna Averett
Under Negotiation: Terms of Payment and Price

X. ADJOURNMENT

Consent Calendar



Yucaipa Valley Water District

MINUTES OF A REGULAR BOARD MEETING

November 6, 2018 at 6:00 P.M.

Directors Present:

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

Staff Present:

Joseph Zoba, General Manager
Allison Edmisten, Chief Financial Officer
Jennifer Ares, Water Resource Manager
Kathryn Hallberg, Implementation Manager
Matthew Porras, Implementation Manager
James Rowell, Interim Operations Manager
John Wrobel, Public Works Manager
Frank Sclafani, Administrative Clerk Intern

Directors Absent:

Lonni Granlund, Director

Consulting Staff Present:

David Wysocki, Legal Counsel

Registered Guests and Others Present:

Linda Shelton, Customer
David Duron, Customer

CALL TO ORDER

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

FLAG SALUTE

Director Jay Bogh led the pledge of allegiance.

ROLL CALL

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

PUBLIC COMMENTS

Customer David Duron recognized Jennifer Ares for her presentation to the Yucaipa Historical Society on November 3, 2018. Mr. Duron stated his appreciation for the information about early water issues in the Yucaipa Valley.

CONSENT CALENDAR

Director Chris Mann moved to approve the consent calendar and Director Tom Shalhoub seconded the motion.

A. Minutes of Meetings

1. Regular Board Meeting - October 16, 2018
2. Board Workshop - October 30, 2018

The motion was approved by the following vote:

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

STAFF REPORT

General Manager Joseph Zoba discussed the future of direct potable reuse as discussed in a recent article from the American Water Works Association.

DISCUSSION ITEMS:

DM 18-140

AUTHORIZATION TO CONDUCT PILOT RECHARGE TESTING TO EVALUATE THE LONG-TERM INFILTRATION RATES IN THE WESTERN PORTION OF THE BEAUMONT BASIN

General Manager Joseph Zoba discussed the need to conduct groundwater recharge testing in the Oak Valley Commercial area to evaluate the long-term infiltration rates in the western portion of the Beaumont Basin.

Director Tom Shalhoub moved to authorize the General Manager to execute a contract with Geoscience for a sum not to exceed \$326,956. Director Chris Mann seconded the motion.

The motion was approved by the following vote:

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

DM 18-141

AUTHORIZATION TO EXECUTE A CONTRACT WITH J.B. PAVING & ENGINEERING FOR ROADWAY IMPROVEMENTS TO MOUNTAIN VIEW LANE, YUCAIPA

Public Works Manager John Wrobel discussed the proposed contract with J.B. Paving & Engineering for roadway improvements to Mountain View Lane, Yucaipa.

Director Tom Shalhoub moved that the Board authorize the General Manager to execute a contract with J.B. Paving & Engineering for a sum not to exceed \$105,250. Director Bruce Granlund seconded the motion.

The motion was approved by the following vote:

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

DM 18-142

AUTHORIZATION TO
EXECUTE A
CONTRACT WITH
WEKA INC. FOR
SEWER MAINLINE
REPAIRS IN
WILDWOOD CREEK,
YUCAIPA

Public Works Manager John Wrobel discussed the proposed contract with Weka Inc. for sewer mainline repairs in Wildwood Creek, Yucaipa.

Director Bruce Granlund moved that the Board authorize the General Manager to execute a contract with Weka, Inc. for a sum not to exceed \$32,684. Director Chris Mann seconded the motion.

The motion was approved by the following vote:

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

BOARD REPORTS AND
DIRECTOR COMMENTS

- Director Chris Mann reported on the Sterling Natural Resource Center Groundbreaking Ceremony on October 20, 2018.
- Director Chris Mann reported on the San Timoteo Sustainable Groundwater Management Agency meeting on October 23, 2018.
- Director Chris Mann and Director Bruce Granlund reported on the Yucaipa Sustainable Groundwater Management Agency meeting on October 24, 2018.
- Director Tom Shalhoub reported on the San Gorgonio Pass Regional Water Alliance meeting on October 24, 2018.
- Director Tom Shalhoub reported on the San Gorgonio Pass Water Agency meeting on November 5, 2018.
- Director Tom Shalhoub reported on the San Bernardino Valley Municipal Water District meeting on November 6, 2018.

ANNOUNCEMENTS

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

CLOSED SESSION

Director Jay Bogh, Director Bruce Granlund, Director Tom Shalhoub, and Director Chris Mann were present in closed session with Legal Counsel David Wysocki, General Manager Joseph Zoba, and Chief Financial Officer Allison Edmisten to discuss the following item.

- A. Conference with Real Property Negotiator(s)
Government Code 54956.8; Property:
Assessor's Parcel Numbers: 413-380-001 - 009,
and 013; Agency Negotiator: Joseph Zoba,

General Manager; Negotiating Parties: Johnson Brothers Partnership; Under Negotiation: Terms of Payment and Price

After reconvening out of closed session, Legal Counsel David Wysocki reported that direction was provided to the General Manager and that there were no other reportable actions taken.

ADJOURNMENT

The meeting was adjourned at 6:20 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(Seal)

MINUTES OF A BOARD WORKSHOP

November 13, 2018 at 4:00 P.M.

Directors Present:

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

Staff Present:

Jennifer Ares, Water Resource Manager
Allison Edmisten, Chief Financial Officer
Chelsie Fogus, Engineering Technician I
Kathryn Hallberg, Implementation Manager
Dustin Hochreiter, Senior Engineering Technician
Mike Kostelecky, Operations Manager
Matthew Porras, Implementation Manager
Mike Rivera, Public Works Supervisor
James Rowell, Interim Operations Manager
Frank Sclafani, Administrative Clerk Intern
John Wrobel, Public Works Manager
Joseph Zoba, General Manager

Directors Absent:

None

Consulting Staff Present:

David Wysocki, Legal Counsel

Guests and Others Present:

David Duron, Customer
Joyce McIntyre, Customer
Linda Shelton, Customer
Leonard Stephenson, San Geronio Pass Water Agency
Renita Dukes, Vavrinek, Trine, Day & Company
Phil White, Vavrinek, Trine, Day & Company

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- I. Call to Order - 4:00 p.m.
 - II. Public Comments - None
 - III. Staff Report - General Manager Joseph Zoba provided information about the following topics:
 - The meeting packet included an article from the Sacramento Bee titled "Did Gas, Homeless People and Sick Kids Kill California's Water Bond?". This article provides some insight and thoughts into the rejection of Proposition 3.
 - The next meeting of the Yucaipa Sustainable Groundwater Management Agency is scheduled for Wednesday, November 14, 2018 at 9:30 am.
 - The Crafton Hills College Foundation will be hosting the seventh annual Friends of Crafton Hills College Luncheon on Friday, November 30, 2018.
 - The District staff has transitioned to Basecamp software for the preparation of meeting packets. Due to an issue with the software, the audited financial statements were not included in the original packet. The audited financial statements have been distributed to the board members and public in advance of the workshop.

- IV. Presentations
 - A. Overview of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2018 [Workshop Memorandum No. 18-245] - Chief Financial Officer Allison Edmisten introduced Phil White and Renita Dukes from Vavrinek, Trine, Day & Company. Phil White and Renita Dukes presented the audited financial report and responded to questions from the board members and the public.
 - B. Overview of the GASB 75 Compliance – Actuarial Report [Workshop Memorandum No. 18-246] - Chief Financial Officer Allison Edmisten reviewed the actuarial report required for GASB 75 compliance.
- V. Capital Improvement Projects
 - A. Status Report on the Construction of the Replacement of Drinking Water Pipelines on Douglas Street, Cornell Drive, Auburn Avenue, Citibank / Yucaipa Boulevard and Oak Glen Road [Workshop Memorandum No. 18-247] - Implementation Manager Matthew Porras provided an overview of the drinking water replacement pipelines under construction.
 - B. Status Report on the Construction of an 8-Inch Sewer Mainline in Yucaipa Boulevard [Workshop Memorandum No. 18-248] - Implementation Manager Matthew Porras provided an overview of the anticipated construction of the sewer mainline in Yucaipa Boulevard near Hampton Road.
- VI. Administrative Items
 - A. Presentation of the Unaudited Financial Report for the Period Ending on October 31, 2018 [Workshop Memorandum No. 18-249] - Chief Financial Officer Allison Edmisten provided an overview of the unaudited financial report.
 - B. Review of the Updated Personnel Manual for the Yucaipa Valley Water District [Workshop Memorandum No. 18-250] - Chief Financial Officer Allison Edmisten provided an overview of the updates to the District's personnel manual.
 - C. Ratification of the Issuance of a Class II Non-Significant Industrial User Discharge Permit to Skat-Trak Performance Products - Permit No. CP-003-03 [Workshop Memorandum No. 18-251] - Public Works Manager John Wrobel provided an overview of the pretreatment permit issued to Skat-Trak Performance Products.
 - D. Overview of Required Documents for a State Revolving Fund Loan for the Calimesa Recycled Water Pipeline Project [Workshop Memorandum No. 18-252] - General Manager Joseph Zoba provided an overview of the resolutions and documents needed to complete the State Revolving Fund loan process for the Calimesa Recycled Water Pipeline Project.
- VII. Director Comments - None
- VIII. Announcements - The future meetings were referenced on the workshop agenda.
- IX. Closed Session - A closed session was not conducted at this meeting.
- X. Adjournment - The meeting was adjourned at 4:40 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

Board Awarded Contracts
Consent Calendar Board Meeting -November 20, 2018

District Awarded Contracts	Director Memorandum	Job or GL #	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining	Encumbered Funds - Remaining Contract Amount				
										General Operating Expenses	Water Division Funds	Sewer Division Funds	Recycled Division Funds	Other Funds
Law Office of David L. Wysocki - FY 2019 Legal Services (Operating)	--	*-5-06-54107	--	--	\$10,763	\$1,650	\$12,413							
Brentwood Industries/Polychem System (S-Reserves) Replacement of Primary Clarifier Equipment at WRWRF	18-034	03-13002	--	\$160,000	\$0	\$0	\$0	\$160,000	100%			\$160,000		
DDB Engineering (R-Reserves) Application to DDW for the Recharge at Wilson Creek Basins	15-086	04-19771	--	\$35,900	\$24,655	\$0	\$24,655	\$11,245	31%				\$11,245	
Delta Partners \$90,000 per year-LegislativeConsult (exp 12/18) WS Oper	13-079	*-5-06-54109	--	\$90,000	\$67,500	\$7,500	\$75,000	\$15,000	17%	\$15,000				
Dudek (S-Operating) 2018-Max Benefit Monitoring for San Timoteo/Yucaipa Mgmt Zones	18-054 03-5-06-54109	\$93,580	--	\$93,580	\$36,476	\$16,329	\$52,805	\$40,775	44%	\$40,775				
Dudek (S-Operating) 2018-HMP in San Timoteo Creek	18-055 03-5-06-54109	\$56,340	--	\$56,340	\$22,359	\$18,867	\$41,226	\$15,114	27%	\$15,114				
Dudek (WS Operating) Insepection of Proposed Sites for Remote Telemetry	17-059 0*-5-06-54109	\$10,775	--	\$10,775	\$5,428	\$0	\$5,428	\$5,348	50%	\$5,348				
Dudek (WS/R Operating) Developing a Comprehensive Database Management System (DMS) Amendment #1	17-084 0*-5-06-54109	\$89,750 \$6,600	--	\$96,350	\$74,994	\$3,465	\$78,459	\$17,891	19%	\$17,891				
Geoscience (R-Operating) Preparation of a groundwater model for the Gateway Basin CO #1 - preparation of groundwater model	14-070 15-010	04-5-06-54109		\$51,710	\$49,284	\$0	\$49,284	\$2,426	5%	\$2,426				
Geoscience (W-Operating) Calculation of Water Budgets for Validation of Annual Change in Storage Exp of the Yucaipa Watershed & Yucaipa Groundwater Basin Model	16-058 16-110	02-5-06-54109		\$172,006	\$147,864	\$224	\$148,088	\$23,918	14%	\$23,918				
Geoscience Pilot Recharge Testing of the Beaumont Basin	18-140		--	\$326,956	\$0	\$0	\$0	\$326,956	100%	\$326,956				
HDR (W-Operating) Perform Tracer Study on R13.1 Clearwell at YVRWFF	17-068	02-5-06-54109	\$37,726 \$4,000	\$41,726	\$41,319	\$0	\$41,319	\$407	1%	\$407				
JB Paving Roadway Improvements Mountain View Ln	18-141		--	\$105,250	\$0	\$0	\$0	\$105,250	100%	\$105,250				
Krieger & Stewart Initiate Design of R-12.4 (W-Reserves) TO#4 Revised TO#4, Amendment #2 TO#5- Construction Mgmt Services TO#5, Amendment #1 - Construction Mmgt Services	04-164 05-075 14-014 14-092 16-069	65-295	\$74,900 \$600 \$45,000 \$482,500 \$102,600	\$585,100	\$552,636	\$0	\$552,636	\$32,464	6%		\$32,464			
TO#5, Design R-13.4 and H-2 Reservoirs for JP Ranch 60% R-13.4 and 40% H-2 (Developer Funds)	05-083 05-083	65-180 65-179	\$47,400 \$31,600	\$79,000	\$50,471	\$0	\$50,471	\$28,529	36%					\$28,529
Novotx (Elements) (WS Operating) Elements XS asset management software	18-127	*-5-06-54005		\$121,100	\$73,000	\$0	\$73,000	\$48,100	40%	\$48,100				
One Stop Landscape Supply FY 2019 Sludge Hauling\Reuse (Oper)	--	03-5-02-57031	--	--	\$63,595	\$23,132	\$86,727							
Platinum Advisors (WS Operating) 2018 Lobbyist N-T-E per month 2018 Quarterly Filing & Misc. Expenses	13-080	*-5-06-54109 02-5-06-54109	-- --	-- --	\$50,000 \$375	\$5,000 \$0	\$55,000 \$375							
RMC Water & Environment/Woodard & Curran TO#26, SRF Mgmt Svcs-Calimesa Regional Recycled Pipeline (R-FCC)	14-023	04-5-06-54109		\$95,692	\$69,361	\$0	\$69,361	\$26,331	28%				\$26,331	
Application to DDW for the Recharge at Wilson Creek Basins (R-Resvs)	15-086	04-19771		\$237,668	\$216,573	\$0	\$216,573	\$21,095	9%				\$21,095	

Board Awarded Contracts
Consent Calendar Board Meeting -November 20, 2018

										Encumbered Funds - Remaining Contract Amount					
	Director Memorandum	Job or GL #	Job Cost Breakdown	Awarded Contract Amount	Prior Payments to Date	Pending Invoice Amount	Total Contract Payments	Remaining Contract Amount	Percent Remaining	General Operating Expenses	Water Division Funds	Sewer Division Funds	Recycled Division Funds	Other Funds	
District Awarded Contracts															
Amendment #3	18-085														
San Bernardino Valley Water District (W-Operating) iEfficient Wwater Conservation Campaign	16-092 17-112	02-5-06-54099	\$16,195 \$22,400	\$38,595	\$38,508	\$0	\$38,508	\$87	0%	\$87					
Scinor Water America/Pascal Ludwig (S- Reserves) Install UF Modules and Mesh Strainer AT WRWRF	17-088	03-10311	- -	\$215,000	\$186,074	\$0	\$186,074	\$28,926	13%			\$28,926			
Separation Processes, Inc. (W-Reserves) Design & Construction Supports Servs for NF SCRAM	15-047	55-19200 02-14500		\$191,820	\$170,980	\$0	\$170,980	\$20,840	11%		\$20,840				
Application to DDW for the Recharge at Wilson Creek Basins (R-Resrvs)	15-086	04-19771	- -	\$42,860	\$24,321	\$0	\$24,321	\$18,539	43%				\$18,539		
Feasibility Report for Wochholz SAGE Project	17-043	03-5-06-54109		\$67,575	\$66,201	\$0	\$66,201	\$1,374	2%			\$1,374			
WWTP Monitoring Operations & Reporting Enhancement (MORE) (S-Oper)	18-122	03-5-06-54109		\$330,436	\$0	\$675	\$675	\$329,761	100%			\$329,761			
Vavrinek, Trine, Day & Company (VTD) (Operating) FY 2018 Auditing Services \$23,900 + \$3,500 for Single Audit FY 2019 Auditing Services \$23,900 + \$3,500 for Single Audit	15-106 15-106	*-5-06-54108 *-5-06-54108		\$23,900	\$0	\$20,300	\$20,300	\$3,600	15%	\$3,600					
Villalobos and Associates (W-Operating) Permitting of Recharge Oper at the Wilson Creek Spreading Basins	16-064	02-5-06-54109	- -	\$72,200	\$39,064	\$0	\$39,064	\$33,136	46%	\$33,136					
Weka, Inc. (S-Reserves) Construction of Yucaipa Blvd. Sewer-Hampton Rd to 18th St	18-035	03-14500	- -	\$526,193	\$0	\$0	\$0	\$526,193	100%		\$526,193				
Weka, Inc. (S-Operating) Sewer Mainline Repairs- Wildwood Creek	18-142	03-5-07-51003		\$32,684	\$0	\$0	\$0	\$32,684	100%		\$32,684				
GRAND TOTALS				\$3,269,339	\$2,042,736	\$97,141	\$2,139,877	\$1,875,989	- -	\$638,009	\$612,181	\$520,061	\$77,210	\$28,529	
										↓	\$638,009	↓	\$1,209,452	↓	\$28,529

Check Register - October 2018

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/01/2018	32915	Atkinson, Andelson, Loya, Ruud	\$ 888.99
10/01/2018	32916	State Water Resources Control	\$ 110.00
10/01/2018	32917	ADS, LLC	\$ 4,275.00
10/01/2018	32918	Luke's Transmission Inc.	\$ 15.00
10/01/2018	32919	Ameripride Uniform Services	\$ 815.30
10/01/2018	32920	Balco Holdings Inc.	\$ 5,160.45
10/01/2018	32921	Bernell Hydraulics, Inc.	\$ 619.75
10/01/2018	32922	BSK Associates	\$ 415.00
10/01/2018	32923	CDW LLC	\$ 2,799.38
10/01/2018	32924	Crider Public Relations, Inc.	\$ 3,400.00
10/01/2018	32925	Environmental Systems Research	\$ 26,935.56
10/01/2018	32926	Evoqua Water Technologies LLC	\$ 1,223.88
10/01/2018	32927	Incode Division-Tyler Technolo	\$ 1,365.77
10/01/2018	32928	InfoSend, Inc.	\$ 3,747.32
10/01/2018	32929	Innerline Engineering	\$ 1,750.00
10/01/2018	32930	Nicholas C. Hendrickson	\$ 71.50
10/01/2018	32931	JB Paving & Engineering, Inc.	\$ 7,975.00
10/01/2018	32932	Raiset R. Santana and Adriana	\$ 41.50
10/01/2018	32933	MailFinance Inc.	\$ 353.07
10/01/2018	32934	Nagem, Inc.	\$ 1,188.64
10/01/2018	32935	NetComp Technologies, Inc.	\$ 2,475.55
10/01/2018	32936	Pro-Pipe & Supply, Inc.	\$ 393.55
10/01/2018	32937	Antonio T. Paredes	\$ 27,500.00
10/01/2018	32938	SCCI, Inc.	\$ 3,300.00
10/01/2018	32939	SB CNTY-Treasurer-Tax	\$ 53.34
10/01/2018	32940	South Coast A.Q.M.D.	\$ 13,355.66
10/01/2018	32941	Association of San Bernardino	\$ 140.00
10/01/2018	32942	Spectrum Business	\$ 1,834.00
10/01/2018	32943	Tattletale Portable Alarm Syst	\$ 3,105.00
10/01/2018	32944	The Gas Company	\$ 57.33
10/01/2018	32945	U.S. Telepacific Corp	\$ 2,652.10
10/01/2018	32946	Water Systems Consulting, Inc.	\$ 5,963.75
10/01/2018	32947	Water Systems Optimization Inc	\$ 4,000.00
10/01/2018	32948	Yucaipa Disposal, Inc.	\$ 1,515.28
10/01/2018	32949	Aqua-Metric Sales Company	\$ 11,144.81
10/01/2018	32950	BofA Credit Card	\$ 2,360.09
10/01/2018	32951	Brenntag Pacific, Inc	\$ 17,021.43
10/01/2018	32952	Fresno Oxygen	\$ 781.56
10/01/2018	32953	Grainger	\$ 56.78
10/01/2018	32954	Hasa, Inc.	\$ 7,552.86
10/01/2018	32955	Home Depot U.S.A. Inc	\$ 786.24
10/01/2018	32956	House Of Quality, Parts Plus	\$ 3,691.33
10/01/2018	32957	VOID CHECK	\$ -
10/01/2018	32958	Inland Water Works Supply Co.	\$ 12,886.63
10/01/2018	32959	Nicholas C. Hendrickson	\$ 3,480.33

Check Register - October 2018

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/01/2018	32960	Nuckles Oil Company, Inc.	\$ 5,334.60
10/01/2018	32961	NCL Of Wisconsin Inc	\$ 606.10
10/01/2018	32962	Polydyne Inc.	\$ 2,949.12
10/01/2018	32963	Power Plus International	\$ 209.73
10/01/2018	32964	US Bank	\$ 4,861.42
10/01/2018	32965	Kenneth Carnes	\$ 814.59
10/01/2018	32966	Jeremy Costello	\$ 100.00
10/01/2018	32967	DEL PILAR, JAMIE & M	\$ 99.84
10/01/2018	32968	Standard Insurance Company	\$ 1,543.28
10/01/2018	32969	Standard Insurance Vision Plan	\$ 772.68
10/01/2018	32970	MetLife Small Business Center	\$ 147.22
10/01/2018	32971	Jennifer Ares	\$ 171.32
10/01/2018	32972	Nippon Life Insurance Co. of A	\$ 3,827.32
10/08/2018	32973	MASINDE, GODFRED & R	\$ 51.56
10/08/2018	32974	State Water Resources Control	\$ 220.00
10/08/2018	32975	Ameripride Uniform Services	\$ 846.33
10/08/2018	32976	C & B Crushing, Inc.	\$ 300.00
10/08/2018	32977	CA-ARB/PERP	\$ 575.00
10/08/2018	32978	Cal-Mesa Steel Supply, Inc.	\$ 21.55
10/08/2018	32979	Coverall North America, Inc.	\$ 1,331.00
10/08/2018	32980	Crown Ace Hardware - Yucaipa	\$ 1,082.00
10/08/2018	32981	First American Data Tree, LLC	\$ 50.00
10/08/2018	32982	G&G Environmental Compliance, I	\$ 2,794.30
10/08/2018	32983	Innerline Engineering	\$ 1,750.00
10/08/2018	32984	Carlos Murillo	\$ 12.42
10/08/2018	32985	MBC Applied Environmental Scie	\$ 1,350.00
10/08/2018	32986	Nagem, Inc.	\$ 5,061.75
10/08/2018	32987	NetComp Technologies, Inc.	\$ 2,700.00
10/08/2018	32988	Office Solutions Business Prod	\$ 249.52
10/08/2018	32989	Pacific Coast Landscape & Desi	\$ 6,325.00
10/08/2018	32990	John Deere Financial f.s.b.	\$ 213.32
10/08/2018	32991	Pro-Pipe & Supply, Inc.	\$ 116.45
10/08/2018	32992	Q Versa, LLC	\$ 43,757.87
10/08/2018	32993	Quinn Company	\$ 282.10
10/08/2018	32994	Western Oilfields Supply Compa	\$ 357.88
10/08/2018	32995	Riverside County Treasurer	\$ 266.42
10/08/2018	32996	SCCI, Inc.	\$ 350.00
10/08/2018	32997	U.S. Postal Service (Hasler)	\$ 2,000.00
10/08/2018	32998	Underground Service Alert Of S	\$ 485.20
10/08/2018	32999	UPS Store#1504/ Mail Boxes Etc	\$ 25.00
10/08/2018	33000	Yucaipa Valley Water District	\$ 74,603.75
10/08/2018	33001	Aqua-Metric Sales Company	\$ 72,125.16
10/08/2018	33002	John F. Simister	\$ 1,639.40
10/08/2018	33003	Brenntag Pacific, Inc	\$ 2,299.97
10/08/2018	33004	Fisher Scientific Co.	\$ 1,364.66

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/08/2018	33005	Global Equipment Co., Inc	\$ 626.43
10/08/2018	33006	Industrial Safety Supply Corp	\$ 601.96
10/08/2018	33007	Inland Water Works Supply Co.	\$ 8,556.18
10/08/2018	33008	King Lee Chemical, Co.	\$ 20,291.48
10/08/2018	33009	Lawrence Roll Up Doors, Inc.	\$ 885.00
10/08/2018	33010	Lowe's Companies, Inc.	\$ 506.14
10/08/2018	33011	Nuckles Oil Company, Inc.	\$ 2,537.96
10/08/2018	33012	Uline, Inc.	\$ 1,983.17
10/08/2018	33013	Calmat Company	\$ 2,660.10
10/08/2018	33014	West Coast Lights & Sirens, In	\$ 386.61
10/08/2018	33015	Cal-Mesa Steel Supply, Inc.	\$ 70.04
10/08/2018	33016	California Association of Sani	\$ 16,711.00
10/08/2018	33017	Geoscience Support Services, I	\$ 53,554.20
10/08/2018	33018	Incode Division-Tyler Technolo	\$ 5,721.40
10/08/2018	33019	Nagem, Inc.	\$ 85.00
10/08/2018	33020	Office Solutions Business Prod	\$ 48.32
10/08/2018	33021	State Water Resources Control	\$ 110.00
10/12/2018	33022	PAYROLL CHECK	\$ 2,299.62
10/12/2018	33023	PAYROLL CHECK	\$ 310.43
10/12/2018	33024	WageWorks, Inc.	\$ 1,281.51
10/12/2018	33025	IBEW Local 1436	\$ 667.00
10/12/2018	33026	California State Disbursement	\$ 115.38
10/12/2018	33027	California State Disbursement	\$ 397.38
10/12/2018	33028	Ryan Janisch	\$ 435.70
10/15/2018	33029	Delta Partners, LLC	\$ 7,500.00
10/15/2018	33030	Dudek & Associates, Inc	\$ 20,646.93
10/15/2018	33031	HDR Engineering, Inc.	\$ 10,704.13
10/15/2018	33032	One Stop Landscape Supply Inc	\$ 20,855.00
10/15/2018	33033	Platinum Advisors, LLC	\$ 5,000.00
10/15/2018	33034	Woodard & Curran Inc.	\$ 3,373.64
10/15/2018	33035	David L. Wysocki	\$ 3,975.00
10/15/2018	33036	Addiction Medicine Consultants	\$ 60.00
10/15/2018	33037	Ameripride Uniform Services	\$ 814.78
10/15/2018	33038	John F. Simister	\$ 684.58
10/15/2018	33039	California Special Districts A	\$ 7,552.00
10/15/2018	33040	Cal-Mesa Steel Supply, Inc.	\$ 70.04
10/15/2018	33041	Center Electric Services, Inc.	\$ 80,731.34
10/15/2018	33042	Central Communications	\$ 416.50
10/15/2018	33043	Clinical Laboratory of San Ber	\$ 15,973.50
10/15/2018	33044	Victor James Valenti	\$ 2,287.70
10/15/2018	33045	Corelogic, Inc.	\$ 330.00
10/15/2018	33046	Ernesto & Dora Placencia	\$ 3,129.11
10/15/2018	33047	Evoqua Water Technologies LLC	\$ 2,248.98
10/15/2018	33048	Fedex	\$ 41.77
10/15/2018	33049	Frontier Communications	\$ 149.95

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/15/2018	33050	InfoSend, Inc.	\$ 3,708.92
10/15/2018	33051	Innerline Engineering	\$ 1,750.00
10/15/2018	33052	Konica Minolta Business Soluti	\$ 956.15
10/15/2018	33053	Nagem, Inc.	\$ 510.00
10/15/2018	33054	NetComp Technologies, Inc.	\$ 34,278.77
10/15/2018	33055	Office Solutions Business Prod	\$ 3,288.47
10/15/2018	33056	Pro-Pipe & Supply, Inc.	\$ 328.84
10/15/2018	33057	Quinn Company	\$ 7.09
10/15/2018	33058	Red Alert Special Couriers	\$ 369.26
10/15/2018	33059	San Gorgonio Pass Water Agency	\$ 22,047.15
10/15/2018	33060	Spectrum Business	\$ 4,483.00
10/15/2018	33061	The Counseling Team Internatio	\$ 480.00
10/15/2018	33062	UPS Store#1504/ Mail Boxes Etc	\$ 45.45
10/15/2018	33063	Westrux International, Inc.	\$ 751.68
10/15/2018	33064	Airgas, Inc.	\$ 1,506.53
10/15/2018	33065	All American Sewer Tools	\$ 1,166.73
10/15/2018	33066	Aqua-Metric Sales Company	\$ 50,858.00
10/15/2018	33067	Brenntag Pacific, Inc	\$ 19,923.12
10/15/2018	33068	Burgeson's Heating & Air Cond.	\$ 3,450.00
10/15/2018	33069	Fisher Scientific Co.	\$ 376.15
10/15/2018	33070	Grainger	\$ 2,578.18
10/15/2018	33071	Hasa, Inc.	\$ 3,941.46
10/15/2018	33072	Hemet Valley Tool Inc.	\$ 1,408.98
10/15/2018	33073	Industrial Safety Supply Corp	\$ 202.29
10/15/2018	33074	Inland Water Works Supply Co.	\$ 10,598.94
10/15/2018	33075	Nuckles Oil Company, Inc.	\$ 8,037.97
10/15/2018	33076	Odyssey Power Corporation	\$ 2,137.69
10/15/2018	33077	Quinn Company	\$ 10,752.90
10/15/2018	33078	Rosemount Analytical, Inc.	\$ 2,848.76
10/15/2018	33079	Sinclair Rock and Sand Inc.	\$ 3,100.00
10/15/2018	33080	Talley Inc.	\$ 4,114.83
10/15/2018	33081	Wells Tapping Service, Inc	\$ 6,000.00
10/15/2018	33082	California Water Environment A	\$ 188.00
10/15/2018	33083	Southwest Membrane Operator As	\$ 600.00
10/15/2018	33084	Gilbert A. Santacruz	\$ 50.00
10/15/2018	33085	Robert Mendez	\$ 188.00
10/15/2018	33086	NORTON, CATHIE	\$ 85.45
10/15/2018	33087	MOSER, BAMBI	\$ 56.43
10/15/2018	33088	BURK, JACK	\$ 51.64
10/15/2018	33089	DAVID, CAROLINE	\$ 15.81
10/15/2018	33090	FRAZER, LOUIS & LIND	\$ 43.83
10/15/2018	33091	ONULDO, INC.	\$ 27.16
10/15/2018	33092	AT&T Mobility	\$ 1,893.81
10/15/2018	33093	Mission Communications, LLC	\$ 563.40
10/15/2018	33094	Separation Processes, Inc.	\$ 932.00

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/15/2018	33095	SF CC Intermediate Holdings In	\$ 277.22
10/15/2018	33096	Water Systems Consulting, Inc.	\$ 16,960.00
10/15/2018	33097	City of Yucaipa	\$ 90,000.00
10/22/2018	33098	American Family Life Assurance	\$ 3,410.03
10/22/2018	33099	Joan Cadiz	\$ 603.36
10/22/2018	33100	Joe DeSalliers	\$ 646.39
10/22/2018	33101	Rodd Greene	\$ 648.15
10/22/2018	33102	Dennis Neff	\$ 599.99
10/22/2018	33103	Robert Wall	\$ 599.99
10/22/2018	33104	Western Dental Services, Inc.	\$ 203.54
10/22/2018	33105	WageWorks, Inc.	\$ 207.50
10/22/2018	33106	Jacob Duncan	\$ 135.00
10/22/2018	33107	Allison Edmisten	\$ 236.51
10/22/2018	33108	Luis Crespo VOIDED	\$ -
10/22/2018	33109	California Water Environment A	\$ 188.00
10/22/2018	33110	Steven Eldridge	\$ 49.56
10/22/2018	33111	Courtland R. Gear	\$ 95.00
10/22/2018	33112	Christopher Beard	\$ 100.00
10/22/2018	33113	Steven Molina	\$ 155.00
10/22/2018	33114	Kelly Hamilton	\$ 170.00
10/22/2018	33115	Kyle Rose	\$ 76.00
10/22/2018	33116	Johnny Shackelford	\$ 434.00
10/22/2018	33117	Sean Ferris	\$ 688.69
10/22/2018	33118	Matthew M. Barlow	\$ 1,517.77
10/22/2018	33119	Ralph C. Casas	\$ 77.45
10/22/2018	33120	Ameripride Uniform Services	\$ 855.19
10/22/2018	33121	Balco Holdings Inc.	\$ 1,393.91
10/22/2018	33122	Beaumont Basin Watermaster	\$ 13,380.00
10/22/2018	33123	BSK Associates	\$ 1,495.00
10/22/2018	33124	Cal-Mesa Steel Supply, Inc.	\$ 168.09
10/22/2018	33125	Cliff's Pest Control, Inc.	\$ 115.00
10/22/2018	33126	Evoqua Water Technologies LLC	\$ 1,144.14
10/22/2018	33127	Fedex	\$ 42.16
10/22/2018	33128	FMB Truck Outfitters, Inc.	\$ 98.48

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/22/2018	33129	Frontier Communications	\$ 151.01
10/22/2018	33130	Home Depot U.S.A. Inc	\$ 337.98
10/22/2018	33131	Incode Division-Tyler Technolo	\$ 631.30
10/22/2018	33132	InfoSend, Inc.	\$ 5,033.75
10/22/2018	33133	Inland Empire Resource Conserv	\$ 1,263.11
10/22/2018	33134	Innerline Engineering	\$ 1,750.00
10/22/2018	33135	Nagem, Inc.	\$ 1,360.00
10/22/2018	33136	NetComp Technologies, Inc.	\$ 3,600.00
10/22/2018	33137	John Deere Financial f.s.b.	\$ 575.97
10/22/2018	33138	Pro-Pipe & Supply, Inc.	\$ 1,047.59
10/22/2018	33139	Western Oilfields Supply Compa	\$ 4,483.68
10/22/2018	33140	Redlands-Yucaipa Rentals Inc.	\$ 26.40
10/22/2018	33141	SB CNTY-Recorder/County Clerk	\$ 113.00
10/22/2018	33142	SB CNTY-Solid Waste Mgmt Div	\$ 184.62
10/22/2018	33143	San Bdno. Valley Muni. Water D	\$ 13,379.20
10/22/2018	33144	Campbell Contracting Inc.	\$ 848.37
10/22/2018	33145	UPS Store#1504/ Mail Boxes Etc	\$ 74.91
10/22/2018	33146	Vision Technology Solutions, L	\$ 7,640.33
10/23/2018	33147	BofA Credit Card	\$ 6,118.85
10/23/2018	33148	Brenntag Pacific, Inc	\$ 13,393.41
10/23/2018	33149	California Water Technologies,	\$ 4,609.56
10/23/2018	33150	Calolympic Glove & Safety Co.,	\$ 119.09
10/23/2018	33151	Fastenal Company	\$ 1,099.05
10/23/2018	33152	Grainger	\$ 396.65
10/23/2018	33153	Hach Company	\$ 440.29
10/23/2018	33154	Hasa, Inc.	\$ 7,585.68
10/23/2018	33155	Industrial Safety Supply Corp	\$ 206.13
10/23/2018	33156	Inland Water Works Supply Co.	\$ 2,520.30
10/23/2018	33157	McMaster-Carr Supply Co.	\$ 405.44
10/23/2018	33158	Nuckles Oil Company, Inc.	\$ 3,436.00
10/23/2018	33159	Ryan Herco Products Corp	\$ 8,023.78
10/23/2018	33160	US Bank	\$ 5,085.75
10/23/2018	33161	Pirod, Inc.	\$ 1,482.75
10/23/2018	33162	SCE Rosemead	\$ 247,800.98
10/22/2018	33163	Robert Mendez	\$ 50.00
10/26/2018	33164	PAYROLL CHECK	\$ 2,223.81
10/26/2018	33165	WageWorks, Inc.	\$ 1,281.51
10/26/2018	33166	California State Disbursement	\$ 115.38
10/26/2018	33167	California State Disbursement	\$ 397.38
10/26/2018	33168	Denise Howard	\$ 300.00
10/29/2018	33169	State Water Resources Control	\$ 95.00
10/29/2018	33170	California Water Environment A	\$ 188.00
10/29/2018	33171	CWEA-TCP (OAKPORT ST.)	\$ 87.00
10/29/2018	33172	Water Environment Federation	\$ 328.00
10/29/2018	33173	Kelly Hamilton	\$ 76.00

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/29/2018	33174	ADS, LLC	\$ 4,275.00
10/29/2018	33175	Ameripride Uniform Services	\$ 812.77
10/29/2018	33176	Aster Bio, Inc.	\$ 500.00
10/29/2018	33177	Best Home Center	\$ 17.01
10/29/2018	33178	Cal's Towing	\$ 75.00
10/29/2018	33179	Calolympic Glove & Safety Co.,	\$ 164.87
10/29/2018	33180	Eco Pro Environmental Services	\$ 85.00
10/29/2018	33181	FMB Truck Outfitters, Inc.	\$ 123.32
10/29/2018	33182	Innerline Engineering	\$ 1,750.00
10/29/2018	33183	Lowe's Companies, Inc.	\$ 11.73
10/29/2018	33184	LUZ Investment Corp.	\$ 760.00
10/29/2018	33185	Margaret Haverland	\$ 600.00
10/29/2018	33186	MBC Applied Environmental Scie	\$ 2,700.00
10/29/2018	33187	Pacific Coast Landscape & Desi	\$ 320.00
10/29/2018	33188	Patton Sales Corporation	\$ 208.03
10/29/2018	33189	Pro-Pipe & Supply, Inc.	\$ 154.68
10/29/2018	33190	Redlands Ford	\$ 124.95
10/29/2018	33191	Safety Kleen Systems, Inc.	\$ 1,943.04
10/29/2018	33192	State Water Resources Control	\$ 7,145.60
10/29/2018	33193	Top-Line Industrial Supply, LL	\$ 431.00
10/29/2018	33194	U.S. Telepacific Corp	\$ 2,682.68
10/29/2018	33195	Brenntag Pacific, Inc	\$ 7,575.72
10/29/2018	33196	Consolidated Electrical Distri	\$ 139.86
10/29/2018	33197	Emergency Power Controls, Inc.	\$ 5,900.00
10/29/2018	33198	Grainger	\$ 1,372.98
10/29/2018	33199	Hasa, Inc.	\$ 3,484.67
10/29/2018	33200	Inland Water Works Supply Co.	\$ 473.02
10/29/2018	33201	Lambda Square Inc.	\$ 4,805.60
10/29/2018	33202	Nuckles Oil Company, Inc.	\$ 2,874.87
10/29/2018	33203	New Pig Corporation	\$ 2,666.21
10/29/2018	33204	Scott Allen	\$ 3,074.97
10/29/2018	33205	Talley Inc.	\$ 678.42
10/29/2018	33206	Target1 Instruments, LLC	\$ 682.60
10/29/2018	33207	Uline, Inc.	\$ 1,243.83
10/29/2018	33208	HD Supply Facilities Maintenanc	\$ 670.61
10/29/2018	33209	West Coast Lights & Sirens, In	\$ 2,037.77
10/29/2018	33210	Standard Insurance Company	\$ 1,709.36
10/29/2018	33211	Berkshire Hathaway Homestate C	\$ 22,222.90
10/29/2018	33212	Standard Insurance Vision Plan	\$ 772.68
10/29/2018	33213	MetLife Small Business Center	\$ 147.22
10/29/2018	33214	Blue Shield of California	\$ 2,658.60
10/29/2018	33215	Nippon Life Insurance Co. of A	\$ 2,713.83
10/29/2018	33216	Luis Crespo	\$ 113.30
			<u>\$ 1,098,131.63</u>

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/12/2018	electronic pmt	IRS - PAYROLL TAXES	\$ 56,264.86
10/12/2018	electronic pmt	CA-EDD	\$ 9,980.09
10/12/2018	electronic pmt	VOYA-457	\$ 6,202.14
10/12/2018	electronic pmt	CA-PERS Supplemental Income 45	\$ 26,037.18
10/12/2018	electronic pmt	Public Employees' Retirement S	\$ 29,075.67
10/22/2018	electronic pmt	CalPERS - HEALTH	\$ 86,901.69
10/26/2018	electronic pmt	IRS - PAYROLL TAXES	\$ 57,252.35
10/26/2018	electronic pmt	CA-EDD	\$ 10,684.14
10/26/2018	electronic pmt	VOYA-457	\$ 4,916.14
10/26/2018	electronic pmt	CA-PERS Supplemental Income 45	\$ 23,838.79
10/26/2018	electronic pmt	Public Employees' Retirement S	\$ 28,616.20
			<u><u>\$ 339,769.25</u></u>

Staff Report



Yucaipa Valley Water District

Discussion Items



Yucaipa Valley Water District



Date: November 20, 2018

Prepared By: Allison M. Edmisten, Chief Financial Officer

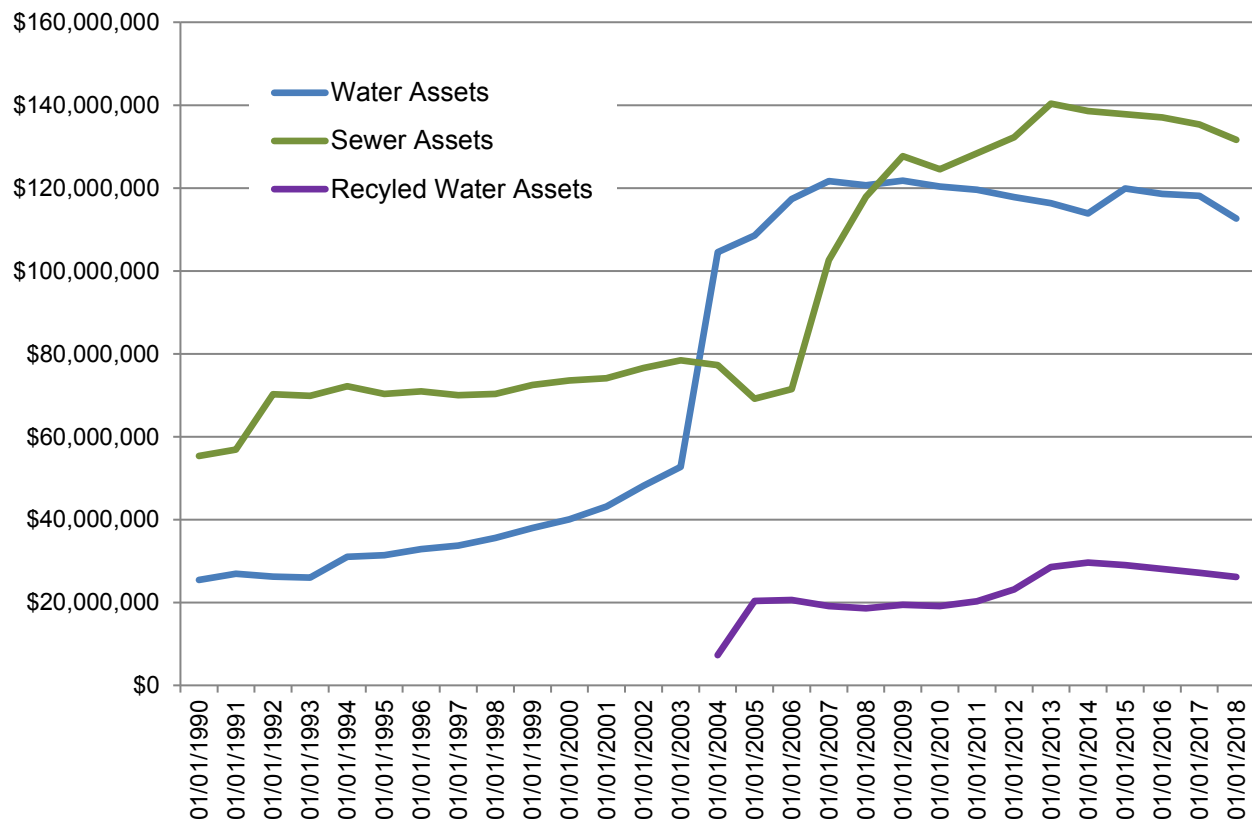
Subject: Presentation of the Audited Financial Statements for the Fiscal Year Ending on June 30, 2018

Recommendation: That the Board receives and files the audited financial statements.

The certified public accounting firm of Vavrinek, Trine, Day & Company, LLP (VTD) has completed the financial audit for the fiscal year ending on June 30, 2018.

A representative from VTD will attend the board workshop to provide an overview of the audited financial documents and answer questions about the report.

Total Assets by District Enterprise





Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

Draft 11.7.18

Annual Financial Statements

for the

Fiscal Year Ending June 30, 2018

Board of Directors

Chris Mann

Division 1

Bruce Granlund

Divisions 2

Jay Bogh

Division 3

Lonni Granlund

Division 4

Thomas Shalhoub

Division 5

Draft 11.7.18

Financial Audit Preparation Team:

Allison M. Edmisten, Chief Financial Officer

Kathryn Hallberg, Management Analyst

Matthew Porras, Management Analyst

Peggy Little, Administrative Supervisor

Erin Anton, Administrative Clerk V

Sara Onate, Administrative Clerk IV

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INTRODUCTION

It is my pleasure to provide the following financial report for Yucaipa Valley Water District ("District") for the fiscal year ended on June 30, 2018. The financial report was prepared by District staff following guidelines set forth by the Governmental Accounting Standards Board.

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

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

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

OVERVIEW OF THE DISTRICT

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

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

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

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

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

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



Financial Statements
Audited Financial Statements - Fiscal Year 2018

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

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

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

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

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

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

Historical Background

The District was formed as part of reorganization, pursuant to the Reorganization Act of 1965, being Division I of Title 6 of the Government Code of the State of California. This reorganization consisted of the formation of the District, dissolution of the Calimesa Water District and formation of Improvement District No. 1 of the District as successor-in-interest, and dissolution of Improvement District "A" of the San Bernardino Valley Municipal Water District and the formation of Improvement District "A" of the District as successor-in-interest. On September 14, 1971, the Secretary of State of the State of California certified and declared the formation of the Yucaipa Valley County Water District. The District operates under the County Water District Law, being Division 12, section 30000 of the State of California Water Code. Although the immediate function of the District was to provide water service, the District has assumed responsibility for providing recycled water and sewer service in Yucaipa Valley.

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



Financial Statements
Audited Financial Statements - Fiscal Year 2018

As of June 30, 2018, the District provided service to 12,940 water connections (17,797 units), 14,099 sewer connections (21,384 units) and 108 recycled water connections.

Customer Type	Water Utility		Sewer Utility		Recycled Water Utility
	Number of Connections	Number of Units	Number of Connections	Number of Units	Number of Connections
Single Family	11,786	11,786	13,119	13,119	0
Multiple Units	518	5,375	659	7,935	0
Commercial	265	265	260	260	0
Institutional	106	106	58	67	0
Industrial	12	12	3	3	0
Irrigation	124	124	0	0	96
Fire Detectors	104	104	0	0	0
Construction	25	25	0	0	12
Total	12,770	17,797	14,009	21,384	108

Land and Land Use

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

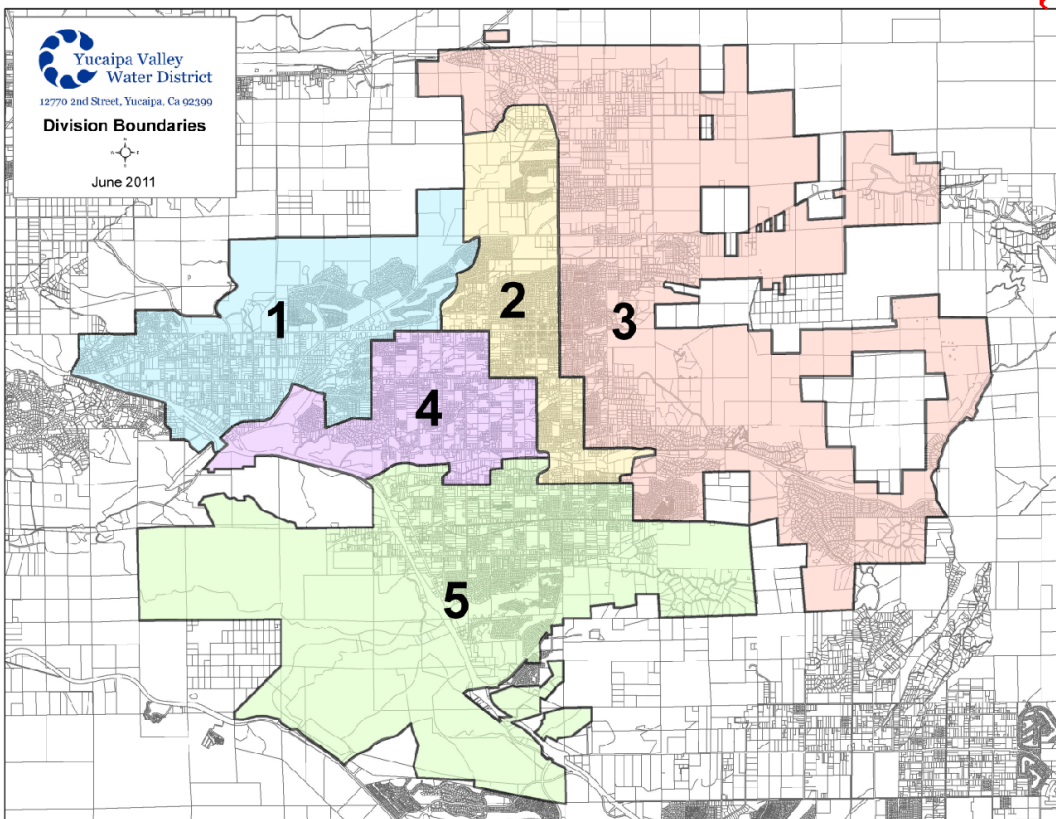
The District expects that the undeveloped land within its boundaries will continue to be developed consistent with the general plans as provided by the City of Yucaipa and the City of Calimesa. The projected population of the District in the year 2060 will be approximately 94,800, which reflects build-out of the City of Yucaipa, City of Calimesa, and the Oak Valley development. Although approximately 49.8% of the land within the boundaries of the District is currently undeveloped, less than 1% of District water sales are to agricultural water users.

Governance and Management

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

Member of the Board of Directors	Division	Initial Date of Service	Expiration of Term	Occupation
Chris Mann, Director	One	12/2/2016	2020	Public Relations Firm President
Bruce Granlund, Vice President	Two	12/23/1998	2018	Retired Senior District Attorney Investigator
Jay Bogh, President	Three	09/07/2005	2018	Building Firm Manager
Lonni Granlund, Director	Four	12/05/2008	2020	Property Manager/Real Estate Broker
Thomas Shalhoub, Director	Five	12/03/2014	2018	Retired Entrepreneur

Financial Statements
Audited Financial Statements - Fiscal Year 2018

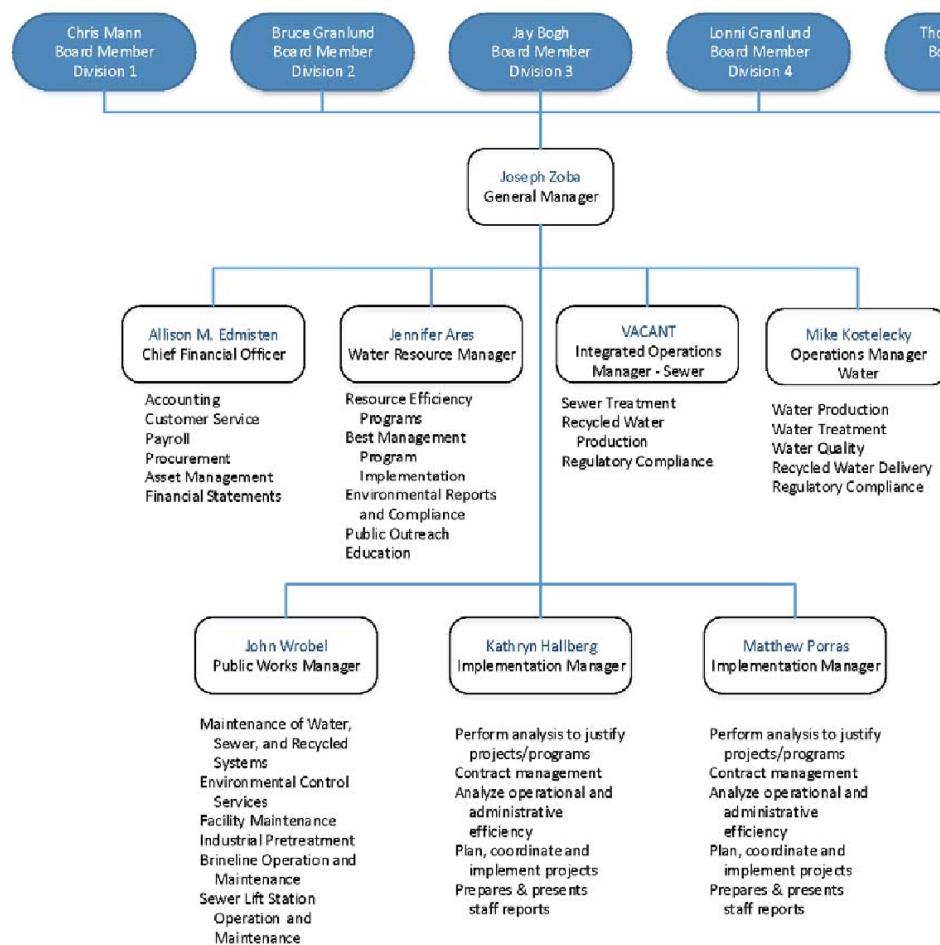


The following individuals have served as President of the Board since the District was created in 1971.

Yucaipa Valley Water District Presidents of the Board	
October 1971 to November 1973	Harold Lockwood
December 1973 to November 1975	Hank Wochholz
December 1975 to October 1977	Geno Gasponi
November 1977 to November 1979	Eve Kraft
December 1979 to December 1983	Pete Squires
January 1984 to December 1987	Fred Childs
January 1988 to November 1989	George Sardeson
November 1989 to December 1991	Hank Wochholz
January 1992 to November 1993	David Lesser
December 1993 to December 1995	Conrad Nelson
December 1995 to December 1998	Steve Copelan
January 1999 to November 2002	Conrad Nelson
December 2002 to December 2006	Bruce Granlund
December 2006 to December 2008	Tom Shalhoub
December 2008 to December 2012	Jay Bogh
January 2013 to December 2014	Bruce Granlund
December 2014 to December 2016	Lonni Granlund
December 2016 to Present	Jay Bogh

Financial Statements
Audited Financial Statements - Fiscal Year 2018

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



DEVELOPMENT ACTIVITY WITHIN THE DISTRICT

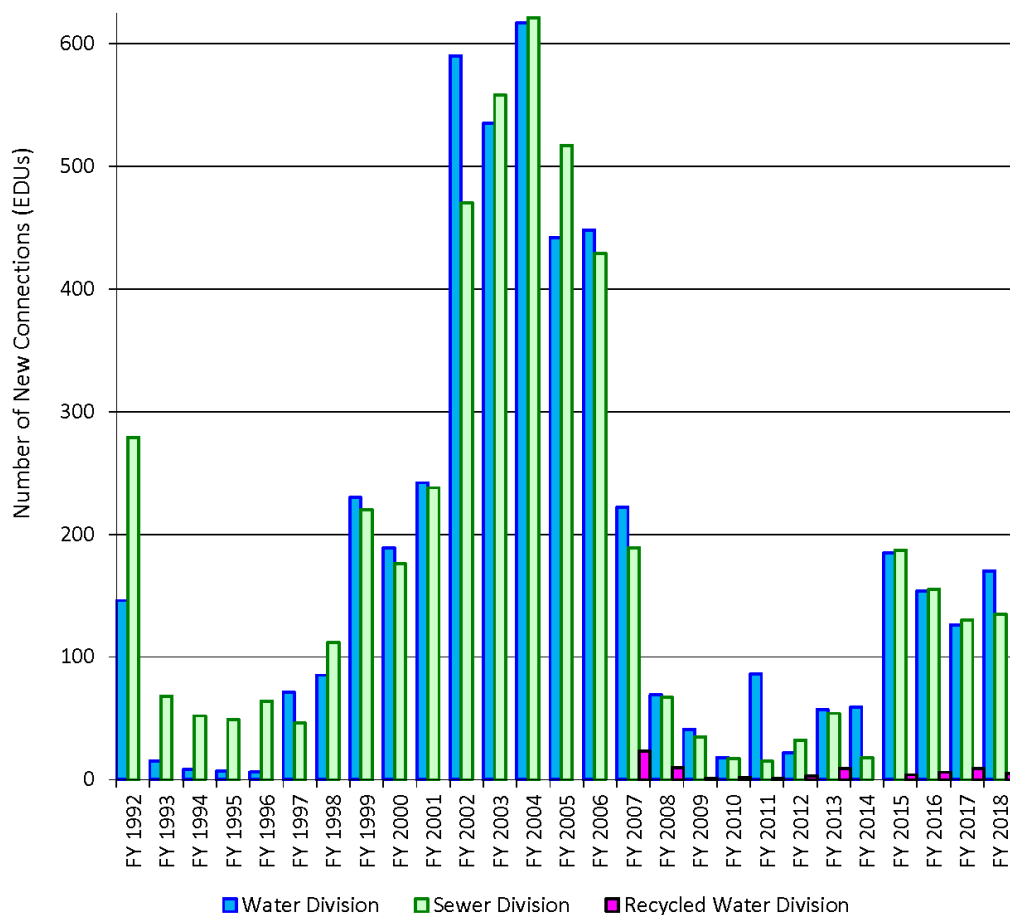
Facility Capacity Charges - Fiscal Year 2018

During this fiscal year, the District added 170 water connections, 135 sewer connections, and 5 recycled water connections. When compared to the development activity in the prior year, the District had 34.9% more water connections, 3.8% more sewer connections, but 44.4% fewer recycled water connections.

Financial Statements
Audited Financial Statements - Fiscal Year 2018

Fiscal Year	New Water Connections	New Sewer Connections	New Recycled Water Connections
2008	69	67	10
2009	41	35	1
2010	18	17	2
2011	86	15	1
2012	22	32	3
2013	57	54	9
2014	59	18	0
2015	185	187	4
2016	154	155	6
2017	126	130	9
2018	170	135	5

Historical Water, Sewer and Recycled Water New Connections



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MAJOR INITIATIVES AND CONTROLS

Sustainability Initiative

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

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

- Theodore Roosevelt

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

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

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

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

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

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

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



Financial Statements
Audited Financial Statements - Fiscal Year 2018

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

Internal Control Structure

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

Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. Budget adjustments are presented to the Board semi-annually for items that were not initially anticipated. The budget and reporting steps taken by the District are consistent with generally accepted accounting principles with monthly reporting of public documents for complete transparency and disclosure.

Investment Policy

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

Audit and Financial Reporting

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

Financial Statements
Audited Financial Statements - Fiscal Year 2018

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Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Yucaipa Valley Water District
Yucaipa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Water, Sewer, and Recycled Water Enterprise Funds of the Yucaipa Valley Water District (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water, Sewer, and Recycled Water Enterprise Funds of the District, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 40 and the Schedule of Contributions on page 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

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

Rancho Cucamonga, California
[REDACTED], 2018

Financial Statements
Audited Financial Statements - Fiscal Year 2018

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Management's Discussion & Analysis



This section of the Yucaipa Valley Water District's comprehensive annual financial report presents a discussion and analysis of the District's financial performance during the fiscal years ending June 30, 2017 and June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's basic financial statements following this section.

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

FINANCIAL HIGHLIGHTS

Based on the financial information for the fiscal year ending on June 30, 2018, the following financial highlights are noted for the Yucaipa Valley Water District.

- The District's net position decreased 1.96% to \$191,222,320.
- The District's total revenues increased 2.29% to \$25,705,289.
- The District's total expenses increased 5.35% to \$30,814,407.
- The capital contributions to the District totaled \$1,279,848 for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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



FINANCIAL ANALYSIS

The following table summarizes the changes in the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position as of June 30, 2018.

Statement of Net Position

	2018	2017	Change	% Change
Assets				
Current assets - W	\$ 8,569,094	\$ 11,330,360	\$ (2,761,266)	-24.37%
Current assets - S	7,577,832	7,095,136	482,696	6.80%
Current assets - R	858,725	1,246,567	(387,842)	-31.11%
Net capital assets - W	102,940,901	104,512,701	(1,571,800)	-1.50%
Net capital assets - S	123,124,449	126,492,709	(3,368,260)	-2.66%
Net capital assets - R	24,661,325	25,361,342	(700,017)	-2.76%
Other assets - W	1,117,083	1,215,162	(98,079)	-8.07%
Other assets - S	893,163	893,163	-	0.00%
Other assets - R	607,498	519,372	88,126	16.97%
Total Assets	270,350,070	278,666,512	(8,316,442)	-2.98%
Deferred Outflows of Resources				
Deferred amounts related to pensions - W	1,243,383	1,082,348	161,035	14.88%
Deferred amounts related to pensions - S	893,368	821,871	71,497	8.70%
Deferred amounts related to pensions - R	140,507	63,935	76,572	119.77%
Total Deferred Outflows	2,277,258	1,968,154	309,104	15.71%
Total Assets and Deferred Outflows	272,627,328	280,634,666	(8,007,338)	-2.85%
Liabilities				
Current liabilities - W	3,605,471	4,373,260	(767,789)	-17.56%
Current liabilities - S	4,161,501	4,100,811	60,690	1.48%
Current liabilities - R	34,257	38,664	(4,407)	-11.40%
Long-term liabilities - W	33,604,871	34,345,477	(740,606)	-2.16%
Long-term liabilities - S	39,172,684	41,877,607	(2,704,923)	-6.46%
Long-term liabilities - R	402,612	184,031	218,581	118.77%
Total Liabilities	80,981,396	84,919,850	(3,938,454)	-4.64%
Deferred Inflows of Resources				
Deferred amounts related to pensions - W	231,292	364,728	(133,436)	-36.59%
Deferred amounts related to pensions - S	166,183	276,953	(110,770)	-40.00%
Deferred amounts related to pensions - R	26,137	21,545	4,592	21.31%
Total Deferred Inflows	423,612	663,226	(239,614)	-36.13%
Net Position				
Net Investment in capital assets,				
Net of related debt - W	72,366,486	71,482,536	883,950	1.24%
Net of related debt - S	83,928,508	84,489,223	(560,715)	-0.66%
Net of related debt - R	24,661,325	25,361,342	(700,017)	-2.76%
Restricted - W	1,117,083	1,215,162	(98,079)	-8.07%
Restricted - S	893,163	893,163	-	0.00%
Restricted - R	607,498	519,372	88,126	16.97%
Unrestricted - W	2,945,258	6,359,408	(3,414,150)	-53.69%
Unrestricted - S	4,166,773	3,665,122	501,651	13.69%
Unrestricted - R	536,226	1,066,262	(530,036)	-49.71%
Total Net Position	191,222,320	195,051,590	(3,829,270)	-1.96%
Total Liabilities, Deferred Inflows and Net Position	\$ 272,627,328	\$ 280,634,666	\$ (8,007,338)	-2.85%

Management's Discussion and Analysis
Fiscal Year 2018

Statement of Net Position – The District's net position decreased from \$195,051,590 in fiscal year 2016-17 to \$191,222,320 in fiscal year 2017-18. The change can be seen in the Statement of Net Position above as a \$3,829,270 decrease in net position.

As of July 1, 2014, and the District's adoption of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. These pronouncements resulted in a restatement of the District's beginning net position and inclusion of several new accounts on the District's financial statements. These new accounts include a \$6,525,320 net pension liability, \$423,612 in deferred inflow of resources (deferred amount on pensions) and \$2,277,258 in deferred outflows of resources from pension contributions made after the measurement date and amortization. These are further discussed in Defined Benefit Pension Plans in the accompanying pages.

The decrease in water and recycled current assets is attributed to the increased expenditures and operations in the funds. The water fund experienced an increase in overtime expenses as well as repair costs as a result of issues with the SCADA system. In addition, the water fund had one-time expenses for reservoir coating/repair, repairing the gabions at a water reservoir site as well as final expenditures for the new Public Works building. Both the water and the sewer fund experienced an increase in salary and benefits as the District is nearly fully staffed, in addition to a larger allocation of staff time and expenses for the Recycled Water fund.

The increase in the sewer current assets is attributed to the additional purchase of capacity in the Brineline.

The decrease in net capital water, sewer and recycled assets is attributed to the depreciation expenses for the year.



Management's Discussion and Analysis
Fiscal Year 2018

The following table summarizes changes in Net Position for the year ended June 30, 2018.

Statement of Revenues, Expenses and Changes in Net Position

	2018	2017	Change	% Change
Operating Revenues				
Water Services	\$ 9,922,660	\$ 9,650,242	\$ 272,418	2.82%
Sewer Services	11,522,679	11,446,746	75,933	0.66%
Recycled Services	530,374	541,078	(10,704)	-1.98%
Interfund Services Provided	189,000	160,000	29,000	18.13%
Other Revenue	1,800	1,080	720	66.67%
Total Operating Revenues	<u>22,166,513</u>	<u>21,799,146</u>	<u>367,367</u>	<u>1.69%</u>
Non-Operating Revenues				
Interest Income	196,151	108,090	88,061	81.47%
Property Taxes	3,276,660	3,113,201	163,459	5.25%
Other Income	65,965	108,832	(42,867)	-39.39%
Total Non-Operating Revenues	<u>3,538,776</u>	<u>3,330,123</u>	<u>208,653</u>	<u>6.27%</u>
Total Revenues	<u>25,705,289</u>	<u>25,129,269</u>	<u>576,020</u>	<u>2.29%</u>
Operating Expenses				
Salaries & Benefits - W	4,488,038	4,169,048	318,990	7.65%
Salaries & Benefits - S	2,910,573	3,050,467	(139,894)	-4.59%
Salaries & Benefits - R	731,583	442,479	289,104	65.34%
Operating Expenses - W	5,930,850	4,803,011	1,127,839	23.48%
Operating Expenses - S	4,756,529	4,158,687	597,842	14.38%
Operating Expenses - R	385,657	614,295	(228,638)	-37.22%
Water Purchases - W	1,372,267	1,637,696	(265,429)	-16.21%
Operating Expenses before Depreciation	<u>20,575,497</u>	<u>18,875,683</u>	<u>1,699,814</u>	<u>9.01%</u>
Depreciation & Amortization - W	3,318,457	3,320,698	(2,241)	-0.07%
Depreciation & Amortization - S	4,104,399	4,110,293	(5,894)	-0.14%
Depreciation & Amortization - R	794,665	797,844	(3,179)	-0.40%
Total Operating Expenses	<u>28,793,018</u>	<u>27,104,518</u>	<u>1,688,500</u>	<u>6.23%</u>
Non-Operating Expenses				
(Gain)/Loss on Asset Disposal	-	16,244	(16,244)	100.00%
Interest Expense - W	1,044,348	1,084,998	(40,650)	-3.75%
Interest Expense - S	977,041	1,044,832	(67,791)	-6.49%
Total Non-Operating Expenses	<u>2,021,389</u>	<u>2,146,074</u>	<u>(124,685)</u>	<u>-5.81%</u>
Total Expenses	<u>30,814,407</u>	<u>29,250,592</u>	<u>1,563,815</u>	<u>5.35%</u>

Management's Discussion and Analysis
Fiscal Year 2018

Statement of Revenues, Expenses and Changes in Net Position

	2018	2017	Change	% Change
Income (Loss) Before Contributions - W	\$ (2,978,538)	\$ (2,207,500)	\$ (771,038)	34.93%
Income (Loss) Before Contributions - S	(900,526)	(628,275)	(272,251)	43.33%
Income (Loss) Before Contributions - R	(1,230,054)	(1,284,660)	54,606	-4.25%
Total Income (Loss) Before Contributions	(5,109,118)	(4,120,435)	(988,683)	23.99%
Contributions				
Capital Contributions - W	350,259	1,072,451	(722,192)	-67.34%
Capital Contributions - S	841,462	989,177	(147,715)	-14.93%
Capital Contributions - R	88,127	194,304	(106,177)	-54.64%
	1,279,848	2,255,932	(976,084)	-136.92%
Change in Net Position - W	(2,628,279)	(1,135,049)	(1,493,230)	131.56%
Change in Net Position - S	(59,064)	360,902	(419,966)	-116.37%
Change in Net Position - R	(1,141,927)	(1,090,356)	(51,571)	4.73%
Beginning Net Position	195,051,590	196,916,093	(1,864,503)	-0.95%
Ending Net Position	\$ 191,222,320	\$ 195,051,590	\$ (3,829,270)	-1.96%

The Statement of Revenues, Expenses and Changes in Net Position provides the nature and source of these changes. As can be seen in the preceding table, the loss before capital contributions of \$5,109,118 and capital contributions of \$1,279,848 offset the decrease in Net Position of \$3,829,270 in Fiscal Year 2018.

On January 17, 2014, Governor Brown issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions. On April 25, 2014, Governor Brown issued a proclamation of a continued state of emergency based on continued drought. Yucaipa Valley Water District has taken steps over the years to reduce drinking water use by implementing an extensive recycled water system and asking customers to cut back usage on potable water. The drought restrictions were reduced in 2017 which resulted in increased water services revenue.

The recycled water operations continue to expand, and the District has allocated additional staffing resources, resulting in increased overall expenses.

During fiscal year 2017-18 there were multiple projects in all funds that resulted in one-time expenses as well as the District filling a number of vacant positions which will allow for more in-house maintenance work. For example, the water fund had expenses for the reservoir repair/coating, repair of gabions at a water reservoir site and the final phases of the improvements to the Second Street site. The sewer fund expenditures increased as a result of one-time repairs to equipment in addition to the bioassay, SAGE project preparation, pumps, clarifiers and transformers.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

At the end of Fiscal Year 2018, the District had invested \$250,726,675 in a broad range of infrastructure as shown below.

Schedule of Capital Assets				
	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Change</u>
Non-Depreciable Assets				
Land & Easements	\$ 5,587,305	\$ 5,587,305	\$ -	0.00%
Secured Rights	9,687,619	9,132,619	555,000	6.08%
Construction in Progress	21,439,892	18,756,464	2,683,428	14.31%
Total Non-Depreciable Assets	<u>36,714,816</u>	<u>33,476,388</u>	<u>3,238,428</u>	<u>9.67%</u>
Depreciable Assets				
Structures & Improvements	330,802,869	330,566,916	235,953	0.07%
Equipment	6,450,041	6,353,764	96,277	1.52%
Total Depreciable Assets	<u>337,252,910</u>	<u>336,920,680</u>	<u>332,230</u>	<u>0.10%</u>
Less Accumulated Depreciation	<u>(123,241,051)</u>	<u>(115,220,701)</u>	<u>(8,020,350)</u>	<u>6.96%</u>
Net Depreciable Assets	214,011,859	221,699,979	(7,688,120)	-3.47%
Total Capital Assets, Net	<u>\$ 250,726,675</u>	<u>\$ 255,176,367</u>	<u>\$ (4,449,692)</u>	<u>-1.74%</u>

As of June 30, 2018, secured rights increased by \$555,000, in the sewer fund due to a purchase approved by the Board of Directors from the San Bernardino Valley Municipal Water District for an increase in pipeline capacity for the Brineline. In addition, construction in progress increased \$2,683,428, primarily in the water fund with the majority of the construction attributed to the Date and Dodd pipeline, repairs on Acacia and the improvements to the Second Street site.

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

Management's Discussion and Analysis
Fiscal Year 2018

Long-term obligations, including the current portion, total \$80,981,396 as of June 30, 2018, a decrease of \$3,938,454 from \$84,919,850 as of June 30, 2017. The long-term obligations were comprised of compensated absences, water revenue bonds and sewer fund state revolving fund (SRF) loans for the WRWRF plant expansion, Regional Brineline Extension, (WISE) Wochholz Improved Salinity Effluent Project, Non-Potable Reservoir NR-10.3.1 project and the Crow Street Recycled Project.

Schedule of Liabilities

	2018	2017	Change	% Change
Long Term Obligations:				
Compensated absences	\$ 875,336	\$ 799,337	\$ 75,999	9.51%
Refunding Revenue Bonds - Water	29,459,415	30,744,780	(1,285,365)	-4.18%
State Revolving Fund Loan - Sewer	36,320,096	39,197,914	(2,877,818)	-7.34%
Net Pension Liability	6,525,320	5,665,084	860,236	15.18%
Total Long Term Obligations	<u>73,180,167</u>	<u>76,407,115</u>	<u>(3,226,948)</u>	<u>-4.22%</u>
Current Portion of Obligations:				
Compensated Absences	431,780	392,079	39,701	10.13%
Refunding Revenue Bonds - Water	1,115,000	1,065,000	50,000	4.69%
State Revolving Fund Loan - Sewer	2,875,845	2,805,572	70,273	2.50%
Other Current Liabilities	3,378,604	4,250,084	(871,480)	-20.51%
Total Current Obligations	<u>7,801,229</u>	<u>8,512,735</u>	<u>(711,506)</u>	<u>-8.36%</u>
Total Liabilities	<u>\$ 80,981,396</u>	<u>\$ 84,919,850</u>	<u>\$ (3,938,454)</u>	<u>-4.64%</u>

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

Requests for Information

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

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Allison M. Edmisten, Chief Financial Officer at 12770 Second Street, Yucaipa, California 92399.

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Financial Statements



YUCAIPA VALLEY WATER DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

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	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
ASSETS				
Current Assets:				
Cash and investments	\$ 4,969,984	\$ 5,948,512	\$ 778,626	\$ 11,697,122
Accounts receivable, net	1,292,346	1,591,092	71,643	2,955,081
Taxes and assessments receivable	84,865			84,865
Interest receivable	38,050	38,050	8,456	84,556
Inventory	1,182,819			1,182,819
Prepayments and deposits	1,001,030	178		1,001,208
Total Current Assets	8,569,094	7,577,832	858,725	17,005,651
Noncurrent Assets:				
Restricted investments	1,117,083	893,163	607,498	2,617,744
Capital assets not being depreciated	16,805,619	13,466,653	6,442,544	36,714,816
Capital assets being depreciated, net	86,135,282	109,657,796	18,218,781	214,011,859
Total Noncurrent Assets	104,057,984	124,017,612	25,268,823	253,344,419
TOTAL ASSETS	112,627,078	131,595,444	26,127,548	270,350,070
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	1,243,383	893,368	140,507	2,277,258
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	742,156	464,020	34,257	1,240,433
Customer deposits	115,530			115,530
Developer/construction deposits	956,076			956,076
Accrued interest payable	402,539	664,026		1,066,565
Current portion of long-term liabilities:				
Compensated absences	274,170	157,610		431,780
Certificates of participation	1,115,000			1,115,000
State revolving fund loans		2,875,845		2,875,845
Total Current Liabilities	3,605,471	4,161,501	34,257	7,801,229
Long-Term Liabilities:				
Compensated absences	582,631	292,705		875,336
Certificates of participation	29,459,415			29,459,415
State revolving fund loans		36,320,096		36,320,096
Net pension liability	3,562,825	2,559,883	402,612	6,525,320
Total Long-Term Liabilities	33,604,871	39,172,684	402,612	73,180,167
TOTAL LIABILITIES	37,210,342	43,334,185	436,869	80,981,396
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	231,292	166,183	26,137	423,612
NET POSITION				
Net investment in capital assets	72,366,486	83,928,508	24,661,325	180,956,319
Restricted for:				
Debt service		893,163		893,163
Capital projects	1,117,083		607,498	1,724,581
Unrestricted	2,945,258	4,166,773	536,226	7,648,257
TOTAL NET POSITION	\$ 76,428,827	\$ 88,988,444	\$ 25,805,049	\$ 191,222,320

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



YUCAIPA VALLEY WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

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	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
OPERATING REVENUES				
Charges for current services	\$ 9,922,660	\$ 11,522,679	\$ 530,374	\$ 21,975,713
Interfund services provided	189,000			189,000
Other revenue		1,800		1,800
Total Operating Revenues	10,111,660	11,524,479	530,374	22,166,513
OPERATING EXPENSES				
Salaries and employee benefits	4,488,038	2,910,573	731,583	8,130,194
Electrical power	1,483,846	1,005,828	104,909	2,594,583
Water purchases	1,372,267			1,372,267
Administrative services	547,698	516,553	42,151	1,106,402
Operating supplies	252,520	753,879	8,855	1,015,254
Maintenance and repairs	2,013,942	1,114,614	73,381	3,201,937
Crystal Creek Water Treatment	978,912			978,912
Brineline charges		377,995		377,995
Depreciation	3,318,457	4,104,399	794,665	8,217,521
Insurance	95,653	94,461	20,991	211,105
Professional fees	508,779	556,471	103,472	1,168,722
Other	49,500	336,728	31,898	418,126
Total Operating Expenses	15,109,612	11,771,501	1,911,905	28,793,018
Operating Income (Loss)	(4,997,952)	(247,022)	(1,381,531)	(6,626,505)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	91,780	85,394	18,977	196,151
Property taxes	2,907,660	236,500	132,500	3,276,660
Other income	64,322	1,643		65,965
Interest expense	(1,044,348)	(977,041)		(2,021,389)
Total Non-Operating Revenues (Expenses)	2,019,414	(653,504)	151,477	1,517,387
Income (Loss) Before Contributions	(2,978,538)	(900,526)	(1,230,054)	(5,109,118)
CONTRIBUTIONS				
Capital contributions	350,259	841,462	88,127	1,279,848
Change in Net Position	(2,628,279)	(59,064)	(1,141,927)	(3,829,270)
Net Position, Beginning of Year	79,057,106	89,047,508	26,946,976	195,051,590
Net Position, End of Year	\$ 76,428,827	\$ 88,988,444	\$ 25,805,049	\$ 191,222,320

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



YUCAIPA VALLEY WATER DISTRICT**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018****Draft 11.7.18**

	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 10,029,451	\$ 11,466,877	\$ 569,865	\$ 22,066,193
Receipts (payments) from interfund services provided	189,000	(189,000)		
Payments to suppliers	(8,300,976)	(4,516,691)	(390,064)	(13,207,731)
Employment related payments	(4,186,560)	(2,931,434)	(584,982)	(7,702,976)
Net Cash Provided by/(Used for) Operating Activities	(2,269,085)	3,829,752	(405,181)	1,155,486
CASH FLOWS FROM CAPITAL AND AND RELATED FINANCING ACTIVITIES				
Capital contributions	350,259	841,462	88,127	1,279,848
Cash paid for capital assets	(1,746,657)	(736,139)	(94,648)	(2,577,444)
Principal paid on capital debt	(1,065,000)	(2,807,545)		(3,872,545)
Interest paid on capital debt	(1,228,912)	(1,026,151)		(2,255,063)
Net Cash Provided by/(Used for) Capital and Related Financing Activities	(3,690,310)	(3,728,373)	(6,521)	(7,425,204)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property taxes received	2,899,594	236,500	132,500	3,268,594
Other receipts	64,322	1,643		65,965
Net Cash Provided by Non-Capital Financing Activities	2,963,916	238,143	132,500	3,334,559
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	69,097	62,708	13,937	145,742
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,926,382)	402,230	(265,265)	(2,789,417)
Balances, Beginning of Year	9,013,449	6,439,445	1,651,389	17,104,283
Balances, End of Year	\$ 6,087,067	\$ 6,841,675	\$ 1,386,124	\$ 14,314,866
Reconciliation to Statement of Net Position:				
Cash and investments	\$ 4,969,984	\$ 5,948,512	\$ 778,626	\$ 11,697,122
Restricted cash and investments - Non-current	1,117,083	893,163	607,498	2,617,744
Total Cash and Investments	\$ 6,087,067	\$ 6,841,675	\$ 1,386,124	\$ 14,314,866

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



YUCAIPA VALLEY WATER DISTRICT**STATEMENT OF CASH FLOWS, Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018****Draft 11.7.18**

	Enterprise Funds			
	Water	Sewer	Recycled Water	Total
RECONCILIATION OF OPERATING Income (Loss)				
TO NET CASH PROVIDED				
BY OPERATING ACTIVITIES				
Operating Income (loss)	\$ (4,997,952)	\$ (247,022)	\$ (1,381,531)	\$ (6,626,505)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	3,318,457	4,104,399	794,665	8,217,521
Change in assets and liabilities:				
Receivables, net	181,760	(57,602)	39,491	163,649
Compensated absences	148,525			148,525
Prepayments and deposits	268,518	(178)		268,340
Developer and customer deposits	(74,969)	(32,825)		(107,794)
Inventory	(486,566)			(486,566)
Accounts and other payables (non-capital)	(779,811)	51,016	(4,407)	(733,202)
Net pension liability	447,424	194,231	218,581	860,236
Change in deferred outflows of resources related to pensions	(161,035)	(71,497)	(76,572)	(309,104)
Change in deferred inflows of resources related to pensions	(133,436)	(110,770)	4,592	(239,614)
Net Cash Provided by/(Used for) Operating Activities	\$ (2,269,085)	\$ 3,829,752	\$ (405,181)	\$ 1,155,486

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



YUCAIPA VALLEY WATER DISTRICT**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2018****Draft 11.7.18**

	SCIP R-12.4 Reservoir Agency Fund
ASSETS	
Cash and cash equivalents	\$ 1,369,298
LIABILITIES	
Due to other governments	\$ 1,369,298

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



Financial Statements
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Notes to the Financial Statements



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018****Draft 11.7.18****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Reporting Entity**

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

B. Basis of Presentation

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

The District has the following major proprietary funds:

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

The SCIP R-12.4 Reservoir agency fund utilizes the accrual basis of accounting for reporting its assets and liabilities. This fund is used to account for receipts and disbursements associated with Assessment District AD-14-01, which is administered by, but is not the liability of, the District.

C. Basis of Accounting

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

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



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018****Draft 11.7.18****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)****D. Capital Assets**

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

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

E. Restricted Investments

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

F. Inventory

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

G. Cash and Cash Equivalents

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

H. Investments

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



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**I. Property Taxes**

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

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

J. Use of Estimates

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

K. Uncollectible Accounts

The District provides an allowance for doubtful accounts for all accounts deemed uncollectible. As of June 30, 2018, this allowance was estimated at \$20,000 in the Water Fund and \$15,000 in the Sewer Fund.

L. Credit/Market Risk

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

M. Use of Restricted Resources

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

N. Net Position

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

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

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



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018****Draft 11.7.18****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)****O. Pensions**

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

P. Deferred Outflows/Inflows of Resources

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

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

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

Q. New Accounting PronouncementsEffective in this Fiscal Year

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This statement was implemented effective July 1, 2017.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**Q. New Accounting Pronouncements, (Continued)**Effective in Future Fiscal Years

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this statement is to enhance comparability of financial statements by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations and requiring disclosures related to those asset retirement obligations. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. The District has not determined the effect on the financial statements.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and reporting purposes and how those activities should be reported. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The District has not determined the effect on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The District has not determined the effect on the financial statements.

GASB Statement No. 88 – In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. The District has not determined the effect on the financial statements.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The District has not determined the effect on the financial statements.

GASB Statement No. 90 – In September 2018, the GASB issues Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018. The District has not determined the effect on the financial statements.



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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NOTE 2 – CASH AND INVESTMENTS

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

Statement of Net Position	
Cash and investments	\$ 11,697,122
Restricted investments - Non-current	2,617,744
Statement of Fiduciary Assets and Liabilities	
Cash and cash equivalents	1,369,298
Total Cash and Investments	<u>\$ 15,684,164</u>

Cash and investments as of June 30, 2018, consist of the following:

Petty cash	\$ 800
Cash	3,816,139
Investments	11,867,225
Total Cash and Investments	<u>\$ 15,684,164</u>

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

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

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



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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NOTE 2 – CASH AND INVESTMENTS, (Continued)**Investments Authorized by Debt Agreements**

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

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Fair Value	Maturity 12 Months or Less
LAIF	\$ 10,623,674	\$ 10,623,674
U.S. Treasury Bills	499,765	499,765
Money Market Funds	743,786	743,786
Total	<u>\$ 11,867,225</u>	<u>\$ 11,867,225</u>

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2 – CASH AND INVESTMENTS, (Continued)**Disclosures Relating to Credit Risk**

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

	Fair Value	S&P Rating at June 30, 2018
LAIF	\$ 10,623,674	Unrated
U.S. Treasury Bills	499,765	AA+
Money Market Funds	743,786	AAAm
Total	\$ 11,867,225	

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Yucaipa Valley Water District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. Bank deposits are covered by the federal depository insurance (FDIC) for the first \$250,000. As of June 30, 2018, the District has \$2,188,416 of cash in excess of the FDIC limit. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the District's deposits as noted above.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF has a portion of the pool invested in structured notes and asset backed securities. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals to and from LAIF are transferred on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy, LAIF is valued based on inputs not categorized as level 1, level 2, or level 3.



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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NOTE 2 – CASH AND INVESTMENTS, (Continued)

Fair Value Hierarchy

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

As of June 30, 2018:

Investments by Fair Value Level	Fair Value	Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S Treasury Bills	\$ 499,765	\$ 499,765	\$ -	\$ -
<u>Investments not Subject to Fair Value Hierarchy</u>				
Local Agency Investment Fund	10,623,674			
Money Market Funds	743,786			
Total Investments	\$ 11,867,225			

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

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



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018****Draft 11.7.18****NOTE 3 – CAPITAL ASSETS**

The following tables summarize capital asset activity during 2017-2018:

Water Fund	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land and easements	\$ 4,111,106			\$ 4,111,106
Water rights	432,941			432,941
Construction in progress	10,838,891	\$ 1,433,104	\$ (10,423)	12,261,572
Total capital assets not being depreciated	15,382,938	1,433,104	(10,423)	16,805,619
Capital assets being depreciated:				
Structures and improvements	130,606,012	30,528		130,636,540
Equipment	4,613,776	293,448	(197,171)	4,710,053
Total capital assets being depreciated	135,219,788	323,976	(197,171)	135,346,593
Less accumulated depreciation for:				
Structures and improvements	(42,288,257)	(3,103,983)		(45,392,240)
Equipment	(3,801,768)	(214,474)	197,171	(3,819,071)
Total accumulated depreciation	(46,090,025)	(3,318,457)	197,171	(49,211,311)
Total capital assets being depreciated, net	89,129,763	(2,994,481)		86,135,282
Water Fund capital assets, net	\$ 104,512,701	\$ (1,561,377)	\$ (10,423)	\$ 102,940,901

Depreciation expense was \$3,318,457 for the year ended June 30, 2018.



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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NOTE 3 – CAPITAL ASSETS, (Continued)

Sewer Fund	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land and easements	\$ 1,476,199			\$ 1,476,199
Water rights	8,699,678	\$ 555,000		9,254,678
Construction in progress	2,758,910	24,184	\$ (47,318)	2,735,776
Total capital assets not being depreciated	12,934,787	579,184	(47,318)	13,466,653
Capital assets being depreciated:				
Structures and improvements	174,500,455	204,273		174,704,728
Equipment	1,592,988			1,592,988
Total capital assets being depreciated	176,093,443	204,273		176,297,716
Less accumulated depreciation for:				
Structures and improvements	(61,144,412)	(4,074,296)		(65,218,708)
Equipment	(1,391,109)	(30,103)		(1,421,212)
Total accumulated depreciation	(62,535,521)	(4,104,399)		(66,639,920)
Total capital assets being depreciated, net	113,557,922	(3,900,126)		109,657,796
Sewer Fund capital assets, net	\$ 126,492,709	\$ (3,320,942)	\$ (47,318)	\$ 123,124,449

Depreciation expense was \$4,104,399 for the year ended June 30, 2018.

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3 – CAPITAL ASSETS, (Continued)

Recycled Water Fund	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated				
Construction in progress	\$ 6,349,048	\$ 93,496		\$ 6,442,544
Capital assets being depreciated:				
Structures and improvements	25,460,449	1,152		25,461,601
Equipment	147,000			147,000
Total capital assets being depreciated	25,607,449	1,152		25,608,601
Less accumulated depreciation for:				
Structures and improvements	(6,536,355)	(779,965)		(7,316,320)
Equipment	(58,800)	(14,700)		(73,500)
Total accumulated depreciation	(6,595,155)	(794,665)		(7,389,820)
Total capital assets being depreciated, net	19,012,294	(793,513)		18,218,781
Recycled Water Fund capital assets, net	\$ 25,361,342	\$ (700,017)		\$ 24,661,325

Depreciation expense was \$794,665 for the year ended June 30, 2018.

NOTE 4 – REFUNDING REVENUE BONDS SERIES 2015 A

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

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

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 – REFUNDING REVENUE BONDS SERIES 2015 A, (Continued)

Maturities of the revenue refunding bonds are as follows:

Fiscal Year Ending	2015 Refunding Revenue Bonds Series A		
	Principal	Interest	Total
2019	\$ 1,115,000	\$ 1,179,737	\$ 2,294,737
2020	1,170,000	1,122,612	2,292,612
2021	1,230,000	1,062,612	2,292,612
2022	1,290,000	1,006,062	2,296,062
2023	1,335,000	960,237	2,295,237
2024-2028	7,685,000	3,776,685	11,461,685
2029-2033	9,525,000	1,942,642	11,467,642
2034-2035	4,385,000	205,537	4,590,537
Total	<u>\$ 27,735,000</u>	<u>\$ 11,256,124</u>	<u>\$ 38,991,124</u>

NOTE 5 – STATE REVOLVING FUND LOAN - 2006

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

Fiscal Year Ending	2006 State Revolving Fund Loan		
	Principal	Interest	Total
2019	\$ 2,252,312	\$ 671,356	\$ 2,923,669
2020	2,306,368	617,301	2,923,669
2021	2,361,721	561,948	2,923,669
2022	2,418,402	505,267	2,923,669
2023	2,476,444	447,225	2,923,669
2024-2028	13,302,786	1,315,558	14,618,344
2029	2,855,145	68,523	2,923,668
Total	<u>\$ 27,973,178</u>	<u>\$ 4,187,178</u>	<u>\$ 32,160,356</u>

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 – STATE REVOLVING FUND LOAN - 2010

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

Fiscal Year Ending	2010 State Revolving Fund Loan		
	Principal	Interest	Total
2019	\$ 435,383	\$ 213,891	\$ 649,274
2020	447,138	202,136	649,274
2021	459,211	190,063	649,274
2022	471,609	177,664	649,274
2023	484,343	164,931	649,274
2024-2028	2,625,078	621,289	3,246,367
2029-2033	2,999,126	247,243	3,246,369
Total	<u>\$ 7,921,887</u>	<u>\$ 1,817,216</u>	<u>\$ 9,739,104</u>

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

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

Fiscal Year Ending	2013 (Wise) State Revolving Fund Loan		
	Principal	Interest	Total
2019	\$ 133,659	\$ 51,592	\$ 185,251
2020	136,599	48,652	185,251
2021	139,605	45,647	185,251
2022	142,676	42,575	185,251
2023	145,815	39,437	185,251
2024-2028	778,627	147,629	926,256
2029-2033	868,130	58,128	926,258
Total	<u>\$ 2,345,110</u>	<u>\$ 433,660</u>	<u>\$ 2,778,771</u>

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 – STATE REVOLVING FUND LOAN – 2013 (R-10.3)

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

Fiscal Year Ending	2013 (R-10.3) State Revolving Fund Loan		
	Principal	Interest	Total
2019	\$ 39,161	\$ 15,116	\$ 54,277
2020	40,023	14,255	54,277
2021	40,903	13,374	54,277
2022	41,803	12,474	54,277
2023	42,723	11,555	54,277
2024-2028	228,132	43,254	271,386
2029-2033	254,356	17,031	271,387
Total	\$ 687,101	\$ 127,059	\$ 814,160

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

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

Fiscal Year Ending	2013 (Crow) State Revolving Fund Loan		
	Principal	Interest	Total
2019	15,330	5,917	21,247
2020	15,667	5,580	21,247
2021	16,012	5,235	21,247
2022	16,364	4,883	21,247
2023	16,724	4,523	21,247
2024-2028	89,305	16,933	106,238
2029-2033	99,263	6,667	105,930
Total	\$ 268,665	\$ 49,738	\$ 318,403

YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10 – COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation, sick leave and comp time, a portion of which will be paid to employees upon separation from the District. At June 30, 2018, total accruals for the Water and Sewer funds amounted to \$856,801 and \$450,315 respectively. The District estimated, based on historical trends, that approximately \$274,170 and \$157,610 of the Water and Sewer balances, respectively, will come due during fiscal year 2018-2019.

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities balances for the fiscal year ended June 30, 2018:

	Balance June 30, 2017	Additions	Repayments	Balance June 30, 2018	Amount Due in 2018-19
2015 Refunding Revenue Bonds	\$ 28,800,000		\$ (1,065,000)	\$ 27,735,000	\$ 1,115,000
Unamortized premium	3,009,780		(170,365)	2,839,415	
Total Certificates of Participation	31,809,780		(1,235,365)	30,574,415	1,115,000
State Revolving Fund Loan - 2006	30,172,702		(2,199,524)	27,973,178	2,252,312
State Revolving Fund Loan - 2010	8,345,823		(423,936)	7,921,887	435,383
State Revolving Fund Loan - 2013 Wise	2,475,892		(130,782)	2,345,110	133,659
State Revolving Fund Loan - 2013 R-10.3	725,419		(38,318)	687,101	39,161
State Revolving Fund Loan - 2013 Crow	283,650		(14,985)	268,665	15,330
Total State Revolving Fund Loans	42,003,486		(2,807,545)	39,195,941	2,875,845
Compensated absences	1,191,416	\$ 115,700	-	1,307,116	431,780
Net pension liability	5,665,085	860,235		6,525,320	
Total Long-term Liabilities	\$ 80,669,767	\$ 975,935	\$ (4,042,910)	\$ 77,602,792	\$ 4,422,625

NOTE 12 – REVENUE PLEDGED

The District has pledged future water fund revenues, net of specified operating expenses, to repay \$30,810,000 in refunding revenue bonds (2015 bonds) as disclosed in Note 4. Net revenues are defined in the 2015 bond documents as operating income, less specified operating expenses, plus specified non-operating income. The 2015 bonds refunded the 2004 Certificates of Participation (COP). Proceeds from the COPs provided financing for the construction of the Yucaipa Valley Regional Water Filtration Facility (YVRWFF). The 2015 bonds are payable through 2035. Net revenues are anticipated to equal at least 110 percent of annual principal and interest payments. The total principal and interest remaining to be paid on the 2015 bonds is \$38,991,124. Principal and interest paid for the current year and total customer net revenues were \$2,293,654 and \$1,660,390, respectively.

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



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13 – DEFINED BENEFIT PENSION PLAN

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

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

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	PEPRA - Miscellaneous
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of annual salary	2.00%	2.00%
Required employee contribution rates	7%	6.250%
Required employer contribution rates	7.653%	6.533%
Employer payment of unfunded liability	\$ 443,606	\$ 36

Contributions – Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. Contributions to the pension plan from the District were \$752,731 for the year ended June 30, 2018.

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

As of June 30, 2018, the District reported a liability of \$6,525,230 for its proportionate share of the collective net pension liability.



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using actuarial procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportion of the net collective pension liability as of June 30, 2016 and 2017 was as follows:

Proportion - June 30, 2016	0.06547%
Proportion - June 30, 2017	0.06580%
Change - Increase	0.00033%

For the year ended June 30, 2018, the District recognized a pension expense of \$1,058,192. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 752,731	
Changes between expected and actual experience	-	\$ 127,160
Changes in proportion and differences between actual contributions and proportionate share of contributions	163,163	\$ 296,452
Changes in assumptions	1,093,617	-
Net difference between projected and actual earnings on pension plan investments	267,747	-
	<u>\$ 2,277,258</u>	<u>\$ 423,612</u>

\$752,731 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2019	\$ 130,070
2020	720,249
2021	409,565
2022	(158,969)
	<u>\$ 1,100,915</u>

YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (*Continued*)

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions.

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.15%
Mortality	Derived using CalPERS' Membership Data

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions:

The discount rate of 7.15 percent used for the June 30, 2017 measurement date was decreased from 7.65 percent used for the June 30, 2016 measurement date.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.



YUCAIPA VALLEY WATER DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 13 – DEFINED BENEFIT PENSION PLAN, (Continued)

In determining the long-term expected 7.15 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees' Retirement Fund, CalPERS indicated that a 19-year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return of return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for each Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	New Strategic Allocation	Real Return Years 1-10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Global Equity	47%	4.90%	5.38%
Global Debt Securities	19%	0.80%	2.27%
Inflation Assets	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%
Total	100%		

⁽¹⁾ An expected inflation of 2.5% used for this period

⁽²⁾ An expected inflation of 3.0% used for this period

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.15%
Net Pension Liability	\$	10,427,760
Current Discount Rate		7.15%
Net Pension Liability	\$	6,525,230
1% Increase		8.15%
Net Pension Liability	\$	3,293,248

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



YUCAIPA VALLEY WATER DISTRICT**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018****Draft 11.7.18****NOTE 14 – COMMITMENTS**

The District has entered into contracts for various services and projects that will require payments in future fiscal years.

NOTE 15 – INTERFUND ACTIVITYInterfund Services Provided

The Sewer fund reimburses the Water fund for the expenses related to administration, accounting and general services. The reimbursement is reflected in the statement of revenues, expenses and changes in net position as the revenue "Interfund services provided" in the Water Fund and included in the expense "Administrative services" in the Sewer Fund. The amount reimbursed for these services was \$189,000 as of June 30, 2018.

NOTE 16 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2018, the District purchased insurance through various commercial carriers to cover these risks with various limits including the Real Property & Business Personal Property blanket limit of \$99,534,921. The District has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

NOTE 17 – ASSESSMENT DISTRICT

The District acts in a fiduciary capacity for an assessment district that was formed to finance the construction and installation of a reservoir that will service properties located within the assessment district. The bonds issued by the assessment district are payable solely from the revenues of annual special taxes levied against land within the district and do not constitute an indebtedness of the Yucaipa Valley Water District. Yucaipa Valley Water District is not liable for the bonds, but acts as an agent for the bondholders. Since the District is acting in an agency capacity, the assets and liabilities of the assessment district have been excluded from the District's statement of net position. The amount outstanding on the bonds at June 30, 2018 was \$10,860,000.



Financial Statements
Audited Financial Statements - Fiscal Year 2018

Draft 11.7.18

Required Supplementary Information



YUCAIPA VALLEY WATER DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY – LAST TEN YEARS*
AS OF THE FISCAL YEAR ENDING JUNE 30, 2018**

Draft 11.7.18

	2018	2017	2016	2015
Proportion of the collective net pension liability	0.06580%	0.06547%	0.06295%	0.07950%
Proportionate share of the collective net pension liability	\$ 6,525,230	\$ 5,665,084	\$ 4,320,667	\$ 4,947,010
Covered payroll	\$ 5,752,996	\$ 5,611,132	\$ 5,411,972	\$ 5,245,090
Proportionate share of the collective net pension liability as a percentage of covered payroll	113.42%	100.96%	79.84%	94.32%
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

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

Changes of Assumption

The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date.

YUCAIPA VALLEY WATER DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS LAST TEN YEARS*
AS OF THE FISCAL YEAR ENDING JUNE 30, 2018****Draft 11.7.18**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 752,731	\$ 697,729	\$ 882,127	\$ 570,529
Contributions in relation to the actuarially determined contribution	<u>752,731</u>	<u>697,729</u>	<u>882,127</u>	<u>570,529</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,973,515	\$ 5,752,996	\$ 5,611,132	\$ 5,411,972
Contributions as a percentage of covered payroll	15.13%	12.13%	15.72%	10.54%

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





Date: November 20, 2018

Prepared By: Allison M. Edmisten, Chief Financial Officer

Subject: Presentation of the GASB 75 Compliance Actuarial Report

Recommendation: That the Board receives and files the GASB 75 Compliance Actuarial Report.

On July 17, 2018 [DM 18-099], the Board authorized District staff to coordinate the preparation of the Government Accounting Standards Board (GASB) 75 Compliance Report ("Statement") with Dempsey, Filliger & Associates. Many local governments offer retiree medical benefits that are now subject to new requirements through this statement. If material, the Net OPEB Liability will be reported on the face of the Statement of Net Position, similar to the Net Pension Liability recently added through GASB 68. If the liability is immaterial, it will not be included on the financial statements.

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses.

District staff received the completed actuarial report on October 22, 2018 (attached). The Net OPEB Liability is \$789,019. Due to the fact this amount is only 2.9% of our annual operating budget, it is immaterial and will not be stated on the audited financial statements. This liability will be calculated and reviewed annually at the time of the audit. Every 3 to 5 years, the District will have an actuarial firm compile a formal report to ensure there are no significant changes to the liability and to validate the District staff calculations. If the OPEB liability becomes material in the future, it will be stated on the audited financial statements and the appropriate note disclosures will be included. This meets the requirements as stated in GASB 75.

Financial Consideration

The cost of the actuarial report was \$1,875 and was approved by the Board on July 17, 2018.



Alternative Measurement Method Report for Yucaipa Valley Water District

Valuation Date: July 1, 2017 (June 30, 2017)
Measurement Period: July 1, 2016 to June 30, 2017
Reporting Period: July 1, 2017 to June 30, 2018

October 19, 2018

**Yucaipa Valley Water District
Alternative Measurement Method**

Net OPEB Liability

The District's Net OPEB Liability was measured as of June 30, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2017 (June 30, 2017). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Medical cost trend rate	6.00 percent for 2017; 5.00 percent for 2018 and later years
Employer cap adjustment	N/A
Age adjustment factor	4.00 percent
Percent married	50 percent

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Discount rate. GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2018	June 30, 2017	4.00%	3.13%	3.13%



**Yucaipa Valley Water District
Alternative Measurement Method**

The components of the net OPEB liability are as follows:

Total OPEB liability	789,019
Plan fiduciary net position	0
Net OPEB liability (asset)	\$789,019
Measurement date	June 30, 2017
Reporting date	June 30, 2018

	<i>Actives</i>	<i>Retirees</i>	<i>Total</i>
Employer present value of future benefits	717,389	177,438	894,827
Employer Total OPEB Liability	611,581	177,438	789,019
Employer Normal Cost	12,441	0	12,441



**Yucaipa Valley Water District
Alternative Measurement Method**

Schedule of Changes in Net OPEB Liability

Total OPEB Liability	
Service Cost	12,456
Interest	24,532
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes of assumptions	0
Expected Benefit payments ¹	(62,988)
Net change in total OPEB liability	(26,000)
Total OPEB liability – beginning (a)	\$815,019
Total OPEB liability – ending (b)	\$789,019
Plan fiduciary net position	
Expected Contributions – employer ¹	62,988
Net investment income	0
Expected Benefit payments ¹	(62,988)
Administrative expense	(0)
Net change in plan fiduciary net position	0
Plan fiduciary net position – beginning (c)	\$0
Plan fiduciary net position – ending (d)	\$0
Net OPEB liability – beginning (c) – (a)	\$815,019
Net OPEB liability – ending (d) – (b)	\$789,019

¹ Amount includes implicit subsidy associated with benefits paid.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Net OPEB liability (asset)	833,474	789,019	746,494

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing To 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	737,684	789,019	845,992



**Yucaipa Valley Water District
Alternative Measurement Method**

Statement of Changes in Fiduciary Net Position

Additions	
Expected Employer contributions ²	62,988
Investment income:	
Net increase in fair value of investments	0
Total additions	62,988
Deductions	
Trustee fees	0
Administrative expense	0
Expected Benefit payments ²	62,988
Total deductions	62,988
Net increase in net position	0
Net position restricted for postemployment benefits other than pensions	
Beginning of year	\$0
End of year	\$0

² Includes \$46,240 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount of \$16,748.



**Yucaipa Valley Water District
Alternative Measurement Method**

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the reporting year ended June 30, 2018, the District's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience ^{3,4}	0	0
Changes in assumptions or other inputs ^{3,4}	0	0
Differences between projected and actual return investments ^{3,4}	0	0
Total	\$0⁵	\$0

³ Measured at June 30, 2017;

⁴ See Schedule of Deferred Outflows and Inflows of Resources for additional information;

⁵ Does not include District contributions after the measurement date, which will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2019.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	0	0
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0



**Yucaipa Valley Water District
Alternative Measurement Method**

Net OPEB Expense

The District's Net OPEB expense was \$36,988.

Net OPEB Liability - beginning (a)	\$815,019
Net OPEB Liability – ending (b)	\$789,019
Change in Net OPEB Liability [(b)-(a)]	(26,000)
Change in Deferred Outflows	0
Change in Deferred Inflows	0
Employer Contributions	62,988
Net OPEB Expense	\$36,988

Service Cost	12,456
Interest Cost	24,532
Expected Return on Assets	0
Changes of benefit terms	0
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	0
Changes of assumptions	0
Differences between projected and actual investments	0
Total	0
Net OPEB Expense	\$36,988



**Yucaipa Valley Water District
Alternative Measurement Method**

Plan Description

Plan administration. The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

Benefits provided. The District pays the retired employee's medical premium until the age of 65, with the requirement that the employee is vested with ten (10) years of regular, uninterrupted service and is at least 55 years of age at retirement. Employees hired after July 1, 1999 are not eligible for any retiree medical benefits. The District also pays the CalPERS PEMHCA administrative fee, or 0.33% of premium (0.23% for 2018/19). The District does not offer vision, dental, or life insurance benefits for retirees.

Plan membership. At July 1, 2017, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	4
Active plan members	18

Contributions. The District currently finances benefits on a pay-as-you-go basis.



**Yucaipa Valley Water District
Alternative Measurement Method**

Actuarial Certification

The results set forth in this supplement are based on our actuarial valuation of the health and welfare benefit plans of the Yucaipa Valley Water District as of July 1, 2017 (June 30, 2017).

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District, and (when applicable) trust statements prepared by the trustee and provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:



Carlos Diaz, ASA, EA, MAAA
Actuary





Date: November 20, 2018

Prepared By: Allison M. Edmisten, Chief Financial Officer
Peggy Little, Administrative Supervisor

Subject: Presentation of the Unaudited Financial Report for the Period Ending on October 31, 2018

Recommendation: That the Board receives and files the unaudited financial report.

The following unaudited financial report has been prepared by the Administrative Department for your review. The report has been divided into five sections to clearly disseminate information pertaining to the financial status of the District. Please remember that the following financial information has not been audited.

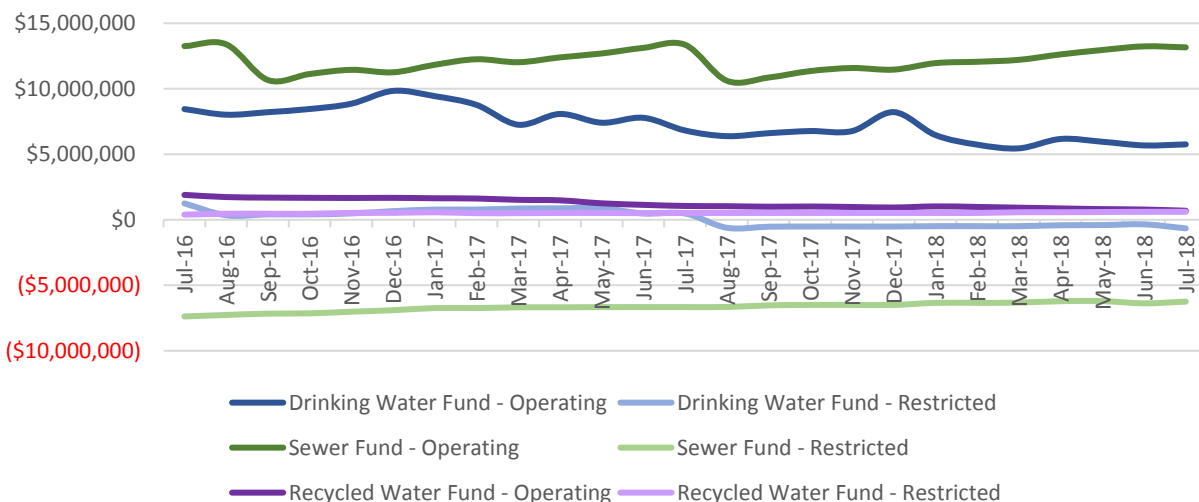
Cash Fund Balance and Cash Flow Reports

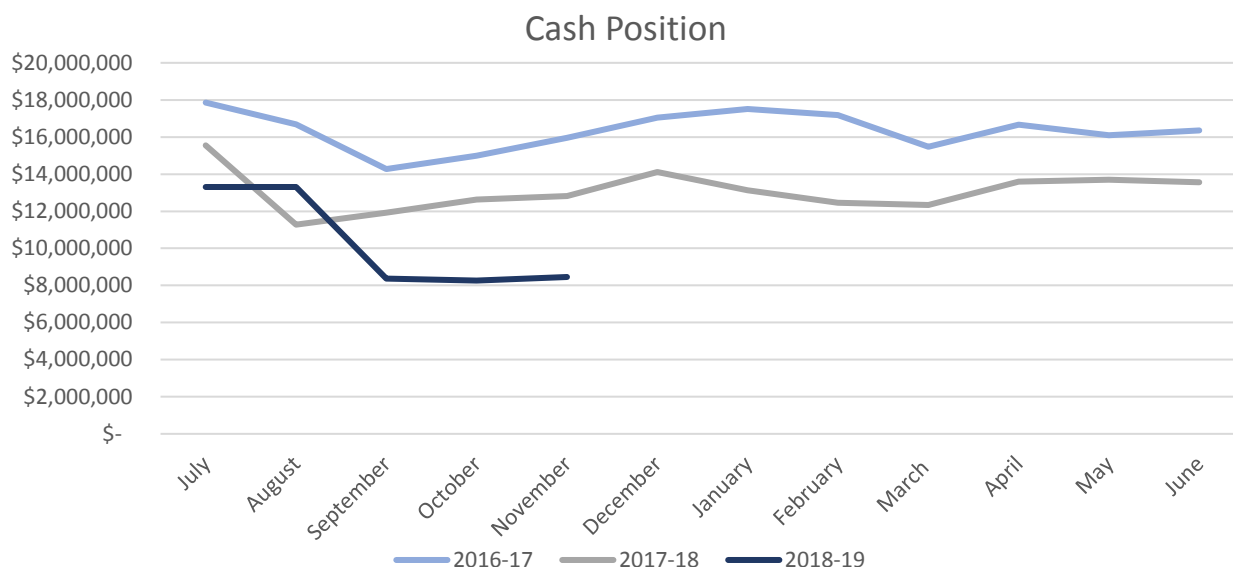
[Detailed information can be found on page 7 to 8 of 25]

The Cash Fund Balance Report provides a summary of how the total amount of funds maintained by financial institutions is distributed throughout the enterprise and non-enterprise funds of the District. A summary of the report is as follows:

Fund Source	Operating Funds	Restricted Funds	Total Funds
Water Division	\$ 4,713,096.57	\$ (1,726,178.70)	\$ 2,986,917.87
Sewer Division	\$ 10,404,818.25	\$ (6,126,059.31)	\$ 4,278,758.94
Recycled Water Division	\$ 541,391.69	\$ 645,090.12	\$ 1,186,481.81
Total	\$ 15,659,306.51	\$ (7,207,147.89)	\$ 8,452,158.62

Fund Balance





Most of the funds reflected in the Cash Fund Balance Report are designated for specific purposes and are therefore restricted, either by law or by District policy.

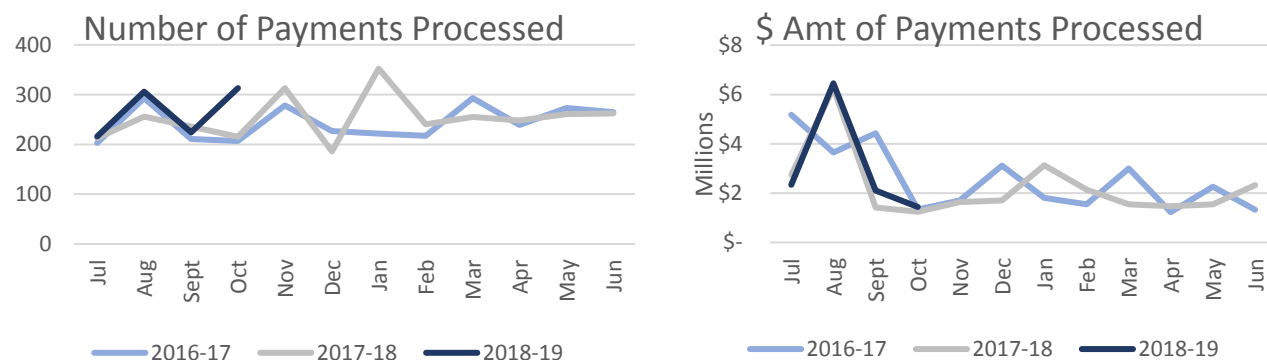
The Cash Flow Report provides a list of the debt service payment due dates and amounts as well as the cash flow requirements for debt service for each month of the fiscal year.

Cash Disbursement Report

[Detailed information can be found on pages 9 to 14 of 25]

The cash disbursement report lists each check and electronic payment processed during the month of October 2018. All payments are reviewed by District staff for accuracy and completeness, checks are usually signed by the General Manager and one Director, but may be signed by two Directors. The Chief Financial Officer will make any check, payment, invoice or supporting documentation available for review to any board member upon request.

	Number Processed	Amount Processed
Checks	302	\$ 1,098,131.63
Electronic Payments	11	\$ 339,769.25
Total	313	\$ 1,437,900.88



Financial Account Information

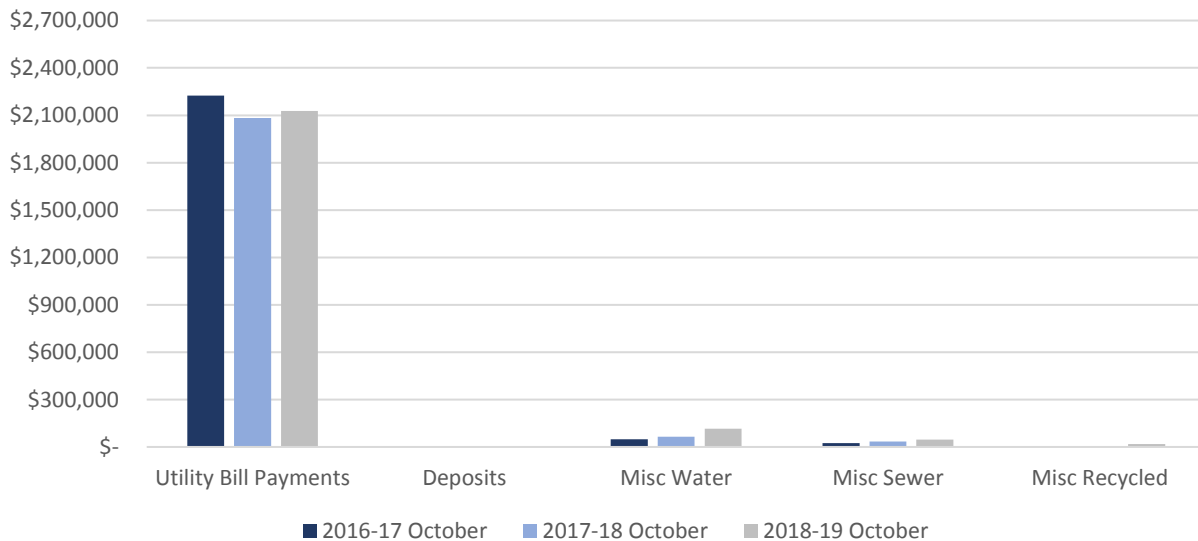
The District currently deposits all revenue received into the Deposit Checking account. The General Checking account is used as a sole processing account for all District checks and electronic payroll. The Investment Checking account is used for the purchase and redemption of US treasury notes and bills and for the transfer of LAIF funds. The US treasury notes and bills are booked at cost.

The LAIF investment account is a pooled money account administered by the State of California. Additional information on the LAIF account is provided below in the investment summary report.

Monthly Revenue Allocation:

Funding Source	Total
Utility Bill Payments	\$ 2,126,961.28
Deposits	\$ 0.00
Misc. Water Related Activities	\$ 115,772.65
Misc. Sewer Related Activities	\$ 46,179.97
Misc. Recycled Related Activities	\$ 18,076.82
Total	\$ 2,306,990.72

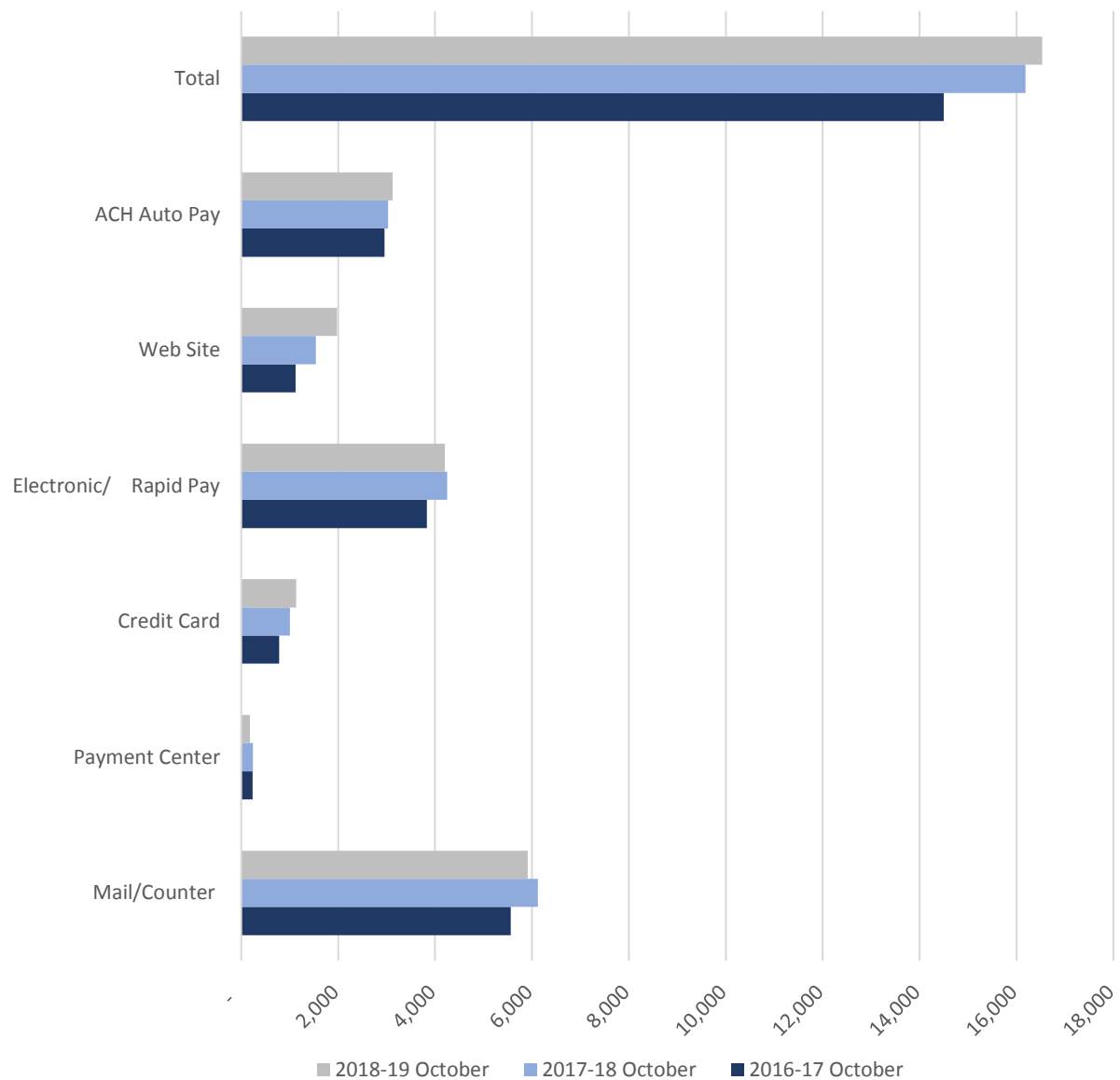
Monthly Revenue Allocation



Summary of Utility Bill Payments:

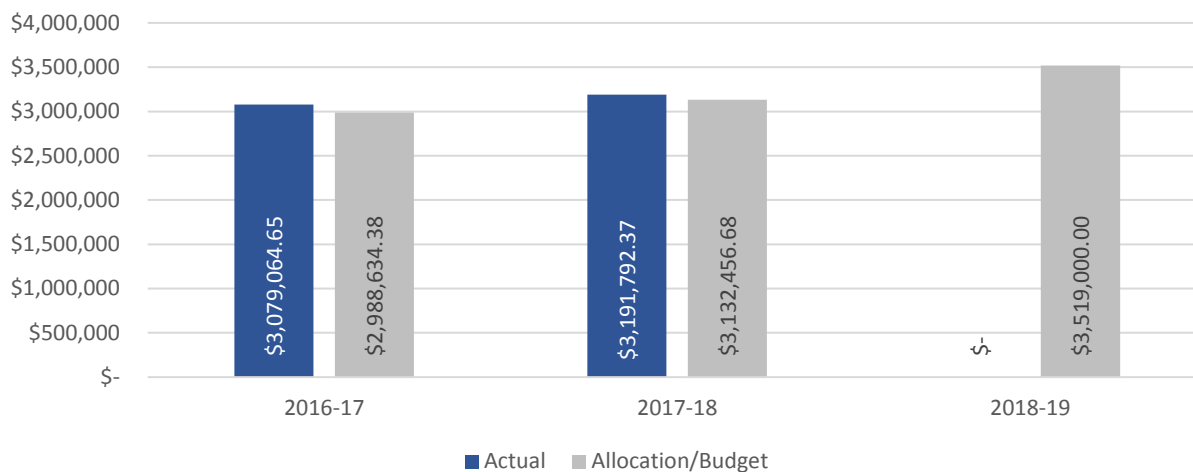
Payment Method	Number of Payments	% of Total Received
Mail/Counter	5,915	35.78%
Payment Center	177	1.07%
Credit Card	1,133	6.85%
Electronic Rapid Pay	4,203	25.42%
Web Site	1,980	11.98%
ACH Auto Pay	3,123	18.89%
Total	16,531	100.00%

Type of Payments



Summary of Property Tax Revenue:

Current Month	Year-to-Date	Budget Amount	Percentage
Property Taxes	\$ 0	\$ 3,519,000	0%

Property Taxes - Actual vs. Allocation**Investment Summary**

[Detailed information can be found on pages 15 to 16 of 25]

The investment summary report illustrates the District's investments in US treasury notes and bills in addition to the investments held by the Local Agency Investment Fund or LAIF. The yields for the treasury notes and bills are provided for each individual transaction. The historical annual yield for funds invested with LAIF is also provided.

Separate pooled money investment reports prepared by the State of California are maintained by the District and available for review.

Investment Policy Disclosure - The District is currently compliant with the portfolio of its Investment Policy and State law. The District is using Sandy Gage with Merrill Lynch Wealth Management (Bank of America Corporation) for Treasury investments. The District expects to meet its expenditure requirements for the next six months.

Fiscal Year 2018-19 Detail Budget Status

[Detailed information can be found on pages 17 to 25 of 25]

The revenue and expense budget status for the 2018-19 Fiscal Year is provided for your review.

Questions or Comments

If you have any questions about a particular budget account, please do not hesitate to contact the Chief Financial Officer directly. If you need additional information, the members of the Administrative Department would be happy to provide you with any detailed information you may desire.

Summary of Revenue Budget As of October 31, 2018 (30% of Budget Cycle)				
Division	Current Month	Year-to-Date	Budget Amount	Percentage
Water	\$ 1,007,972	\$ 3,642,194	\$ 14,150,445	25.74%
Sewer	\$ 978,972	\$ 3,262,890	\$ 12,337,754	26.45%
Recycled Water	\$ 83,463	\$ 259,301	\$ 1,293,270	20.05%
District Revenue	\$ 2,070,407	\$ 7,164,385	\$ 27,781,469	25.79%

Summary of Water Budget vs. Expenses As of October 31, 2018 (30% of Budget Cycle)				
Department	Current Month	Year-to-Date	Budget Amount	Percentage
Water Resources	\$ 278,025	\$ 2,000,656	\$ 5,274,337	37.93%
Public Works	\$ 183,213	\$ 956,873	\$ 3,177,454	30.11%
Administration	\$ 288,251	\$ 1,327,068	\$ 3,403,916	38.99%
Long Term Debt	\$ -	\$ 1,718,806	\$ 2,294,738	74.90%
Asset Acquisition	\$ -	\$ -	\$ -	0.00%
TOTAL	\$ 749,489	\$ 6,003,403	\$ 14,150,445	42.43%

Summary of Sewer Budget vs. Expenses As of October 31, 2018 (30% of Budget Cycle)				
Department	Current Month	Year-to-Date	Budget Amount	Percentage
Treatment	\$ 248,907	\$ 1,240,964	\$ 4,256,607	29.15%
Administration	\$ 231,480	\$ 962,541	\$ 2,924,466	32.91%
Environmental Control	\$ 68,825	\$ 414,060	\$ 1,322,963	31.30%
Long Term Debt	\$ -	\$ 2,923,669	\$ 3,833,718	76.26%
Asset Acquisition	\$ -	\$ -	\$ -	0.00%
TOTAL	\$ 549,212	\$ 5,541,234	\$ 12,337,754	44.91%

Summary of Recycled Water Budget vs. Expenses As of October 31, 2018 (30% of Budget Cycle)				
Department	Current Month	Year-to-Date	Budget Amount	Percentage
Administration	\$ 134,723	\$ 447,933	\$ 1,293,270	34.64%
TOTAL	\$ 134,723	\$ 447,933	\$ 1,293,270	34.64%
District Expenses	\$ 1,433,424	\$ 11,992,570	\$ 27,781,469	43.17%

Cash Fund Balance Report - October 2018

Water Division		GL#	Balance
Restricted	*ID 1 Construction Funds	02-10216	\$ 293,145.85
	*ID 2 Construction Funds	02-10217	\$ 80,409.31
	*FCC - Debt Service YVRWFF Phase I	02-10401	\$ (4,957,139.07)
	*FCC - Future YVRWFF Phase II & III	02-10403	\$ 441,614.23
	*FCC - Recycled System	02-10410	\$ (831,281.86)
	*FCC - Booster Pumping Plants	02-10411	\$ 725,192.88
	*FCC - Pipeline Facilities	02-10412	\$ 183,789.63
	*FCC - Water Storage Reservoirs	02-10413	\$ 2,338,090.33
Operating	Depreciation Reserves	02-10310	\$ 649,845.06
	Infrastructure Reserves	02-10311	\$ 4,256,073.00
	Sustainability Fund	02-10313	\$ 160,316.06
	Rate Stabilization Fund	02-10314	\$ 500,209.14
	Imported Water Fund - MUNI	02-10315	\$ 850,981.55
	Imported Water Fund - SGPWA	02-10316	\$ 812,816.99
	Operating Funds:		\$ (2,517,145.23)
Total Water Division			\$ 2,986,917.87

Sewer Division		GL#	Balance
Restricted	*SRF Reserve Fund - Brineline	03-10218	\$ 637,449.00
	*SRF Reserve Fund - WISE	03-10219	\$ 184,928.00
	*SRF Reserve Fund - R 10.3	03-10220	\$ 51,531.00
	*SRF Reserve Fund - Crow St	03-10221	\$ 19,255.00
	*FCC - Debt Service WWTP Expansion & Upgrade	03-10405	\$ 2,065,218.54
	*FCC - Future WWTP Expansion	03-10407	\$ 1,567,929.63
	*FCC - Sewer Interceptors	03-10415	\$ (721,882.18)
	*FCC - Lift Stations	03-10416	\$ 386,658.01
	*FCC - Effluent Disposal Facilities	03-10417	\$ (1,557,186.02)
	*FCC - Salt Mitigation Facilities	03-10418	\$ (8,759,960.29)
Operating	Project Fund - Encumbered	03-10215	\$ 289,500.00
	Depreciation Reserves	03-10310	\$ 3,963,209.51
	Infrastructure Reserves	03-10311	\$ 5,477,966.64
	Rate Stabilization Fund	03-10314	\$ 1,464,394.90
	Operating Funds:		\$ (790,252.80)
Total Wastewater Division			\$ 4,278,758.94

Recycled Water Division		GL#	Balance
Restricted	*FCC - Recycled System	04-10410	\$ 75,585.67
	*FCC - Booster Pumping Plants	04-10411	\$ 13,048.41
	*FCC - Pipeline Facilities	04-10412	\$ 279,680.96
	*FCC - Water Storage Reservoirs	04-10413	\$ 276,775.08
Operating	Project Fund - Encumbered	04-10215	\$ -
	Depreciation Reserves	04-10310	\$ 38,828.01
	Infrastructure Reserves	04-10311	\$ 282,492.31
	Operating Funds:		\$ 220,071.37
Total Recycled Water Division			\$ 1,186,481.81

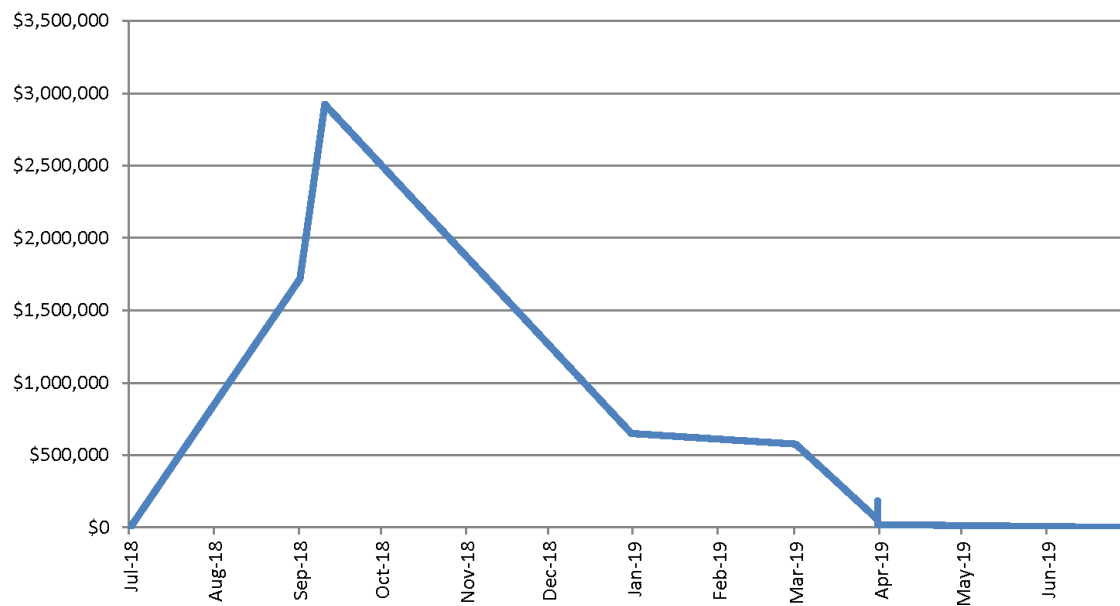
DISTRICT TOTAL \$ 8,452,158.62

*=Restricted Funds

Cash Flow Report for Fiscal Year 2018-19

Financial Obligations for Fiscal Year 2018-19				
Due Date	Fund	Description	Term of Obligation	Amount
9/1/2018	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 1,718,806.25
9/10/2018	Sewer	SRF Payment - WRWRF	2009-2028	\$ 2,923,668.75
12/31/2018	Sewer	SRF Payment - Yucaipa Regional Brineline	2013-2032	\$ 649,273.50
3/1/2019	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 575,931.25
3/31/2019	Sewer	SRF Payment - Recycled Reservoir R-10.3	2014-2033	\$ 54,277.31
3/31/2019	Sewer	SRF Payment - Desalinization at WRWRF	2014-2033	\$ 185,251.30
3/31/2019	Sewer	SRF Payment - Crow Street/Recycled Booster B-12.1	2016-2035	\$ 21,247.48
Total				\$ 6,128,455.84

**Payment Schedule and Cash Flow Requirements
for Fiscal Year 2018-19**



Check Register - October 2018

<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/1/2018	32915	Atkinson, Andelson, Loya, Ruud	\$ 888.99
10/1/2018	32916	State Water Resources Control	\$ 110.00
10/1/2018	32917	ADS, LLC	\$ 4,275.00
10/1/2018	32918	Luke's Transmission Inc.	\$ 15.00
10/1/2018	32919	Ameripride Uniform Services	\$ 815.30
10/1/2018	32920	Balco Holdings Inc.	\$ 5,160.45
10/1/2018	32921	Bernell Hydraulics, Inc.	\$ 619.75
10/1/2018	32922	BSK Associates	\$ 415.00
10/1/2018	32923	CDW LLC	\$ 2,799.38
10/1/2018	32924	Crider Public Relations, Inc.	\$ 3,400.00
10/1/2018	32925	Environmental Systems Research	\$ 26,935.56
10/1/2018	32926	Evoqua Water Technologies LLC	\$ 1,223.88
10/1/2018	32927	Incode Division-Tyler Technolo	\$ 1,365.77
10/1/2018	32928	InfoSend, Inc.	\$ 3,747.32
10/1/2018	32929	Innerline Engineering	\$ 1,750.00
10/1/2018	32930	Nicholas C. Hendrickson	\$ 71.50
10/1/2018	32931	JB Paving & Engineering, Inc.	\$ 7,975.00
10/1/2018	32932	Raiset R. Santana and Adriana	\$ 41.50
10/1/2018	32933	MailFinance Inc.	\$ 353.07
10/1/2018	32934	Nagem, Inc.	\$ 1,188.64
10/1/2018	32935	NetComp Technologies, Inc.	\$ 2,475.55
10/1/2018	32936	Pro-Pipe & Supply, Inc.	\$ 393.55
10/1/2018	32937	Antonio T. Paredes	\$ 27,500.00
10/1/2018	32938	SCCI, Inc.	\$ 3,300.00
10/1/2018	32939	SB CNTY-Treasurer-Tax	\$ 53.34
10/1/2018	32940	South Coast A.Q.M.D.	\$ 13,355.66
10/1/2018	32941	Association of San Bernardino	\$ 140.00
10/1/2018	32942	Spectrum Business	\$ 1,834.00
10/1/2018	32943	Tattletale Portable Alarm Syst	\$ 3,105.00
10/1/2018	32944	The Gas Company	\$ 57.33
10/1/2018	32945	U.S. Telepacific Corp	\$ 2,652.10
10/1/2018	32946	Water Systems Consulting, Inc.	\$ 5,963.75
10/1/2018	32947	Water Systems Optimization Inc	\$ 4,000.00
10/1/2018	32948	Yucaipa Disposal, Inc.	\$ 1,515.28
10/1/2018	32949	Aqua-Metric Sales Company	\$ 11,144.81
10/1/2018	32950	BofA Credit Card	\$ 2,360.09
10/1/2018	32951	Brenntag Pacific, Inc	\$ 17,021.43
10/1/2018	32952	Fresno Oxygen	\$ 781.56
10/1/2018	32953	Grainger	\$ 56.78
10/1/2018	32954	Hasa, Inc.	\$ 7,552.86
10/1/2018	32955	Home Depot U.S.A. Inc	\$ 786.24
10/1/2018	32956	House Of Quality, Parts Plus	\$ 3,691.33
10/1/2018	32957	VOID CHECK	\$ -
10/1/2018	32958	Inland Water Works Supply Co.	\$ 12,886.63
10/1/2018	32959	Nicholas C. Hendrickson	\$ 3,480.33

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/1/2018	32960	Nuckles Oil Company, Inc.	\$ 5,334.60
10/1/2018	32961	NCL Of Wisconsin Inc	\$ 606.10
10/1/2018	32962	Polydyne Inc.	\$ 2,949.12
10/1/2018	32963	Power Plus International	\$ 209.73
10/1/2018	32964	US Bank	\$ 4,861.42
10/1/2018	32965	Kenneth Carnes	\$ 814.59
10/1/2018	32966	Jeremy Costello	\$ 100.00
10/1/2018	32967	DEL PILAR, JAMIE & M	\$ 99.84
10/1/2018	32968	Standard Insurance Company	\$ 1,543.28
10/1/2018	32969	Standard Insurance Vision Plan	\$ 772.68
10/1/2018	32970	MetLife Small Business Center	\$ 147.22
10/1/2018	32971	Jennifer Ares	\$ 171.32
10/1/2018	32972	Nippon Life Insurance Co. of A	\$ 3,827.32
10/8/2018	32973	MASINDE, GODFRED & R	\$ 51.56
10/8/2018	32974	State Water Resources Control	\$ 220.00
10/8/2018	32975	Ameripride Uniform Services	\$ 846.33
10/8/2018	32976	C & B Crushing, Inc.	\$ 300.00
10/8/2018	32977	CA-ARB/PERP	\$ 575.00
10/8/2018	32978	Cal-Mesa Steel Supply, Inc.	\$ 21.55
10/8/2018	32979	Coverall North America, Inc.	\$ 1,331.00
10/8/2018	32980	Crown Ace Hardware - Yucaipa	\$ 1,082.00
10/8/2018	32981	First American Data Tree, LLC	\$ 50.00
10/8/2018	32982	G&G Environmental Compliance, I	\$ 2,794.30
10/8/2018	32983	Innerline Engineering	\$ 1,750.00
10/8/2018	32984	Carlos Murillo	\$ 12.42
10/8/2018	32985	MBC Applied Environmental Scie	\$ 1,350.00
10/8/2018	32986	Nagem, Inc.	\$ 5,061.75
10/8/2018	32987	NetComp Technologies, Inc.	\$ 2,700.00
10/8/2018	32988	Office Solutions Business Prod	\$ 249.52
10/8/2018	32989	Pacific Coast Landscape & Desi	\$ 6,325.00
10/8/2018	32990	John Deere Financial f.s.b.	\$ 213.32
10/8/2018	32991	Pro-Pipe & Supply, Inc.	\$ 116.45
10/8/2018	32992	Q Versa, LLC	\$ 43,757.87
10/8/2018	32993	Quinn Company	\$ 282.10
10/8/2018	32994	Western Oilfields Supply Compa	\$ 357.88
10/8/2018	32995	Riverside County Treasurer	\$ 266.42
10/8/2018	32996	SCCI, Inc.	\$ 350.00
10/8/2018	32997	U.S. Postal Service (Hasler)	\$ 2,000.00
10/8/2018	32998	Underground Service Alert Of S	\$ 485.20
10/8/2018	32999	UPS Store#1504/ Mail Boxes Etc	\$ 25.00
10/8/2018	33000	Yucaipa Valley Water District	\$ 74,603.75
10/8/2018	33001	Aqua-Metric Sales Company	\$ 72,125.16
10/8/2018	33002	John F. Simister	\$ 1,639.40
10/8/2018	33003	Brenntag Pacific, Inc	\$ 2,299.97
10/8/2018	33004	Fisher Scientific Co.	\$ 1,364.66

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/8/2018	33005	Global Equipment Co., Inc	\$ 626.43
10/8/2018	33006	Industrial Safety Supply Corp	\$ 601.96
10/8/2018	33007	Inland Water Works Supply Co.	\$ 8,556.18
10/8/2018	33008	King Lee Chemical, Co.	\$ 20,291.48
10/8/2018	33009	Lawrence Roll Up Doors, Inc.	\$ 885.00
10/8/2018	33010	Lowe's Companies, Inc.	\$ 506.14
10/8/2018	33011	Nuckles Oil Company, Inc.	\$ 2,537.96
10/8/2018	33012	Uline, Inc.	\$ 1,983.17
10/8/2018	33013	Calmat Company	\$ 2,660.10
10/8/2018	33014	West Coast Lights & Sirens, In	\$ 386.61
10/8/2018	33015	Cal-Mesa Steel Supply, Inc.	\$ 70.04
10/8/2018	33016	California Association of Sani	\$ 16,711.00
10/8/2018	33017	Geoscience Support Services, I	\$ 53,554.20
10/8/2018	33018	Incode Division-Tyler Technolo	\$ 5,721.40
10/8/2018	33019	Nagem, Inc.	\$ 85.00
10/8/2018	33020	Office Solutions Business Prod	\$ 48.32
10/8/2018	33021	State Water Resources Control	\$ 110.00
10/12/2018	33022	PAYROLL CHECK	\$ 2,299.62
10/12/2018	33023	PAYROLL CHECK	\$ 310.43
10/12/2018	33024	WageWorks, Inc.	\$ 1,281.51
10/12/2018	33025	IBEW Local 1436	\$ 667.00
10/12/2018	33026	California State Disbursement	\$ 115.38
10/12/2018	33027	California State Disbursement	\$ 397.38
10/12/2018	33028	Ryan Janisch	\$ 435.70
10/15/2018	33029	Delta Partners, LLC	\$ 7,500.00
10/15/2018	33030	Dudek & Associates, Inc	\$ 20,646.93
10/15/2018	33031	HDR Engineering, Inc.	\$ 10,704.13
10/15/2018	33032	One Stop Landscape Supply Inc	\$ 20,855.00
10/15/2018	33033	Platinum Advisors, LLC	\$ 5,000.00
10/15/2018	33034	Woodard & Curran Inc.	\$ 3,373.64
10/15/2018	33035	David L. Wysocki	\$ 3,975.00
10/15/2018	33036	Addiction Medicine Consultants	\$ 60.00
10/15/2018	33037	Ameripride Uniform Services	\$ 814.78
10/15/2018	33038	John F. Simister	\$ 684.58
10/15/2018	33039	California Special Districts A	\$ 7,552.00
10/15/2018	33040	Cal-Mesa Steel Supply, Inc.	\$ 70.04
10/15/2018	33041	Center Electric Services, Inc.	\$ 80,731.34
10/15/2018	33042	Central Communications	\$ 416.50
10/15/2018	33043	Clinical Laboratory of San Ber	\$ 15,973.50
10/15/2018	33044	Victor James Valenti	\$ 2,287.70
10/15/2018	33045	Corelogic, Inc.	\$ 330.00
10/15/2018	33046	Ernesto & Dora Placencia	\$ 3,129.11
10/15/2018	33047	Evoqua Water Technologies LLC	\$ 2,248.98
10/15/2018	33048	Fedex	\$ 41.77
10/15/2018	33049	Frontier Communications	\$ 149.95

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/15/2018	33050	InfoSend, Inc.	\$ 3,708.92
10/15/2018	33051	Innerline Engineering	\$ 1,750.00
10/15/2018	33052	Konica Minolta Business Soluti	\$ 956.15
10/15/2018	33053	Nagem, Inc.	\$ 510.00
10/15/2018	33054	NetComp Technologies, Inc.	\$ 34,278.77
10/15/2018	33055	Office Solutions Business Prod	\$ 3,288.47
10/15/2018	33056	Pro-Pipe & Supply, Inc.	\$ 328.84
10/15/2018	33057	Quinn Company	\$ 7.09
10/15/2018	33058	Red Alert Special Couriers	\$ 369.26
10/15/2018	33059	San Gorgonio Pass Water Agency	\$ 22,047.15
10/15/2018	33060	Spectrum Business	\$ 4,483.00
10/15/2018	33061	The Counseling Team Internatio	\$ 480.00
10/15/2018	33062	UPS Store#1504/ Mail Boxes Etc	\$ 45.45
10/15/2018	33063	Westrux International, Inc.	\$ 751.68
10/15/2018	33064	Airgas, Inc.	\$ 1,506.53
10/15/2018	33065	All American Sewer Tools	\$ 1,166.73
10/15/2018	33066	Aqua-Metric Sales Company	\$ 50,858.00
10/15/2018	33067	Brenntag Pacific, Inc	\$ 19,923.12
10/15/2018	33068	Burgeson's Heating & Air Cond.	\$ 3,450.00
10/15/2018	33069	Fisher Scientific Co.	\$ 376.15
10/15/2018	33070	Grainger	\$ 2,578.18
10/15/2018	33071	Hasa, Inc.	\$ 3,941.46
10/15/2018	33072	Hemet Valley Tool Inc.	\$ 1,408.98
10/15/2018	33073	Industrial Safety Supply Corp	\$ 202.29
10/15/2018	33074	Inland Water Works Supply Co.	\$ 10,598.94
10/15/2018	33075	Nuckles Oil Company, Inc.	\$ 8,037.97
10/15/2018	33076	Odyssey Power Corporation	\$ 2,137.69
10/15/2018	33077	Quinn Company	\$ 10,752.90
10/15/2018	33078	Rosemount Analytical, Inc.	\$ 2,848.76
10/15/2018	33079	Sinclair Rock and Sand Inc.	\$ 3,100.00
10/15/2018	33080	Talley Inc.	\$ 4,114.83
10/15/2018	33081	Wells Tapping Service, Inc	\$ 6,000.00
10/15/2018	33082	California Water Environment A	\$ 188.00
10/15/2018	33083	Southwest Membrane Operator As	\$ 600.00
10/15/2018	33084	Gilbert A. Santacruz	\$ 50.00
10/15/2018	33085	Robert Mendez	\$ 188.00
10/15/2018	33086	NORTON, CATHIE	\$ 85.45
10/15/2018	33087	MOSER, BAMBI	\$ 56.43
10/15/2018	33088	BURK, JACK	\$ 51.64
10/15/2018	33089	DAVID, CAROLINE	\$ 15.81
10/15/2018	33090	FRAZER, LOUIS & LIND	\$ 43.83
10/15/2018	33091	ONULDO, INC.	\$ 27.16
10/15/2018	33092	AT&T Mobility	\$ 1,893.81
10/15/2018	33093	Mission Communications, LLC	\$ 563.40
10/15/2018	33094	Separation Processes, Inc.	\$ 932.00

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/15/2018	33095	SF CC Intermediate Holdings In	\$ 277.22
10/15/2018	33096	Water Systems Consulting, Inc.	\$ 16,960.00
10/15/2018	33097	City of Yucaipa	\$ 90,000.00
10/22/2018	33098	American Family Life Assurance	\$ 3,410.03
10/22/2018	33099	Joan Cadiz	\$ 603.36
10/22/2018	33100	Joe DeSalliers	\$ 646.39
10/22/2018	33101	Rodd Greene	\$ 648.15
10/22/2018	33102	Dennis Neff	\$ 599.99
10/22/2018	33103	Robert Wall	\$ 599.99
10/22/2018	33104	Western Dental Services, Inc.	\$ 203.54
10/22/2018	33105	WageWorks, Inc.	\$ 207.50
10/22/2018	33106	Jacob Duncan	\$ 135.00
10/22/2018	33107	Allison Edmisten	\$ 236.51
10/22/2018	33108	Luis Crespo VOIDED	\$ -
10/22/2018	33109	California Water Environment A	\$ 188.00
10/22/2018	33110	Steven Eldridge	\$ 49.56
10/22/2018	33111	Courtland R. Gear	\$ 95.00
10/22/2018	33112	Christopher Beard	\$ 100.00
10/22/2018	33113	Steven Molina	\$ 155.00
10/22/2018	33114	Kelly Hamilton	\$ 170.00
10/22/2018	33115	Kyle Rose	\$ 76.00
10/22/2018	33116	Johnny Shackelford	\$ 434.00
10/22/2018	33117	Sean Ferris	\$ 688.69
10/22/2018	33118	Matthew M. Barlow	\$ 1,517.77
10/22/2018	33119	Ralph C. Casas	\$ 77.45
10/22/2018	33120	Ameripride Uniform Services	\$ 855.19
10/22/2018	33121	Balco Holdings Inc.	\$ 1,393.91
10/22/2018	33122	Beaumont Basin Watermaster	\$ 13,380.00
10/22/2018	33123	BSK Associates	\$ 1,495.00
10/22/2018	33124	Cal-Mesa Steel Supply, Inc.	\$ 168.09
10/22/2018	33125	Cliff's Pest Control, Inc.	\$ 115.00
10/22/2018	33126	Evoqua Water Technologies LLC	\$ 1,144.14
10/22/2018	33127	Fedex	\$ 42.16
10/22/2018	33128	FMB Truck Outfitters, Inc.	\$ 98.48

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<u>Check Date</u>	<u>Check Number</u>	<u>Name</u>	<u>Check Amount</u>
10/22/2018	33129	Frontier Communications	\$ 151.01
10/22/2018	33130	Home Depot U.S.A. Inc	\$ 337.98
10/22/2018	33131	Incode Division-Tyler Technolo	\$ 631.30
10/22/2018	33132	InfoSend, Inc.	\$ 5,033.75
10/22/2018	33133	Inland Empire Resource Conserv	\$ 1,263.11
10/22/2018	33134	Innerline Engineering	\$ 1,750.00
10/22/2018	33135	Nagem, Inc.	\$ 1,360.00
10/22/2018	33136	NetComp Technologies, Inc.	\$ 3,600.00
10/22/2018	33137	John Deere Financial f.s.b.	\$ 575.97
10/22/2018	33138	Pro-Pipe & Supply, Inc.	\$ 1,047.59
10/22/2018	33139	Western Oilfields Supply Compa	\$ 4,483.68
10/22/2018	33140	Redlands-Yucaipa Rentals Inc.	\$ 26.40
10/22/2018	33141	SB CNTY-Recorder/County Clerk	\$ 113.00
10/22/2018	33142	SB CNTY-Solid Waste Mgmt Div	\$ 184.62

Investment Summary - October 2018

U.S. TREASURIES						
Quantity	Description	Cusip	Maturity Date	Yield	Cost of Purchase	Market Value
510,000	US Treasury Bill	912796QM4	June 20, 2019	2.150%	\$ 500,225.51	\$ 511,120.90
510,000	Total Values				\$ 500,225.51	\$ 511,120.90
Money Market Account Activity-Beginning Balance						\$ 10,038.26
7/31/17 - Bond Interest						\$ -
7/31/18 - Dividend/Interest						\$ 2.54
Cusip 912796PQ6 Accrued Interest Paid						
Business Account Fee						\$ -
Income						\$ 2.54
Intra-Bank Transfers to/from Investment Checking						\$ -
Fund Transfers						\$ -
Cusip Maturity						\$ -
Redemptions						\$ -
Cusip Purchase						\$ -
Purchases						\$ -
Ending Balance - Money Market						\$ 10,040.80
US Treasury Securities Investment Principal						\$ 500,225.51
Total Assets						\$ 510,266.31

Note: As of 11/1/18, the updated treasury information for October has not been received. The information above is as of 9/30/18.

Investment Summary - October 2018

LOCAL AGENCY INVESTMENT FUND

PERIOD	TOTAL WITHDRAWAL AMOUNT	TOTAL DEPOSIT AMOUNT	ACCRUED INTEREST (QUARTERLY)	ENDING BALANCE
July 31, 2018	\$ -	\$ -	\$ 50,409.17	\$ 10,674,082.68
August 31, 2018	\$ (4,000,000.00)	\$ -	\$ -	\$ 6,674,082.68
September 30, 2018	\$ -	\$ -	\$ -	\$ 6,674,082.68
October 31, 2018	\$ -	\$ -	\$ 47,122.67	\$ 6,721,205.35
November 30, 2018	\$ -	\$ -	\$ -	\$ 6,721,205.35
December 31, 2018	\$ -	\$ -	\$ -	\$ 6,721,205.35
January 31, 2019	\$ -	\$ -	\$ -	\$ 6,721,205.35
February 28, 2019	\$ -	\$ -	\$ -	\$ 6,721,205.35
March 31, 2019	\$ -	\$ -	\$ -	\$ 6,721,205.35
April 30, 2019	\$ -	\$ -	\$ -	\$ 6,721,205.35
May 31, 2019	\$ -	\$ -	\$ -	\$ 6,721,205.35
June 30, 2019	\$ -	\$ -	\$ -	\$ 6,721,205.35

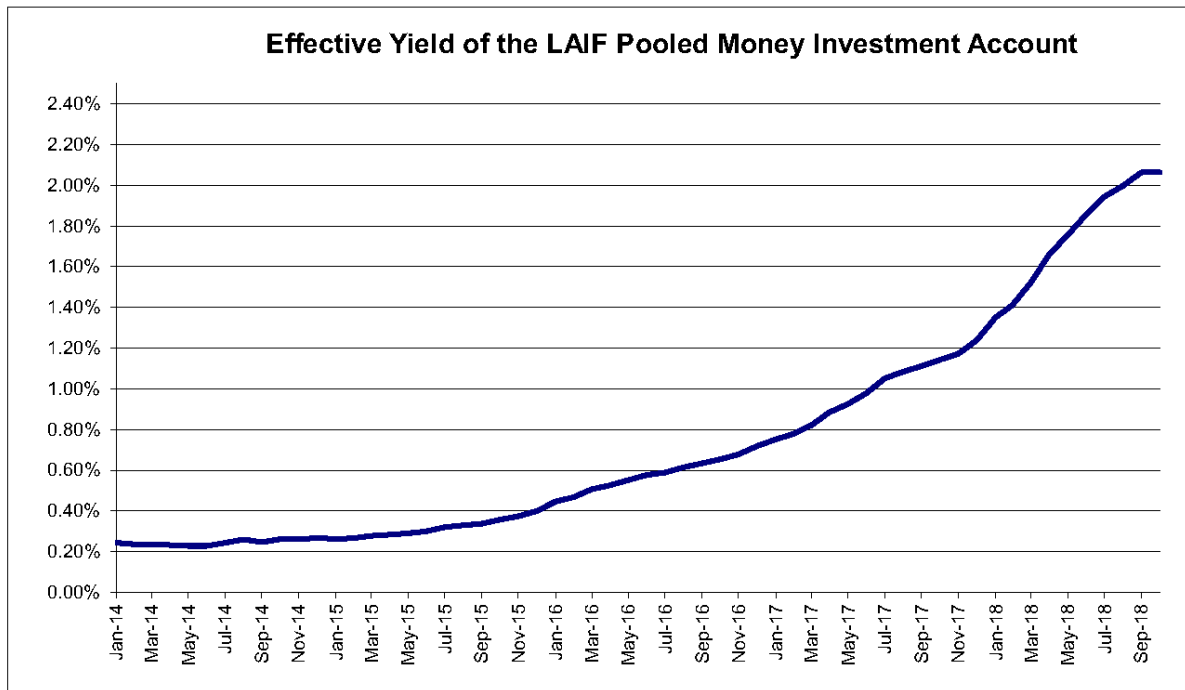
L.A.I.F. INCOME SUMMARY

CURRENT QUARTER FY YEAR-TO-DATE

INCOME RECEIVED

\$ 47,122.67

\$ 97,531.84



FY 2018-19 Water Revenue					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
02-40010	Sales - Water	\$ 5,958,445	\$ 563,701	\$ 2,097,433	35.20%
02-40011	Sales - Construction Water	\$ 25,000	\$ 18,286	\$ 61,856	247.42%
02-40012	Sales - Imported Water (SGPWA)	\$ 250,000	\$ 22,896	\$ 100,679	40.27%
02-40013	Sales - Imported Water (MUNI)	\$ 850,000	\$ 78,469	\$ 271,746	31.97%
02-40014	Sales Disc.-Multi Units Usage Chrg.	\$ (110,000)	\$ (9,350)	\$ (34,388)	31.26%
02-40015	Water Wholesale Revenue	\$ 200,000	\$ 8,435	\$ 39,531	19.77%
02-40016	Service Establishment Fee	\$ 5,000	\$ 75	\$ 675	13.50%
02-41000	Service Demand Charges	\$ 3,400,000	\$ 266,071	\$ 854,708	25.14%
02-41001	Fire Service Standby Fees	\$ 45,000	\$ 2,939	\$ 10,750	23.89%
02-41003	Construction Service Charge	\$ 15,000	\$ 280	\$ 878	5.86%
02-41005	Sales Disc.-Multi Units Service Chrg.	\$ (135,000)	\$ (11,360)	\$ (36,588)	27.10%
02-41010	Unauthorized Use of Water Charge	\$ 2,000	\$ -	\$ -	0.00%
02-41110	Meter/Lateral Installation	\$ 50,000	\$ 3,090	\$ 23,030	46.06%
02-41112	Fire Flow Test Fees	\$ 4,500	\$ 800	\$ 1,675	37.22%
02-41113	Disconnect/Reconnect Fees	\$ 100,000	\$ 7,650	\$ 25,425	25.43%
02-41121	Penalty - Late Charges	\$ 135,000	\$ 13,997	\$ 50,717	37.57%
02-41124	Bad Debt	\$ (20,000)	\$ -	\$ 335	-1.68%
02-42122	Revenue - Other Operating	\$ -	\$ -	\$ (6)	N/A
02-42123	Management & Accounting Fees	\$ 202,500	\$ 16,875	\$ 67,500	33.33%
02-43010	Interest Earned	\$ 85,000	\$ 21,205	\$ 48,398	56.94%
02-43110	Property Tax - Unsecured	\$ 80,000	\$ -	\$ 7,989	9.99%
02-43120	Property Tax - Secured	\$ 2,700,000	\$ -	\$ -	0.00%
02-43130	Tax Collection - Prior	\$ 25,000	\$ -	\$ -	0.00%
02-43140	Other Taxes	\$ 180,000	\$ -	\$ (20)	-0.01%
02-49110	Rental Income (WATER STOCK)	\$ 3,000	\$ -	\$ -	0.00%
02-49150	Revenue - Misc. Non-Operating	\$ 100,000	\$ 3,913	\$ 16,120	16.12%
	WATER OPERATING REVENUE	\$ 14,150,445	\$ 1,007,972	\$ 3,642,194	25.74%
	Grants	\$ -	\$ -	\$ -	
02-89901	Facility Capacity Charges	\$ -	\$ 12,805	\$ 140,196	
02-89902	Sustainability	\$ -	\$ -	\$ 38,532	
	TOTAL WATER REVENUE	\$ 14,150,445	\$ 1,020,777	\$ 3,820,921	

NOTE: Plan check & inspection fees to 02-42122

FY 2018-19 Sewer Revenue					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
03-40016	Sales - Establish Service Fee	\$ 500	\$ 50	\$ 75	15.00%
03-41000	Sales - Sewer Charges	\$ 12,116,254	\$ 973,490	\$ 3,214,524	26.53%
03-41005	Sales Disc-Multi Units Service Chrg.	\$ (200,000)	\$ (18,262)	\$ (60,471)	30.24%
03-41110	Meter/Lateral Installation	\$ 2,500	\$ -	\$ 2,500	100.00%
03-41121	Penalty - Late Charges	\$ 135,000	\$ 11,309	\$ 44,000	32.59%
03-41124	Bad Debt	\$ (15,000)	\$ -	\$ -	0.00%
03-41131	Front Footage Fees	\$ 30,000	\$ -	\$ 16,250	54.17%
03-42122	Revenue - Other Operating	\$ 2,000	\$ 180	\$ 540	27.00%
03-43010	Interest Earned	\$ 95,000	\$ 21,205	\$ 45,414	47.80%
03-43110	Property Tax - Unsecured	\$ 50,000	\$ -	\$ -	0.00%
03-43120	Property Tax - Secured	\$ 100,000	\$ -	\$ -	0.00%
03-43130	Tax Collection - Prior	\$ 10,000	\$ -	\$ -	0.00%
03-43140	Other Taxes	\$ 1,500	\$ -	\$ -	0.00%
03-49150	Misc. Non-Oper Revenue	\$ 10,000	\$ -	\$ 58	0.58%
	SEWER OPERATING REVENUE	\$ 12,337,754	\$ 987,972	\$ 3,262,890	26.45%
	Grants	\$ -		\$ -	
03-89901	Facility Capacity Charges	\$ -	\$ 41,105	\$ 252,253	
03-89903	Contrib Capital-Front Footage Fees	\$ -	\$ -	\$ -	
03-89905	Contrib Capital-Infrastructure	\$ -	\$ 4,500	\$ 13,500	
	TOTAL SEWER REVENUE	\$ 12,337,754	\$ 1,033,577	\$ 3,528,643	

FY 2018-19 Recycled Revenue					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
04-40010	Sales - Recycled Water	\$ 694,270	\$ 70,591	\$ 223,245	32.16%
04-40011	Sales - Construction Water	\$ 65,000	\$ 11	\$ 98	0.15%
04-41000	Sales - Service Demand Chrg.	\$ 85,000	\$ 6,279	\$ 20,026	23.56%
04-41003	Const. Water Minimum Chrg.	\$ 5,000	\$ 51	\$ 169	3.39%
04-41110	Meter/Lateral installation	\$ 45,000	\$ 1,470	\$ 4,410	9.80%
04-41121	Penalty - Late Charges	\$ 5,000	\$ 348	\$ 1,261	25.22%
04-41122	Revenue - Other Operating	\$ 500	\$ -	\$ -	0.00%
04-43010	Interest Earned	\$ 20,000	\$ 4,712	\$ 10,092	50.46%
04-43110	Property Tax - Unsecured	\$ 10,000	\$ -	\$ -	0.00%
04-43120	Property Tax - Secured	\$ 350,000	\$ -	\$ -	0.00%
04-43130	Property Tax - Prior	\$ 10,000	\$ -	\$ -	0.00%
04-43140	Property Tax - Other	\$ 2,500	\$ -	\$ -	0.00%
04-49150	Misc. Non-Operating Revenue	\$ 1,000	\$ -	\$ -	0.00%
	RECYCLED OPERATING REVENUE	\$ 1,293,270	\$ 83,463	\$ 259,301	20.05%
	Grants	\$ -	\$ -	\$ -	
04-89901	Facility Capacity Charges	\$ -	\$ 16,531	\$ 37,592	
	TOTAL RECYCLED REVENUE	\$ 1,293,270	\$ 99,994	\$ 296,893	

FY 2018-19 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
02-5-01-50010	Labor-Water Resources	\$ 997,976	\$ 65,931	\$ 288,763	28.93%
02-5-01-50011	Labor Credit	\$ -	\$ -	\$ -	
02-5-01-50013	Benefits-Fica	\$ 76,345	\$ 5,220	\$ 22,808	29.87%
02-5-01-50014	Benefits-Life Insurance	\$ 5,568	\$ 133	\$ 506	9.08%
02-5-01-50016	Benefits-Health\Defrd Comp	\$ 218,544	\$ 4,782	\$ 68,973	31.56%
02-5-01-50017	Benefits-Disability Insurance	\$ 8,982	\$ 1,166	\$ 4,373	48.69%
02-5-01-50019	Benefits-Workers Compensation	\$ 26,945	\$ 664	\$ 2,688	9.98%
02-5-01-50021	Benefits-PERS-Employee	\$ -	\$ (309)	\$ (3,592)	
02-5-01-50022	Benefits-PERS-Employer	\$ 149,696	\$ 4,484	\$ 19,343	12.92%
02-5-01-50023	Benefits-Uniforms	\$ 5,800	\$ 132	\$ 703	12.12%
02-5-01-50024	Benefits-Vacation & Sick Pay	\$ 6,001	\$ 723	\$ 3,290	54.82%
02-5-01-50025	Benefits-Boot Allowance	\$ 3,480	\$ -	\$ 900	25.86%
02-5-01-51003	R&M - Structures	\$ 319,000	\$ 4,137	\$ 397,754	124.69%
02-5-01-51011	R&M - CLA Valves	\$ 20,000	\$ -	\$ 11,427	57.13%
02-5-01-51115	Laboratory Supplies	\$ -	\$ -	\$ -	
02-5-01-51140	General Supplies & Expenses	\$ 2,000	\$ 45	\$ 128	6.39%
02-5-01-51210	Utilities - Power Purchases	\$ 1,394,000	\$ 154,464	\$ 524,695	37.64%
02-5-01-51211	Utilities - Electricity & Fuel	\$ 5,000	\$ 348	\$ 1,288	25.77%
02-5-01-51316	Imported Water Purchases	\$ 1,200,000	\$ -	\$ 406,252	33.85%
02-5-01-54019	Licenses & Permits	\$ 70,000	\$ -	\$ 1,192	1.70%
02-5-01-54110	Laboratory Services	\$ 65,000	\$ -	\$ 39,697	61.07%
02-5-01-57040	YVRWFF Operating Expense	\$ 700,000	\$ 36,104	\$ 209,468	29.92%
	WATER RESOURCE TOTALS	\$ 5,274,337	\$ 278,025	\$ 2,000,656	37.93%
02-5-03-50010	Labor-Public Works	\$ 1,650,107	\$ 110,912	\$ 416,422	25.24%
02-5-03-50011	Labor Credit	\$ -	\$ -	\$ (9,533)	
02-5-03-50013	Benefits-Fica	\$ 126,443	\$ 8,661	\$ 32,568	25.76%
02-5-03-50014	Benefits-Life Insurance	\$ 10,776	\$ 287	\$ 855	7.94%
02-5-03-50016	Benefits-Health\Defrd Comp	\$ 422,958	\$ 6,458	\$ 143,213	33.86%
02-5-03-50017	Benefits-Disability Insurance	\$ 14,851	\$ 1,800	\$ 6,045	40.71%
02-5-03-50019	Benefits-Workers Compensation	\$ 44,553	\$ 664	\$ 2,999	6.73%
02-5-03-50021	Benefits-PERS Employee	\$ -	\$ (938)	\$ (6,881)	
02-5-03-50022	Benefits-PERS Employer	\$ 247,516	\$ 7,740	\$ 30,768	12.43%
02-5-03-50023	Benefits-Uniforms	\$ 11,225	\$ 678	\$ 4,168	37.13%
02-5-03-50024	Benefits-Vacation & Sick Pay	\$ 4,000	\$ 393	\$ 1,833	45.83%
02-5-03-50025	Benefits-Boot Allowance	\$ 6,525	\$ 300	\$ 7,200	110.34%
02-5-03-51001	R & M - Vehicles & Equipment	\$ 200,000	\$ 16,065	\$ 91,679	45.84%
02-5-03-51011	R&M - Valves	\$ 10,000	\$ -	\$ 800	8.00%
02-5-03-51020	R&M - Pipelines	\$ 225,000	\$ 12,806	\$ 78,017	34.67%
02-5-03-51021	R&M - Service Lines	\$ 96,000	\$ 2,384	\$ 26,933	28.06%
02-5-03-51022	R&M - Fire Hydrants	\$ 25,000	\$ 1,611	\$ 27,877	111.51%
02-5-03-51029	R&M - Backflow	\$ 20,000	\$ 5,169	\$ 18,599	93.00%
02-5-03-51030	R&M - Water Meters	\$ 30,000	\$ 8,224	\$ 83,103	277.01%
02-5-03-51031	Fire Flow Testing	\$ 30,000	\$ -	\$ 3,117	10.39%
02-5-03-51092	Equipment Credits	\$ -	\$ -	\$ (4,403)	
02-5-03-51140	General Supplies & Expenses	\$ 2,500	\$ -	\$ 1,493	59.73%
	PUBLIC WORKS TOTALS	\$ 3,177,454	\$ 183,213	\$ 956,873	30.11%

FY 2018-19 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
02-5-06-50010	Labor-Administration	\$ 602,359	\$ 42,258	\$ 185,014	30.71%
02-5-06-50011	Labor Credit	\$ -	\$ -	\$ (556)	
02-5-06-50012	Director Fees	\$ 25,000	\$ 2,548	\$ 7,299	29.20%
02-5-06-50013	Benefits-Fica	\$ 46,080	\$ 3,331	\$ 14,308	31.05%
02-5-06-50014	Benefits-Life Insurance	\$ 2,952	\$ 98	\$ 448	15.19%
02-5-06-50016	Benefits-Health\Defrd Comp	\$ 115,866	\$ 7,007	\$ 60,566	52.27%
02-5-06-50017	Benefits-Disability Insurance	\$ 5,421	\$ 695	\$ 2,785	51.37%
02-5-06-50019	Benefits-Workers Compensation	\$ 16,264	\$ 664	\$ 1,676	10.30%
02-5-06-50021	Benefits PERS Employee	\$ -	\$ (235)	\$ (2,896)	
02-5-06-50022	Benefits PERS Employer	\$ 90,354	\$ 3,220	\$ 14,029	15.53%
02-5-06-50023	Uniforms	\$ 3,075	\$ 133	\$ 542	17.63%
02-5-06-50024	Benefits-Vacation & Sick Pay	\$ 10,000	\$ 385	\$ 1,427	14.27%
02-5-06-50025	Benefits-Boots	\$ 1,845	\$ -	\$ 3,300	178.86%
02-5-06-51003	R&M - Structures	\$ 30,000	\$ 2,935	\$ 14,622	48.74%
02-5-06-51091	Expense Credits (overhead)	\$ -	\$ -	\$ (9,947)	
02-5-06-51120	Safety Equipment/Supplies	\$ 25,000	\$ 3,612	\$ 8,728	34.91%
02-5-06-51125	Petroleum Products	\$ 105,000	\$ 15,387	\$ 71,799	68.38%
02-5-06-51130	Office Supplies & Expenses	\$ 35,000	\$ 3,616	\$ 13,981	39.94%
02-5-06-51140	General Supplies & Expenses	\$ 35,000	\$ 7,025	\$ 15,497	44.28%
02-5-06-51199	Disaster Incidences	\$ -	\$ -	\$ -	
02-5-06-51211	Utilities - Electricity	\$ 65,000	\$ 2,806	\$ 13,958	21.47%
02-5-06-51213	Utilities - Natural Gas	\$ 1,500	\$ -	\$ 91	6.05%
02-5-06-54002	Dues & Subscriptions	\$ 41,500	\$ 4,478	\$ 9,133	22.01%
02-5-06-54005	Computer Expenses	\$ 100,000	\$ 19,961	\$ 39,096	39.10%
02-5-06-54010	Postage	\$ 4,200	\$ 2,084	\$ 2,773	66.03%
02-5-06-54011	Printing & Publications	\$ -	\$ 29	\$ 129	
02-5-06-54012	Education & Training	\$ 15,000	\$ 743	\$ 8,574	57.16%
02-5-06-54013	Utility Billing Expenses	\$ 150,000	\$ 10,723	\$ 61,804	41.20%
02-5-06-54014	Public Relations	\$ 25,000	\$ -	\$ 9,228	36.91%
02-5-06-54016	Travel Related Expenses	\$ 8,000	\$ 423	\$ 3,333	41.66%
02-5-06-54017	Certifications & Renewals	\$ 8,000	\$ 1,068	\$ 4,766	59.58%
02-5-06-54020	Meeting Related Expenses	\$ 8,000	\$ 439	\$ 3,062	38.28%
02-5-06-54022	Utilities - YVWD Services	\$ 60,000	\$ -	\$ 85,095	141.82%
02-5-06-54024	Utilities - Waste Disposal	\$ 2,500	\$ -	\$ 3,228	129.13%
02-5-06-54025	Utilities - Telephone & Internet	\$ 45,000	\$ 3,655	\$ 16,985	37.74%
02-5-06-54099	Conservation & Rebates	\$ 30,000	\$ -	\$ -	0.00%
02-5-06-54104	Contractual Services	\$ 100,000	\$ 7,633	\$ 34,098	34.10%
02-5-06-54107	Legal	\$ 50,000	\$ -	\$ 7,132	14.26%
02-5-06-54108	Audit & Accounting	\$ 12,000	\$ -	\$ -	0.00%
02-5-06-54109	Professional Fees	\$ 165,000	\$ 2,500	\$ 138,760	84.10%
02-5-06-55500	Depreciation Reserves	\$ 200,000	\$ 16,667	\$ 66,667	33.33%
	Infrastructure Replacement	\$ 1,000,000	\$ 83,333	\$ 333,332	33.33%
02-5-06-56001	Insurance	\$ 100,000	\$ 7,942	\$ 36,641	36.64%
02-5-06-57030	Regulatory Compliance	\$ 15,000	\$ 4,332	\$ 18,961	126.41%
02-5-06-57090	Election Related Expenses	\$ 5,000	\$ -	\$ -	0.00%
02-5-06-57096	Beaumont Basin Watermaster	\$ 44,000	\$ 13,380	\$ 14,219	32.32%

FY 2018-19 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
02-5-06-57097	San Timoteo SGMA	\$ -	\$ -	\$ -	-
02-5-06-57098	Bunker Hill GSC	\$ -	\$ 13,379	\$ 13,379	-
02-5-06-57199	Suspense	\$ -	\$ -	\$ -	-
	ADMINISTRATION TOTALS	\$ 3,403,916	\$ 288,251	\$ 1,327,068	38.99%
02-5-40-57201	Debt Srv-Series 2015A Princ.(2500	\$ 1,115,000	\$ -	\$ 1,115,000	100.00%
02-5-40-57402	Interest-Long-Term Debt Bonds	\$ 1,179,738	\$ -	\$ 603,806	51.18%
	40 - Debt	\$ 2,294,738	\$ -	\$ 1,718,806	74.90%
02-5-40-57001	Asset Acq, - Water Resources	\$ -	\$ -	\$ -	--
02-5-40-57003	Asset Acq, - Public works	\$ -	\$ -	\$ -	--
02-5-40-57006	Asset Acq, - Admin (fuel master)	\$ -	\$ -	\$ -	--
	40 - Capital Outlay	\$ -	\$ -	\$ -	--
				\$ 6,003,404	
	TOTAL WATER EXPENSES	\$ 14,150,445	\$ 749,489	\$ 6,003,404	42.43%

FY 2018-19 Sewer Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
03-5-02-50010	Labor-S Treatment	\$ 1,170,711	\$ 95,353	\$ 336,244	28.72%
03-5-02-50013	Benefits-Fica	\$ 89,559	\$ 6,891	\$ 25,546	28.52%
03-5-02-50014	Benefits-Life Insurance	\$ 6,336	\$ 149	\$ 558	8.81%
03-5-02-50016	Benefits-Health\Defrd Comp	\$ 248,688	\$ 4,382	\$ 68,799	27.66%
03-5-02-50017	Benefits-Disability Insurance	\$ 10,536	\$ 1,208	\$ 4,582	43.49%
03-5-02-50019	Benefits-Workers Compensation	\$ 31,609	\$ 664	\$ 2,688	8.50%
03-5-02-50021	Benefits-PERS Employee	\$ -	\$ (308)	\$ (3,590)	
03-5-02-50022	Benefits-PERS Employer	\$ 175,607	\$ 5,649	\$ 22,166	12.62%
03-5-02-50023	Benefits-Uniforms	\$ 6,600	\$ 263	\$ 1,199	18.17%
03-5-02-50024	Benefits-Vacation & Sick Pay	\$ 5,001	\$ 723	\$ 2,996	59.90%
03-5-02-50025	Benefits-Boot Allowance	\$ 3,960	\$ -	\$ 5,400	136.36%
03-5-02-51003	R&M - Structures	\$ 300,000	\$ 17,714	\$ 102,565	34.19%
03-5-02-51010	R&M - Automation Control	\$ 70,000	\$ -	\$ 23,723	33.89%
03-5-02-51106	Chemicals	\$ 600,000	\$ 43,090	\$ 229,486	38.25%
03-5-02-51111	Propane	\$ 1,000	\$ -	\$ -	0.00%
03-5-02-51115	Laboratory Supplies	\$ 35,000	\$ 376	\$ 11,022	31.49%
03-5-02-51140	General Supplies & Expenses	\$ 2,000	\$ 75	\$ 1,633	81.65%
03-5-02-51210	Utilities - Power Purchases	\$ 800,000	\$ 70,135	\$ 312,195	39.02%
03-5-02-54110	Laboratory Services	\$ 85,000	\$ 1,018	\$ 26,141	30.75%
03-5-02-57031	Sludge Disposal	\$ 230,000	\$ -	\$ 63,595	27.65%
03-5-02-57034	Brine Operating Expenses	\$ 385,000	\$ 1,526	\$ 4,014	1.04%
	TREATMENT TOTALS	\$ 4,256,607	\$ 248,907	\$ 1,240,964	29.15%
03-5-06-50010	Labor-Administration	\$ 602,359	\$ 42,258	\$ 174,971	29.05%
03-5-06-50011	Labor Credit	\$ -	\$ -	\$ -	
03-5-06-50012	Directors Fees	\$ 25,000	\$ 2,548	\$ 7,299	29.20%
03-5-06-50013	Benefits-Fica	\$ 46,080	\$ 3,331	\$ 13,519	29.34%
03-5-06-50014	Benefits-Life Insurance	\$ 2,952	\$ 98	\$ 430	14.57%
03-5-06-50016	Benefits-Health\Defrd Comp	\$ 115,866	\$ 7,105	\$ 58,318	50.33%
03-5-06-50017	Benefits-Disability Insurance	\$ 5,421	\$ 695	\$ 2,638	48.66%
03-5-06-50019	Benefits-Workers Compensation	\$ 16,264	\$ 664	\$ 1,676	10.30%
03-5-06-50021	Benefits PERS Employee	\$ -	\$ (189)	\$ (2,376)	
03-5-06-50022	Benefits PERS Employer	\$ 90,354	\$ 3,220	\$ 13,615	15.07%
03-5-06-50023	Benefits-Uniforms	\$ 3,075	\$ 76	\$ 215	6.99%
03-5-06-50024	Benefits-Vacation & Sick Pay	\$ 5,000	\$ 385	\$ 1,427	28.54%
03-5-06-50025	Benefits-Boot Allowance	\$ 1,845	\$ -	\$ -	0.00%
03-5-06-51120	Safety Equipment/Supplies	\$ 5,500	\$ 284	\$ 4,011	72.92%
03-5-06-51125	Petroleum Products	\$ 18,000	\$ 1,500	\$ 6,000	33.33%
03-5-06-51130	Office Supplies	\$ 10,000	\$ -	\$ 746	7.46%
03-5-06-51140	General Supplies & Expenses	\$ 30,000	\$ 5,720	\$ 11,946	39.82%
03-5-06-51199	Disaster Repairs	\$ -	\$ -	\$ -	
03-5-06-54002	Dues & Subscriptions	\$ 25,000	\$ 20,897	\$ 21,912	87.65%
03-5-06-54003	Management & Admin Services	\$ 202,500	\$ 16,875	\$ 67,500	33.33%
03-5-06-54005	Computer Expenses	\$ 100,000	\$ 19,835	\$ 38,045	38.04%
03-5-06-54011	Printing & Publications	\$ -	\$ -	\$ 101	N/A
03-5-06-54012	Education & Training	\$ 15,000	\$ 842	\$ 7,381	49.20%
03-5-06-54014	Public Relations	\$ 25,000	\$ -	\$ 568	2.27%
03-5-06-54016	Travel Related Expenses	\$ 10,000	\$ 170	\$ 6,068	60.68%
03-5-06-54017	Certifications & Renewals	\$ 7,500	\$ 622	\$ 3,744	49.92%
03-5-06-54019	Licenses & Permits	\$ 65,000	\$ -	\$ 16,804	25.85%
03-5-06-54020	Meeting Related Expenses	\$ 5,000	\$ 439	\$ 1,983	39.65%

FY 2018-19 Sewer Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
03-5-06-54022	Utilities - YVWD Services	\$ 1,500	\$ -	\$ 509	33.94%
03-5-06-54024	Utilities - Waste Disposal	\$ 13,000	\$ -	\$ 5,218	40.14%
03-5-06-54025	Utilities - Telephone & Internet	\$ 45,000	\$ 4,557	\$ 19,820	44.04%
03-5-06-54030	Drinking Water	\$ 1,250	\$ 77	\$ 317	25.38%
03-5-06-54104	Contractual Services	\$ 50,000	\$ 1,639	\$ 16,901	33.80%
03-5-06-54107	Legal	\$ 45,000	\$ -	\$ 12,041	26.76%
03-5-06-54108	Audit & Accounting	\$ 12,000	\$ -	\$ -	0.00%
03-5-06-54109	Professional Fees	\$ 159,000	\$ 2,500	\$ 58,264	36.64%
03-5-06-55500	Depreciation Reserves	\$ 500,000	\$ 41,667	\$ 166,667	33.33%
	Infrastructure Replacement	\$ 500,000	\$ 41,667	\$ 166,667	33.33%
03-5-06-56001	Insurance	\$ 115,000	\$ 11,124	\$ 44,494	38.69%
03-5-06-57030	Regulatory Compliance	\$ 50,000	\$ 878	\$ 13,104	26.21%
	ADMINISTRATION TOTALS	\$ 2,924,466	\$ 231,480	\$ 962,541	32.91%
03-5-07-50010	Labor-Enviromental Control	\$ 614,646	\$ 42,265	\$ 176,078	28.65%
03-5-07-50011	Labor Credit	\$ -	\$ -	\$ -	0.00%
03-5-07-50013	Benefits-Fica	\$ 47,020	\$ 3,225	\$ 13,475	28.66%
03-5-07-50014	Benefits-Life Insurance	\$ 3,888	\$ 106	\$ 326	8.38%
03-5-07-50016	Benefits-Health\Defrd Comp	\$ 152,604	\$ 2,035	\$ 52,800	34.60%
03-5-07-50017	Benefits-Disability Insurance	\$ 5,532	\$ 783	\$ 2,563	46.32%
03-5-07-50019	Benefits-Workers Compensation	\$ 16,595	\$ 664	\$ 2,688	16.20%
03-5-07-50021	Benefits-PERS Employee	\$ -	\$ (268)	\$ (2,051)	
03-5-07-50022	Benefits-PERS Employer	\$ 92,197	\$ 2,966	\$ 11,543	12.52%
03-5-07-50023	Benefits-Uniforms	\$ 4,050	\$ 219	\$ 1,410	34.81%
03-5-07-50024	Benefits-Vacation & Sick Pay	\$ 2,501	\$ 314	\$ 1,346	53.83%
03-5-07-50025	Benefits-Boot Allowance	\$ 2,430	\$ -	\$ 600	24.69%
03-5-07-51003	R&M - Structures	\$ 225,000	\$ 10,256	\$ 107,841	47.93%
03-5-07-51140	General Supplies & Expenses	\$ 1,000	\$ -	\$ 9	0.91%
03-5-07-51241	Lift Station #1	\$ 55,000	\$ 4,003	\$ 20,974	38.13%
03-5-07-51242	Lift Station #2	\$ 14,000	\$ 1,146	\$ 4,089	29.21%
03-5-07-51243	Lift Station #3	\$ 9,000	\$ 204	\$ 864	9.60%
03-5-07-51244	Lift Station #4	\$ 14,500	\$ 825	\$ 3,147	21.70%
03-5-07-51248	Lift Station #8	\$ 3,000	\$ 83	\$ 324	10.80%
03-5-07-54111	Pretreatment	\$ 60,000	\$ -	\$ 16,036	26.73%
	ENVIRONMENTAL CONTROL TOTAL	\$ 1,322,963	\$ 68,825	\$ 414,060	31.30%
03-5-40-57202	Debt Service - Principal - WRWRF	\$ 2,252,312	\$ -	\$ 2,252,312	100.00%
03-5-40-57203	Debt Service - Principal - Brineline	\$ 435,383	\$ -	\$ -	0.00%
03-5-40-57204	Debt Service - Principal - WISE	\$ 133,659	\$ -	\$ -	0.00%
03-5-40-57205	Debt Service - Principal - R 10.3	\$ 39,161	\$ -	\$ -	0.00%
03-5-40-57206	Debt Service - Principal - Crow & B12-1	\$ 15,330	\$ -	\$ -	0.00%
03-5-40-57403	Debt Service - Interest	\$ 957,873	\$ -	\$ 671,356	70.09%
	40 - Debt	\$ 3,833,718	\$ -	\$ 2,923,669	76.26%
03-5-40-57002	Asset Acq. - Treatment	\$ -	\$ -	\$ -	
03-5-40-57006	Asset Acq. - Admin (fuel master)	\$ -	\$ -	\$ -	
03-5-40-57007	Asset Acq. - EC (ADS flow monitors & smart covers)	\$ -	\$ -	\$ -	
	40 - Capital Outlay	\$ -	\$ -	\$ -	
				\$ 5,541,235	
	TOTAL SEWER EXPENSES	\$ 12,337,754	\$ 549,212	\$ 5,541,235	44.91%

FY 2018-19 Recycled Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Oct '18	Year to Date	%
04-5-06-50010	Labor-Recycled Water	\$ 677,931	\$ 45,102	\$ 193,844	28.59%
04-5-06-50011	Labor - Credit	\$ -	\$ -	\$ -	
04-5-06-50012	Director Fees	\$ 5,000	\$ -	\$ -	0.00%
04-5-06-50013	Benefits-FICA	\$ 51,862	\$ 3,355	\$ 14,540	28.04%
04-5-06-50014	Benefits-Life Insurance	\$ 3,528	\$ 97	\$ 310	8.77%
04-5-06-50016	Benefits-Health & Def Comp	\$ 138,474	\$ 2,764	\$ 50,984	36.82%
04-5-06-50017	Benefits-Disability Insurance	\$ 6,101	\$ 743	\$ 2,710	44.41%
04-5-06-50019	Benefits-Workers Compensation	\$ 18,304	\$ 664	\$ 1,788	9.77%
04-5-06-50021	Benefits-PERS Employee	\$ -	\$ (200)	\$ (1,832)	
04-5-06-50022	Benefits-PERS Employer	\$ 101,690	\$ 3,391	\$ 13,305	13.08%
04-5-06-50023	Benefits-Uniforms	\$ 3,675	\$ 49	\$ 199	5.42%
04-5-06-50024	Benefits-Vacation & Sick Pay	\$ 1,000	\$ 56	\$ 253	25.27%
04-5-06-50025	Benefits-Boots	\$ 2,205	\$ -	\$ 600	27.21%
04-5-06-51003	R & M-Structures	\$ 34,000	\$ -	\$ 8,380	24.65%
04-5-06-51011	R & M-Valves	\$ 5,000	\$ -	\$ -	0.00%
04-5-06-51020	R & M-Pipelines	\$ 2,500	\$ -	\$ -	0.00%
04-5-06-51021	R & M-Service Lines	\$ 2,500	\$ 779	\$ 3,531	141.25%
04-5-06-51022	R & M-Fire Hydrants	\$ 1,000	\$ -	\$ 3,348	334.77%
04-5-06-51030	R & M-Meters/Backflows	\$ 10,000	\$ -	\$ 104	1.04%
04-5-06-51140	General Supplies & Expenses	\$ 5,000	\$ 1,271	\$ 2,491	49.82%
04-5-06-51210	Utilities-Power Purchases	\$ 70,000	\$ 8,756	\$ 31,725	45.32%
04-5-06-54002	Dues & Subscriptions	\$ 1,500	\$ 755	\$ 771	51.38%
04-5-06-54005	Computer Expense	\$ 5,000	\$ 308	\$ 1,058	21.15%
04-5-06-54011	Printing & Publications	\$ -	\$ -	\$ -	N/A
04-5-06-54012	Education & Training	\$ 4,000	\$ 165	\$ 1,317	32.92%
04-5-06-54014	Public Relations	\$ 6,500	\$ -	\$ 126	1.94%
04-5-06-54016	Travel Related Expenses	\$ 2,500	\$ 91	\$ 551	22.03%
04-5-06-54017	Certifications & Renewals	\$ 1,000	\$ -	\$ 15	1.50%
04-5-06-54019	Licenses & Permits	\$ 10,000	\$ 7,146	\$ 7,146	71.46%
04-5-06-54020	Meeting Related Expenses	\$ 1,500	\$ -	\$ 254	16.94%
04-5-06-54022	Utilities - YVWD Services	\$ 30,000	\$ -	\$ 60,636	202.12%
04-5-06-54025	Utilities - Telephone & Internet	\$ 2,000	\$ -	\$ 401	20.07%
04-5-06-54104	Contractual Services	\$ 5,000	\$ -	\$ 2,133	42.65%
04-5-06-54107	Legal	\$ 1,500	\$ -	\$ -	0.00%
04-5-06-54108	Audit & Accounting	\$ 2,500	\$ -	\$ -	0.00%
04-5-06-54109	Professional Fees	\$ 10,000	\$ -	\$ 27,319	273.19%
04-5-06-54110	Laboratory Services	\$ -	\$ -	\$ -	
04-5-06-55500	Depreciation	\$ 8,000	\$ 665	\$ 2,680	33.50%
	Infrastructure Replacement	\$ 15,000	\$ 1,250	\$ 5,000	33.33%
04-5-06-56001	Insurance	\$ 20,000	\$ 1,765	\$ 7,059	35.30%
04-5-06-57030	Regulatory Compliance	\$ 25,000	\$ -	\$ 5,188	20.75%
04-5-06-57040	Environmental Compliance	\$ 2,500	\$ -	\$ -	0.00%
				\$ 447,933	
	TOTAL RECYCLED EXPENSES	\$ 1,293,270	\$ 78,973	\$ 447,933	34.64%



Date: November 20, 2018

Prepared By: Allison M. Edmisten, Chief Financial Officer

Subject: Discussion Regarding the Adoption of an Updated Personnel Manual for the Yucaipa Valley Water District

Recommendation: That, by minute order, the Board adopts the proposed Personnel Manual.

After the negotiations with the employee groups concluded earlier this calendar year, District staff began updating the Personnel Manual. The current version of the Personnel Manual was adopted by the Board on September 21, 2005 [DM 05-111]. Revisions and updates were made to the Personnel Manual to document current practice as well as to incorporate text to reflect the changes contained within the approved Memorandum of Understandings. The revisions and updates to the Personnel Manual were reviewed by multiple district staff in each employee group (General, Supervisory and Exempt). Attached is a revised version of the District's Personnel Manual.

Some of the changes to the Personnel Manual include:

- Employee group names updated
- Swing shift pay – removed
- Medical, Dental, Vision calculations/language updated
- Flexible Spending Plan added
- AFLAC added
- Various time off categories – updated language
- Work Boots – updated per MOU
- Memorandum of Understandings added at the end of the document

Financial Consideration:

There is no financial impact to the District by updating the Personnel Manual.



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

Personnel Manual

November 20, 2018

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NOTICE

This Personnel Manual has been prepared to inform you of Yucaipa Valley Water District's employment practices and policies, as well as the benefits provided to you as a valued employee.

- The District, at its option, may change, delete, suspend or discontinue any part or all parts of the policies in this Personnel Manual at any time without prior notice as business, employment legislation, and economic conditions dictate. Copies of such changes shall be posted upon the District's regular bulletin boards and provided to employee unions and bargaining units within five (5) days of such change. Any such action shall apply to existing as well as to future employees.
- Employees shall not accrue eligibility for monetary or advanced leave benefits that they have not become eligible for through actual time worked.
- Employees shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked.
- No one other than the District's Board of Directors or General Manager may alter or modify any of the policies in this Personnel Manual. Any alteration or modification of the policies in this Personnel Manual must be in writing.
- No statement or promise by a supervisor, manager, or Board Member, past or present, may be interpreted as a change in policy nor will it constitute an agreement with an employee.
- Should any provision in this Personnel Manual be found to be unenforceable and invalid by a court or tribunal of competent jurisdiction, such finding does not invalidate the entire Personnel Manual, but only that particular provision.
- This Personnel Manual replaces (supersedes) any and all other or previous Personnel Manuals, or other policies whether written or oral.
- The most recent Memoranda of Understanding (MOU) for each bargaining units is attached as Appendices.

INTRODUCTION

This personnel manual summarizes the major employee wages, benefits, procedures, services, and employment policies of the District. You are responsible for becoming familiar with its contents so that you will have a basic understanding of the District's programs and policies. You are responsible for knowledge of this manual's contents and are encouraged to direct any questions you may have as to the interpretation, implementation or application to your immediate supervisor, utilizing the chain-of-command.

Some divisions or departments within the District have additional policies and procedures that are necessary for their internal operations. It is also your responsibility to become familiar with those policies, procedures and practices. Additionally, sometimes a program or benefit applies to only one division or department and therefore may not be discussed here.

This manual is based on federal and state law, District Board ordinances or resolutions, administrative policies, or agreements with employee organizations, unions, and bargaining units, all of which may change. It summarizes those source documents; it does not amend or replace them. Consequently, the District reserves the right to amend, supplement or rescind any provisions of this manual. Additional or replacement pages will be provided as they are published and shall serve to cancel or supersede prior subjects within their scope.

Please feel free to offer suggestions for improving this manual to your supervisor.

Management Rights

The California Water Code provides that the General Manager shall have the full power and authority to employ and discharge all employees and assistants at pleasure, prescribe duties of employees and assistants, and fix and alter the compensation of employees and assistants. (Section 30580.)

In order to ensure that the District is able to efficiently carry out its functions and responsibilities as prescribed by law, the District has the exclusive right to manage and direct the District services and the work force performing such services. Therefore, the following matters are not subject to the meet and confer process:

- Determine the mission of each of its operations;
- Establish the merits, necessity or organization of any service or activity provided by law;
- Direct the work of the District employees;
- Set standards of service;
- Determine the overall responsibilities of employees assigned to carry out the various operations of the District;
- Take disciplinary action;
- Take all necessary action to carry out the functions of the District in emergency situations;
- Determine the methods, means and personnel by which operations are to be conducted;
- Determine the budget and organization of the District;
- Lay off employees because of lack of work or for other legitimate reasons;
- Determine the content of job classifications;
- Expand or diminish services;

- Subcontract any work or operations that is not expressively contained in current job descriptions allocated to employee bargaining units;
- Determine the size and composition of the work force and determine work assignments;
- Establish and change work schedules and assignments;
- Establish the days and hours when employees shall work;
- Establish reasonable work and safety rules and regulations in order to maintain efficiency and economy desirable in the performance of District services;
- To hire, promote, demote, transfer, terminate, classify, and reasonably accommodate qualified employees within the District; and
- Take appropriate action it deems necessary in an emergency.

The exercise of the foregoing powers, rights, authority, duties and responsibilities by the District, the adoption of policies, rules, regulations and practices in furtherance thereof, and the use of judgment and discretion in connection therewith, shall be limited only by the specific and express terms of this manual and then only to the extent such specific and express terms are in conformance with law.

YVWD General Employee Bargaining Unit

The Board of Directors recognizes the International Brotherhood of Electrical Workers (IBEW), hereinafter referred to as the Union, as the exclusive bargaining body representing the general classification employees. The Union is the recognized group for exclusive rights to meet and confer on all matters pertaining to wages, benefits and working conditions for all regular employees of the District, exclusive of supervisory, management and confidential employees. Employees shall have the right to join or not to join the Union.

YVWD Supervisory Bargaining Unit

The Board of Directors recognizes the Yucaipa Valley Water District Supervisory Bargaining Unit as the exclusive bargaining body representing the supervisory employees who are classified as supervisors.

YVWD Exempt Bargaining Unit

The Board of Directors recognizes the Yucaipa Valley Water District Exempt Bargaining Unit as the exclusive bargaining body representing the employees who are classified as exempt.

Confidential Employee Bargaining Unit

A "confidential employee" means an employee who is required to develop or present management positions with respect to meeting and conferring or whose duties normally require access to confidential information which contributes significantly to the development of such management position. Confidential employees shall be represented by the Supervisory Bargaining Unit.

END OF SECTION

YOU AND YOUR JOB

SELECTION PROCEDURES

The District is confident that as a result of the mutual selection process undertaken, your employment will prove to be beneficial to the Yucaipa Valley Water District as well as yourself and we look forward to having you join us.

We carefully select our employees through written applications, job related testing, personal interviews and reference checks. After all available information was considered and evaluated; you were selected to become a member of our team!

This selection process helps the District find and employ people who are concerned with their own personal success and the success of YVWD; people who want to do a job well; people who can carry on their work with skill and ability; and people who are comfortable with YVWD and who can work well with our team.

- A. Employee Background Check – The District conducts job-related background checks prior to hiring employees. A comprehensive background check may consist of prior employment verification, professional reference checks, criminal, education confirmation and/or driving record history. As appropriate, a credit check, may have also been obtained.
- B. Credit Investigation – Following the requirements imposed by the Federal-Truth-In-Lending and the Fair Credit Reporting Acts (a federal statute that regulates the activities of consumer reporting agencies and users of credit reports, and protects consumers from invasions of privacy by placing certain restrictions on persons who may use or disseminate credit information about consumers) the District may conduct a pre-employment credit check, generally for those applicants for positions that involve financial responsibility. Your employment with the District may be conditional upon our review of the information in the credit check. The District reserves the right to conduct this credit check at any time after you have been employed. Employees are entitled to certain legal rights to discover and to dispute or explain any information prepared by the credit checking company.
- C. Criminal Records – As part of the District's zero-tolerance Violence in the Workplace Policy, YVWD will conduct a pre-employment criminal check on all applicants. The criminal record is checked to protect the District's interest and that of its employees and customers.
- D. Driver's License and Driving Record – Employees whose work requires the operation of a motor vehicle (and employees who may drive District vehicles) must present and maintain a valid and appropriate driver's license and a driving record acceptable to our insurer. To be eligible to drive District vehicles, employees will be required to provide the District with an annual authorization for the release of driver record information consistent with the DMV Employee Pull Notice Program. The District will receive regular updates of your driving record directly from the California Department of Motor Vehicles. Any changes in your driving record must be reported to your supervisor immediately. Failure to do so may result in disciplinary action, up to and including termination.

- E. Health Examinations – Upon extension of a conditional offer of employment, the District reserves the right to require an employee's participation in a health examination to determine the employee's ability for performing his or her essential job functions. The District shall pay for all pre-employment health exams.

Physical Examinations and Fitness for Duty

The District retains the right to employ and retain persons who have physical and mental health consistent with the bona fide requirements of the position to be filled. It is further the policy of the District not to discriminate against applicants or candidates for employment because of physical or mental disabilities or medical conditions, when such disabilities can be reasonably accommodated.

- Successful candidates for initial employment, employees promoted, and employees rehired after a layoff will be required to successfully pass a physical examination prescribed by the District to ascertain if the physical or mental requirements of the position may be accomplished with or without reasonable accommodation.
- All physical examinations prescribed by the District shall be performed by a licensed physician approved and paid for by the District.
- In order to determine if job performance is impaired, the General Manager may require an employee to undergo a physical or behavioral examination at any time, with the examination paid for by the District. Upon reasonable suspicion, this examination may include drug and alcohol testing.

Fair and Equal Employment

It is the District's policy to employ, retain, promote, terminate and otherwise treat any and all employees and job applicants on the basis of merit, qualification and competence. This policy shall be applied without regard to an individual's race, religious creed, color, national origin, U.S. veteran's status, ancestry, mental or physical disability, medical condition, age, marital status or sex (including sexual preference). Consideration for such personnel transactions shall be based upon a bona fide occupational qualification, business necessity, and applicable security regulations.

Annual Evaluations

All employees (other than new employees serving their probationary period) shall receive annual evaluations during March of each calendar year completed by the employees' immediate supervisor and reviewed by the Department Manager prior to submittal to the General Manager.

New Employees

The first day of employment shall be considered the employee's "Hire Date" for calculations of employment seniority and benefit calculations. The "Anniversary Date" shall be the later of the "Hire Date" or the first day following a promotion for purposes of salary administration and benefit calculations. All new employees shall have their starting salary placed within the range assigned for their classification and shall be subject to a minimum one-year introductory period beginning on the first day of employment. If necessary, the District may extend an employee's probation period for up to three more months (for a total of 15 months) for reasons of performance deficiency.

After completing the initial probationary period, an employee shall be promoted to permanent status and the employee shall be eligible for regular merit increases consistent with the other members of their bargaining group.

Promotions & Demotions

A promotion is defined as a regular change in an assigned position which encompasses a significant change in skill level, responsibility, authority and/or accountability. When an employee is promoted, he/she shall be placed upon the schedule in a new range in such a manner as to reflect a minimum 3% increase, independent of merit considerations. A promotion/demotion to a new range in the District's salary schedule shall be at the discretion and approval of the General Manager.

An existing employee being placed in a new classification as a result of a promotion shall be subject to a six-month (1040 hours of paid status) introductory period beginning at the first day of the pay period in the newly assigned classification. This date shall then be established as the employee's new Anniversary Date. In the event of an unsuccessful completion of the introductory period, as the result of a promotion, the employee shall then be returned to the range, salary, and classification previously occupied, and the "Anniversary Date" shall remain as it was prior to the promotion/demotion. In the event of an unsuccessful introductory period as a result of a demotion, additional disciplinary proceedings may be initiated.

Following the successful completion of the introductory period, the promoted/demoted employee shall receive notice stating the successful completion of the introductory period.

Reclassification of Employees

The General Manager shall make periodic studies of the classification of District staff and reclassify employees to a more appropriate classification. If an occupied position is reclassified the incumbent shall be affected as follows:

- A. To a Lower Classification. When a position is reallocated to a lower classification, the incumbent is transferred to a vacant position in the lower classification. If the incumbent's current salary is greater than the range maximum (not bonus maximum) of the lower classification, the employee will be Y-rated at his/her current salary until the salary of the lower classification is at or above the incumbent's current salary.
- B. To a Different Classification With the Same Salary Range. When a position is reallocated to a different classification with the same salary range, the incumbent shall be granted the same status in the new classification as was held in the other classification and shall be paid at the same within the range.
- C. To a Higher Classification. When a position is reclassified to a classification with a higher salary range, the incumbent is moved into the higher classification with the position, except in the circumstances prescribed below.
 - 1. If the reclassification is based on duties and responsibilities that are substantially different in nature from the position's current classification or are not a natural progression or expansion of the current classification, then the position must be filled through a competitive selection process. If the incumbent is not successful

in this recruitment process, she/he would be assigned to any vacant position in a comparable or lower class for which the employee meets the minimum qualifications or would be laid off per the provisions of District policy.

2. In the situation described above, the incumbent may be granted temporary status in the higher-level classification until the selection process is completed.

- D. Introductory Period Following Reclassification. If an employee in the introductory period is reclassified, the employee must serve the remainder of the introductory period to attain permanent status. Employees of permanent status will not be placed in an introductory period following reclassification.

Classifications of Employment

A. Exempt and Non-Exempt Employees

All employee positions are defined as exempt or non-exempt in accordance with the provisions of the Fair Labor Standards Act (FLSA).

Non-exempt employees are covered by the overtime pay and other provisions as described in this manual and entitled to pay or compensatory time off calculated at the rate of 1-1/2 times for work performed over 40 hours within the defined workweek.

Exempt employees are ineligible for overtime pay and other employment conditions. Generally, those employees occupy executive, administrative or professional positions, and serve at the pleasure of the General Manager.

Exempt employees are not compensated on an hourly basis and leave usage is on a half-day basis. Based on the regulations provided by the Internal Revenue Service, the members of the Board of Directors shall be considered exempt employees and shall not be entitled to the overtime provisions contained herein.

B. Introductory Period and Evaluations for New Employees

All new employees shall have their starting salary placed within the range assigned for their classification and shall be subject to a minimum one-year introductory period beginning on the first day of employment. If necessary, the District may extend an employee's introductory period for up to three more months (for a total of 15 months) for reasons of performance deficiency. An introductory employee may be terminated by the District without advance notice and without cause. A written evaluation and confirmation of satisfactory completion of the introductory period must be completed by the supervisor and approved by the General Manager for the employee to gain regular status. Employees failing to successfully complete their one-year introductory period will be relieved of their duties.

Introductory employees shall be subject to a minimum of 4 evaluations during their one-year introductory period, generally provided on a quarterly basis.

Introductory employees are not eligible to use vacation (but may be eligible to use Family Leave if all guideline and requirements are achieved). During the introductory period, new

employees may use regular sick leave or bereavement leave and will be paid for holidays in accordance with the provisions of this Manual and the laws of the State of California.

After completing their initial probationary period, new employees shall be promoted to permanent status and the new employees shall be eligible for merit increases.

C. Introductory Period for Promoted, Reassigned or Reclassified Employees

The assignment or reassignment of ranges and classifications within the applicable Salary Schedule resulting from appointments, reclassifications, promotions or demotions, will be at the discretion and approval of the General Manager.

An existing employee being placed in a new classification (promotions or demotions) shall be subject to a six-month introductory period beginning at the first day in the newly assigned classification. This date shall then be established as the employee's new Anniversary Date. In the event of an unsuccessful completion of the introductory period, as the result of a promotion, the employee shall then be, if feasible, returned to the position, range and salary previously occupied, and the Anniversary Date shall remain as it was prior to the promotion. In the event of an unsuccessful introductory period as a result of a demotion, additional disciplinary proceedings may be initiated.

Following the successful completion of the introductory period, the promoted, reclassified, or reassigned employee shall receive notice stating the successful completion of the introductory period.

D. Regular Full-Time Employee

A regular full-time employee is defined as an individual who has satisfactorily completed the introductory period and works a minimum of 40 hours per week on a continuous basis. An employee in this status is eligible for all employee benefits provided by the District.

E. Regular Part-Time Employee

A regular part-time employee is defined as an individual who regularly works less than 40 hours per week on a continuous basis, or less than 1,000 hours per year. An employee in this category is ineligible for employee benefits.

F. Temporary Employee

A temporary employee is defined as an individual who works on a periodic basis, within a limited scope or duration. An employee in this category is ineligible for employee benefits. Safety equipment including work boots will be provided as listed in "Rules and Regulations/Work Boots."

Transfer and Promotion Policy

Any employee involved in a promotion, or movement, to another classification or transfer to another department shall serve a 6-month introductory period during which time a determination will be made regarding the employee's ability to perform the duties and assume the responsibilities of the new position. If it is determined at any time during the introductory period that the employee is not

satisfactorily performing the duties of the new position, the employee may be returned to the position previously held, in keeping within business necessity.

Policy Against Harassment in the Workplace

The District is committed to a policy of equal employment opportunity for all applicants and employees and to providing a work environment that is free of unlawful discrimination. In keeping with this commitment, the District maintains a policy prohibiting unlawful harassment. Harassment includes, but is not limited to the following:

A. Verbal Harassment

Examples of verbal harassment include, but are not limited to, epithets, derogatory comments or slurs based upon race, religious creed, color, national origin, ancestry, physical condition, mental disability, medical condition, marital status, sex (including sexual preference), age, political opinion or affiliation.

B. Physical Harassment

Examples of physical harassment include, but are not limited to, assault, touching, impeding or blocking movement or any physical interference with normal work or movement when directed at an individual based upon race, religious creed, color, national origin, ancestry, physical condition, mental disability, medical condition, marital status, sex (including sexual preference), age, political opinion or affiliation.

C. Visual Forms of Harassment

Examples of visual forms of harassment include, but are not limited to, derogatory posters, cartoons or drawings (directed at an individual or present in the work area) based upon race, religious creed, color, national origin, ancestry, physical condition, mental disability, medical condition, marital status, sex (including sexual preference), age, political opinion or affiliation.

D. Sexual Harassment

Examples of sexual harassment include, but are not limited to, any unwelcome sexual advances or requests for sexual favors or conduct of a sexual nature when (1) submission to such conduct is explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for decisions affecting that individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

E. Resolution Procedure

An employee who believes he or she has been harassed by a co-worker, supervisor, Board member, or an agent of the District, should promptly report the facts of the incident or incidents to the General Manager or the President of the Board of Directors if the complaint is against the General Manager. Upon receipt of a harassment complaint, the General Manager or the President of the Board of Directors, as appropriate, shall take prompt action

to conduct a confidential investigation to determine whether harassment has taken place and/or is presently taking place. Where found appropriate, actions shall be taken to effectively stop such behavior where it does exist. Any person who is found to condone, participate, or initiate such harassment will be disciplined, in the form of written warning, demotion, suspension or termination. No employee will be disciplined or otherwise retaliated against for initiating a harassment complaint.

F. Disciplinary Procedure

The disciplinary action taken with respect to each violation of this policy will be determined in conjunction with the seriousness of the particular offense.

1. In the event that a thorough investigation of an alleged incident of harassment reveals that an employee has not engaged in any actions or conduct constituting harassment, management will inform both the employee and the complaining party that a thorough investigation has been conducted and that there exist no grounds or basis to substantiate the alleged harassment.
2. In the event that a thorough investigation of an alleged incident of harassment reveals that an employee has engaged in actions or conduct constituting harassment, progressive disciplinary action will be taken up to and including termination depending upon the seriousness of the violation. Disciplinary actions may range from written warnings, suspensions, demotion, discharge, etc., or a combination of actions.
3. In any case where an investigation has revealed that an employee has engaged in either egregious or repeated acts of harassment, the employee may be subject to immediate termination.

The General Manager will document all matters related to complaints of alleged harassment, including contents of meetings, interviews, results of investigations, and all other actions attendant to the allegation. ALL documentation must be maintained for all charges, substantiated or unsubstantiated, in CONFIDENTIAL, SEALED FILES, at the District office or in the offices of its investigative agent.

Following an investigation and the completion of appropriate corrective measures, management will advise the complaining party that a thorough investigation has been conducted and that appropriate corrective action has been taken by management.

Discrimination

Equitable access to programs, services and activities of the District shall be provided to qualified disabled persons, consistent with the concepts of reasonable accommodation and of business necessity.

There shall be no discrimination on the part of the District or the Employee's Association because of the race, creed, color, sex (including sexual preference), age, national origin or political or religious belief, physical/mental condition, or veteran status of any employee. Sensitivity training is available for all departments and can be scheduled through Administration.

END OF SECTION

MONEY MATTERS

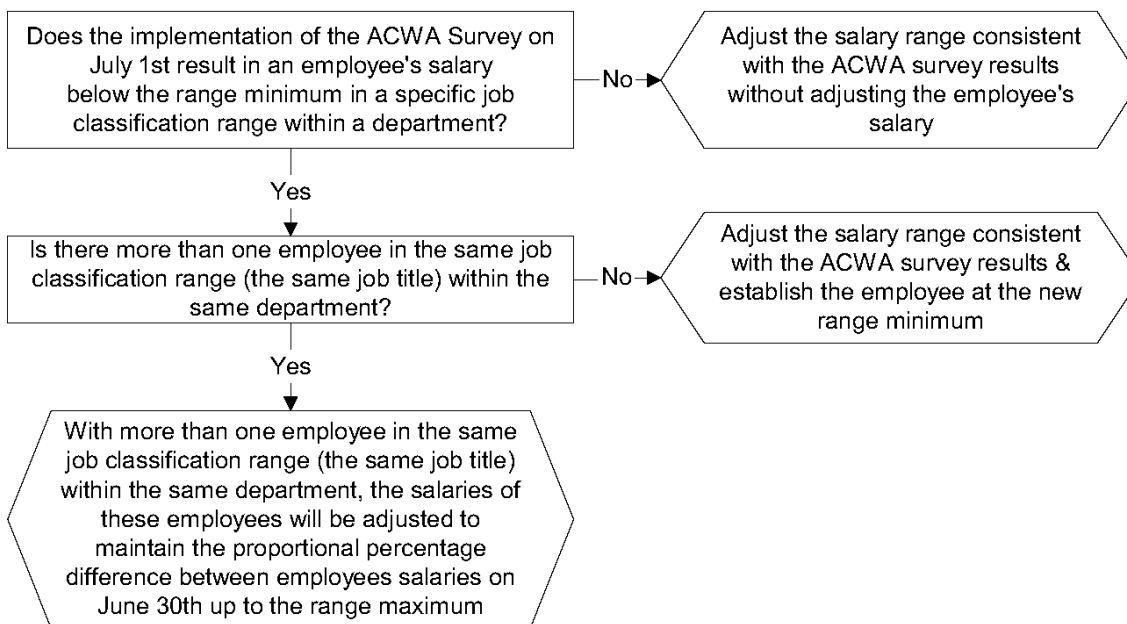
Pay Periods

Pay periods in the District are 2 weeks in duration and end each alternate Sunday at 12 midnight. Payment for each pay period is made on the Friday following the end of each pay period. The amount payable is determined by multiplying the monthly salary times 12 and dividing by 26.

Hours worked in excess of 40 hours each week are compensated in accordance with the District's overtime policy for non-exempt employees.

Salaries

The salaries of all regular employees are established and approved by the Board of Directors. A copy of the most recently adopted salary schedule is included in this manual. Implementation of the ACWA Salary Survey or an equivalent salary survey shall be conducted as follows:



Mandatory Deductions from Paycheck

The District is required by law to make certain deductions from your paycheck each time payroll is prepared. Among these are your federal, state income taxes, California State Disability Insurance (EDSDI), and your contribution to Social Security (FICA and Medicare) as required by law. These deductions will be itemized on your check stub. The amount of the deductions will depend on your earnings and on the information you furnish on your W-4 form regarding the number of exemptions you claim. If you wish to modify this number, please request a new W-4

form from the payroll representative immediately. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings.

The W-2 form you receive annually reflects how much of your earnings were deducted for these purposes.

Any other mandatory deductions to be made from your paycheck, such as court-ordered garnishments, will be itemized on your check stub whenever the District is ordered to make such deductions.

Automatic Payroll Deposit

All new employees will be enrolled in the District's automatic payroll deposit program. Automatic Payroll Deposit is the automatic deposit of your pay into the financial institution account(s) of your choice. Each employee can arrange to have up to three different automatic deposits debited from their payroll check. Contact the District's payroll representative for details and the necessary authorization forms.

Error in Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, notify the payroll representative immediately. Undue delay in notification may impede the making of an adjustment. The District's payroll representative will take the necessary steps to research the problem and to assure that any necessary correction is made promptly.

Overtime

All overtime work must be authorized in advance of work by the employee's supervisor. All hours worked by a non-exempt employee in excess of 40 hours in the designated workweek shall be classified as overtime hours and will be compensated at one and one-half times the employee's regular rate of pay. Paid leave hours, with the exception of sick leave, will be included in the calculation for determination of a 40-hour workweek. Benefits are based upon a 40-hour work week, and overtime hours will not change or otherwise modify benefits or benefit accrual rates.

Unless indicated by the employee and approved by the supervisor at the time the overtime hours are worked, all overtime hours earned will be automatically paid in the next pay period. All overtime hours earned in excess of the 40 hours will be automatically paid in the next pay period. Hours physically worked in excess of 8 hours per day (or 10 hours per day) shall be paid at 1-1/2 times the employee's regular rate of pay.

Non-exempt employees accruing in excess hours of the standard workweek may, at the discretion of their supervisor, exchange such accrued excess hours in the form of compensatory time -- that is time off with pay. Employees shall log such excess hours with their supervisor. Such compensatory time may be used subject to the needs of the District at a 1-1/2 rate per one hour of overtime worked, not to exceed an accrual of 40 hours of compensatory time without the permission of the General Manager.

Non-exempt employees can accrue up to a maximum of 40 hours of compensatory time per year after which it shall be automatically paid as specified above. The calculation of the annual period shall begin on November 1st of each year and end on October 31st. Any unused accrued compensatory time on October 31st shall be paid on or before November 30th at the employees' current rate of pay.

An employee can use compensatory time off where: (1) the employee voluntarily requests the time off in writing; (2) such time is used during regular work hours; and (3) the employee's supervisor approves the request for time off;

Salary Review Policy

Job descriptions have been prepared which define typical duties (essential and marginal) that an employee is expected to perform in each classification. They are not intended to limit the work which may be performed as other tasks may be assigned that are similar to but not exactly as that task an employee is normally expected to do. Departmental duty statements may further define work requirements. Additionally, since the District work force is limited, extenuating circumstances may dictate an employee's performance on occasion in new endeavors, owing to emergencies, or efficient use of existing work force.

All positions in the service of the District are evaluated according to their relative worth. Positions that are similar in type of work, level of difficulty, and level of responsibility are grouped together in the same class. All positions in the same class are treated alike in such matters as salary and minimum qualifications.

The General Manager and supervisors will review job duties periodically to determine if a position has changed substantially. Should such a change occur, the position will be re-evaluated and may be reclassified accordingly.

Periodically the District may conduct a salary and classification study to assure comparability within the industry.

Performance Evaluations

All employees' work performance shall be subject to supervisory review at any time with a formal evaluation at least once each year, according to a schedule established by the General Manager. Currently, annual evaluations for all regular employees shall be completed during March of each year.

Merit Increases

Employees become eligible for merit salary increase consideration until they reach the top of their respective salary range (Control Point). Each employee is able to receive a merit increase within their individual classification range, which extends from 80% minimum to 100% (Control Point), with an additional 5% for exceptional performance.

The merit salary increases shall be established at 0% to 6%. In accordance with established negotiated practice, evaluations will be completed in March of each contract year and any merit increases based thereon shall be effective April 1st of each contract year.

Holiday Pay

For the purpose of this article, holidays are those days designated in the "Time Off" section of this manual. Any employee required to work on a recognized holiday shall receive payment for hours actually worked at a rate of 1-1/2 times the employees' regular rate of pay plus 8 or 10 hours holiday pay at straight time (as determined by their regular schedule). Employees are not entitled to holiday pay if they extend a holiday by an unexcused absence on the last regular day before or the next regular workday after a holiday at your supervisor's discretion.

An employee on a non-paid status the day before and/or after a holiday(s) shall not be entitled to holiday compensation.

Employees on an approved medical or temporary military training leave of absence or on leave for a job-related injury or occupational disease shall be paid holiday pay as provided above. Employees on jury duty shall be paid holiday pay as provided above for a holiday observed during the period of jury duty service. Employees on other types of leave shall not be eligible for holiday pay during the duration of their leave of absence.

Standby Duty

A. General Regulations

Standby duty is an assignment of responsibility that includes routine computerized monitoring and requires individuals to remain available by telephone or District communications equipment to respond rapidly (in keeping with departmental standards) to emergency calls after the regular workday, on holidays, and on weekends.

The assignment is of 24 hours duration, normally from 12 noon to 12 noon Monday through Thursday. The weekend assignment is from 12 noon Friday to 12 noon Monday. The supervisor will establish the work schedule for each employee assigned the duty and may grant exchanges or waiver of duty for documented justifiable reason. Employees so assigned are authorized to use the duty truck provided by the District only for District business.

Field employees subject to be assigned this duty are those who have completed their introductory period within their department unless otherwise authorized by the General Manager.

In the event a standby duty truck is not available to be driven home, the personnel on standby will not be eligible for mileage reimbursement to and from the District. The costs associated with personal vehicle expenses and telephone expenses, as well as other related costs, are included in the standby rate of pay.

B. Pay Regulations

The base rate for standby duty shall be equal to the hourly rate of pay of the employee on call pursuant to the table below.

Description	Rate of Pay Information
Water and Sewer Operations Departments	Three regular hours daily, which includes 1 hour of computer monitoring and process adjustments. Additional computer monitoring will only be paid with prior approval from a Supervisor.
Public Works and Environmental Control Departments	Two hours daily, which includes 1 hour of computer monitoring and process adjustments. Additional monitoring will only be paid with prior approval from a Supervisor.
Employee Scheduled Non-Workday	Four hours daily, which includes 1-1/2 hours of computer monitoring and process adjustments. Additional monitoring will only be paid with prior approval from a Supervisor.
Emergency Call Response	Extra compensation in the event assigned employee responds to a call shall be 1-1/2 times the employee's regular hourly rate for time worked in response to a call, with a minimum of 1/2 hour.

10-Hour Workday

The 10-hour workday policy has been designed to allow an alternative schedule for full-time employees to work a 40-hour week (or 80-hours each pay period). The implementation of this schedule will necessitate the following:

- All operational requirements of the District are met;
- Service to the customer must be maintained or improved;
- Costs to the District will not be increased;
- Each department must be covered during the normal business hours during the five-day workweek;
- The 10-hour workday schedule will not diminish the ability of the District to assign responsibility and accountability to individual employees for the provision of services and performance of their duties.

Upon approval by the District Manager and a departmental supervisor, a full-time employee under the provisions of this policy will have a basic work requirement of eight 10-hour days within an 80-hour biweekly work period consistent with District payroll cycle. Time off during an employee's basic

work requirement must be charged to the appropriate leave category (such as vacation, sick leave, compensatory, etc.) according to the work schedule; 10 hours leave for a 10-hour workday.

For holidays, the following policies will be followed:

- A full-time employee who is relieved from working on a day designated as a holiday is entitled to basic pay for 10 hours.
- If a holiday occurs on the employee's scheduled day off, that day is still considered to be a day off, and the employee receives another day off on the next scheduled workday to observe the holiday.

When an employee is required to work on the employee's fixed day off or beyond the 10-hour workday, normal compensatory time and overtime provisions shall apply.

In training and/or travel instances, supervisors must ensure that employees complete their 80-hour workweek requirement. This may require employees to revert to a temporary workday schedule for that period of time – at your supervisor's discretion.

The District provisions related to earning sick, vacation leave, and other types of leaves have as a frame of reference the 8-hour day with the result that the provisions are stated in terms of "days". Such references to day or workday (or to multiples or parts thereof) shall be considered to be references to 8 hours. The implementation of a compressed work schedule is not intended to either decrease or increase any employees existing entitlement to leave or creditable service for retirement purposes.

Emergency Appointments

Generally, due to unforeseen circumstances, there may be times when employees are required to substantially fulfill the work responsibilities associated with individuals in higher classifications. The General Manager will make the determination of when such a condition exists.

When an emergency appointment is necessitated, the employee(s) who are involved will be appointed to a higher classification and may be compensated as follows:

- A. Their rate of pay may remain unchanged during the first 60 working days of such an assignment.
- B. After 60 continuous days of such temporary assignment, they shall be paid at the minimum wage level of the higher classification or at a rate 5 percent greater than their current rate, whichever is more.
- C. In no case shall employees be paid at a rate in excess of the Control Point of the salary range for the position to which they are temporarily assigned.
- D. There is no change in the employee's Anniversary Date as a result of the appointment.

Director Fees

The members of the Board of Directors shall be compensated at a rate specified by Resolution per meeting for a maximum of ten meetings per month. Each Director shall be responsible for submitting a summary of his or her monthly meetings on a District provided form by the fifth day of the following month. Once received by the District, the meeting form will be processed for payment. Directors are paid once per month, on the first regular payroll check processed each month.

END OF SECTION

BENEFITS AND RETIREMENT

Medical, Dental and Vision Insurance

The District contributes a fixed amount per employee per month per bargaining unit MOA. This amount is to be used toward employee premiums for medical, dental and vision insurance. All employees shall be required to maintain a minimum level of medical insurance for the employee through the District's current medical plan. A spouse and other family members shall be covered under the District's medical plan at the option of the employee with changes only made during open enrollment or at other times allowed by the District's medical plan in effect at the time. Any excess of District fixed contribution shall be applied to individual deferred compensation. Premiums requiring payment of more than the fixed amount are the responsibility of the employee.

The medical, dental and vision benefits, including but not limited to eligibility, scope of coverage and limits of reimbursement, are subject to change in keeping with carrier policies, market conditions, negotiations and business necessity.

- A. General Employees: The District shall contribute a monthly amount equal to the average of the single employee, employee plus spouse, employee plus family plans [DM 18-024]. Below are the premiums for the 2019 calendar year:

2019 Calendar Year Health Benefit Contribution – General Employees	
Single	\$ 675
Employee +1	\$ 1,350
Family	\$ 1,755

- B. Supervisory Employees: The District shall contribute an equal financial contribution utilizing a factor of 1.30 applied to the average premium of medical providers except for Health Net Salud y Mas [DM 18-025]. Below are the premiums for the 2019 calendar year:

2019 Calendar Year Health Benefit Contribution – Supervisory Employees	
Single	\$ 1,638
Employee +1	\$ 1,638
Family	\$ 1,638

- C. Exempt Employees: The District shall contribute a monthly amount equal to the average of the single employee, employee plus spouse, employee plus family plans [DM 18-123]. Below are the premiums for the 2019 calendar year:

2019 Calendar Year Health Benefit Contribution – Exempt Employees	
Single	\$ 675
Employee +1	\$ 1,350
Family	\$ 1,755

Group Disability Plan

The District provides all regular full-time employees a fully paid disability insurance plan for extended illness or disability. The benefits provided under the group coverage purchased by the District include a short-term plan provided through the State of California's S.D.I. program (Employees should consult the California State Disability Insurance brochure for details and conditions of coverage), and a long term private insurance plan providing 66-2/3% of salary (maximum benefit \$3,333/month) beginning after one year of disability and continuing to age 65. As with all benefits, this is subject to change/modification.

Group Life Insurance

The District maintains in full force and effect term life insurance coverage on all active, regular full-time employees only; this plan does not cover retirees or inactive employees.

A District paid \$65,000 life insurance policy exists with Nippon Insurance Company for employees, \$10,000 for spouses and \$5,000 for dependents. The following rules apply for dependent coverage:

- A dependent child up to the age of 21;
- A dependent child up to the age of 23 who is a regular full-time student at an accredited education institution; and
- No coverage is provided if (1) the dependent child/spouse is a full-time member of the armed forces of any country; (2) the dependent child is married; and (3) the dependent spouse becomes divorced from you.

Group Vision Plan

The District makes available a vision care plan with the premium for such insurance due payable by each employee unless there is sufficient unused allowance available from the District's medical, dental and vision contribution.

Retirement Plan

The District has a Retirement Plan through the Public Employees' Retirement System (PERS) to provide eligible employees (those who have completed sufficient service) with a monthly pension benefit upon retirement. All regular full-time employees are eligible to participate in the Retirement Plan. Participation in the Plan begins on your date of hire.

Classic PERS unit members shall be responsible for paying the employee portion of the PERS retirement contribution (currently 7%), effective February 26, 2018 [DM 18-024, DM 18-025 and DM 18-026].

Consistent with the Public Employees' Pension Reform Act of 2013, new members entering the Public Employees' Retirement System after January 1, 2013, shall contribute 8% of his/her gross salary to pay for the retirement benefits offered by PERS. A new member includes: (1) a new hire who is brought into PERS membership for the first time on or after January 1, 2013, and who has no prior membership in any other California public retirement system; (2) a new hire who is brought into PERS membership for the first time on or after January 1, 2013, and who is not

eligible for reciprocity with another California public retirement system; or (3) a member who established PERS membership prior to January 1, 2013, and who is hired by a different PERS employer after January 1, 2013, after a break in service of greater than six months.

Upon retirement or death, the District will pay up to 100% of the accrued sick leave to the employee or the employee's beneficiary depending on the years of service based on the following schedule:

Number of Years of Continuous Service to the District	Amount of Sick Leave Paid to Employee (or Beneficiary upon death of employee)
Up to Ten (10) Years	50%
Ten (10) to Fifteen (15) Years	60%
Fifteen (15) to Twenty (20) Years	70%
Twenty (20) to Twenty-Five (25) Years	80%
Twenty-Five (25) to Thirty (30) Years	90%
Thirty Years (30) or Greater	100%

Retirement shall be generally defined as a separation from District service, as governed by the contracts between the Board of Directors and the Board of Administration of the Public Employees Retirement System, by virtue of the employee's/retiree's actual or pending receipt of a regular retirement annuity.

Retirement Health Coverage

The District pays retired employee's medical premium until the age of 65 with the requirement that the employee is vested with 10 years of regular, uninterrupted service and is at least 55 years of age at retirement. Employees retiring to a location not honoring the District's current plan shall receive the equivalent dollar amount of the "Employee only" premium for use toward an employee selected health plan.

This retirement health coverage will not be available for employees hired after July 1, 1999 [DM 99-008].

Flexible Spending Accounts

The Yucaipa Valley Water District offers Flexible Spending Accounts (FSA) to set up through a cafeteria plan. An FSA allows an employee to set aside a portion of earnings to pay for qualified expenses as established in the cafeteria plan, most commonly for medical expenses but often for dependent care or other expenses. Money deducted from an employee's pay into an FSA is not subject to payroll taxes, resulting in payroll tax savings. One significant disadvantage to using an FSA is that funds not used by the end of the plan year are lost to the employee, known as the "use it or lose it" rule.

AFLAC Supplemental Plans

The Yucaipa Valley Water District offers AFLAC Supplemental Plans which provide a full range of worksite services and payroll-deducted insurance policies offered on a voluntary basis. AFLAC offers policies that are pre-tax eligible and are portable and guaranteed-renewable.

COBRA Benefits

Under Federal law, known as the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), most employers sponsoring group health plans ("Plan") are required to offer employees and their eligible dependents the opportunity for temporary extension of health coverage (called "continuous coverage") at group rates in certain instances where coverage under the plan would otherwise end. This portion of the Personnel Manual is intended to inform you in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law. Both you and your dependents should take the time to read this portion of the Personnel Manual carefully.

If you are an employee covered by the District health insurance plan, you have the right to choose continuation coverage for yourself if you lose group health coverage for any of the following reasons:

- The hours of your employment were reduced; or
- Your employment with the District ends for any reason other than your gross misconduct.

If you are a spouse of an employee covered by the District health insurance plan, you have the right to choose continuation coverage for yourself if you lose group health coverage for any of the following reasons:

- The death of your spouse;
- A termination of your spouse's employment with the District for any reason other than gross misconduct;
- Spouse's reduction in hours of employment with the District;
- Spouse's change to a non-benefits eligible position;
- Divorce or legal separation from your spouse; or,
- Your spouse becomes entitled to Medicare.

If you are a dependent child of an employee covered by the District's health plan, you have the right to continuation coverage if group health coverage under the District plan is lost for any of the following reasons:

- The death of the parent;
- The termination of the parent's employment with the District for any reason other than gross misconduct;
- Parent's reduction in hours of employment with the District;
- Parent's change to a non-benefits eligible position;
- Parent's divorce or legal separation;
- The covered parent becomes entitled to Medicare; or
- You cease to be a "dependent child" under the Plan, due to age and/or student status change.

Under the law, the employee or a family member must inform the District of a divorce, legal separation, or a child losing dependent status under the District's medical plan within 60 days of such event. If the District's payroll representative does not receive notice within that 60-day period, the dependent will not be entitled to choose continuation coverage.

When the District's payroll representative is notified that one of these events has happened, you will in turn be notified of your right to choose continuation coverage. Under the law, you have 60 days from the later of the date you would lose coverage because of one of the events described

above or the date you receive your COBRA Notice, to inform the District's payroll representative that you wish to elect continuation coverage.

If you do not choose continuation coverage, your group health insurance will end as of the date coverage would cease as a result of the qualifying event.

If you choose continuation coverage, the District is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the Plan to similarly situated employees or family members. If coverage under the Plan is changed for active employees, the same changes will be provided to individuals purchasing continuation coverage. You will be provided with notification of any plan changes. In the event that a child is born to you or placed in your home for adoption during your period of COBRA coverage, the child shall be a qualified beneficiary and may be covered immediately so long as you have informed the appropriate carrier(s) within 30 days.

The COBRA law lists specific times when continuation coverage may be terminated. The terminating events that follow are the only times when an employer may cancel COBRA coverage and be in compliance with the law. Coverage may be cancelled at the earliest of the following:

- Eighteen months from the event date for individuals whose coverage ended because of a termination or reduction of hours.
- Twenty-Nine months from the event date for individuals whose coverage ended because of a termination or reduction of hours, and the continuation coverage was extended due to a Qualified Beneficiary's Social Security disability determination.
- Thirty-Six months (for spouse and dependents only):
 - From the event date for individuals whose coverage ended because of the death of the employee, divorce/legal separation, a dependent child ceasing to be a dependent or the employee's Medicare entitlement.
 - From the date of the employee's Medicare entitlement (where insurance coverage is not lost) that precedes a termination or reduction of hours by 18 months or less.

The law also provides that your continuation coverage may be discontinued for any of the following reasons:

- The District no longer provides group health coverage to its employees;
- The premium for your continuation coverage is not paid in a timely fashion;
- You have been covered under another group health plan which either contains no pre-existing conditions limitations or contains such a limitation which you have satisfied with proof of credible coverage;
- You become entitled to Medicare; or,

In the case of the 11-month extended coverage due to disability, that coverage will be terminated as of the first month that starts at least 30 days after a final determination under the Social Security Act, that you are no longer disabled.

You do not have to prove evidence of insurability to choose continuation coverage. However, under the law, you will be required to pay the group rate premium (both employee and employer portion) plus a 2% administration fee for your continuation coverage. You will have a grace period of 45 days from the date of your election of COBRA coverage to pay any retroactive premium for the period from the date continuation coverage starts until the date you choose continuation coverage; and you will have a grace period of 30 days to pay any subsequent premiums.

Deferred Compensation

The District offers employees the ability to voluntarily participate in one of two 457(b) deferred compensation programs. The two programs are administered by VOYA Financial Services and the California Public Employees' System (CalPERS).

Based on the rules and regulations of the 457(b) programs, employees are eligible to contribute to deferred compensation in a number of different ways.

- A. Payroll Deduction – One opportunity for contributing to the deferred compensation program is through a payroll deduction. The District's payroll representative has additional information on the amount of contribution that is allowed under this provision.
- B. Allocation of Unused Medical, Dental and Vision Contribution – As discussed above, the District contributes a fixed monthly amount to employees and directors for medical, dental and vision benefits. An unused portion of this fixed contribution by the District can be applied to deferred compensation. If the unused portion of the medical, dental and vision benefit exceeds the maximum allowable contribution to the deferred compensation program made by the employee, or if the employee is equal to or greater than 65 years old, the employee may elect to receive the balance of the unused medical benefit in cash. In order for the employee to receive the remainder of the unused benefit in cash, the employee must make, or has attained, the maximum allowable monthly and/or annual contribution to the District's 457(b) deferred compensation program. The District's payroll representative has additional information on the amount of contribution that is allowed under this provision.
- C. Conversion of Accrued Sick Leave to Deferred Compensation – District employees with an excess of 400 hours of sick leave are also eligible to convert sick leave based on the maximum contribution amounts allowed by the 457(b) regulations. At no time can an employee contribute sick leave hours to deferred compensation with a balance of sick leave below 400 hours. The District's payroll representative has additional information on the amount of contribution that is allowed under this provision [DM 13-081, DM 13-083 and DM 13-084].
- D. Conversion of Accrued Sick Leave to Medical Premiums – District employees with an excess of 400 hours of sick leave are also eligible to convert sick leave up to 8 hours per month at the employee's current hourly rate of pay as a contribution to medical premiums. The conversion of accrued sick leave shall not exceed the dollar difference between the total family medical premium and the amount of medical premium contributed by the District. At no time can an employee contribute sick leave hours for additional medical premiums with a balance of sick leave below 400 hours. The District's payroll representative has additional information on the amount of contribution that is allowed under this provision [DM 13-081, DM 13-083 and DM 13-084].
- E. Employer Contributions and Matching Funds to Deferred Compensation – The District shall contribute per the Bargaining Unit MOA per pay period on behalf of covered employees. This employee deferred compensation contribution shall be applied to the employee's deferred compensation account first, thereby allowing employees to receive any remaining unused medical, dental or vision benefits in the form of cash as provided in Paragraph B above [DM 12-082, DM 12-083 and DM 09-060].

Employee Group	Employer Contribution	Match Required
General Employees	\$125 per pay period	Yes
Supervisory Employees	See below	Yes
Exempt Employees	See below	No

Supervisory Employees: The District will contribute a matched amount per payroll period based on the annual Internal Revenue Code 457(b) Contribution Limit multiplied by a factor of 0.014. The annual Internal Revenue Code 457(b) shall not include catch up provisions. At no time shall the calculated dollar amount per pay period increase by more than \$15 per employee after January 1, 2013.

Exempt Employees: The District shall adjust the deferred compensation contribution to non-overtime eligible Exempt Employees as follows: 67% of the maximum contribution amount for individuals under 49 years not to exceed and annual adjustment of more than \$20.00 per payroll period each year.

The method of deferred compensation contribution in Section B discussed above also applies to the Board of Directors.

Workers' Compensation

All employees are entitled to Workers' Compensation benefits. This coverage is automatic and immediate and protects you from an on-the-job injury. An on-the-job injury is defined as an accidental injury suffered in the course of your work, or an illness which is directly related to performing your assigned job duties. The District pays for this job-injury insurance. If you cannot work due to a job-related injury or illness, Workers' Compensation insurance pays your injury related medical bills and provides a portion of your income until you can return to work.

Consistent with District practice, the difference between the daily amount of salary supplemented by Workers' Compensation benefits and your regular full salary may be assessed against your accrued sick leave, at the appropriate hourly rate to make your salary whole. You may elect to pro-rate other available leaves (i.e. compensatory time, vacation leave, et cetera) in the event that your personal sick leave has become exhausted.

All injuries or illnesses arising out of the scope of your employment must be reported to your supervisor immediately. Prompt reporting is the key to prompt benefits. Benefits are automatic, but nothing can happen until your employer knows about the injury. Insure your right to benefits by reporting every injury, no matter how slight.

Although the District will pay for the time lost because of a work-related accident during the remainder of the normal workday in which the accident occurs, Workers' Compensation payments for lost wages aren't made for the first 3 calendar days. However, if you're hospitalized or off work more than 14 calendar days, payments will be made even for the first 3 days.

Employees returning to work after being absent due to a work-related injury must report to their supervisor prior to beginning work and must bring a doctor's clearance for returning to work.

Unemployment Compensation

Depending upon the circumstances, employees may be eligible for Unemployment Compensation upon termination of employment with the District. Eligibility for Unemployment Compensation is determined by the Division of Unemployment Insurance of the State Department of Labor. The District pays the entire cost of this insurance program.

Unemployment compensation is designed to provide you with a temporary income when you are out of work through no fault of your own. For your claim to be valid, you must have a minimum amount of earnings determined by the State, and you must be willing and able to work. You should apply for benefits through the local State Unemployment Office as soon as you become unemployed.

Social Security

The United States Government operates a system of mandated insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your wages to the trust fund from which benefits are paid. As your employer, the District is required to deduct this amount from each paycheck you receive. In addition, the District matches your contribution as mandated, thereby paying approximately half of the cost of your Social Security benefits. Your Social Security number is used to record your earnings. Employees are encouraged to protect your Social Security record by ensuring your name, address, and Social Security number on your W-2 Form are correct. You may also want to make sure your earnings statement is accurate each year by requesting a Personal Earnings and Benefit Estimate Statement from the U.S. Social Security Administration by calling 1-800-772-1213 or you may even access them on-line at www.ssa.gov.

END OF SECTION

SAFETY ISSUES

General Safety

Employee safety is of utmost concern and each employee is expected to exercise safe work practices for his/her own benefit and the benefit and welfare of his/her co-workers. Responsibility for each employee's safety rests with each individual, and where unsafe work practices or work conditions exist, employees shall notify their supervisor immediately. Each department will hold safety meetings among employees regularly and records kept of the subject matter discussed and those in attendance. Employees injured on the job in the course of their duties shall notify their supervisor immediately or within 24 hours so that proper documentation can be provided.

The District strongly encourages you to communicate with your supervisor regarding safety issues.

What to Do If You Are Injured at Work

District employees are covered under the Workers' Compensation Laws of the State of California. These laws are intended to provide employees with medical care and treatment for injuries sustained in the course of their work. The Workers' Compensation Fund will also provide weekly benefits to those employees who are unable to work due to job-related illness or injury.

In order to be eligible for and receive benefits, the Workers' Compensation fund requires that certain steps be taken, and certain documents be filed. In conjunction with their requirements, the District also has certain requirements that must be met in order for the employee to receive benefits.

The following steps must be followed in order for injured employees to be covered in a timely and efficient manner. The establishment of these steps constitutes the written policy of the District, and failure on the part of an injured employee to follow these steps may be cause for disciplinary action up to and including termination. Moreover, pursuant to law, an injured employee who fails to properly notify his/her employer of a work-related injury may forfeit benefit entitlement.

- A. Every work-related injury/illness, no matter how minor must be reported **immediately** to your supervisor. If unable to locate your supervisor, report to the payroll representative.
- B. If the injury/illness is not an emergency, the supervisor will send the employee to the payroll representative. The payroll representative will give the employee a U.S. Healthworks Medical Group – San Bernardino Treatment Authorization Form located at 599 Inland Center Drive, Suite 105, San Bernardino, California. All injured employees, unless it's an emergency, should report to this facility regardless if it's after hours or weekends. The clinic is open 24 hours, 7 days a week, including holidays. If the injury/illness is an "emergency", please call 911 immediately or report to the nearest emergency facility.
- C. The payroll representative will also give the employee the following forms for completion:
 - 1. Employee's Claim for Worker's Compensation Benefits (SCIF 3301/DWC Form)
 - 2. Your Guide to Worker's Compensation (pamphlet #13710)

3. Incident Notification Form (in-house form to be completed by the injured employee)
- D. If the injury occurs after hours or on a weekend, the employee must report the incident immediately to his/her supervisor and the payroll representative on the first business day following the injury. Do not hesitate to contact your supervisor at home after normal business hours.
- E. The payroll representative is responsible for the processing of the required documents to the District's Workers' Compensation carrier.

Different injury situations will require different actions by the injured employee, and the following situations are presented separately so that you, as an injured employee, know what to do.

Work Place Violence

Violence in the workplace will not be tolerated. The following definitions are an important part of this policy:

- A. Act of Violence - The deliberate exertion of force against the person or property of an individual or group of individuals so as to cause physical injury or emotional harm to the targeted individual(s) or to third parties or result in damage to property.
- B. Threat of Violence – The threat by speech or overt action, to engage in an act of violence as defined above. An expression of intent to cause physical harm.
- C. Physical Attack – An aggression resulting in physical harm.
- D. Harassment – The act of someone creating a hostile environment through unwelcome words, actions, or physical contact not resulting in physical harm. Examples include, but are not limited to, physical abuse, sexual assault whether completed or attempted, battery, vandalism, arson, menacing and stalking.

The District encourages employees to report all incidents of violence in the work place. Incidents of threats, harassment, and other aggressive behavior should be immediately reported to a District supervisor.

Reporting Safety Issues

All accidents, injuries, potential safety hazards, safety suggestions and health and safety related issues must be reported immediately to your supervisor. If you or another employee is injured, you should contact outside emergency response agencies, if needed. If an injury does not require medical attention, a Supervisor and Employee Report of Accident Form must still be completed in case medical treatment is later needed and to ensure that any existing safety hazards are corrected. The Employee's Claim for Worker's Compensation Benefits Form must be completed in all cases in which an injury requiring medical attention has occurred. See the prior section of this manual on "What to Do If You Are Injured At Work".

Entering and Leaving the Premises

At the time you are hired, you will be advised about the proper entrances and exits for employees, as well as unauthorized areas, if any. Employees should not be in District work areas except for their regularly scheduled or overtime shifts or attendance at a District authorized meeting. For insurance purposes, unescorted or unauthorized visitors in our facilities are prohibited. If you are expecting visitors, such as clients, customers or friends, please notify your supervisor. Certain employees are authorized to arm and disarm the building alarms. If so, you will be given instruction on the alarms and codes. You are expected to abide by these rules at all times. Failure to do so will lead to disciplinary action.

Security Checks – Packages/Parcels

The District may exercise its right to inspect all packages and parcels entering and leaving our premises.

Parking Lot

You are encouraged to use the parking areas designated for our employees. Please keep in mind that the parking spaces adjacent to or in front of our building(s) are for customers and visitors only. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in the parking lot will help eliminate accidents, personal injuries, damage to your vehicle and to the vehicles of other employees. Remember that the area around all buildings, especially the District's administration building, has a great deal of pedestrian walking activity – please maintain a safe driving speed at all times. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your supervisor.

The District cannot be and is not responsible for any loss, theft or damage to your vehicle or any of its contents.

Safety Rules

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all District activities. We want to protect you against industrial injury and illness, as well as minimize the potential loss of production.

Below are some general safety rules to assist you in making safety a regular part of your work. Your supervisor may post other safety procedures in your department or work area.

- A. Working Safely - Safety is everyone's responsibility. Remind your co-workers about safe work methods. Start work on any machine only after safety procedures and requirements have been explained. Immediately report any suspected hazards and all accidents to your supervisor.

- B. Lifting - Ask for assistance when lifting heavy objects or moving heavy furniture. Bend your knees, get a firm grip on the object, hold it close to your body and space your feet for good balance. Lift using your stronger leg muscles, not your weaker back muscles.
- C. Materials Handling - Do not throw objects. Always carry or pass them. Use flammable items, such as cleaning fluids, with caution. Also, stack materials only to safe heights.
- D. Trash Disposal - Keep sharp objects and dangerous substances out of the trash can. Items that require special handling should be disposed of in approved containers.
- E. Cleaning Up - To prevent slips and tripping, clean up spills and pick up debris immediately.
- F. Preventing Falls - Keep aisles, work places and stairways clean, clear and well lighted. Walk, do not run. Watch your step.
- G. Handling Tools - Exercise caution when handling objects and tools. Do not use broken, defective or greasy tools. Use tools for their intended purpose only. Wear safety glasses or goggles whenever using a power tool.
- H. Falling Objects - Store objects and tools where they won't fall. Do not store heavy objects or glass on high shelves.
- I. Work Areas - Keep cabinet doors, file cabinets, and desk drawers closed when not in use. Remove or pad torn, sharp corners and edges. Open only one drawer at a time.
- J. Using Ladders - Place ladders securely. Do not stand on boxes, chairs or other devices not intended to be used as ladders.
- K. Machine Guards - Keep guards in place at all times. Do not clean machinery while it is running. Lock all disconnect switches while making repairs or cleaning.
- L. Personal Protective Equipment - Always wear or use appropriate safety equipment as required in your work. Wear appropriate personal protective equipment, like shoes, hats, gloves, goggles, spats and hearing protectors in designated areas or when working on an operation which is potentially hazardous. Also, wear gloves whenever handling castings, scrap, or barrels.
- M. Electrical Hazards - Do not stand on a wet floor while using any electrical apparatus. Keep extension cords in good repair. Don't make unauthorized connections or repairs. Do not overload outlets.
- N. Fire Extinguishers - Know where fire extinguishers are and how to use them.
- O. Report Injuries - Immediately report all injuries, no matter how slight, to your supervisor.
- P. Ask Questions - If you are ever in doubt regarding the safe way to perform a task, please do not proceed until you have consulted with a colleague or supervisor. Employees will not be asked to perform any task which may be dangerous to their health, safety or security. If you feel a task may be dangerous, inform your supervisor at once.

Employee Participation in Making Safety a High Priority

We strongly encourage employee participation and your input on health and safety matters. Employees may report potential hazards and make suggestions about safety without fear of retaliation. We appreciate, encourage and expect this type of involvement! The success of the safety program relies on the participation of all employees. Though it is the District's responsibility to provide for the safety, health and security of its workers during working hours, it is the responsibility of each employee to abide by the rules, regulations and guidelines set forth.

A. Safety Officer:

- Implement and maintain administrative procedures and activities necessary for the operation of a meaningful safety program;
- Advise and coordinate with safety representatives on those matters pertaining to committee meetings, safety inspections, CAL-OSHA inspections, and safety training and related programs;
- Prepare periodic accident summaries, committee meeting minutes, agendas and reports as necessary, and summaries of inspections; research and provide information to safety representations and others concerning safety regulations, publications and other information as necessary;
- Maintain required records and make determinations of recordable/non-recordable, as defined by CAL-OSHA, or avoidable/non-avoidable accidents;
- Assist supervisors and department managers to investigate and report on every incident of a serious job injury to an employee;
- Report serious injuries involving hospitalization or death of an employee to the State Department of Industrial Relations within 24 hours of occurrence.

B. Department Managers

- Prepare or ensure the preparation and maintenance of specific safety rules and practices to be followed by all employees within the department and its various divisions and units.
- Such rules and practices shall be included in the departmental orientation of all new employees; they shall be the subject of periodic review (i.e. tailgate meetings) with affected employees; and they shall be posted on bulletin boards for reference.
- Assist in the implementation and maintenance of the safety program whenever practical or necessary;
- Consider and act upon appropriate recommendations from the safety committee concerning the abatement of unsafe or unhealthy work conditions or practices within a reasonable period of time.

C. Supervisors:

- Be responsible for the enforcement of safety rules among employees under their supervision;
- Be responsible for familiarizing employees with the hazards of the job to which they are assigned and shall instruct their personnel in the safe methods of performing the job;
- Periodically review the work practices of subordinate employees who work under their charge to ascertain that they continue to work in a safe manner, and in accordance with the safe practices covering the specific work;
- At the end of each workday/shift, inspect work areas for proper housekeeping and for fire, or other hazards and see that they are left in a safe condition;

- Report all injuries promptly to the safety officer and department manager pursuant to applicable administrative regulations of the District.

D. Safety Representatives:

- Attend and take an active role in safety committee meetings;
- Periodically evaluate and forward to the safety officer the department's safety and training needs for committee action;
- With the approval of the respective department manager, submit work orders to appropriate departments for the immediate correction of safety hazards;
- Participate as necessary in safety inspections, workshops or other training as may be necessary;
- Observe and recommend correction as appropriate of any departmental working conditions or practice which can be deemed unsafe or unhealthy;
- Periodically inspect and ensure that departmental safety supplies are replenished (first aid kits, fire extinguishers, etc.) by the department;
- Consult with the safety officer on departmental safety matters requiring research and/or technical advice.

E. The Safety Committee:

- Elect a committee chairperson and vice chairperson annually to conduct the business and tasks related to committee activities;
- Participate as needed in the conducting of safety inspections;
- Investigate, develop, and participate in the implementation of safety training programs;
- Review, evaluate and make recommendations as appropriate on reports submitted by the safety officer;
- Make recommendations to department managers and/or the General Manager on the Committee's findings concerning safety issues.

F. All Employees:

- Notify their immediate supervisor of the need for correction of unsafe or unhealthy working conditions or practices, including potential workplace violence;
- Adhere to all rules and regulations pertaining to the District's and departmental safety rules and program;
- Apply a common-sense approach to safe working practices and conditions;
- Report all injuries, regardless of severity, to the immediate supervisor.

Failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary action.

Weapons

The District believes it is important to establish a clear policy that addresses weapons in the workplace. Specifically, the District prohibits all persons who enter District property from carrying a handgun, firearm, taser, knife, or other prohibited weapon of any kind regardless of whether the person is licensed to carry the weapon or not. Any object used in a threatening manner shall be considered use of a weapon.

The only exception to this policy will be police officers, security guards or other persons who have been given written consent by the District to carry a weapon on the property.

Any employee disregarding this policy will be subject to immediate termination.

Fire Prevention

Know the location of the fire extinguisher(s) in your area and make sure they are **kept clear at all times**. Notify your supervisor if an extinguisher is used or if the seal is broken. Keep in mind that extinguishers that are rated ABC can be used for paper, wood, or electrical fires. Make sure all flammable liquids, such as alcohol, are stored in approved and appropriately labeled safety cans and are not exposed to any ignition source.

In Case of Fire

If you are aware of a fire, you should:

- Dial 911 or the local fire department.
- If possible, immediately contact your supervisor. Evacuate all employees and other persons from the area.
- If the fire is small and contained, locate the nearest fire extinguisher. This should only be attempted by employees who are knowledgeable in the correct use of fire extinguishers.
- If the fire is out of control, leave the area immediately. No attempt should be made to fight the fire.
- When the fire department arrives, direct the crew to the fire. Do not re-enter the building until directed to do so by the fire department.

Emergency Evacuation

If you are advised to evacuate the building, you should:

- Stop all work immediately.
- Contact outside emergency response agencies, if needed.
- Shut off all electrical equipment and machines, if possible.
- Walk to the nearest exit, including emergency exit doors.
- Exit quickly, but do not run. Do not stop for personal belongings.
- Proceed, in an orderly fashion, to a parking lot near the building. Be present and accounted for during roll call.
- Be alert to any person that may need assistance in the evacuation process.

Do not re-enter the building until instructed to do so by the appropriate safety designee.

In the event of a disaster, the Incident Commander and the County Emergency Operations Center (EOC) Representative are authorized to take such actions as may be necessary to facilitate recovery operations, including, but not limited to, deploying staff for damage assessment and emergency repair purposes; procuring materials, labor, and services required for damage control and emergency repairs; suspending water service pending determination of public health and safety requirements; and restoring water service when safe and appropriate.

Property and Equipment Care

It is your responsibility to understand the machines needed to perform your duties. Good care of any machine that you use during the course of your employment, as well as the conservative use of supplies, will benefit you and the District. If you find that a machine is not working properly or in any way appears unsafe, please notify your supervisor immediately so that repairs or adjustments may be made. Under no circumstances should you start or operate a machine you deem unsafe, nor should you adjust or modify the safeguards provided.

Do not attempt to use any machine or equipment you do not know how to operate, or if you have not completed training on the proper use of the machine or equipment. Machines/equipment should only be used for their intended purpose and within their manufacturer's specified tolerances.

Safety Rules When Operating Machines and Equipment

When operating machines and equipment, please be sure to follow these procedures:

- Machines shall be used for their appropriate purposes and tolerances.
- Make sure machine guards are in place while machines are in operation.
- Remove loose clothing, jewelry or rings before operating machinery.
- Wear steel toe shoes and prescription eye protection to start the job, if required.

Required personal protective equipment, except for prescription glasses, will be issued to you by your supervisor.

We will continue to provide a clean, safe and healthy place to work and we will provide the best equipment possible. You are expected to work safely, to observe all safety rules and to keep the premises clean and neat. Remember that carelessly endangering yourself or others may lead to disciplinary action, including possible termination.

Security

Maintaining the security of YVWD buildings and vehicles is every employee's responsibility. Develop habits that insure security as a matter of course. For example:

- Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible.
- Know the location of all alarms and fire extinguishers and familiarize yourself with the proper procedure for using them, should the need arise.
- When you leave the District's, premises make sure that all entrances are properly locked and secured.
- Note and promptly report suspicious circumstances or persons about the premises.

END OF SECTION

MODIFIED DUTY FOR WORK RELATED INJURIES

Modified Duty Policy

This policy is distinguished and separate from the reasonable accommodation policy established to implement the Americans with Disabilities Act. The Yucaipa Valley Water District's Modified Duty Program provides the District with temporary working services of employees who have been injured on the job and have not been released by the District's physician for regular duty. The purpose of the Modified Duty Program is to emphasize the District's goal of facilitating the healing process and recovery of the transitional employee who has been injured by a work-related incident and have the employee return to full work status as quickly as possible.

This policy, applied on a case-by-case basis at Management's sole discretion, only covers employees who have sustained an accidental injury or occupational illness while performing duties within the course and scope of their employment or appointment. Modified duty for non-work-related injuries will be handled on a case-by-case basis.

Definitions

- A. Modified Duty – Duties or tasks which on an individual basis are intended to encourage the healing process and meet or accommodate specific medical work restrictions imposed by treating physicians upon employees temporarily disabled by an injury occurring on the job.

Procedure for Modified Duty

The following procedure shall be implemented for short-term modified duty.

- A. The injured worker is referred to the district's authorized medical physician for treatment and evaluation.
- B. The District's authorized physician notifies the General Manager, or designee, of any specific work restrictions placed upon the employee.
- C. The General Manager, or designee, contacts the departmental supervisor to assist in the determination of whether the imposed work restrictions can be accommodated in the current job description, including job analysis summary and/or duty statement.
- D. If the restrictions can be accommodated in the current job, the employee will report daily to modified duty until released by the designated physician to return to the pre-injury position.
- E. If restrictions cannot be accommodated in the current job, the District management will determine if the department or other departments have other work that can be conducted within the employee's restrictions.

- F. If restrictions cannot be accommodated, the employee will be sent home until fully recovered.
- G. No employee will be assigned to modified duty tasks which exceed medically imposed work restrictions.
- H. It will be the responsibility of the person supervising the injured worker while on modified duty to assure that the injured worker does not exceed medically imposed work restrictions, but performs duties required by assignment.
- I. Work restrictions and modified duty assignments will be evaluated at least every two weeks to verify that restrictions are still required.
- J. The modified duty days will not exceed 90 calendar days unless expressively authorized by the General Manager on a case by case basis. After 90 days on the modified duty program, the employee will return to his/her original job, take permanent/partial disability, or have the opportunity to apply for other open positions.
- K. By consensus, the supervisor, District physician, and Worker's Compensation insurer may approve a second 90-day Worker's Compensation modified duty period under exceptional circumstances.
- L. No modified duty after the second 90-day period without approval from the Board of Directors.
- M. An evaluative medical exam shall be conducted by the District physician on the employee who is on modified duty as frequently as indicated by the District physician or District Management.
- N. All allowable employee benefits will continue while the employee is on modified duty.

Procedures for Employees on Modified Duty

A detailed summary of procedures to be used when an employee is injured is found in the "Safety Issues" section of this manual. The following procedures are to be used by employees on modified duty.

- A. The modified-duty employee will report daily to the modified position until the District physician releases the employee to regular work duty.
- B. The modified-duty supervisor gives the employee a daily work location and work assignment.
- C. The employee completes his/her daily time card.
- D. At the end of the work period, the employee submits the daily time card to his/her supervisor.

The supervisor submits the time card to the payroll representative for processing.

END OF SECTION

REASONABLE ACCOMMODATION POLICY

Reasonable Accommodation Policy

The American with Disabilities Act (ADA) requires employers to reasonably accommodate qualified individuals with disabilities. It is the policy of Yucaipa Valley Water District to comply with all federal and state laws concerning the employment of persons with disabilities.

It is our District's policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment. Yucaipa Valley Water District will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job. An individual who can be reasonably accommodated for a job without undue hardship will be given the same consideration for that position as any other applicant.

Definitions

As used in this policy, the following terms have the indicated meaning and will be adhered to in relation to the ADA policy.

"Disability" means a physical or mental impairment or medical condition that substantially limits one or more major life activities of the individual; a record of such an impairment; or being regarded as having such an impairment. Major life activities include the following:

- A. In general, major life activities include, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating and working.
- B. Major bodily functions - A major life activity also includes the operation of a major bodily function, including, but not limited to, functions of the immune system, normal cell growth, digestive, bowel, bladder, neurological, brain, respiratory, circulatory, endocrine and reproductive functions.

"Direct threat" means a significant risk to the health or safety of others that cannot be eliminated by reasonable accommodation.

"Qualified individual" means an individual who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires.

"Reasonable accommodation" may include making existing facilities readily accessible to and usable by individuals with disabilities, job restructuring, part-time or modified work schedules, reassignment to a vacant position, acquisition or modification of equipment or devices, appropriate adjustment or modifications of examinations, training materials or policies, the provision of qualified readers or interpreters, and other similar accommodations for individuals with disabilities.

"Undue hardship" means an action requiring significant difficulty or expense by the employer.

In determining whether an accommodation would impose an undue hardship on a covered entity, factors to be considered include, but are not limited to:

- A. The nature and cost of the accommodation.
- B. The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation; the number of persons employed at such facility; the effect on expenses and resources or the impact of such accommodation upon the operation of the facility.
- C. The overall financial resources of the employer; the number, type and location of facilities.
- D. The type of operations of the company, including the composition, structure and functions of the workforce; relationship of the particular facility to the employer.

“Essential functions of the job” refer to those job activities that are determined by the employer to be essential or core to performing the job; these functions cannot be modified.

END OF SECTION

TIME OFF

Recognized Holidays

Approved holidays for which employees shall receive their normal 8 hours or 10 hours of pay are recognized as follows:

January 1 st	New Year's Day
3rd Monday in January	Martin Luther King's Birthday
3rd Monday in February	President's Day
Last Monday in May	Memorial Day
July 4 th	Independence Day
1 st Monday in September	Labor Day
November 11 th	Veteran's Day
4th Thursday in November	Thanksgiving Day
Friday following Thanksgiving	Thanksgiving Friday
December 25 th	Christmas Day
Floating Holidays - Three	To be taken within the calendar year as a complete day

Saturday or Sunday Holiday

A holiday falling on a Saturday shall be observed on the preceding Friday, and a holiday falling on a Sunday shall be observed on the following Monday.

Floating Holidays

New employees hired in the month of January shall receive 3 floating holidays for that calendar year. New employees hired between February 1st and June 30th shall receive 2 floating holidays for that calendar year. New employees hired on or after July 1st shall receive 1 floating holiday for that calendar year. Full time regular employees shall each receive floating holidays for each calendar year thereafter, as stated above.

Vacation Leave

It is the District's policy to provide reasonable vacation credits to all regular employees of the District who have completed their introductory period. Regular full-time employees shall accrue vacation credit at varying rates depending on length of service and vary per Bargaining Unit Memorandum of Agreement (MOA). General, supervisory and exempt employees shall accrue vacation credit as outlined below:

Amount of Vacation Leave Provided by District		
Period of Continuous Employment	Hours Per Month	Working Days Per Year
1 through 5 years	6-2/3	10
6 through 10 years	10	15
11 years & more	13-1/3	20

Upon satisfactory completion of the initial one-year introductory period, a new employee will be credited with 10 days (80 hours) of vacation for the one-year period that the employee was on introductory status, after which and up to the completion of 5 years of continuous service, an employee shall accrue vacation time at a rate of 3.08 hours per pay period (10 days per year).

Upon completion of 5 years of continuous service and continuing through completion of 10 years of service, an employee shall accrue vacation time at a rate of 4.62 hours per pay period (15 days per year).

Upon completion of 10 years of service, an employee shall receive as a one-time bonus for longevity, 40 hours of vacation. In addition to this one-time bonus, upon completion of 10 years of service, an employee shall accrue vacation time at a rate of 6.15 hours per pay period (20 days per year).

Individual vacation accrual rates in excess of 20 days per year shall be frozen effective April 21, 1994 and shall not increase beyond this amount based on action by the Board of Directors on April 20, 1994, except as may have been subsequently negotiated in a Bargaining Unit MOA.

- Supervisory and confidential employees: On the 15th year of continuous service, and each year thereafter, employees shall be provided an additional 5 days per year of vacation leave which will increase the current 6.153 hours per pay period to 7.692 hours per pay period [DM 11-010].

The vacation time shall be used in a manner consistent with the following:

- A. Vacation time when taken shall not exceed the number of whole days of vacation credit accrued by the employee as of the day their vacation commences.
- B. The scheduling of vacation time is subject to approval by the employee's supervisor.
- C. Vacation time shall be taken by employees in such a fashion to ensure adequate staffing of both office and field personnel as determined by the supervisor.
- D. The minimum charge to an employee's vacation time off (with the exception of exempt employees) shall be one-half hour. Vacation time of more than one-half hour shall be charged to the nearest one-quarter hour. Exempt employees vacation time off is not to be for a period of less than ½ day (4 hours).
- E. Employees may accumulate vacation credits up to a maximum of 240 hours. They shall receive no further vacation credits when this accumulated total of unused credits reaches 30 full working days and for so long as such credits stand at that figure. Employees shall not be paid compensation in lieu of vacation time off.
- F. A District holiday occurring during an employee's vacation shall not be considered as a day of vacation.
- G. An employee who becomes ill while on vacation may use accumulated sick leave in lieu of vacation time for the period of such illness, provided, however, that the District is not obligated to extend the vacation beyond the scheduled expiration date.

- H. An employee who is receiving California Workers' Disability Insurance payments may use accrued vacation to supplement said payment provided the total amount received shall not exceed the employee's regular salary.
- I. Upon termination from employment of a regular full-time employee, all unused accrued vacation hours will be paid at the employee's current rate of pay.
- J. No accrual shall occur, or vacation be paid for new employees until the employee satisfactorily completes the initial one-year introductory period and has been classified a permanent full-time employee.

Sick Leave

Sick leave accrues at the rate of 3.7 hours per pay period, or 1 day (8 hours) per month. If an employee remains in a non-pay status for more than 50% of the total normal work hours in the pay period, sick leave credit will not be earned for the entire pay period.

Authorized vacation, paid sick leave, holidays, or other compensated time off shall be considered as time worked for the purpose of computing accrued sick leave. Employees shall not accrue sick leave during the period of an authorized leave of absence without pay, or the duration of compensated disability leave resulting from a work-related injury. The accrual of sick leave will be unlimited with no maximum allowance.

Sick leave usage means the absence from duty because of illness or injury, exposure to contagious disease, attendance upon a member of the employee's immediate family who is seriously ill or medical appointments. Immediate family members in the case of illness or injury shall include an employee's spouse/partner, parent, child, sibling or grandchild.

During any calendar year, not more than 6 days of sick leave may be granted to an employee for the purpose of attending ill family members.

Sick leave shall be allowed only in case of actual necessity resulting from personal sickness, disability, and attendance to an immediate family member or as otherwise provided in this article.

All employees who are compelled to be absent from work due to illness or injury shall be entitled to receive full compensation for each day of accrued sick leave used. A day, as referred to herein, shall mean a normal 8-hour work period (or 10-hour workday under certain cases).

In order to receive sick leave compensation, the employee must notify his/her immediate supervisor prior to or within 30 minutes after the time set for beginning of a workday and have a valid reason for use of sick leave accrual. In case of an accident or emergency, the employee or a representative of the employee should contact the immediate supervisor at the earliest possible time and explain the circumstances necessitating the absence.

The District may require the employee to submit a doctor's certificate, affidavit, or other documentation, on forms prescribed by the District, as verification and substantiation of the absence. A failure to provide the required documentation will result in the deduction of salary for the days of absence and may result in disciplinary action.

The minimum charge to an employee's sick leave allowance shall be one-half ($\frac{1}{2}$) hour. Absences of more than one-half ($\frac{1}{2}$) hour shall be charged to the nearest one-quarter ($\frac{1}{4}$) hour. Despite prior approvals of sick leave, employees whose sick leave use indicates a pattern of abuse may have their sick leave records reviewed and face possible disciplinary action for such abuse. Exempt employees sick leave allowance shall not be less than $\frac{1}{2}$ day (4 hours).

Catastrophic Sick Leave

Catastrophic illness/injury shall be defined as those categories (exclusive of stress) generally accepted by medical insurance carriers. Employees of the District who suffer a catastrophic injury/illness in which the employee is expected to be incapacitated for an extended period of time, the time to be determined on a case by case basis by the Catastrophic Sick Leave Plan Committee as specified below, shall become eligible to use this Catastrophic Sick Leave Plan ("Plan") subject to the restrictions and conditions outlined below:

- A. An employee may elect to enroll in the plan at any time. To enroll as a member of the Plan, the employee must donate a minimum of 24 hours at the time the employee elects to join the Plan.
- B. An employee may elect to join the Plan upon the first day of employment with the District. At that time, as the employee will not currently have any accrued sick leave, 2.78 hours per pay period (equal to 75% of the total pay period accrual) will be donated into the Plan and the employee will accrue the remaining sick leave of 0.92 hours per pay period (equal to 25% of the total pay period accrual) until 24 hours are contributed to the Plan. This mechanism is also available to existing employees for all or a portion of the 24 hours required to contribute to the Plan.
- C. The employee must be an active participating member of this Plan in order to receive any form of benefit as described below.
- D. In the event of a catastrophic illness as described above, the following options shall be utilized in the following order: (a) employee's accumulated sick leave; and (b) authorized catastrophic leave.
- E. The employee to receive donated sick leave from the Plan must have exhausted all but 10 hours of sick leave and must be in a true catastrophic condition.
- F. In order for members to remain as participants, each person must maintain continued participation as defined below.

The donation of sick leave time to the Plan shall be irrevocable. The member shall file an irrevocable "Catastrophic Sick Leave Plan Deposit Form" with Payroll. A donation to the Plan shall be a general donation and from prior years' accumulations, or future accrued sick leave as provided above, and shall not be donated to a specific employee for his or her exclusive use.

There is no limit to the number of sick leave days a member may donate to the Plan, so long as after the initial 24 hours of donation: (1) the minimum number of accumulated sick leave days available in the employee's account does not fall below 80 hours.

A contribution of 8 hours will be required of all participants if the number of hours in the Plan falls below 400 hours. This assessment will occur automatically with notification sent to all participating members that an additional contribution was made from your sick leave. Members who are drawing from the Plan at the time of the assessment will not be required to contribute to remain eligible to draw from the Plan. If a participant has 10 or less days (80 hours) of remaining sick leave at the time of the assessment, they need not contribute the additional day to remain a participant in the Plan.

In the event, the accrued catastrophic leave fund balance exceeds the amount of \$250,000, each active member in the Plan will receive 8 hours of sick leave returned to their personal sick leave accruals and the fund balance of catastrophic leave will be reduced proportionately. Employees will receive written notification of this disbursement from the Plan.

Leave from the Plan may not be used for illness or disability which qualifies the employee for Worker's Compensation benefits; however, this plan may augment other benefits. When the employee may reasonably be presumed to be eligible for disability retirement or, if applicable, Social Security, he/she may be requested to apply for such retirement. Failure of the employee to submit a complete application, including medical information provided by the applicant's physician, within 20 working days will disqualify the member from further Catastrophic Sick Leave Plan payments.

Cancellation of membership in the Plan occurs automatically whenever a member fails to make his or her contribution as defined above. The employee shall not be eligible to draw from the Plan as of the effective date of cancellation. Sick leave previously authorized for contribution to the Plan shall not be returned if the member elects or causes cancellation.

A member wishing to use this Catastrophic Sick Leave Plan shall submit a "Catastrophic Sick Leave Plan Request for Withdrawal Form". This form shall be submitted to the General Manager. The request shall clearly state the details of the catastrophe and the amount of sick leave requested.

Appropriate written verification of the catastrophic illness or injury must be included with the request. The member should be prepared to provide additional documentation on the nature and severity of the illness or injury, if requested.

The Catastrophic Sick Leave Plan Committee ("Committee") shall consider each disbursement request by members of the Plan. The committee shall consist of the following:

- One active employee assigned by a majority of the Exempt Employee Bargaining Group
- One active employee assigned by a majority of the Supervisory Employee Bargaining Group
- One active employee assigned by IBEW from the General Employee Bargaining Group

The Committee may grant, reject or partially grant a request based on a number of factors, including but not limited to the degree of illness, other forms of leave available, and other factors deemed by the Committee to be relevant to the particular situation. The members of the Committee shall not disclose the medical conditions of the employee requesting Catastrophic Sick Leave under the Plan. The action by the Catastrophic Sick Leave Plan Committee is final.

In the event that an employee does not qualify for Catastrophic Sick Leave they may request approval from the General Manager to obtain individual donations of sick time from District employees.

The maximum number of duty days allowed to be utilized by one member for a single catastrophic injury/illness shall not exceed thirty days (240 hours) per request. A member may request a specific number of days on one "Catastrophic Sick Leave Plan Request for Withdrawal Form". The member may request additional days after the use of 20 duty days (or 160 hours) by filing an additional request for consideration to the Committee.

Any days approved that are unused by the member shall be returned to the Catastrophic Sick Leave Plan for future withdrawals by a Plan participant upon approval.

If an employee receives hours from the Plan, the member will receive those Plan hours at the same rate of pay currently received by the employee. No distinction shall be made as to the differing pay rates of the donors or recipients.

Leave of Absence (Medical and Non-Medical)

Under certain conditions, an employee may be granted leave of absence without pay. In order to receive consideration, a written request, stating the specific reasons for the leave of absence and the proposed duration thereof, must be submitted to the Board. If the Board determines that the leave of absence is justified, the employee may remain absent from work in a non-pay status for an approved period of time. The employee may have the option of using accumulated sick leave (if appropriate) and vacation leave in its entirety prior to a leave of absence without pay. A request for an extension of leave of absence must be submitted no later than 2 weeks prior to the expiration of the current leave of absence.

During an authorized leave of absence, vacation, sick leave, seniority, and retirement credits shall not accrue. Upon the employee's return to service, the accrual of vacation, sick leave and retirement credits shall resume. It will be the employee's responsibility to assume payment of the premiums for all applicable health, medical and life insurance policies during the period of the leave of absence.

Military Leave

Any employee who enters the Armed Forces of the United States during war or national emergency, as declared by the President or Congress of the United States shall be entitled to a leave of absence without pay for the duration of such service and for a period of 90 days thereafter. Any employee returning to the District within the specified time, and who has been discharged, other than dishonorably, from military service, shall be reinstated to their former classification without loss of status or seniority, provided they are not physically or mentally impaired to the extent that successful performance in the position cannot be accomplished with reasonable accommodation. Any person selected to fill a position vacated by an employee called to military service will be considered a temporary appointee only.

All employees who are members of reserve corps of the United States or the State of California shall be entitled to a leave of absence as provided in Section 395.01 of the Military and Veterans Code. (See also MVC 142, 143, and 146)

Employees who participate in the active military reserve (e.g. summer or special training) will be allowed 17 paid days per year to fulfill their obligation in the United States Armed Services as required by the Veterans Code 39405, upon reasonable advanced submittal of orders.

Maternity Leave

As determined by medical necessity, supported by valid documentation, female employees may request leave for maternity purposes for a maximum period of 4 months duration. Female employees anticipating a maternity leave should notify their supervisor in advance of their intention. The District may extend maternity leave beyond 4 months, upon request, with medical or other justification submitted at the earliest time. At the female employee's option, all or part of accumulated sick, vacation or compensating time off may be used to provide continuing income and benefits to the female employee and shall be considered to be in paid status during the time such leave credits are being used. Upon the expiration of accumulated sick leave, compensating time off, or vacation credits, the female employee shall be placed on non-pay status for the balance of the 4-month period. If the employee is on a non-pay status during the leave, District fringe benefits will not accrue. Medical insurance coverage for the employee will continue under the same conditions as if the employee were continuing to work. Life insurance and dental premiums for the employee are not continued unless paid by the employee.

Disability Leave

An employee who is compelled to remain off of active work duty while under the care of a licensed physician for an extended period of time due to work or non-work-related injury or illness shall be entitled to disability leave.

If an employee is eligible to receive California Worker's Compensation benefits as a result of a work related injury or illness, he/she may request of the General Manager's authorization to have his/her benefits supplemented with sick leave or vacation credits to provide full salary during the period of absence, and be considered to be on paid status for the purposes of accruing fringe benefits provided by the District. Workers' Compensation benefits paid to the District will be paid to the employee without tax deduction. However, deductions will be made from any applied vacation or sick leave credits used. An employee may not use unearned sick leave or vacation credits, except with the approval of the General Manager.

Family Medical Leave

In accordance with the Family and Medical Leave Act of 1993, all employees who have been employed at the District for at least one year and have worked at least 1,250 hours in the 12-month period immediately preceding the commencement of a requested leave under this Family Leave provision are eligible for up to 12 weeks of unpaid leave each year¹ in order to care for a newborn, adopted or foster child, a seriously ill child, parent or spouse, or because of the employee's own serious illness. Under such conditions, the District will continue to provide health insurance premiums for employees on such leave under the same conditions as if the employee were continuing to work.

Under circumstances where the provisions of the California Family Rights Act of 1991 differ from the provisions of the Federal Laws, the State or Federal provision which provides the greater benefit to the employee shall govern.

¹ The period of one year for the time of leave has been established by the District as being a consecutive twelve-month period that is distinct for each employee on Family Leave. An employee is eligible for leave under this provision based on a twelve month period that begins when an employee takes the first day of District approved eligible Family Leave under the policies set forth in the section and by the Board of Directors.

Paid Family Leave

California is the first state in the country to extend disability compensation to employees who take time off work to care for a seriously ill child, spouse, parent, domestic partner, or to bond with a new minor child. Starting on July 1, 2004, an employee may file a claim with the State Employment Development Department's (EDD) Disability Insurance Branch to care for a seriously ill child, spouse, parent or domestic partner, to bond with a new child, or to bond with a minor child in connection with the adoption or foster care placement of that child.

This Paid Family Leave policy does not create reinstatement rights of the employee.

No more than 6 weeks of Paid Family Leave benefits may be paid within any 12-month period. The District requires written notice to be provided to the General Manager and ten days of vacation time to be applied to the time off immediately following the day the written notice for Paid Family Leave is received by the General Manager. This time is in addition to the 6 days of sick leave that may be applied to the illness of a family member as discussed in the preceding sections.

Paid Family Leave does not extend the amount of time the employee is eligible to take leave under the Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). Paid Family Leave is a benefit payment, not a leave. If the employer is covered and the employee is eligible, he or she could take FMLA/CFRA to care for a parent, spouse or dependent child up to 12 weeks in a 12-month period. The employee may be eligible for Paid Family Leave benefits for up to 6 weeks in the 12-month period.

For leave and benefits relating to a pregnant employee, Paid Family Leave and FMLA will run concurrently for the length of the disability due to pregnancy. After giving birth, an employee may receive Paid Family Leave benefits for the time period permitted to bond with the child. For paid family leave relating to bonding with a child, Paid Family Leave is limited to the first year after birth, adoption or foster care placement and a separate certification is required when the leave is required for baby bonding.

An employee cannot receive Paid Family Leave while receiving State Disability Insurance, unemployment insurance or worker's compensation benefits. However, an individual who is entitled to leave under FMLA and CFRA must take paid family leave concurrent with leave taken under those Acts.

Bereavement Leave

Employees are eligible to receive up to 5 days of paid leave for the death of a spouse/partner, parent, child, sibling, grandparent, grandchild, or spouse/partner's parent to attend services or assist in arrangements relative to the event in accordance with the applicable rules and regulations pertaining hereto.

Management Leave

In recognition of the additional time required (evening meetings, occasional weekends, etc.) to do their jobs properly, exempt employees will receive 5 days of paid time off each calendar year in the form of Management Leave. The employee will be credited with 5 days on January 1st of each year, all of which must be approved and utilized by December 31st of the same year. Management

leave shall be taken in 4 or 8 hour increments only. Management Leave not used in a given calendar year will not be accrued to future years.

The District allows exempt employees to convert their annual management leave to deferred compensation at their regular daily rate of pay. Please see the District payroll representative for details.

Jury Duty

Every employee of the District who is officially called to serve as a court trial juror shall be entitled to be absent from his or her duties for the period of such jury duty as provided below. If an employee serves on jury duty during a time when the employee is not expected to be at work, such as for a swing shift employee or an employee on a 10-hour workday with a normal day off during the time of jury duty, the District will not be responsible for compensating the employee. This shall be considered the civic responsibility of the employee to serve on jury duty.

If an employee who is assigned to a regular daytime work period is called to serve jury duty, and such jury duty does not exceed 4 hours duration, it shall be the responsibility of the employee to report to work within a reasonable time after being released from jury duty on that day. Should jury duty exceed 4 hours duration on any regularly scheduled work day, the employee shall contact his/her supervisor at the end of their jury duty day to determine if it is necessary to report for work on that same day following the release from jury duty.

When called for jury duty, the employee shall promptly notify his/her immediate supervisor of any intended absence from work resulting from such duty. If an employee fails to promptly report notification of jury duty, or is absent without proper notification, the employee shall be considered absent without leave on a non-pay status.

While serving on official jury duty, an employee shall be compensated at the regular rate of pay for a maximum of 160 hours per calendar year, provided that all fees paid to the employee for jury duty are surrendered to the District. In the event jury duty extends beyond the 160 hours in a calendar year, the employee may utilize sick leave or vacation leave for the additional time away from work. It is the responsibility of the employee to submit to the employee's immediate supervisor a time card furnished from the County every day the employee serves jury duty. This time card must indicate the day(s) jury duty was served, and the hours of service performed each day.

Automobile related expenses for jury duty shall not be reimbursed by the District.

END OF SECTION

RULES AND REGULATIONS

Attendance

Punctuality and regular attendance are expected. In case of absence, the immediate supervisor should be notified prior to or at the latest, within the first 30 minutes of the employee's starting time. If an employee must leave early during work hours, the supervisor should be notified as far in advance as possible. Tardiness, unexcused absence or failure to report, which renders an employee insufficiently available for work, will be evaluated and disciplinary measures or termination may result.

Hours of Work

The standard workweek consists of 5 eight-hour work periods, totaling 40 hours. Varying work schedules may be established in order to meet the business needs of the department, section, or District. Daily starting and ending times shall be as set by the General Manager in the best interest of the District's operation.

Lunch Periods

Lunch periods will be as scheduled by the supervisors in the interests of the District and may vary from time to time as emergencies direct. Lunch periods are not counted as time worked and should begin within 5 hours of the start of the work shift and shall be no longer than 30 minutes in duration.

Rest Periods

Under normal circumstances, a rest period not to exceed 15 minutes is provided employees working 4 consecutive hours. Rest periods are directed by the departmental supervisor in the interest of District operations and are considered time worked.

Smoking

The District prohibits the use of any tobacco, vaping and the use of e-cigarettes while on duty or in facilities, buildings, vehicles or other enclosed areas. This would include smoking as well as vaping or any other form of electronic cigarette or vapor inhalant. Smoking and vaping is permitted only beyond 30 feet from all entranceways, passageways, operable windows or ventilation systems of buildings, facilities vehicles or other enclosed areas.

Disaster Relief and Emergency Preparedness

As a District employee, you are registered as an emergency service worker. If a disaster occurs in the District, you may be assigned to any emergency duty for disaster relief. If such an emergency occurs during non-working hours, it is your responsibility to see if you are needed. Normally, you would respond to your regular supervisor or District administrator; however, there may be additional

District or Regional sites where your assistance will be required. Your family may be sheltered in designated District facilities during emergencies.

In certain circumstances, employees may request the General Manager to consider emergency pay status consideration to allow employees to receive full regular time pay for responding to emergencies in the region instead of alternative forms of leave. This policy allows an employee to retain leave, such as vacation leave, for assisting other communities in responding to disasters.

Employment of Relatives, Spouses and Co-Habitants

It is the policy of the District not to discriminate in its employment practices. Notwithstanding these provisions, the District retains the right to refuse to place a relative, spouse or living partner under the direct supervision of another employee or to place them in the same department, division or facility where such has the potential for creating a conflict of interest or an adverse effect on supervision, safety, security or morale.

Drug Free Workplace

Under the guidelines of the Drug Free Workplace Act of 1988, the District is committed to providing for a drug free workplace, including all places where District business is conducted, whether at the main offices of the District or any other site.

All employees are absolutely prohibited from manufacturing, distributing, dispensing, possessing or using any controlled substance, marijuana, or alcohol in the workplace without indication that the use was under medical supervision.

Any employee violating the above policy is subject to disciplinary action, up to and including termination, for the first offense.

As an employer resolving to maintain a drug free workplace, employees will be provided educational information on the dangers of drug abuse and drugs in the workplace. Supervisors will receive training in identifying and addressing drug use by employees. The District will work cooperatively with employees afflicted with drug or alcohol abuse in seeking a rehabilitation program to help the employee overcome dependency on drugs or alcohol. Any employee failing to pursue rehabilitative measures by satisfactory participation in an accepted counseling program will be subject to termination. Certain classifications are designated as DOT employees and must meet DOT drug free requirements.

District Property

All employees in possession of keys/access codes to District premises shall not permit them to be used by unauthorized persons.

Every job in the District requires the use of District supplies, materials and equipment. It is the employees' responsibility to maintain District property in the best possible condition, make the most economical use of supplies, and to see that all tools, equipment and unused materials are returned to the District after use. It shall be unacceptable conduct for any employee to engage in the use of District equipment for personal benefit or gain.

All work areas, including but not limited to desks, lockers, computers, tool boxes and vehicles used for District work on District property/worksites should not be considered as "private" by any employee. The District reserves the right to enter any and all areas for legitimate business purposes at any time.

Gifts and Gratuities

Employees are not to accept any gift or gratuity from an individual, company or organization doing business with the District because gifts can be viewed as unethical attempts to influence District operations. Although some offers are made in good faith and intent, all employees are expected to remain free from any potential conflict of interest. Any gift offered by an outside party should be politely, but firmly, declined. Persistent attempts by individuals to provide gifts and/or gratuities to employees should be reported to the General Manager.

Exceptions to this policy include perishable treats during the holiday season and nominal merchandise provided by vendors with corporate logos such as mugs, hats, pens and calendars.

Expense Reimbursement

District staff shall be reimbursed for expenses incurred in the performance of their duties required based on the requirements and limitations below. All expense reimbursement forms (outlining anticipated expenses and work attendance issues) must be completed and approved by your supervisor prior to incurring any District related expenses. This pre-approval ensures that the employee is fully aware of all expenses anticipated to be reimbursed by the District.

When traveling to District approved seminars and meetings, there may be the need to use a District vehicle. When a District vehicle is approved for use as transportation, the employee shall not transport non-business-related guests such as family members or friends at any time. If the employee uses a personal vehicle as transportation to a District approved function, then the District will reimburse the employee in the form of a mileage allowance based on Federal standards adopted by the Internal Revenue Service.

When an employee is required to travel to attend District approved functions, the District will reimburse the employee for meals based on the following maximum amounts:

Breakfast	\$10.00
Lunch	\$15.00
Dinner	\$20.00

Prior to providing a reimbursement, the employee must submit receipts for each meal attached to a request for reimbursement.

Any other miscellaneous expense submitted for reimbursement must have a clearly legible and legitimate receipt in order to be approved for reimbursement.

Internet and E-Mail

All employees are responsible for the material read, sent, received or delivered via the Internet or e-mail services. Access to the Internet and e-mail services from District computers and phone lines are for business purposes only. The District does not allow employees to use personal Internet or e-mail access accounts on District computers, phone lines, or equipment without the prior written approval of the General Manager.

The e-mail and Internet access from District computers may not be used for transmitting, retrieving or storage of any communications of a derogatory, defamatory, discriminatory or harassing nature or materials that are obscene or X-rated. Harassment of any kind is prohibited. No messages with derogatory or inflammatory remarks about an individual's race, age, disability, religion, national origin, physical attributes or sexual preference shall be transmitted. No abusive, profane or offensive language is to be transmitted through the District's e-mail or Internet system. Electronic media may also not be used for any other purpose which is illegal or against District policy or contrary to the District's best interest or is otherwise inappropriate or unrelated to District business. Solicitation of non-District business or any use of the District's e-mail or Internet for personal use or gain is prohibited.

Any employee who violates this policy will be subject to disciplinary action up to and including termination. If necessary, the District reserves the right to advise appropriate legal officials of any violations.

Electronic Communications

Each employee is responsible for the content of all text, audio or images that he or she places or sends over the District's e-mail or Internet system. No e-mail or other electronic communications may be sent which hides the identity of the sender or represents the sender as someone else or someone from another agency, district or company. All messages communicated on the District's e-mail and Internet system shall contain the sending employee's name.

All employees are hereby warned that deletion of a message or file may not fully eliminate the message from the system. No such deletion should be made without the express permission of the employee's supervisor.

All messages or information sent by an employee to another individual outside of the District via an electronic network (e.g. bulletin board, online service or Internet) are statements that reflect on the District. While some users include personal "disclaimers" in electronic messages, there is still a connection to the District, and the statements may be tied to the District.

All communications sent by employees via the District's e-mail or Internet system must comply with this and other District policies.

The District reserves the right to monitor, audit and disclose usage patterns for its e-mail and Internet communications for any reason, including cost analysis/allocation and the management of the District's gateway to the Internet. All messages created, sent, or retrieved using District resources are the property of the District and although proprietary should be considered accessible by the public during transmission. The District reserves the right to access and monitor all messages and files on the District's wireless, e-mail and Internet systems. Employees must be

aware that electronic communications are not private. Under some circumstances communications may be subject to disclosure under the Public Records Act of litigation.

Any employee who violates this policy will be subject to disciplinary action up to and including termination. If necessary, the District reserves the right to advise appropriate legal officials of any violations.

Software

To prevent computer viruses from being transmitted through the District's computer system, there will be no unauthorized downloading or installation of any unauthorized software. All software downloaded must be registered to the District and obtained through District approved sources. Supervisors will be responsible for providing written authorization prior to downloading or installing any software, upgrades, drivers, browsers, and other business-related software.

Any employee who violates this policy will be subject to disciplinary action up to and including termination. If necessary, the District reserves the right to advise appropriate legal officials of any violations.

Mileage Allowance

Employees who are required to drive their personal vehicle in the performance of work duties will receive a mileage allowance. The district will base the mileage allowance on federal standards adopted by the Internal Revenue Service.

Dress Code

Although there is no official District-wide dress code, most departments have standardized uniforms that must be worn during the regular workday. All employees are expected to wear clothing appropriate to your job and work site, even during afterhours (over time) work-related activities. Your clothing and appearance should be neat, clean, in good business taste, and not constitute a safety hazard or otherwise reflect adversely upon the District.

Uniforms

You may be required to wear uniforms in the performance of your duties. The District furnishes uniforms to most employees in the water and wastewater divisions. All employees who are provided with uniforms or are provided with partial District uniforms are required to wear them on the job at all times. These uniforms are to be worn during regular working hours and may include wear to and from work, but they are not to be worn at other venues/times. The uniform identifies you as a District employee. Proper care of the uniform, both on and off the job will reflect favorably upon you and the District.

Work Boots

It is the responsibility of each employee (administrative and non-administrative) to purchase and have available at work steel toe work boots ("Work Boots"). Work boots are worn on a regular basis by all non-administrative employees including but not limited to employees in the water, sewer and recycled divisions. All other employees may be required to wear Work Boots in the event of emergency or hazardous conditions.

All Work Boots shall meet the following minimum criteria:

- A. made of leather construction;
- B. required to have steel toe protection with an American National Standard Institute (ANSI) rating of no less than C-75;
- C. have a height of no less than six (6) inches in order to cover the ankle and provide support; and
- D. may be a style which is either a slip-on or have laces depending on the job requirement.

The District will provide an allowance of \$300.00 per employee for safety steel toe work boots in July of each fiscal year (July 1 to June 30). Any purchase or series of purchases, within a one-year period that exceeds this amount will be the responsibility of the employee [DM 18-024, DM 18-025, DM 18-026].

Distribution of Literature

No employee shall participate in the distribution of any literature, printed or electronic, during work hours, or on District property which may be construed as being political, religious, obscene or otherwise offensive or invasive to an individual's privacy.

Use of Bulletin Boards

The use of bulletin boards supplied by the District are for the benefit of all employees for the purpose of displaying information related to employee notices and other related business matters. All postings are subject to the approval of the General Manager.

The Union may utilize the existing bulletin boards to post information to effectively communicate the business of the District with all employees.

Outside Employment

The work of the Yucaipa Valley Water District shall take precedence over any other occupational interests of its employees. All outside employment for salary, wages or commission services and all self-employment must be reported in writing to the appropriate departmental supervisor and approved in advance. Each change in outside employment shall require separate approval.

No outside employment shall (1) involve the use for private gain or advantage of District time, facilities, equipment and supplies; or the uniform, prestige, or influence of the District office or employment; or (2) receive or accept any money or other consideration from anyone for the performance of an act which the officer or employee would be required or expected to render in the course of employment with the District; (3) occur if the act which may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement by the District; (4) involve such time demands as would render performance of his or her duties as to the District less efficiently; or (5) lower the efficiency of the employee.

Personal Phone Calls (Regular & Cellular Phones)

While it is understood that the use of District telephones is for District related business, it is understood that on occasion personal calls are necessary. Employees may use phones for personal calls when necessary, understanding that the use of telephones for such use is a privilege and is not to be abused. Personal outgoing as well as incoming personal calls should be kept to a minimum. Personal toll calls are not to be charged to the District.

The District has an Optional Cellular Device Usage Program in which employees may complete a reimbursement form annually in January for approval by the General Manager. This allows employees to receive reimbursement in the amount of \$40 per month at the first payroll cycle of each month for the use of their personal cellular device for District and work-related tasks [DM 17-023].

Mail and Correspondence

Due to the size of the District and the wide range of services provided, it is common for the District to receive large volumes of mail on a regular basis. The intent of the District is to provide an efficient method of performing routine tasks such as opening and sorting the incoming mail. In order for the District to conduct business in a professional manner, there will be times when mail addressed to an individual employee is opened and sorted with the rest of the mail. When mail is directed to a specific individual and the words "PERSONAL AND CONFIDENTIAL" are clearly legible on the outside envelope, then the mail will be held for the employee or forwarded to the employee's most recent home address. Items marked "CONFIDENTIAL" may be opened by the General Manager (or designee). To allow the District to operate effectively, all employees are required to receive non-business-related mail at their home address and are not to give or use the District address for personal use.

Political Activities by District Employees

Although District employees are encouraged to support the governments in our political system in an appropriate fashion, there are limits on employee political activity. District employees may join civic, partisan or political organizations, may attend political meetings and advocate the principles or policies of civic or political organizations in accordance with the Constitution and laws of the state and nation. However, as public employees we are obligated to keep the workplace politically neutral.

Therefore, political activities should be limited to an employee's off duty hours, should not unduly reflect upon the District, and an employees' political activities must be clearly separated from activities related to their employment.

- A. No District employee shall be required to contribute any money or anything of value to any candidate for nomination or election to any office, or to any campaign or political committee, or take part in any political campaign.
- B. Prohibited activities by District employees include:
 - 1. Engaging in any type of political activities as set forth herein, during normal working hours or while pursuing regular duties in the course of employment. District employees may not take part in any political activity while in uniform.
 - 2. Receiving expenses, gifts, remuneration of any type or monetary reward in exchange for political activities.
 - 3. Using one's public or official position or knowingly allowing it to be used to further a political party, political candidacy, political issue or position, or influence a political outcome.
 - 4. Use of District facilities, equipment or resources (including email and Internet resources) for political campaigns or campaign related activities.
 - 5. Improper use of the District name or District logo indicating support/opposition for political candidates, forums or related political activities.
- C. Any District employee violating this section shall be guilty of improper conduct and shall be subject to disciplinary action, up to and including termination.

Certification and Licensing

Upon submittal of evidence of obtaining bona fide certification in Water Treatment, Backflow Device Tester, Water Distribution, Wastewater Treatment, CWPCA Industrial Waste, Laboratory Technologist, Mechanical Assistant and/or Collection System Maintenance or other required certifications or operating licenses, employees shall be reimbursed by the District for classes of mandatory applicable testing and renewal fees, provided said certifications are appropriate to their day-to-day employment responsibilities and the employees have obtained prior approval for reimbursement on forms provided by the District.

Seminar & Tuition Assistance Expenses

For employees to receive financial assistance in continuing education they must:

- A. Have been continuously employed at least 6 months;
- B. Have prior approval of their supervisor and/or the General Manager; and
- C. Have selected credit or non-credit courses given by an accredited or approved college or school which:
 - 1. Relate directly to their present or future job assignments;
 - 2. Do not conflict with their assigned hours of work.

NOTE: Upon approval of the General Manager, employees may attend seminars or special education as may be beneficial to the District during working hours. The District may provide transportation and will pay for all registration fees and materials needed. The employee is responsible for receiving prior approval for District related reimbursable expenses prior to incurring any expenses related to seminars and/or tuition and coordinating their time away from work with their immediate supervisor.

Employees who qualify and continue in the District as an employee and achieve a final grade of "C" or better will be reimbursed in full on a semester or course basis, whichever is applicable for the cost of their tuition, registration fees, and required text books. If the books are reimbursed, they become the property of the District.

Layoff Procedure

The District may initiate layoffs for lack of work, lack of funds, reorganization or other legitimate business reasons:

- A. Non-Discrimination in Workforce Reduction – Demotions which result from a reduction in force shall be made without regard to an employee's race, color, creed, national origin, religion, sex, age, physical/mental disability, medical condition, or U.S. Veterans' status.
- B. Layoff Plan – In the interest of Employees who may be adversely affected by a general layoff arising from the need to reduce the work force, the District may first solicit volunteers for alternative measures, such as early retirement, demotion, job sharing, reduced work hours, and the like, in order to reduce the impact upon employees, so long as the District determines that is in its best interest to take such measures.
- C. Abolition of Position – Consistent with its Reserved Rights, the Board of Directors may abolish any position in District service when, in the Board's judgment, such action becomes necessary. Employees transferred, demoted, or laid off because of abolition of positions shall receive written notice of such fact but shall not have the right of appeal in such cases. When a position is abolished, every effort will be made to transfer the affected employee to a comparable class and to follow the layoff procedures.
- D. Layoff Area and Priority – The General Manager in consultation with the Board of Directors, shall determine the area(s) and positions in which layoffs may occur, including the identity of the department, division, work unit, class, and specific position. When a list of the affected areas and/or positions has been prepared, a copy shall be submitted to all affected and recognized employee organizations, and these rules shall prevail as to the method and manner for implementing such layoffs:
 - Generally, employees holding temporary, seasonal, part-time, probationary, or provisional appointments shall be laid off first. Employees serving in permanent modified schedule (part-time) positions shall be laid off second. Employees in classified service who have completed probations should be laid off last.
 - For purposes of layoff and displacement, seniority for classified employees shall be determined first by service credit within an identified classification and by higher classification in the affected department. Seniority shall be determined thereafter on a District-wide basis. A seniority list will be developed and posted.
 - Service credit shall be weighed against the incumbents' efficiency and effectiveness:

- Ability to perform work, as determined by assessment of qualifications and past work experience;
- An assessment of the last 3 performance appraisals; and,
- Discipline received during the last 12 months.

E. Service Credit – A service credit shall be determined and defined as follows:

- Continuous service in the classification, including successful completion of the probationary period, shall be the basis for receiving one point for each year of service in the current classification, or fraction thereof for each full month of service in the current classification.
- Continuous District service, including successfully completed probationary periods, shall be the basis for receiving additional service credits as follows:
 - One point for each year of service, or fractions thereof, for each full month of service, in lower classes of work within the same department; or
 - One-half point for each year of service, or fractions thereof, for each full month of service, in another classes of work within the different department than the one in which currently employed;
- Performance evaluation based upon the employee's last 3 annual ratings shall be the basis of receiving additional service credits; each rating shall be valued as follows:

Superior	2 points
Satisfactory	1 point
Below Satisfactory	0 points

- Disciplinary record evaluation for previous 12 months:

Two (2) or more conference memorandums	-1 points
Reprimand	-2 points
Suspension or other	-3 points

F. Layoff Notifications – The General Manager, or designee, shall send written notice to the last known address of each employee affected by a layoff at least 15 calendar days prior to the effective date of such action. The notice shall include:

- The reason(s) for layoff;
- Classes or positions to which the employee may transfer or demote within the department, or other departments, if any;
- Effective date of the action;
- Service credit of the employee based on the formula rating specified herein;
- Rules regarding waiver of reinstatement and voluntary withdrawal from the reinstatement list; and
- Limited appeal right of the employee, excluding layoff resulting from abolition of position.

G. Bumping – An employee designated to be laid off may bump into any vacant position in the same class elsewhere in the District, or into any position of the same class held by an employee with lesser service credit elsewhere in the District. If no such position exists, the employee may bump into the next lower classification within the same department, provided that the employee has previously held permanent status in such classification with the District and possesses greater service credit than another employee in the lower class. Thereafter, an employee may bump into any previously held permanent position in the District, provided that the occupant of such position has lesser credit than the employee

being laid off. Except as otherwise provided herein, an employee who is bumped shall be laid off in the same manner as an employee whose position is abolished.

- H. Layoff of Bumped Employee – A bumped employee, or an employee laid off as a result of a displaced employee's reversion to a lower classification, shall receive written notice of layoff not less than 10 calendar days prior to the effective date of the layoff.
- I. Reinstatement Lists – The names of permanent employees who have been laid off due to reduction in force shall be placed on an appropriate reinstatement list according to the date of separation on the following basis – the last employee laid off is the first employee on the list with other employees eligible in sequential order thereafter. This list shall be used by the appointing authority when a vacancy for that class is to be filled.

The eligibility of individuals on reinstatement lists shall extend for a period 1 year from the date of layoff. Persons who do not respond to written notification of an opening within 10 working days shall have their names removed from the reinstatement list.

- J. Notice of Recall from Layoff – Notice of recall from layoff shall be given by return receipt requested mail. The notice shall specify the date for reporting to work, which shall be not less than 5 calendar days nor more than 2 weeks from the date the notice is received. Notice shall be deemed to have been received when sent to the last known address on file with the District, and attempted delivery or actual delivery is certified by the Postal Service.

Upon receiving notice, the person on layoff shall have 3 calendar days to accept or decline the recall opportunity. An employee who fails to respond affirmatively in writing within 3 calendar days, refuses recall, or fails to report on the prescribed date waives all further right to recall and reinstatement as an employee.

When recall is declined or waived, the District will proceed to the next person on the reinstatement list and follow the same notice and response procedure. This process will continue through the list until recall needs are met or until the list is exhausted.

Reinstated persons shall receive the following upon return to service:

1. Retention of permanent full-time service credit accrued as the date of layoff.
2. The salary for the classification in effect as of the date of return, at the same step level as the date of layoff, not to exceed the top step;
3. The accrual rate of vacation and sick leave in effect for the employee's service credit length and class at the time of rehire, but insurance contributions and qualifying period shall be at the level of a new employee serving the obligatory probation period of at least 6 months if on layoff for more than 1 year;
4. All other benefits or programs in effect at the time of layoff shall be forfeited unless they are still applied to the classification or salary range at the time of rehire or provided to new hires as of that date.

Resignations

An employee who fails to report to scheduled work hours or does not have a valid leave for 3 consecutive business days shall have been deemed to have constructively resigned. The resignation of an employee is considered a voluntary termination and is initiated by the employee. Generally, a 2-week notification is requested as a matter of courtesy to the District as the employer.

The District shall retain the option of dismissing the employee upon receipt of notice with full payment of remaining wages and due benefits as provided for in District benefit package.

Disciplinary Action

The following disciplinary action may be taken against any employee either by the General Manager or his/her designee.

- A. Oral or Written Warnings - Oral or written warnings may be filed in the employee's personnel record file following personal consultation between the employee and his/her supervisor.
- B. Suspension - Absence without pay directed as a disciplinary action.
- C. Demotion - Reduction from a position in one class to a position in another class having a lower salary range affected for disciplinary purposes. A demotion for disciplinary reasons places the employee on probation in accordance with the Wage and Benefit Manual. (Demotions resulting from employee inability to perform required duties, organizational changes, and layoff, are not disciplinary.)
- D. Dismissal - Discharge from the Water District service.
- E. The District is not precluded from taking other corrective measures intended to modify and/or sustain its norms.

In order to establish standards of conduct and work performance for Employees that are consistent with the efficient and effective delivery of public services, and to maintain the integrity of employment where public interest is vital, the District hereby sets forth those circumstances under which disciplinary action may be required and the procedures under which such actions may occur, which will afford employees fair treatment and due process.

To ensure equitable processing of disciplinary actions, the General Manager, or designee, shall be responsible for the proper handling of such matters, including the assurance that Employee rights are protected, and that appropriate action is taken when circumstances warrant. Officials of the District who are responsible for recommending or implementing disciplinary action shall do so based on the procedures prescribed herein and /or as dictated by external law.

Management Employees

No discipline will be proposed or implemented upon an exempt employee which would violate FLSA Regulations, i.e., there will be no disciplinary suspensions for increments of less than 1 week, except for major safety violations. (29 CFR Sections 541, 118(2) (5).)

Causes of Action

It is intended that discipline be imposed primarily for corrective purposes and to address deficiencies in work performance and events of misconduct. The following is a non-exclusive list of the more common causes for disciplinary action:

A. Abuse or misuse of leave.

1. Improper or unauthorized use of abuse of sick leave;
2. Excessive or patterned absenteeism regardless of reason;
3. Being absent without authorized leave, repeated tardiness to assigned workstation, or leaving assigned workstation without authorization.
4. Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your supervisor; stopping work before time specified for such purposes.
5. Failure to report an absence or late arrival; falsely recording timesheet.

B. Behavior.

1. Excessive use of District telephone for personal calls.
2. Violation of any District rule; or any action that is detrimental to the operation of the District.
3. Immoral conduct or indecency on District property.
4. Conducting a lottery or gambling on District premises.
5. Violation of security or safety rules or failure to observe safety rules or safety practices; failure to wear required safety equipment; tampering with YVWD equipment or safety equipment.
6. Spreading malicious gossip and/or rumors; engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same.
7. Negligence or any careless action that endangers the life or safety of one's self or another person.
8. Engaging in criminal conduct or acts of violence or making threats of violence toward anyone on District premises or when representing YVWD; fighting, or provoking a fight on District property, or negligent damage of property.
9. Any act of unlawful harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.
10. Smoking in restricted areas as specified by department rules. (All YVWD facilities are designated as non-smoking facilities. Smoking is allowed on YVWD property, outside of the buildings in accordance with State law.)
11. Willful or negligent violation of the personnel rules and regulations, resolutions, and other related ordinances including departmental rules, regulations, manual and other policies.
12. Unauthorized possession of dangerous or illegal firearms, weapons or explosives on District property or while on duty.
13. Use of District vehicles or equipment for personal gain. The purchase of equipment, supplies, or other items intended for personal use using District funds.
14. Failure to follow safe working practices or failure to report promptly an injury.
15. Insubordination or refusing to obey instructions properly issued by your supervisor pertaining to your work for the District.
16. Responding defiantly to a supervisor's directive. Engaging in an act of sabotage; negligently causing the destruction or damage of District property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
17. Participation in an unsanctioned strike, work stoppage, work slowdown, or other detrimental concerted activity.
18. Sleeping or loitering during working hours.

19. Acceptance or solicitation of gifts or gratuities in connection with or relating to the Employee's duties.
20. Conduct that is unbecoming a District Official or Employee which tends to discredit the District or District service, including off-duty misconduct or willful misrepresentation of the District.
21. Conviction of a crime, the nature of which reflects adversely upon the District or serves as an indication of possible serious consequences related to the continued assignment or employment of the Employee.
22. Dishonesty; falsification or misrepresentation on your application for employment or other work-related records or reports; lying about sick or personal leave; falsifying reasons for a leave of absence or other data requested by YVWD; alteration of District records or other District documents.
23. Discourteous treatment or harassment of the public or District employees. Threatening, intimidating or coercing fellow employees, or the public, on or off the premises at any time, for any purpose.
24. Conduct interfering with the reasonable management and discipline of the District or any of its departments or divisions.
25. Engaging in political activities while on duty.
26. Any act or conduct that is discriminator or harassing in nature towards another person's race, creed, color, national origin, sex (including sexual harassment), sexual preference, physical/mental disability, medical condition, age, religious, beliefs, U.S. Veterans status or political affiliations.
27. Obscene or abusive language toward any manager, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on District premises.
28. Unauthorized release of confidential information or official record; failure to treat pending business matters as confidential.
29. Creating or contributing to unsanitary conditions.
30. Theft or unauthorized possession of District property or the property of fellow employees; unauthorized possession or removal of any District property, including documents, from the premises without prior permission from management; unauthorized use of District equipment or property for personal reasons; using District equipment for profit.
31. Speeding or careless driving of District vehicles.
32. Neglect of duty.

C. Work Performance

1. Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor.
2. Inefficiency, incompetence, or negligence in the performance of duties, or failure to discharge duties in a prompt, competent, and reasonable manner.
3. Refusal or inability to improve job performance in accordance with written or verbal direction after reasonable trial period.
4. Refusal to accept reasonable and proper assignment from an authorized supervisor.

D. Substance Abuse

1. Being intoxicated or under the influence of a controlled substance while at work; use, possession or sale of a controlled substance in any quantity while on District

- premises, except medications prescribed by a physician which do not impair work performance.
2. Inappropriate use of prescription drugs, possession of drug paraphernalia or open container of alcoholic beverage while on duty.
 3. Driving under the influence of alcohol or drugs, including prescription drugs which are unauthorized/misused while on duty; or Suspension of driver's license where job duties require driving.
 4. Selling or providing another party, either directly or through an intermediary, drugs or alcohol to any person, including, but not limited to another employee, while either party is on duty or subject to call.
 5. Other reasons subject to a test of just cause.

Notice of Proposed Disciplinary Action (Suspension or other action equivalent to more than 5 days)

An affected employee shall be given prior notification of a proposed disciplinary action. Notification shall include a statement of proposed action and reasons therefore. A copy of the notice shall be sent to the General Manager.

A. Skelly Hearing - Administrative Review

Any regular employee, excepting introductory or part-time employees, shall have the right to an Administrative Review of a disciplinary action, demotion, or dismissal. Such review will be conducted by the General Manager or his/her designee prior to the effective date of the disciplinary action unless unusual circumstances justify an effective date which makes prior review unfeasible. In this event the review will be conducted within a reasonable period of time after the effective date of the disciplinary action. The employee shall be provided with written notice of materials supportive of the disciplinary action and permitted to appeal personally before the reviewing officer. An Administrative Review shall not affect any rights the employee may have to a hearing under provisions of the Grievance Procedure.

B. Administrative Review

The General Manager must approve recommendations for disciplinary action against an employee. Disciplinary action is taken primarily for corrective purposes to address deficiencies in work performance, misconduct or deviation from established policies. Types of disciplinary action may include verbal or written warnings, suspension without pay, demotion to a lower pay range or dismissal (termination). All proposed disciplinary actions shall be subject to administrative review prior to the effective date of the proposed disciplinary action, where such actions include suspension, demotion or dismissal.

Grievance Procedure

A grievance procedure has been established for the following purposes:

- A. Promoting improved employer/employee relations by establishing an appropriate means for determining the validity of grievances; that is, claims by an employee that the District has violated, misrepresented or misapplied an obligation to the employee as such obligation is expressed and written in the Personnel Policies of the District.

- B. Providing a method of resolving such claims as closely as possible to the point of origin and as informally as possible.
- C. Encouraging free communications between supervisors and employees.
- D. Providing due process for actions taken against regular employees.

Grievance Procedure Steps

- A. Step One: Supervisor - An employee who has a grievance shall first take it up informally with their immediate supervisor within 10 business days after they know or reasonably should have known of the occurrence of the cause for grievance.
- B. Step Two: Department Head - If the grievance is not resolved within 5 business days after its submission in Step One, an employee may submit their grievance in writing to their department head within 7 business days after the grievance was discussed with their Supervisor in Step One. No formal format is required for the written grievance claim. The Department Head shall meet with the employee within 5 business days after receiving the grievance and shall deliver his/her answer in writing to the employee within 5 business days after such meeting. At this, and all subsequent steps in the grievance procedure, the employee has the right to present their grievance with or without a representative, at their option. This grievance procedure does not waive the right to meet and confer on issues within the scope of bargaining in accordance with and to the extent permitted by a Memorandum of Understanding.
- C. Step Three: General Manager - If the grievance is not resolved in the Second Step, the employee may submit it in writing to the General Manager within 5 business days after the Department Head's answer is received in writing. The General Manager shall meet with the employee within 5 business days after having received the grievance and shall deliver his/her response to them in writing within 7 business days after such meeting.
- D. Step Four: Board of Director's Hearing - If the grievance is not resolved in Step Three, the employee may submit a request in writing to the Board of Directors through the General Manager asking for a hearing. The request for a hearing will be forwarded to the Board of Directors and a hearing officer will be appointed by the District to conduct a hearing and report findings and recommendations to the Board of Directors. Upon receipt of the hearing officer's report, the Board may (1) adopt the report in its entirety; (2) adopt the findings of fact but modify the recommended action; (3) find all or part of the report insufficient and elect to make further findings through an investigation or hearing. The decision of the Board as to the sufficiency of the cause for disciplinary action shall be conclusive administratively.

Whether the hearing or review of hearing findings is conducted in public or executive session, the Board may deliberate its decision in executive session as permitted by law. The Board of Directors shall respond to the grievance in a timely fashion at their next regular Board Meeting following the meeting at which the grievance was heard or as soon as mutually convenient.

General Provisions

Upon receiving an employee request, the General Manager may approve the use of regular working hours which the employee may meet with his/her representative to prepare and present the grievance; otherwise such meeting must be held outside of working hours.

If appeal is not made within the time limits indicated, the grievance will be considered to have been settled on the basis of the last decision rendered. Any grievance not responded to within the prescribed time limits as described in this section will be automatically advanced to the next higher step unless the time limit is extended by mutual agreement.

Employees are assured freedom from reprisal for using the grievance procedure.

Observance of Policy

All employees are expected to observe the policies contained herein. Any questions or misunderstandings of the above shall be directed to the General Manager. Failure to observe the Personnel Policies of the District may result in disciplinary action, up to and including termination.

Effectiveness of Provisions

If any term, covenant, condition, or provision of this Document is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

END OF SECTION

MEMORANDUM OF AGREEMENT

TERMS AND CONDITIONS OF EMPLOYMENT FOR GENERAL EMPLOYEES OF THE YUCAIPA VALLEY WATER DISTRICT

The following are the terms and conditions of employment for General Employees of the Yucaipa Valley Water District ("District" or "YVWD") contract period **July 1, 2016 through June 30, 2019**. Each may be referred to herein as a "Party" and jointly as the "Parties".

1.0 Application. These Terms and Conditions of Employment ("Terms and Conditions") apply to the IBEW Local Union 1436 – YVWD Unit ("General Employees") of the District pursuant to Resolution No. 04-2007, adopted on January 17, 2007.

2.0 Term. This Memorandum of Agreement ("Agreement") shall have a three-year term and continue in effect until June 30, 2019. This Agreement is entered into between the YVWD and the General Employees pursuant to the provisions of the Myer-Miliias-Brown Act, and thereafter shall continue in effect fiscal year by fiscal year unless either one of the Parties appropriately notifies the other Party, in writing, of its request to modify, amend or terminate the Agreement. Requests to modify the Agreement shall be submitted to the other Party during the forty-five (45) calendar day period commencing January 1, 2019.

3.0 Salary Increase. All unit members shall receive a seven percent (7%) base salary increase, effective the first feasible pay period following full ratification of the tentative agreement (presently estimated to be February 26, 2018).

4.0 Salary Schedule.

4.1 The salary schedule shall be increased by seven percent (7%) for all ranges effective the first feasible pay period following full ratification of the tentative agreement (presently estimated to be February 26, 2018).

4.2 Effective July 1, 2018, all General Employee salary schedules shall be increased by three percent (3%) for all ranges.

5.0 PERS Retirement Contribution. Classic PERS unit members shall be responsible for paying the employee portion of the PERS retirement contribution (currently seven percent (7%)), effective the first feasible pay period following full ratification of the tentative agreement (presently estimated to be February 26, 2018).

6.0 Merit Salary System. The merit salary increases shall be established at zero percent (0%) to six percent (6%) for this contract period. In accordance with established negotiated practice, evaluations will be completed in March of each contract year and any merit increases based thereon shall be effective April 1 of each contract year.

7.0 Medical Insurance Provisions. The District shall contribute a monthly amount equal to the average of the single employee, employee plus spouse, employee plus family plans. Employees in the General Employee bargaining unit shall be responsible for any cost above the fixed monthly contribution by the District through regular payroll deduction.

Below are the current premiums for the 2018 calendar year:

2018 Calendar Year Health Benefit Contribution	
Single	\$843
Employee +1	\$1,294
Family	\$1,682

8.0 Personnel Manual Changes. The following sections of the Yucaipa Valley Water District's Personnel Manual shall be modified:

A. Rules and Regulations - Work Boots.

It is the responsibility of each employee (administrative and non-administrative) to purchase and have available at work steel toe work boots ("Work Boots"). Work boots are worn on a regular basis by all non-administrative employees including but not limited to employees in the water, sewer, and recycled water divisions. All other employees may be required to wear Work Boots in the event of emergency or hazardous conditions.

All Work boots shall meet the following minimum criteria:

- made of leather construction;
- required to have steel toe protection with an American National Standard Institute (ANSI) rating of no less than C-75;
- have a height of no less than six (6) inches in order to cover the ankle and provide support; and
- may be a style which is either a slip-on or have laces depending on the job requirement.

The District will provide an allowance of \$300.00 per employee for safety steel toe work boots in July of each fiscal year (July 1 to June 30). Any purchase or series of purchases, within a one-year period that exceeds this amount will be the responsibility of the employee.

B. Time Off - Bereavement Leave.

Employees are eligible to receive up to five days of paid leave for the death of a spouse/partner, parent, child, sibling, grandparent, grandchild, or spouse/partner's parent to attend services or assist in arrangements relative to the event in accordance with the applicable rules and regulations pertaining hereto.

C. Time Off - Catastrophic Leave.

Catastrophic illness/injury shall be defined as those categories (exclusive of stress) generally accepted by medical insurance carriers. Employees of the District who suffer a catastrophic injury/illness in which the employee is expected to be incapacitated for an extended period of time, the time to be determined on a case by case basis by the Catastrophic Sick Leave Plan Committee as specified below, shall become eligible to use this Catastrophic Sick Leave Plan ("Plan") subject to the restrictions and conditions outlined below:

- a. An employee may elect to enroll in the plan at any time. To enroll as a member of the Plan, the employee must donate a minimum of 24 hours at the time the employee elects to join the Plan.
- b. An employee may elect to join the Plan upon the first day of employment with the District. At that time, as the employee will not currently have any accrued sick leave, 2.78 hours per pay period (equal to seventy-five percent (75%) of the total pay period accrual) will be donated into the Plan and the employee will accrue the remaining sick leave of 0.92 hours per pay period (equal to twenty-five percent (25%) of the total pay period accrual) until 24 hours are contributed to the Plan. This mechanism is also available to existing employee's for all or a portion of the 24 hours required to contribute to the Plan.
- c. The employee must be an active participating member of this Plan in order to receive any form of benefit as described below.
- d. In the event of a catastrophic illness as described above, the following options shall be utilized in the following order: (a) employee's accumulated sick leave; and (b) authorized catastrophic leave.
- e. The employee to receive donated sick leave from the Plan must have exhausted all but 10 hours of sick leave and must be in a true catastrophic condition.
- f. In order for members to remain as participants, each person must maintain continued participation as defined below.

The donation of sick leave time to the Plan shall be irrevocable. The member shall file an irrevocable "Catastrophic Sick Leave Plan Deposit Form" with Payroll. A donation to the Plan shall be a general donation and from prior years' accumulations, or future accrued sick leave as provided above, and shall not be donated to a specific employee for his or her exclusive use.

There is no limit to the number of sick leave days a member may donate to the Plan, so long as after the initial 24 hours of donation: (1) the minimum number of accumulated sick leave days available in the employee's account does not fall below eighty (80) hours.

A contribution of 8 hours will be required of all participants if the number of hours in the Plan falls below 400 hours. This assessment will occur automatically with notification sent to all participating members that an additional contribution was made from your sick leave. Members who are drawing from the Plan at the time of the assessment will not be required to contribute to remain eligible to draw from the Plan. If a participant has ten (10) or less days (80 hours) of remaining sick

leave at the time of the assessment, they need not contribute the additional day to remain a participant in the Plan.

In the event, the accrued catastrophic leave fund balance exceeds the amount of \$250,000, each active member in the Plan will receive eight (8) hours of sick leave returned to their personal sick leave accruals and the fund balance of the catastrophic leave will be reduced proportionately. Employees will receive written notification of this disbursement from the Plan.

Leave from the Plan may not be used for illness or disability which qualifies the employee for Worker's Compensation benefits; however, this plan may augment other benefits. When the employee may reasonably be presumed to be eligible for disability retirement or, if applicable, Social Security, he / she may be requested to apply for such retirement. Failure of the employee to submit a complete application, including medical information provided by the applicant's physician, within twenty (20) working days will disqualify the member from further Catastrophic Sick Leave Plan payments.

Cancellation of membership in the Plan occurs automatically whenever a member fails to make his or her contribution as defined above. The employee shall not be eligible to draw from the Plan as of the effective date of cancellation. Sick leave previously authorized for contribution to the Plan shall not be returned if the member elects or causes cancellation.

A member wishing to use this Catastrophic Sick Leave Plan shall submit a "Catastrophic Sick Leave Plan Request for Withdrawal Form". This form shall be submitted to the General Manager. The request shall clearly state the details of the catastrophe and the amount of sick leave requested.

Appropriate written verification of the catastrophic illness or injury must be included with the request. The member should be prepared to provide additional documentation on the nature and severity of the illness or injury, if requested.

The Catastrophic Sick Leave Plan Committee ("Committee") shall consider each disbursement request by members of the Plan. The committee shall consist of the following:

- One active employee assigned by a majority of the Exempt Employee Bargaining Group;
- One active employee assigned by a majority of the Supervisory Employee Bargaining Group;
- One active employee assigned by IBEW from the General Employee Bargaining Group.

The Committee may grant, reject or partially grant a request based on a number of factors, including but not limited to the degree of illness, other forms of leave available, and other factors deemed by the Committee to be relevant to the particular situation. The members of the Committee shall not disclose the medical conditions of the employee requesting Catastrophic Sick Leave under the Plan. The action by the Committee is final.

In the event that an employee does not qualify for Catastrophic Sick Leave they may request approval from the General Manager to obtain individual donations of sick time from District employees.

The maximum number of duty days allowed to be utilized by one member for a single catastrophic injury/illness shall not exceed thirty days (240 hours) per request. A member may request a specific number of days on one "Catastrophic Sick Leave Plan Request for Withdrawal Form". The member may request additional days after the use of twenty (20) duty days (or 160 hours) by filing an additional request for consideration to the Committee.

Any days approved that are unused by the member shall be returned to the Catastrophic Sick Leave Plan for future withdrawals by a Plan participant upon approval.

If a Plan member receives hours from the Plan, the member will receive those Plan hours at the same rate of pay currently received by the employee. No distinction shall be made as to the differing pay rates of the donors or recipients.

IBEW Local Union 1436 - YVWD Unit:

/S/ Sean Trost

Authorized Representative – Sean Trost

Date

/S/Kyle Westerlin

Authorized Representative – Kyle Westerlin

Date

Yucaipa Valley Water District:

/S/ Allison M. Edmisten

Allison M. Edmisten, Chief Financial Officer

Date

Yucaipa Valley Water District - Salary Ranges and Job Titles

Effective 7/1/2018

Range	Range Minimum	Range Maximum	Range Bonus	Administration Department	Public Works Departments	Water and Sewer Departments
60	\$7,245	\$9,056	\$9,509			
59	\$7,127	\$8,909	\$9,354			
58	\$7,010	\$8,763	\$9,201			
57	\$6,893	\$8,616	\$9,047			
56	\$6,775	\$8,469	\$8,892			Integrated Operator IV
55	\$6,658	\$8,323	\$8,739			
54	\$6,541	\$8,176	\$8,585			
53	\$6,423	\$8,029	\$8,430			
52	\$6,306	\$7,882	\$8,276			
51	\$6,188	\$7,736	\$8,122			
50	\$6,071	\$7,589	\$7,968			Operator IV
49	\$5,954	\$7,442	\$7,814		Senior Utility Service Worker	Integrated Operator III
48	\$5,836	\$7,295	\$7,660			
47	\$5,719	\$7,149	\$7,506			
46	\$5,601	\$7,002	\$7,352			
45	\$5,484	\$6,855	\$7,198	Engineering Technician IV		Water Quality Control Specialist
44	\$5,367	\$6,708	\$7,044		Utility Service Worker IV	Operator III
43	\$5,249	\$6,562	\$6,890			
42	\$5,132	\$6,415	\$6,736	Purchasing Agent		Integrated Operator II
41	\$5,014	\$6,268	\$6,581	Engineering Technician III		
40	\$4,897	\$6,121	\$6,427		Utility Service Worker III	Water Quality Chemist
39	\$4,780	\$5,975	\$6,273	Administrative Clerk V		
38	\$4,662	\$5,828	\$6,119			Plant Maintenance Technician III
37	\$4,545	\$5,681	\$5,965	Engineering Technician II		
36	\$4,427	\$5,534	\$5,811		Utility Service Worker II	Integrated Operator I
35	\$4,310	\$5,388	\$5,657	Administrative Clerk IV		Water Quality Technician
34	\$4,193	\$5,241	\$5,503			
33	\$4,075	\$5,094	\$5,349	Engineering Technician I		Plant Maintenance Technician II
32	\$3,958	\$4,947	\$5,195		Utility Service Worker I	Integrated Operator In Training
31	\$3,840	\$4,801	\$5,041	Administrative Clerk III		
30	\$3,723	\$4,654	\$4,886			
29	\$3,606	\$4,507	\$4,732			
28	\$3,488	\$4,360	\$4,578			Plant Maintenance Technician I
27	\$3,371	\$4,214	\$4,424	Administrative Clerk II/Stock Clerk II		
26	\$3,253	\$4,067	\$4,270			
25	\$3,136	\$3,920	\$4,116			
24	\$3,019	\$3,773	\$3,962			
23	\$2,901	\$3,627	\$3,808	Administrative Clerk I / Stock Clerk		
22	\$2,784	\$3,480	\$3,654			
21	\$2,666	\$3,333	\$3,500			
20	\$2,549	\$3,186	\$3,346			

MEMORANDUM OF AGREEMENT - AMENDMENT NO. 1

TERMS AND CONDITIONS OF EMPLOYMENT FOR MANAGEMENT - SUPERVISORY EMPLOYEES OF THE YUCAIPA VALLEY WATER DISTRICT

The following are the terms and conditions of employment for Management - Supervisory Employees of the Yucaipa Valley Water District ("District" or "YVWD") contract period ending on June 30, 2020. Each may be referred to herein as a "Party" and jointly as the "Parties".

RECITALS

On July 15, 2015, the Board of Directors of the Yucaipa Valley Water District approved a Memorandum of Agreement with the Management - Supervisory Employees of the Yucaipa Valley Water District as Director Memorandum No. 15-071. Section 8.0 of the Memorandum of Agreement with the Management - Supervisory Employees of the Yucaipa Valley Water District states, "If the other bargaining groups (General Employee or Management – Exempt Employee) bargaining unit(s) receive an increase in compensation higher than the terms and conditions set forth in this Agreement with the Management – Supervisory Employees, such increase(s) will also be granted to the Management – Supervisory Employees up to June 30, 2020."

On February 6, 2018, the Board of Directors of the Yucaipa Valley Water District will consider a Memorandum of Agreement with the General Employees of the Yucaipa Valley Water District as Director Memorandum No. 18-024. If approved, the implementation of the Memorandum of Agreement for the General Employees requires an amendment to the Memorandum of Agreement with the Management - Supervisory Employees of the Yucaipa Valley Water District as follows:

AMENDMENT NO. 1

Pursuant to the terms and conditions of the Memorandum of Agreement with the Management - Supervisory Employees of the Yucaipa Valley Water District, the following sections of the Memorandum of Agreement with the General Employees of the Yucaipa Valley Water District (attached) shall apply to the members of the Management - Supervisory Employees:

Section 1.0	Application	Not applicable
Section 2.0	Term	Not applicable
Section 3.0	Salary Increase	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Supervisory Employees.
Section 4.0	Salary Schedule	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Supervisory Employees.

Section 5.0	PERS Retirement Contribution	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Supervisory Employees.
Section 6.0	Merit Salary System	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Supervisory Employees.
Section 7.0	Medical Insurance Provisions	On January 24, 2018, the Management - Supervisory Employees voted to implement a methodology for calculating the District's contribution of medical insurance whereby all members of the bargaining group will receive an equal financial contribution utilizing a factor of 1.30 applied to the average premium of medical providers except for Health Net Salud y Mas.
Section 8.0	Personnel Manual Changes	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Supervisory Employees.

Management – Supervisory Employees:

<u>/S/ Joe DeSalliers</u> Authorized Representative – Joe DeSalliers	_____ Date
<u>/S/ Peggy Little</u> Authorized Representative – Peggy Little	_____ Date

Yucaipa Valley Water District:

<u>/S/ Jay Bogh</u> Jay Bogh, President	_____ Date
--	---------------

Yucaipa Valley Water District - Salary Ranges and Job Titles

Effective 7/1/2018

Range	Range Minimum	Range Maximum	Range Bonus	Administration Department	Public Works Departments	Water and Sewer Departments
120	\$7,679	\$9,599	\$10,079			
119	\$7,552	\$9,440	\$9,912			Senior Integrated Operator (Grade V)
118	\$7,424	\$9,281	\$9,745			
117	\$7,297	\$9,121	\$9,577			
116	\$7,170	\$8,962	\$9,410			
115	\$7,042	\$8,803	\$9,243			
114	\$6,915	\$8,644	\$9,076			Senior Integrated/Plant Operator
113	\$6,788	\$8,484	\$8,909	Administrative Supervisor & Water Resource Project Suprv	Public Works Supervisor	
112	\$6,660	\$8,325	\$8,742			
111	\$6,533	\$8,166	\$8,574			
110	\$6,405	\$8,007	\$8,407	Senior Engineering Technician		
109	\$6,278	\$7,848	\$8,240			
108	\$6,151	\$7,688	\$8,073			
107	\$6,023	\$7,529	\$7,906			
106	\$5,896	\$7,370	\$7,738			
105	\$5,769	\$7,211	\$7,571			
104	\$5,641	\$7,052	\$7,404			

MEMORANDUM OF AGREEMENT - AMENDMENT NO. 1

TERMS AND CONDITIONS OF EMPLOYMENT FOR MANAGEMENT - EXEMPT EMPLOYEES OF THE YUCAIPA VALLEY WATER DISTRICT

The following are the terms and conditions of employment for Management - Exempt Employees of the Yucaipa Valley Water District ("District" or "YVWD") contract period ending on June 30, 2020. Each may be referred to herein as a "Party" and jointly as the "Parties".

RECITALS

On July 15, 2015, the Board of Directors of the Yucaipa Valley Water District approved a Memorandum of Agreement with the Management - Exempt Employees of the Yucaipa Valley Water District as Director Memorandum No. 15-072. Section 7.0 of the Memorandum of Agreement with the Management - Exempt Employees of the Yucaipa Valley Water District states, "If the other bargaining groups (General Employee or Management – Supervisory Employee) bargaining unit(s) receive an increase in compensation higher than the terms and conditions set forth in this Agreement with the Management – Exempt Employees, such increase(s) will also be granted to the Management – Exempt Employees up to June 30, 2020."

On February 6, 2018, the Board of Directors of the Yucaipa Valley Water District will consider a Memorandum of Agreement with the General Employees of the Yucaipa Valley Water District as Director Memorandum No. 18-024. If approved, the implementation of the Memorandum of Agreement for the General Employees will require an amendment to the Memorandum of Agreement with the Management - Exempt Employees of the Yucaipa Valley Water District as follows:

AMENDMENT NO. 1

Pursuant to the terms and conditions of the Memorandum of Agreement with the Management - Exempt Employees of the Yucaipa Valley Water District, the following sections of the Memorandum of Agreement with the General Employees of the Yucaipa Valley Water District (attached) shall apply to the members of the Management - Exempt Employees:

Section 1.0	Application	Not applicable
Section 2.0	Term	Not applicable
Section 3.0	Salary Increase	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Exempt Employees.
Section 4.0	Salary Schedule	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Exempt Employees.

Section 5.0	PERS Retirement Contribution	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Exempt Employees.
Section 6.0	Merit Salary System	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Exempt Employees.
Section 7.0	Medical Insurance Provisions	On January 24, 2018, the Management - Exempt Employees voted to implement a methodology for calculating the District's contribution of medical insurance whereby the employee receiving medical benefits as "employee plus one" and "family" receive the average for these classifications from quoted medical providers (with the exception of the Health Net Salud y Mas plan), and the single beneficiaries receive a calculated remaining amount.
Section 8.0	Personnel Manual Changes	This section of the Memorandum of Agreement with the General Employees shall be applicable to the Management - Exempt Employees.

Management – Exempt Employees:

/S/ Kathryn Hallberg

Authorized Representative – Kathryn Hallberg

_____ Date

/S/ Mike Kostelecky

Authorized Representative – Mike Kostelecky

_____ Date

Yucaipa Valley Water District:

/S/ Jay Bogh

Jay Bogh, President

_____ Date

Yucaipa Valley Water District - Salary Ranges and Job Titles

Effective 7/1/2018

Range	Range Minimum	Range Maximum	Range Bonus	Administration Department	Public Works Departments	Water and Sewer Departments
250	\$11,062	\$13,827	\$14,518			
249	\$10,933	\$13,666	\$14,350			
248	\$10,805	\$13,506	\$14,181	Chief Financial Officer		
247	\$10,676	\$13,345	\$14,012			
246	\$10,548	\$13,185	\$13,844			
245	\$10,419	\$13,024	\$13,675			
244	\$10,291	\$12,863	\$13,507			
243	\$10,162	\$12,703	\$13,338			
242	\$10,034	\$12,542	\$13,169			
241	\$9,905	\$12,382	\$13,001			
240	\$9,777	\$12,221	\$12,832			
239	\$9,648	\$12,061	\$12,664			
238	\$9,520	\$11,900	\$12,495			
237	\$9,391	\$11,739	\$12,326			
236	\$9,263	\$11,579	\$12,158			
235	\$9,135	\$11,418	\$11,989			
234	\$9,006	\$11,258	\$11,820		Public Works Manager	
233	\$8,878	\$11,097	\$11,652			
232	\$8,749	\$10,936	\$11,483	Water Resource Manager		
231	\$8,621	\$10,776	\$11,315			
230	\$8,492	\$10,615	\$11,146			
229	\$8,364	\$10,455	\$10,977			
228	\$8,235	\$10,294	\$10,809			Operations Manager
227	\$8,107	\$10,133	\$10,640			
226	\$7,978	\$9,973	\$10,472			
225	\$7,850	\$9,812	\$10,303			
224	\$7,721	\$9,652	\$10,134			
223	\$7,593	\$9,491	\$9,966			
222	\$7,464	\$9,331	\$9,797			
221	\$7,336	\$9,170	\$9,628			
220	\$7,207	\$9,009	\$9,460			
219	\$7,079	\$8,849	\$9,291			
218	\$6,951	\$8,688	\$9,123	Management Analyst		
217	\$6,822	\$8,528	\$8,954			
216	\$6,694	\$8,367	\$8,785			
215	\$6,565	\$8,206	\$8,617			
214	\$6,437	\$8,046	\$8,448			
213	\$6,308	\$7,885	\$8,279			
212	\$6,180	\$7,725	\$8,111			
211	\$6,051	\$7,564	\$7,942			
210	\$5,923	\$7,403	\$7,774			

Receipt and Acknowledgment of Yucaipa Valley Water District Personnel Manual

Please read, sign and return to your supervisor.

Understanding and Acknowledging Receipt of Yucaipa Valley Water District Personnel Manual.

I have received and read a copy of the District's Personnel Manual. I understand that the policies and benefits described in it are subject to change at the sole discretion of Yucaipa Valley Water District at any time.

Employee's Printed Name

Employee's Signature

Date



Date: November 20, 2018

Prepared By: Kathryn Hallberg, Implementation Manager

Subject: Discussion Regarding the Adoption of Ordinance No. 58-2018 - Rules and Regulations for Recycled Water Use and Distribution

Recommendation: That the Board adopt Ordinance No. 58-2018.

On July 5, 2006, the Board adopted Ordinance No. 52-2006 Adopting Rules and Regulations for Non-Potable Water Use and Distribution, which focuses on the use of recycled water. The recycled water rules and regulations have been revised and updated to reflect the use of recycled water as part of the dual-plumbed communities now being constructed.

Ordinance No. 5-2018 will supersede Ordinance No. 52-2006 and will apply to all residential and non-residential recycled water users.

PUBLIC HEARING PROCESS

The following process was developed to encourage and facilitate public participation by identifying when public comments and testimony are received during the agenda item.

ORDINANCE NO. 58-2018

AN ORDINANCE OF THE YUCAIPA VALLEY WATER DISTRICT UPDATING RULES AND REGULATIONS FOR RECYCLED WATER USE AND DISTRIBUTION

- _____ **Staff Presentation** - A District staff member will provide a brief presentation and overview of this agenda item.
- _____ **Questions by the Board of Directors to District Staff** - The Board President will ask if there are any questions at this time from board members based on the staff presentation.
- _____ **Open the Public Hearing** - The Board President will open the public hearing stating the time of day to be recorded in the board meeting minutes.
- _____ **Comments from the Public and Property Owners** - The Board of Directors will request written and oral comments from the public as part of the deliberation and consideration process. The Board of Directors will be focused on receiving information to assist in the decision-making process and will not answer questions or debate an issue. This portion of the public hearing process provides an opportunity for the public and property owners to enter information into the record that should be considered by the Board of Directors.
- _____ **Close the Public Hearing** - The Board President will close the public hearing stating the time of day to be recorded in the board meeting minutes.
- _____ **Final Comments by District Staff** - The District staff may provide additional information and clarification of issues discussed during the public hearing process to assist the deliberation by the Board of Directors.
- _____ **Questions by the Board of Directors** - The Board President will determine if there are any questions from the Board of Directors.
- _____ **Entertain a motion from the Board** - The Board President will ask for a motion from the Board of Directors based on information presented.

ORDINANCE NO. 58-2018**AN ORDINANCE OF THE
YUCAIPA VALLEY WATER DISTRICT
ADOPTING NEW RULES AND REGULATIONS
FOR RECYCLED WATER USE AND DISTRIBUTION**

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

WHEREAS, there is a need for reliable sources of water for uses not related to the supply of drinking water to protect investments in agriculture, greenbelts and recreation; and

WHEREAS, the environmental benefits of recycling water for recycled water uses is needed to maintain water quantity, quality, and to reduce salinity; and

WHEREAS, the use of such recycled water has proven to be safe from a public health standpoint and is mandated as a matter of statewide policy pursuant to Sections 13550 and 13551 of the Water Code when such recycled water is available and that the use of drinking domestic water for recycled purposes constitutes a waste or unreasonable use of drinking water within the meaning of the State Constitution; and

WHEREAS, the District believes that the use of recycled water will be beneficial to the District's rate payers and residents; and

WHEREAS, the use of such recycled water is a cost-effective and reliable method to help meet the District's water supply needs.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Yucaipa Valley Water District, as follows:

1. The attached Rules and Regulations for recycled water use and distribution are hereby adopted by this Ordinance and supersede prior versions.
2. Resolution 18-1994 (regarding the use of reclaimed water) and Resolution No. 13-1998 (requiring the use of recycled water for recycled purposes) are hereby superseded by the attached Rules and Regulations adopted by this Ordinance.
3. Resolution No. 08-2004 (adopting a water master plan which includes provisions concerning the recycled water distribution) is not hereby superseded, except to the extent that there is any conflict between Resolution No. 08-2004 and the Rules and Regulations adopted by this Ordinance, the Rules and Regulations adopted hereby shall take precedence.
4. This Ordinance shall become effectively immediately.

ADOPTED AND ENACTED this 20th day of November 2018.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

Rules and Regulations for Recycled Water Use and Distribution

Adopted on November 20, 2018

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SECTION 1

INTRODUCTION

1.1 GENERAL

Yucaipa Valley Water District (the “District”) is dependent on local water supplies and imported water for domestic, agricultural, and industrial uses. The development and utilization of recycled water results in a direct reduction in the amount of imported water needed by the District.

In light of these circumstances, certain uses of drinking water may be considered unreasonable where recycled water is available. In fact, Section 13551 of the California Water Code (CWC) specifically provides that water from any source of quality, suitable for drinking domestic use shall not be used for recycled uses, including cemeteries, golf courses, parks, highway landscaped areas and industrial and irrigation uses if suitable recycled water is available. Section 13552.2 of the CWC states that the use of drinking domestic water for the irrigation of residential landscaping is a waste or an unreasonable use of water. Therefore, it is the goal of the District to develop and expand recycled water facilities to make recycled water more readily available. To maximize the use of recycled water, it is the intention of the District that new residential, commercial and industrial developments adhere to dual plumbing and/or dual-source requirements in areas where recycled water is anticipated and planned to be served.

Using recycled water for recycled (non-drinkable) uses, such as irrigation, has multiple benefits including:

- Conserves groundwater and surface water that would otherwise be used for recycled irrigation use.
- Provides the District with a reliable and drought-proof water supply source.
- Provides an alternative to wastewater discharge into tributaries of the Santa Ana River.
- As a benefit to ratepayers, recycled water will generally be sold at a lower rate than drinking water.

The use of recycled water from domestic wastewater is regulated by the California Regional Water Quality Control Board (RWQCB). Permission to use recycled water is based on the ability to adequately treat domestic wastewater to the point that the recycled water (effluent) meets the requirements of existing Title 22, Division 4, Chapter 3 of the California Code of Regulations (CCR). Title 22 was promulgated by the State Department of Public Health (DPH) to ensure proper health protection and specify the level of treatment appropriate for the intended applications.

1.2 PURPOSE

In accordance with waste discharge requirements for water recycling projects, the RWQCB and DPH require that Rules and Regulations for facilities using recycled water be established. The purpose of these Rules and Regulations is to regulate the use and distribution of recycled water produced by the District.

These Rules and Regulations may be amended from time to time by action of the Board of Directors of the District. Amendments may be made without the consent of the User.

1.3 GOALS

Recycled water shall be produced, distributed and used in a manner that meets all Federal, State and local requirements for recycled uses and shall achieve the following:

- a) Conservation of drinking water supplies by using recycled water for current and future demands. Recycled water uses shall be for the maximum public benefit and may include:
 - Agricultural irrigation
 - Commercial uses (including flushing toilets and urinals)
 - Construction use
 - Groundwater recharge
 - Industrial processes (including cooling towers)
 - Landscape irrigation
 - Landscape and/or recreational impoundments
 - Wildlife habitat
- b) Prevent direct human consumption of the recycled water through:
 - Adherence to all applicable rules and regulations
 - Posting of warning signs by the customer
 - Cross-connection/backflow prevention program
 - Education of the public
- c) For landscape irrigation; control run-off, ponding, and overspray of recycled water at all times by controlling the installation and operation of the systems using recycled water.
- d) Prevent contamination of drinking water supplies.
- e) Isolate contamination by other sources, such as wastewater, sludge, or other substances, which may come into contact with the recycled water.
- f) Monitor recycled water quality.

The use of gray water, as defined in **Appendix A**, is expressly excluded from these Rules and Regulations.

1.4 WATER MASTER PLAN

The District's Board of Directors has adopted Resolution No. 08-2004, which established a water master plan for the District. This Resolution is a policy statement related to, among other things, these Rules and Regulations for recycled water service. Resolution No. 08-2004 is incorporated by reference into these Rules and Regulations except that these Rules and Regulations shall prevail in case of a conflict with that Resolution.

1.5 APPLICABILITY

These Rules and Regulations shall apply to all recycled water facilities constructed, maintained, and operated by the District.

The District establishes these minimum standard procedures, specifications, and limitations for the safe orderly development and operation of recycled water facilities and systems owned or operated by Users. These Rules and Regulations cover all aspects of the relationship between Users and the District regarding the application process for, the construction and operation of, the delivery of, and the administrative actions required for delivery of recycled water service to a User. The District's Board of Directors will adopt standard requirements for the design, construction, repair and maintenance, or connection to the District's recycled water system.

1.6 SERVICE AREA

These Rules and Regulations pertain to recycled water service to lands and/or improvements lying within the legal boundaries of the District unless otherwise stated. The District shall provide recycled water service in accordance with these Rules and Regulations. If the District recycled water service is extended beyond the current boundaries, any additional Users are subject to, and shall comply with, these Rules and Regulations. Recycled water service shall be provided to the service area when related distribution facilities are completed, and operational and recycled water service becomes available.

1.7 SEVERABILITY

If any section, subsection, sentence, clause, phrase, part or portion of these Rules and Regulations is for any reason held to be invalid, such invalidity shall not affect any of the remaining portions of these Rules and Regulations. The District declares that each section, subsection, sentence, clause, phrase or part of these Rules and Regulations would have been adopted irrespective of the invalidity of any part. These Rules and Regulations shall be interpreted so as to comply with applicable Federal and State laws and regulations.

1.8 WORDS AND PHRASES

For the purpose of these Rules and Regulations all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and, all words in the singular number shall include the plural number. The terms “User” or “Users” shall mean anyone who uses recycled water from the District, and may include, without limitation, the applicant for such service, a customer of the District, a purveyor, and a property owner or resident.

1.9 INCORPORATED DOCUMENTS

The following documents, as they now exist and as they may be amended from time to time, are incorporated herein by this reference and made part thereof and thought fully set forth:

1. *Yucaipa Valley Water District Rules and Regulations for Water Service*; Yucaipa Valley Water District Ordinance No. 48-1998.
2. *Yucaipa Valley Water District Backflow/Cross-Connection Control Regulations*.
3. California Water Code and the California Health and Safety Code.
3. *Reclamation Criteria*; California Code of Regulations, Title 22, Division 4, Chapter 3.
4. *Manual of Cross-Connection Control, Procedures and Practices*; California Department of Public Health or Southern California Foundation for Cross-Connection Control – 10th Edition.
5. *Regulations Relating to Cross-Connections*; California Code of Regulations, Title 17, Chapter 5, Subchapter 1.
6. *Standard Specifications for the Design and Processing, Furnishing of Materials, and Construction of Water Facilities*, Yucaipa Valley Water District.
7. *Yucaipa Valley Water District Rules and Regulations for Sewer Connections and Use*; Yucaipa Valley Water District Ordinance No. 54-2009.
8. *Application Process for Recycled Water Service and Checklist/Action Form for Obtaining Recycled Water Service*; Yucaipa Valley Water District.
9. *Recycled Water Service On-Site Design and Construction Standards for Non-Residential Sites*; Yucaipa Valley Water District.
10. *Recycled Water Service On-Site Design and Construction Standards for Residential Dual-Plumbed Homes*; Yucaipa Valley Water District.
11. *Recycled Water Service On-Site Design, Review and Inspection Procedures Manual for Residential Dual-Plumbed Homes*; Yucaipa Valley Water District.

12. *Recycled Water Service Use Guidelines for Residential Dual-Plumbed Homes*; Yucaipa Valley Water District.
13. *Declaration of Restrictions Regarding Residential Use of Recycled Water*; Yucaipa Valley Water District.
14. *Certified Landscape Irrigation Contractor for Residential Dual-Plumbed Homes*; Yucaipa Valley Water District.
15. *Recycled Water Rates, Fees, and Charges*; Yucaipa Valley Water District.
16. The District's most recent Regional Water Quality Control Board permit.
17. All applicable Federal, State and Local Regulations.
18. All other rules and regulations, as determined by the District's Board of Directors.

1.10 CONFLICTS

If there is any conflict between the provisions of these Rules and Regulations and the provisions of any of the documents incorporated by reference, the most restrictive requirement shall control and prevail, as determined by the District.

SECTION 2

RECYCLED WATER SERVICE REQUIREMENTS

2.1 GENERAL

The District's recycled water shall be used in a manner that complies with any and all applicable Federal, State and local statutes, ordinances, regulations and other requirements for the treatment level supplied, and will achieve the following:

- a) Prevent direct human consumption of recycled water through:
 - 1. User/District adherence to all applicable laws, rules and regulations.
 - 2. Posting of warning signs by User.
 - 3. District Cross-Connection/Backflow Prevention Control Program.
- b) Control runoff of recycled water through District monitoring of the installation and operation of recycled water facilities and use areas.
- c) District monitoring of recycled water quality.

2.1.1 Recycled Water in Lieu of Drinking Water

Where water is used for irrigation, commercial or industrial uses, landscape impoundment, wildlife habitat, or recreational impoundment, the District may provide recycled water in lieu of drinking water where technically and economically feasible. However, each use must be approved on a case-by-case basis. Determination of the specific uses to be allowed shall be in accordance with the treatment standards and water quality requirements set forth in Title 22 of the California Code of Regulations, and with the intent to protect public health. Each use shall, in addition, be subject to the availability of distribution facilities or the technical and economic feasibility of making such facilities available.

2.1.2 Authorized Uses

Title 22 disinfected tertiary recycled water may be used in accordance to Section 60304 of the California Code of Regulations for such uses as irrigation of parks, playgrounds, school yards, residential landscaping, unrestricted and restricted golf courses, vegetation, agriculture, freeway landscaping and cemeteries, groundwater recharge, flushing toilets and urinals, industrial process water, decorative fountains, commercial car washes and other uses not prohibited by other sections of the California Code of Regulations.

Dual-plumbed homes may use the recycled water system for outside irrigation purposes only. Recycled water may not be used for drinking water, swimming pools, spas, car washing, fountains, or any other domestic uses.

2.1.3 Single Family Residences

Applications will be accepted for the use of recycled water for single family homes, as long as the conversion would be technically and economically feasible and beneficial for the District.

2.2 EXISTING WATER SERVICES

2.2.1 Preliminary Determination

Based upon the availability of recycled water, the District's staff shall make preliminary determinations as to which existing drinking water customers shall be converted to the use of recycled water. Each water customer shall be notified of the basis for a determination that conversion to recycled water service will be required, as well as the proposed conditions and schedule for conversion.

2.2.2 Notice of Determination

The notice of the preliminary determination, including the proposed conditions and time schedule for compliance, and a recycled water permit application shall be sent to the water customer by certified mail, return receipt requested.

2.2.3 Objection and Appeals

The water customer shall file a notice of objection with the District within 30 days after any notice of determination to comply is mailed to the customer and may request reconsideration of the determination or modification of the proposed conditions or schedule for conversion. The notice of objection requesting such reconsideration shall be in writing and shall specify the reasons for the objection. The preliminary determination shall be final if the customer does not file a timely objection and all objections shall be deemed waived by the customer. The General Manager shall review the objection and shall confirm, modify or abandon the preliminary determination.

2.3 DEVELOPMENT AND NEW WATER SERVICE APPROVALS

2.3.1 Conditions

Upon application by a developer, owner or water customer (herein referred to as "applicant") for a new industrial, commercial, or residential located within the District's service area for which a tentative map or parcel map is required pursuant to Government Code, Section 66426 (or for new or altered water service), the District's staff shall make a preliminary determination whether the current or proposed use of the subject property is required to be served with recycled water through dual-plumbed or dual-sourced facilities or to include dual-plumbed or dual-sourced facilities designed to accommodate the use of recycled water in the future. Based upon such determination, use of recycled water and provision of recycled water distribution systems or other facilities for the use of recycled water, and application for a permit for such use may be required as a condition of approval of any such application, in addition to any other conditions of approval for service.

2.3.2 Alteration and Remodeling

On a case-by-case basis, upon application for a permit for the alteration or remodeling of multi-family, commercial or industrial structures (including, commercial office buildings), the General Manager shall make a preliminary determination whether the subject property shall be required to be served with recycled water through dual-plumbed or dual-source facilities or to include dual-plumbed or dual-sourced facilities designed to accommodate the use of recycled water in the future. Based upon such determination, use of recycled

water and provision of recycled water distribution systems or other facilities for the use of recycled water, and application for a permit for such use, may be required as a condition of approval of the application.

2.3.3 Notice of Determination

A notice of the basis for the preliminary determination, proposed conditions of approval and schedule for compliance shall be provided to the applicant prior to approval of the development application.

2.3.4 Requested Service

On a case-by-case basis, upon application for a permit to use recycled water on a property not covered above, the General Manager shall make a determination whether the subject property shall be served with recycled water.

2.3.5 Objections and Appeals

The applicant shall file a notice of objection with the District within 30 days after any notice of determination is mailed to the applicant and may request reconsideration of the determination or modification of the proposed condition or schedule for conversion. The notice of objection requesting such reconsideration shall be in writing and shall specify the reasons for the objection. The preliminary determination shall be deemed final and non-appealable if the applicant does not file a timely objection, and all objections shall be deemed waived by the applicant. The General Manager shall review the objection and shall confirm, modify or abandon the preliminary determination.

2.4 RECYCLED WATER PERMIT PROCESS

Upon a final determination by the District that a property shall be served with recycled water, or the adoption of a condition of development approval requiring use or accommodation of the use of recycled water, the water customer, owner or applicant shall apply for and obtain a recycled water permit. (See Appendix E Application for Recycled Water Service)

2.4.1 Permit Conditions

The permit shall specify the design and operational requirements for the applicant's water distribution facilities and schedule for compliance, based on these Rules and Regulations and shall require compliance with both the California DPH Wastewater Recycling Criteria (see California Code of Regulations, Title 22), and requirements of the Regional Water Quality Control Board. Additional information is contained in **Sections 2.5 and 2.6**.

2.4.2 Plan Approval

Plans for the recycled and drinking water distribution systems for the parcel shall be reviewed by the Recycled Water and Water Conservation Superintendent (or his/her designee) and a field inspection conducted before the permit is granted. Construction shall not begin until the District has granted plan approval.

2.4.3 Permit Issuance

Upon the District's approval of plans and completion and acceptance of the applicant application for recycled water services, the permit shall be issued. Recycled water shall not be supplied to a property until inspection by the Recycled Water Supervisor (or his/her designee), and it is determined that the applicant is in compliance with the permit conditions. The permit shall become effective when the project has been completely constructed, tested and been approved by the District and other appropriate agencies.

2.5 APPLICATION PROCEDURE FOR RECYCLED WATER

2.5.1 Filing Application for Recycled Water Service

A potential User meeting the requirements for recycled water service shall file an "Application for Recycled Water Service" (**Appendix E**) with the District. Applications must be made in writing and signed by the User and the property owner, if they are not one and the same.

2.5.2 Compliance with all Regulatory Requirements

The applicant for recycled water shall comply with the requirements of these Rules and Regulations and any and all applicable Federal, State and local statutes, ordinances, regulations and other requirements.

2.5.3 Application Fees and Other Charges

Application fees, deposits, and capacity charges shall be paid in accordance with the schedule of rates established by the District and shall be subject to all terms and conditions of these Rules and Regulations.

2.5.4 Regulatory Requirements

As a condition precedent to the approval of applicant's application for service, the District is required to apply for and process all applicable regulatory agency permits.

2.5.5 Review of Application by the District

Upon receipt of an application for recycled water service, the District shall review the application and conduct any necessary investigation in order to determine whether the District shall provide recycled water service. The District shall prescribe requirements in writing to the applicant as to the facilities necessary to be constructed including design, manner of construction, method of operation and conditions of service.

2.6 PERMITS

2.6.1 General

A District "Permit for Recycled Water Service" must be obtained by the User or applicant to receive recycled water on any property. The permit shall contain the following at a minimum:

- A. Quantity of recycled water to be used.
- B. Permitted uses.
- C. A drawing of the proposed on-site system showing the location and size of all valves, pipes, outlets and appurtenances;
- D. A statement that no changes in the proposed system will be undertaken without application for and approval of an amended District permit; and
- E. A statement that the applicant recognizes potential penalties for violation of the Rules and Regulations of the District and any regulatory agencies.

A permit may not be renewed, and the District reserves the right to suspend or terminate the permit, or to modify its terms and conditions, if any of the following occurs:

- 1. Change of the owner or user of the property covered by the permit.
- 2. Change in the use of the property covered by the permit.
- 3. Significant increase in recycled water use.
- 4. Change in the qualitative characteristics of recycled water.
- 5. Violation of these Rules and Regulations and other applicable regulations.
- 6. Change in regulations.

A new permit application must be submitted to reinstate a permit that has been terminated or has expired.

2.6.2 Residential Dual-Plumbed Homes

Section 2.6.1 also applies to residential dual-plumbed use sites with the exception that the permit cannot be terminated by and the use of recycled water must be accepted by all existing and future residential owners and residents. The Declaration of Restrictions Regarding Residential Use of Recycled Water is included in **Appendix J** and is recorded on the title of each residential dual-plumbed use site.

2.7 ESTABLISHING SERVICE

2.7.1 Request for Service Connection

Following the District's approval of on-site facility design or layout, and prior to on-site facility installation, the User shall request the District to install the meter(s), meter(s) will not be set until it is tested and certified.

Prior to regular service start-up, the service connection may be used to supply water to on-site facilities to permit testing of all or a portion of the facilities during installation. The District Inspector shall be notified at least 24 hours in advance of such intended use of recycled water and the District will provide temporary connection to the recycled or drinking water system for this purpose. If a temporary connection to the drinking water system is provided, a backflow device will be required on the temporary connection.

The request for service connection shall be accompanied by all required fees for installation and connection as appropriate for the size and type of service.

2.7.2 Temporary Use of Drinking Water

At the discretion of the General Manager, drinking water may be made available on a temporary basis, until recycled water is available. Before the User receives temporary drinking water, a permit for recycled water service, as described above, must be obtained for new on-site distribution facilities. Prior to commencement of temporary drinking water service, an inspection of the on-site facilities will be conducted to verify that the facilities have been maintained and are in compliance with the recycled water permit and current requirements for service. Upon verification of compliance, temporary drinking water shall be served to the parcel for the intended use. If the facilities are not in compliance, the User shall be notified of the corrective actions necessary and shall have at least fifteen (15) calendar days to take such actions prior to initiation of enforcement proceedings. Applicants will only receive temporary drinking water through an approved backflow device. The level of protection shall be determined by the District based on the potential hazards on the property.

2.7.3 District Not Liable for Damages through Leaking Pipes and Fixtures

The District's jurisdiction and responsibility ends at the meter and the District will in no case be liable for damages occasioned by water running from open or faulty fixtures, or from broken or damaged pipes inside the property line.

2.8 CONDITIONS FOR RECYCLED WATER SERVICE

If any of the following conditions of service are not satisfied at all times, the Permit for Recycled Water Service may be revoked or terminated after which all recycled water service shall cease. Connection to a drinking water system may not be allowed. Users shall be subject to the following conditions:

- A. The User shall adhere to requirements prescribed by these Rules and Regulations and to all additional requirements prescribed by the District and all other governing agencies pertaining to recycled water service.
- B. In order to maintain optimal operating conditions throughout the recycled water system, the District may control, and schedule recycled water use, if in the

opinion of the District, scheduling is necessary for purposes, including but not limited to:

1. Maintenance of an acceptable working pressure in the recycled water system;
2. Providing for reasonable safeguards of public health;
3. Availability of recycled water; and
4. Maintenance, operation, or construction of recycled water facilities.

Such scheduling may involve programming deliveries to different Users and/or to various portions of a single User's on-site system. Any scheduling shall consider applicable constraints of all involved regulatory agencies, these Rules and Regulations, and the operating constraints of the affected customers.

- C. The District may terminate recycled water service when: (1) at any time recycled water at the terminal point of the District reclamation system does not meet the requirements of the regulatory agencies; (2) maintenance of the system is required; and/or (3) User is not following Rules and Regulations; (4) an emergency exists. The District may provide backup water supply from other approved sources. In addition, approved air gap separations may be used to provide drinking water to the recycled water system to ensure reliability of water service.
- D. A recycled water service connection shall not be used to supply property not specified in the permit authorizing the connection. Each User shall limit the use of recycled water to those uses set forth in the permit for recycled water service approved by the District.
- E. A copy of the current permit must be available for review at all times, clearly posted at the use site, or on file at the User's site, business, or non-residential.

2.8.1 Control and Maintenance of Facilities

The District shall have control of and shall maintain and repair recycled water service lines and meters at and upstream of the meter. The customer shall repair and maintain in good working conditions the recycled water system downstream of the meter. The District shall have the right to inspect and test all connections and onsite facilities.

2.8.2 Prohibition of Changes

The User shall not make any changes to the recycled water system without District approval (**Appendix J**). Aside from regular maintenance and drip systems, any changes or alterations to existing onsite facilities, whether the result of intentional or unintended damage or disrepair, shall first be reviewed, approved and inspected by the District.

2.8.3 Subdividing an Approved Service Area

When a property provided with a recycled water service connection and water meter is subdivided, such connection and meter shall be considered as serving the lot or parcel of land on which the meter is located. Additional recycled water distribution mains and/or service lines, agreements, easements for lines, and related facilities, and associated fees,

if applicable, will be required for all subdivided areas in accordance with these Rules and Regulations.

2.8.4 Service Connection and Meter Requirements

- A. All recycled water used on any property must pass through the meter. The User shall use the User's valve on their respective side of the service installation, to control the flow of water to the piping on the premises. The User shall not use the District's angle meter stop or angle valve to turn water on and off for convenience.
- B. The service connection extending from the recycled water main to the angle meter stop, angle valve, the meter, and meter box shall be maintained by the District. All pipes and fixtures extending or lying beyond the meter towards the customer's site shall be installed and maintained by the owner of the property.
- C. The District reserves the right to set and maintain a meter on any service connection. The recycled water User shall be held liable for any damage to the meter due to his/her negligence or carelessness.
- D. All service connections shall comply with District specifications. Meters will be installed in the parkway or other approved area and shall be owned by the District. The District shall have access at all times to its meters and service connections located on the customer's property. No rent or other charge will be paid by the District for a meter or other facilities, including connections. All meters will be sealed by the District at the time of installation, and no seal shall be altered or broken except by one of the District's authorized employees or agents.
- E. Each service connection installed by the District shall be equipped with an angle meter stop or angle valve on the inlet side of the meter. Such valve or angle meter stop is intended for the exclusive use of the District in controlling the water supply through the service connection line. The District shall own the angle meter stop or angle valve, but if the angle meter stop or angle valve is damaged by the User to an extent requiring replacement, such replacement shall be at the User's expense.
- F. The District reserves the right to enter upon the User's premises for the purpose of reading, repairing or replacing the water service meter. The User shall be solely responsible for the control of all animals which may pose a threat to District employees and shall be liable for any injury to District employee resulting from unrestrained animals. Should a new User fail to properly restrain animals present on the property, the District may, upon written notice, refuse to install or turn on service, or may terminate or suspend service, until such time as the District determines that a threat to its employees no longer exists. In the case of existing customers, where District employees may encounter some personal risk in attempting to read a meter (due to the presence of unrestrained animals, or otherwise), the employee is not required to read the meter, and the User's bill will be estimated based upon the last year's consumption plus the average increase in consumption in the District, or by such other method as is determined by the District.

- G. Meters moved for the convenience of the User will be relocated at User's expense. Meters moved for the convenience of or to protect the District's property, will be moved at District expense.

2.8.5 Conditions of Pressure and Service

The District does not warrant or agree to maintain any minimum or maximum level of water pressure. Additionally, the District reserves the right to discontinue service while making emergency repairs, or other work required on the water system as determined by the General Manager and/or representatives of the District. All Users of recycled water service shall be required to accept such conditions of pressure and service as are provided by the distribution system at the location of the proposed service connection, and to hold the District harmless for any damages arising out of low pressure or high-pressure conditions, surges or interruptions of service.

The District is not responsible for any condition of the recycled water itself or any substance that may be mixed with or be in recycled water as delivered to any customer, except as required by Title 22, Division 4, Chapter 3, of the California Code of Regulations.

2.8.6 Conditions of Hauling Recycled Water

The District has a program that allows residents to have free recycled water from Yucaipa Valley Regional; Water Filtration Facility. User must complete the Recycled Water Fill Station class, once completed Users can haul recycled water in 300-gallon increments in a labeled tote, the label is provided by the District indicating the use of the tote for hauling recycled water. The recycled water hauled is to be used immediately and not to be stored. Hauling any amount of 300 gallons required licensing for a Water Hauler's Permit issued by the State.

2.9 SIZE AND LOCATION OF SERVICE CONNECTIONS

The District reserves the right to determine the number and size of service connections, lines, meters and other service appurtenances and their locations with respect to the boundaries of the premises to be served. Service installations will be made only to property abutting on distribution mains as have been constructed in public streets, alleys or easements, or to extensions thereof as herein provided. Services installed in new subdivisions prior to the construction of streets in advance of street improvements must be accepted by the applicant in the installed location.

No more than one service connection for recycled water supply shall be installed for one use area, except under special conditions and with District approval.

2.10 CROSS-CONNECTION PREVENTION

2.10.1 Purpose

The primary purpose of this section is to protect the District's drinking water supplies against actual, undiscovered, unauthorized, or potential cross-connections to the customer's recycled water system. The regulations relating to cross-connections are established in the California Code of Regulations and the Yucaipa Valley Water District Rules and Regulations for Water Service, Section 10 - Cross-Connection Control

(**Appendix C**), as amended from time to time, and are hereby adopted and incorporated herein by reference and made a part hereof. The provisions of this section shall be in addition to, and not in lieu of, the controls and requirements of other regulatory agencies, including, without limitation, State and local health departments.

The secondary purpose of this section is to protect the District's recycled water system from other contaminants.

2.10.2 Backflow Prevention for Drinking Water Supply

Regulations governing backflow prevention devices are intended to protect the District's drinking water supplies and are not intended to protect Users from potential hazards of cross-connections in the User's onsite facilities.

- A. District-approved backflow prevention for the drinking water supply shall be provided by the customer in accordance with these Rules and Regulations and as required by the District. **Backflow devices for residential dual-plumbed Users shall be maintained by the District.**
- B. Installation of backflow prevention devices shall be in accordance with the requirements specified by the current version of the District's standards, the Uniform Plumbing Code and Titles 17 and/or 22 of the California Code of Regulations.
- C. Provision, installation, maintenance and inspection of backflow prevention devices shall be the sole responsibility and duty of the User, and at the User's expense. Inspection and testing of backflow prevention devices shall be done by an entity acceptable to the District at least once a year in accordance with the California Code of Regulations, or more often in those instances where successive inspections indicate repeated failures. Failure to inspect the device annually by an the District or District appointed agent and/or to repair or replace the device within 30 days of when the device is determined to be defective or in disrepair will result in the District issuing a Notice of Violation per **Section 2.15. Backflow devices installed at residential dual-plumbed use sites shall be, installed, maintained, and inspected by the District.**
- D. Backflow prevention devices are to be installed at the same time the drinking water meter is installed and shall be located on the property served as close to the meter as possible.
- E. If a User fails to install and maintain said device as prescribed, the District shall serve the customer with a Notice of Violation per **Section 2.15** and will discontinue drinking water and/or recycled water service to the premise if the violation is not corrected.

2.10.3 Type of Protection

The level of protection required is related to the degree of hazard that the District determines exists on the premises served. Listed in increasing levels of protection, the

following protective devices may be required: Reduced Pressure Principle Backflow Prevention Assembly (RPPA), Double Check Valve Assembly (DC) and Air Gap Separation (AG). The User may choose a higher level of protection than required by the District. The minimum types required are specified by the California Code of Regulations and in Section 10 of the District's Rules and Regulations for Drinking Water Service. Situations not listed shall be evaluated on a case-by-case basis and the appropriate level of protection required shall be determined by the District in consultation with the County and the State Department of Public Health.

2.10.4 Protection of the Recycled Water System

The District may require backflow protection on recycled water services if the District determines that there is an actual or potential cross connection on-site that could contaminate the District's recycled water service.

2.10.5 Cross-Connection Control Testing

Each reuse site must pass a cross-connection test prior to the initiation of recycled water service, and every four years thereafter, at any time a potential or suspected cross-connection exists, and upon change of use site and/or business ownership. Specifics of the test procedure are included in the District's Recycled Water Service On-Site Design and Construction Standards (**Appendix F** and **H**). Prior to any testing, the cross-connection control specialist for the District will notify the California DPH of the proposed cross-connection test. The notification will take place a minimum of one (1) week before the actual test date and will include the time and location of the proposed testing. Upon completion of the testing, the cross-connection control specialist will submit a written report to the District summarizing the results of the testing. The report will be submitted within two (2) weeks after the testing occurs. The report will include copies of the actual recorder charts from the pressure recorders if used during the testing.

2.10.6 Color Coding Recycled Water Systems

Any property that is provided recycled water service, all recycled water pipelines, valves, and other fittings shall be purple and marked to distinguish clearly which is used for drinking water and which is used for recycled water. All recycled water quick couplers shall be posted with bilingual precautionary tags with the wording "CAUTION: RECYCLED WATER – DO NOT DRINK", and "PELIGRO: AGUA IMPURA – NO BEBER". Main shut-off valves shall be clearly identified to distinguish between recycled water and drinking water systems. See **Section 3.3.2** for additional color-coding requirements.

2.11 ADDITIONAL RESTRICTIONS ON THE USES OF RECYCLED WATER

2.11.1 Runoff, Ponding and Overspray

The on-site facilities shall be designed to meet the peak irrigation demand of all plant materials used within the design area and to apply irrigation water in a manner compatible with the infiltration rates of the soil types within the approved use area.

Conditions that directly or indirectly cause a run-off of recycled water outside of the approved recycled water use areas, cause a ponding or overspray of recycled water, or permit windblown spray to pass outside of the approved use area, whether by design, construction practice, or system operation, shall be eliminated with the use of the best practicable technology or methodology.

Areas irrigated with recycled water shall be managed to prevent ponding and conditions conducive to the proliferation of mosquitoes and other disease vectors, and to avoid creation of a public nuisance or health hazard. The following practices shall be implemented, at a minimum:

- A. Ditches receiving irrigation runoff, not serving as wildlife habitat, shall be maintained free of emergent, marginal, and floating vegetation.
- B. Low-pressure and unpressurized pipelines and ditches accessible to mosquitoes shall not be used to store recycled water.

2.11.2 Protection of Drinking Fountains and Public Facilities

Any and all drinking fountains located within an approved recycled water use area shall be protected by relocation or isolating them from contact with recycled water, whether by windblown spray or by direct application through irrigation or other approved uses. Recycled water irrigation systems shall not be installed near food establishments or public facilities such as picnic tables. The goal is to eliminate, to the best extent possible, any potential for overspray of recycled water onto food establishments, picnic tables and drinking fountains in the most economical way. Alternative methods of accomplishing this shall include:

- 1. eliminating the facility in question,
- 2. moving the facility out of the irrigated area,
- 3. modifying the irrigation system to eliminate the potential for overspray (i.e. drip or bubbler systems) or not to irrigate in the area (eliminate landscaping or require hand watering in this area),
- 4. protect the facility with a hood or screening wall/structure.

Additional methods may also be acceptable and will be evaluated on a case-by-case basis.

2.11.3 Hose Bibs and Quick Couplers

No User shall use or install any hose bibs on a recycled water system regardless of style, construction or identifications. The use of quick couplers is at the sole discretion of the District. Their intended use shall require a separate plan review from the District. Only quick couplers with the approved color, size, and identification will be allowed.

2.12 RIGHT OF ENTRY

The officers, inspectors, managers, General Manager and any duly authorized employees of the District shall carry identification establishing their position as an authorized representative of the District. Upon showing such identification to a User, such a District employee shall be permitted to enter in and upon any and all buildings, industrial facilities and properties to which the District is furnishing recycled water, or has been requested to furnish recycled water, for the purpose of inspection, re-inspection, observation, measurement, sampling, testing or otherwise performing such duties as may be necessary in the enforcement of the provisions of the ordinances, resolutions, and these Rules and Regulations of the District pursuant to the authorization contained in the required application for recycled water service.

2.13 PROTECTION OF DISTRICT PROPERTY

2.13.1 District Property

The District will furnish a system used for and useful in obtaining recycled water for public and private uses, including all appurtenances to it, and lands, easements, rights in land, water rights, contract rights, franchises, and other water supply, storage and distribution facilities and equipment. Each User shall be responsible for furnishing, installing, operating and maintaining all facilities necessary to convey water from the customer valve to the use area.

All facilities installed by the District on private property for the purpose of rendering recycled water service shall remain the property of the District and may be maintained, repaired, or replaced by the District without consent or interference of the owner or occupant of the property. The property owner shall use reasonable care in the protection of the facilities.

2.13.2 Tampering with District Property

Except as otherwise specifically authorized by the General Manager, no one, except an employee or representative of the District, shall at any time, in any manner operate the angle meter stops or valves, main gates or valves of the District's system, including but not limited to meters or their connections, street mains, or other parts of the water system.

No person or entity shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is a part of the District's recycled water system. Any person or entity violating this provision shall be subject to prosecution, penalties and fines as provided by law.

2.13.3 Damage to Water System Facilities

The User shall be liable for any damage to the service facilities when such damage is from causes originating on the User's premises by an act of User, tenant, agent, employee, contractor, licensee, or permittee, including the breaking or destruction of locks by the User or others on or near a meter, and all damage to a meter that may result. The District shall be reimbursed by the User for any such damage promptly on presentation of a bill.

2.13.4 Ground Wire Attachments

All Users are forbidden to attach any ground-wire or wires to any plumbing which is or may be connected to a service connection or main belonging to the District. The District will hold the User liable for any damage to its property or injury to District personnel or representative(s) occasioned by such ground-wire attachments.

2.14 TURN OFF PROCEDURES

The District may disconnect, terminate or suspend a User's service for various reasons. Such disconnections are affected by turning off, locking, or sealing the meter, thereby stopping the recycled water service. The User will be notified of disconnection in person, or by placing a disconnection notice on the door. Reasons for disconnection include, but are not limited to, the following:

- (a) **FOR PROTECTION OF PUBLIC HEALTH:** The District may terminate recycled water service at any time, with or without advance notice, if the recycled water at any point in the District's distribution system does not meet the requirements of regulatory agencies, including those prescribed by the California Code of Regulations, Title 22, Division 4, Chapter 3. Recycled water service would, in such case, be renewed at such time as recycled water would again meet the requirements of regulatory agencies, or at such time as the District would supplement the recycled water system with water from other sources.
- (b) **FOR NON-PAYMENT OF BILLS:** A service may be disconnected for nonpayment of recycled water bills. A service may be disconnected for nonpayment of any water charges of a User, whether or not the payment delinquency is associated with recycled water service at that service connection or at any other District recycled or domestic water service connection of that same User. See **Section 5**.
- (c) **FOR NON-COMPLIANCE WITH RULES:** Recycled water service may be terminated in the manner provided herein at any time the User's operations do not conform to these Rules and Regulations and related permit.

Where safety of water supply or public health is endangered, or regulations have been violated, service may be disconnected immediately without notice. The District may disconnect service to any User for any violation of these Rules and Regulations or permit after it has given the User at least fifteen day written Notice of Violation.

- (d) **FOR WASTE OF WATER:** In order to protect itself against any waste or misuse of recycled water, the District may issue a Notice of Violation per **Section 2.15.3** and disconnect and terminate service if such wasteful practices are not remedied.
- (e) **FOR UNSAFE OR HAZARDOUS CONDITIONS:** The District may disconnect a service without notice if unsafe or hazardous conditions are found to exist on the customer's premises. The District will notify the customer as soon as possible of the reasons and the necessary corrections required before reconnection. Such unsafe or hazardous conditions may

exist due to defective appliances or equipment that may be detrimental to either the customer, the District, or to the District's other customers, or the general public.

- (f) **FOR FRAUDULENT USE OF SERVICE:** When the District has discovered that a customer has obtained service by fraudulent means or has diverted the recycled water service for unauthorized use, the service to that customer may be disconnected without notice. The District will not restore service to such site until an applicant has complied with all rules and regulations of the District and the District has been reimbursed for the full amount of the service rendered and the actual cost to the District incurred by reason of the fraudulent use.

2.15 VIOLATIONS

It shall be unlawful for any person to connect to, construct, install, provide, maintain or use any other means of recycled water facilities in any manner other than as provided for in these Rules and Regulations.

2.15.1 Public Nuisance

Discharge of wastes or the use of recycled water in any manner in violation of these Rules and Regulations or of any permit issued hereunder is hereby declared a public nuisance and shall be corrected or abated as directed by the Recycled Water and Water Conservation Superintendent (or his/her designee). Any person creating such a public nuisance is guilty of a misdemeanor.

2.15.2 Injunction

Whenever a discharge of wastes or use of recycled water is in violation of these Rules and Regulations or otherwise causes or threatens to cause a condition of nuisance, the District may seek injunctive relief as may be appropriate to enjoin such discharge or use.

2.15.3 Permit Revocation and Termination of Service

In addition to any other statute or rule authorizing termination of water service, the District may revoke a permit issued hereunder and terminate service if a violation of these Rules and Regulations or any other law or regulation is found to exist or if use of recycled water causes or threatens to cause a nuisance. A failure of any User or applicant to comply with these Rules and Regulations and any related permit issued hereunder and any violation of these Rules and Regulations, the permit, and any laws and regulations governing the use of recycled water shall constitute a public nuisance. Upon small occurrences of such a breach (overspray, ponding, pooling, unauthorized hours of watering, no site supervisor, etc.), default or violation, the District, by and through its General Manager, or his/her designee, shall deliver a fifteen (15) day Notice of Violation to the customer, owner or applicant causing such breach, default or violation, and such customer or applicant shall have fifteen (15) days from the date the Notice of Violation is delivered to the customer or applicant to cure and correct the default, breach or violation. A failure by the customer or applicant to correct or cure the default, breach or violation within that fifteen (15) day period shall result in immediate and automatic termination of the customer or applicant's right to

take recycled water from the District's facilities and a physical disconnection shall be affected by the District at the District's facilities with no further notice.

If the violation is determined by the District to be an imminent threat to public health, the District, by and through its General Manager, or his/her designee, shall deliver an Emergency Notice of Violation which will result in immediate and automatic termination of the customer or applicant's right to take recycled water from the District's facilities and a physical disconnection shall be affected by the District at the District's facilities with no further notice.

2.15.4 Penalty

Any User or applicant who violates these Rules and Regulations or any permit issued hereunder, will result in immediate and automatic termination of the customer or applicant's right to take recycled water from the District's facilities and a physical disconnection shall be affected by the District at the District's facilities with no further notice. Recycled water will not be re-established until the owner has corrected the violations and paid the fees assessed by the District for disconnection and reconnection of the meter. Under no circumstances is the owner authorized to connect the irrigation system to the drinking water system, if this occurs both the recycled water and the drinking water will be physically disconnected. Drinking water will not be reconnected until the recycled water system is no longer attached to the drinking water system and the system has passed a cross connection test. The Owner will be required to pay fees associated with the cross-connection test, disconnection and reconnection fees of both meters.

Fifteen (15) Day Notice of Violation

- a. First Notice (Day 1) – Customer has ten (10) days to comply.
- b. Second Notice (Day 11) – Customer has five (5) days to comply.
- c. Third Notice (Day 15) – Disconnection of recycled water supply.

Emergency Notice of Violation

- a. Immediate shut down of recycled water supply.

2.15.5 Noncompliance and Damage Costs; Indemnification

In the event of any default, breach or violation of these Rules and Regulations, and any related permit shall entitle the District to recover its costs incurred in processing Notice(s) of Violation, the performance of sampling, monitoring or laboratory analysis related to any such default, breach and/or violation including any fines, penalties, damages, and attorneys' fees incurred by the District in connection with its investigation and prosecution of any such breaches, defaults or violations. User or applicant shall be liable for all costs, including all damages incurred by the District as a result of any breach, default or violation of these Rules and Regulations, the related permit, and any laws and regulations governing the use of recycled water. User or applicant shall defend and indemnify the District for any damages, fines, penalties, costs or attorneys' fees incurred by the District as a direct or indirect result of a User's violation of these Rules and Regulations.

2.15.6 Appeal

Any appeal of a Notice of Violation issued by the General Manager shall be filed in writing with the General Manager within ten (10) days after the issuance of the Notice of Violation.

The appeal shall contain an itemized and substantial basis for rescinding the Notice of Violation and shall include any and all supporting documents. Such an appeal will be considered and heard by the District's Board of Directors and that Board's determination will be final. Upon the filing of such an appeal any further actions by the General Manager shall be stayed until such time as the Board of Directors makes a final decision.

2.15.7 Conversion of Facilities from Recycled Water Use

If, due to on-site recycled water system failure or use violations, the District deems it necessary to convert on-site facilities from a recycled water supply to a drinking water supply, or other, water supply, it shall be the responsibility of the customer, unless determined otherwise by the District, to pay all costs for such conversion, by way of, but not limited to, the following items:

1. Isolation of the recycled water supply. Service shall be removed and plugged by the District at the District main or abandoned in a manner approved by the District.
2. The customer shall install approved backflow devices on any and all drinking water, or other, water meter connections.
3. The removal of the special recycled water quick-couplers including the replacement of these with approved valves for drinking water systems.
4. Notification to all on-site personnel involved.
5. The removal of all warning labels/signs.
6. The installation of all drinking waterlines and facilities and any capacity fees due, as provided for in the District's "Rules and Regulations for Drinking Water Service."

SECTION 3

FACILITIES DESIGN AND CONSTRUCTION

3.1 DESIGN GUIDELINES

The design of the off-site facilities, including the preparation of plans and specifications, shall be under the responsibility of an engineer registered with the State of California. The design of the on-site facilities that will use recycled water, and the preparation of plans and specifications shall be under the responsibility of a landscape architect, civil engineer or mechanical engineer registered with the State of California familiar with the design of such systems.

In the case of dual-plumbed residential use sites, the District will accept plans prepared by a non-registered person, as long as the preparer has taken the District's **Site Supervisor Training Program (Appendix K)**. The orientation programs will be held at regular monthly or quarterly intervals to provide required information for those who design, install, maintain and use recycled water for landscape irrigation. The District will maintain a list of "certified" contractors that have attended the orientation program and are approved for work on on-site recycled water systems. The preparer of residential plans does not have to be a licensed C27 contractor; however, the installer must either be 1) a licensed landscape contractor who has been certified by the District or 2) the homeowner who has taken the District's Site Supervisor Training Program.

All on-site recycled water facilities shall comply with the Guidelines for Distribution of Recycled Water developed by the American Water Works Association (AWWA), California-Nevada Section, and shall also comply with all the requirements, conditions and standards set forth in the current edition of the District's applicable Recycled Water Service On-Site Design and Construction Standards (**Appendix F and H**), these Rules and Regulations, and other related design standards and construction specification guidelines. The recycled water system, including both off-site and on-site facilities, shall be separate and independent of any drinking water system.

3.2 OFF-SITE FACILITIES

Any off-site recycled water facilities that are required to serve the User's property shall be provided at the customer's expense, unless the District determines it is a District benefit to construct such capital facilities.

3.2.1 Application

Owners of property desiring the District to provide recycled water service to their lot, parcel, subdivision or other property within the District which is not presently fronting a District recycled water main shall make written application for a recycled water main extension to serve their property. The application process shall be the same as provided in **Section 2**.

Upon receiving the application, the General Manager or his designee, shall make an investigation of the proposed development and state findings and recommendations for approval or denial of the main extension application.

3.2.2 Financial Arrangements

Upon approval by the District of an application for a recycled water main extension, the property owner shall make payment to the District of all applicable charges as outlined in **Section 5** hereof prior to commencement of any construction of recycled water facilities. If such facilities are required by the District to be larger than the size determined by the District to be required for providing adequate service to the property described in the application submitted to the District, the District may contract with the customer for reimbursement on a pro rata basis for the difference between the cost of the oversized facilities and the facilities which otherwise would be required to provide adequate service to the property.

3.2.3 Plans

The property owner shall, at their expense, cause to have prepared a complete set of engineered recycled water plans, consistent with District specifications and requirements of the District's current Master Plan. Such plans shall show all valves, fire hydrants, pipelines, pump stations, reservoirs, wells, service lateral locations and other appurtenances deemed necessary by the General Manager. Plan check fees are due and payable to the District upon submittal of said plans for District review and approval.

3.2.4 District Installation

At the option of the Board of Directors, the District may install the necessary main extension(s) to new developments. In such instances, the owner or applicant shall deposit monies for all estimated costs associated with the proposed improvements prior to District construction. Upon completion of construction, actual costs will be determined and deposit monies applied to the actual cost of the work. Owner will be billed or refunded the difference between the deposit amount and actual construction cost.

3.2.5 Owner Installation

When recycled water main extensions are to be constructed by the property owner, the property owner shall have a contractor, licensed by the State of California, perform the work. Such construction shall be in accordance with the approved plans and standard specifications on file with the District. Prior to construction of any recycled water main extension or improvement, all costs due to the District must be paid for inspection, acquisition of service charges, and meters. Additionally, all bonds or letters of credit for labor and materials, faithful performance, maintenance and security must be properly executed and, in a form, and in an amount acceptable to the District before authorization to construct said facilities will be issued. All owners, their agents, or developers shall enter into an "Agreement for Installation and Transfer of Title of Recycled Water System Facilities" prior to receiving authorization to construct.

3.2.6 Length of Main Extension

The extension of any recycled water main shall be installed to the furthest property line of the parcel to be served, and in no case shall dead-end lines be permitted without a flush out provided in accordance with District standards. Circulating lines shall be designed and installed as part of any main extension.

All properties in excess of 200 ft. from any existing recycled water distribution line shall be required to extend the distribution line to include the public right-of-way frontage of their property and, at the discretion of the General Manager, the installation of such lines necessary to eliminate a dead-end line.

3.2.7 Bond Requirements

The District requires that all developers performing recycled water system improvements in accordance with approved plans and specifications furnish appropriate guarantees assuring completion of the work, extended maintenance and payment for all labor and materials. Such guarantees shall be in the form of bonds or an irrevocable letter of credit issued by a bank authorized to do business in the State of California. Coverage amounts, where bonds are furnished, or deposit amounts where Letters of Credit are issued, shall be in accordance with the "Agreement for Installation and Transfer of Title of Recycled water System Facilities" on file with the District.

3.2.8 Main Extension Reimbursement Agreement

Where recycled water main extensions are installed by an applicant and said main extension shall be of benefit to another property or properties in the future, said applicant may enter into a reimbursement agreement with the District. Said reimbursement agreement may provide for a refund payment of frontage charges collected by the District for service connection to a recycled water main, paid for by the new applicant, less any administrative costs incurred by the District. All reimbursement agreements shall expire and become invalid ten (10) years from the date the main extension was accepted by District. Said reimbursement agreements shall contain the expiration date of the agreement.

3.2.9 Property of District

Upon final acceptance by the District of all installations of recycled water mains and appurtenances, said facilities shall become the property of the District, as outlined in the "Agreement for Installation and Transfer of Title of Recycled water System Facilities".

3.2.10 Easements and Rights of Way

Whenever possible, all main lines, service connections, laterals and other appurtenances required by the District are to be installed within the public right-of-way. On rare occasions, circumstances may dictate that recycled water facilities may have to be constructed within deeded easements. Prior to installation of any recycled water lines, the owner must deliver any necessary grants of easement to the District in a form approved by the District.

The District may agree to vacate existing recycled water facility easements at the request of the owner, provided the owner fulfills the requirements of the District as follows:

- a. Acceptable design of an alternate recycled water facility is submitted to the District for approval; and
- b. Said alternative recycled water facility is constructed by owner according to District approved plans; and
- c. Final acceptance by District of all newly constructed alternative recycled water facilities is provided to the owner by District in writing; and
- d. Owner agrees in writing to pay all costs associated with the District retaining a qualified appraiser to determine a current value of the easement to be vacated; and
- e. Owner pays to the District the fair market value as established by said appraiser for said easement.

Upon fulfillment of all of the above conditions, to the satisfaction of the District, the District will then record a quit claim deed with the office of the County Recorder relinquishing all rights to said easement.

3.2.11 Conversion of Existing Facilities to Recycled Water Use

Only at (non-residential) institutions, industrial businesses, and commercial business where it is planned that an existing drinking water system be converted to a recycled water facility, the facilities to be converted to recycled water shall be investigated in detail. The District shall review the record drawings, prepare required reports, and determine the measures necessary to bring the system into full compliance with these Rules and Regulations. No existing drinking water facilities shall be connected to, or incorporated into, the recycled water system without District and other regulatory agency testing and approval.

3.2.12 Marking Water Facilities

The customer's recycled water facilities shall be painted, banded, marked, or otherwise differentiated with the color Purple to clearly distinguish which water is safe (i.e., drinking water) and which is not safe (i.e., recycled water) in accordance with local and health department requirements. The same color/markings shall always be used to indicate the same type of water throughout the system. All outlets from recycled water systems shall be posted or tagged, with approved Purple signage, as being contaminated and unsafe for drinking purposes. All outlets intended for drinking (i.e., drinking water) purposes shall be plainly marked to indicate that fact. The markings shall comply with posting requirements of the Title 22 of the California Code of Regulations, and recommendations given in the "Guidelines for the Distribution of Recycled Water" (California-Nevada Section, American Water Works Association).

3.3 ON-SITE FACILITIES

All on-site recycled water facilities which benefit the approved use area shall be provided by the applicant, owner or customer at his/her expense. The customer shall make, at his/her expense, any modification to the drinking water system on the premises which is required by the District, in order to permit recycled water service, including but not limited to the installation by the customer of approved backflow prevention devices. On-site recycled water facilities shall be designed to accommodate the use of recycled water in

those areas where the District has determined that recycled water will be supplied in the future, even though recycled water service is not immediately available when the design area is ready for construction. Provisions shall be made for connections to the recycled water system when it becomes available.

3.3.1 Identification of On-Site Pipes and Fittings

All materials, apparatus, piping valves, controllers, sprinkler heads, pumps, etcetera shall be marked or identified in conformance to the “Guidelines for Distribution of Recycled Water” (California-Nevada Section, American Water Works Association), and:

- (a) All recycled water valves and outlets must be purple and are required to be appropriately tagged to inform the public and employees that the water is not to be used for drinking water purposes.
- (b) All piping, valves and outlets should be color-coded purple to differentiate recycled water from drinking water facilities as specified in **Section 3.3.2**. All piping and valves must also be appropriately labeled or continuously taped with appropriate identification.
- (c) Differential piping materials shall be used to facilitate water system identification.
- (d) Hose bibs shall not be used in the recycled water system; approved quick-couplers or comparable connection devices shall be used instead.
- (e) Approved use areas for recycled water service shall also be posted with precautionary notices to warn the public per **Section 4.2**.
- (f) When converting an existing water service to recycled water usage, the affected water pipelines shall be located and tested in coordination with the District and the regulatory agencies to ensure isolation from the drinking water system. All necessary actions will be taken to bring the water pipelines into compliance with these Rules and Regulations. It is not necessary to provide identification of all existing buried pipelines unless verification of isolation from the drinking water system cannot be confirmed by the cross-connection test. Any existing buried pipelines that are uncovered shall be identified prior to use. The existing water facilities must have the approval of the District and regulatory agencies prior to initiation of recycled water service.

3.3.2 Color-Code for Recycled Water Pipes

The use of purple colored pipe, with the words “CAUTION: RECYCLED WATER – DO NOT DRINK” and “PELIGRO: AGUA IMPURA—NO BEBER” embossed or integrally stamped/marked on the pipe is the preferred method of identification. As permitted in Section 3.3.3, also required is a continuous tape wrap dictating recycled water adherence to all purple colored pipe.

The warning should be stamped on opposite sides of the pipe, repeated every three feet.

All connections, temporary and permanent to a recycled water system shall be identified in such a manner as to differentiate them from connections to a drinking water system.

When drinking water is being supplied to an area that is also being supplied with recycled water, the new drinking water main shall also be identified. Blue-colored tape with the words "DRINKING WATER LINE" or "CAUTION: BURIED DRINKING WATER LINE BELOW" in English and Spanish shall be fastened to directly to the top of the drinking water pipe and run continuously the entire length of the pipe. This tape shall be at least 3 inches in width.

3.3.3 Continuous Sleeves

A continuous polyethylene tape wrap shall be installed on all new recycled water pressure and/or non-pressure service pipelines. A purple tape wrap with black lettering stating "CAUTION: RECYCLED WATER – DO NOT DRINK" and "PELIGRO: AGUA IMPURA – NO BEBER" shall run continuously the entire length of the pipe. Each section of sleeve should overlap the next section a minimum of 24 inches and should be secured at each sleeve joint.

3.3.4 Separation

A. Horizontal

A 10-foot separation of the recycled water pipeline shall be maintained at all times between a drinking water pipeline and/or a parallel sanitary sewer or sludge pipeline. If a 10-foot separation is not possible, the approval for special construction requirements shall be obtained from the District and the State DPH prior to commencement of construction. Common trench construction shall not be permitted. In any event, a horizontal separation less than 4 feet shall not be allowed.

B. Vertical

On new systems, drinking water, recycled water, and sewer lines should be located from the ground surface in order of descending quality. Drinking water shall be above recycled water which should be above sewer. Minimum vertical separation should be one (1) foot between top and bottom surfaces of pipes and crossings should be made as close to the perpendicular as possible. Exceptions to this rule are as follows:

1. On irrigation systems where intermittently, pressurized recycled water lines (laterals) serve sprinkler heads, the drinking water line(s) may be placed under the recycled water laterals. No special construction requirements are necessary provided that one (1) foot vertical separation is maintained.
2. On sites using pressurized irrigation laterals with valve-in-head sprinklers, the drinking water line(s) may be placed under the recycled water laterals if additional protection is provided for the drinking water line. Common practices include sleeving or automatic flow control/shut off devices installed and functioning properly on each lateral that crosses a drinking water line.

3. One foot vertical separation is not required when the distance between the edges of the two pipelines is 10 feet or greater.

No additional special construction requirements are necessary provided that one (1) foot vertical separation is maintained.

C. Groundwater Wells

Application of recycled water within 50 feet of any well used for domestic water supply is prohibited, unless approved by the California DPH. No impoundment of recycled water shall occur within 100 feet of any drinking water supply or well.

3.4 **RECYCLED WATER FOR CONSTRUCTION USE**

When available from the District, recycled water shall be used by contractors for the uses specified in **Section 3.4.1**. The contractor shall make application, pay all required fees and obtain a permit for recycled water, as described in **Section 2** prior to using recycled water for construction.

3.4.1 Allowable Uses

Recycled water used for construction purposes may only be used for soil compaction during grading operations, dust control and consolidation and compaction of backfill in trenches for recycled water, sanitary sewer, storm drain, gas and electric pipelines. Recycled water shall not be used for water jetting and consolidation or compaction of backfill in trenches for drinking water pipelines.

3.4.2 Equipment

Equipment operators shall be instructed about the requirements contained herein and the potential health hazards involved with the use of recycled water. Water trucks, hoses, drop tanks, etc. shall be identified as containing recycled water and not suitable for drinking water.

Recycled water used for soil compaction and dust control shall not be stored or applied in a manner which causes runoff, ponding or windblown spray conditions. If such conditions occur, the method of application shall be altered to correct them and prevent any and all further ponding and runoff. Control valves on the water distribution vehicles and other controlling devices shall be properly employed to prevent the application of recycled water outside the approved use area onto surfaces including, but not limited to, sidewalks and drainage courses.

Recycled water shall not be introduced into any domestic water piping system. No unprotected connection shall be made between equipment containing recycled water and any part of a domestic water system.

Service connections, equipped with recycled water meters and suitable backflow protection, for the construction use of recycled water shall be provided by the District at locations convenient to the user with approval of the District.

3.5 SUBMITTALS

Submittal of plans and other documents required by the District as part of the application process are detailed in the following documents:

1. Application for Recycled Water Service (**Appendix E**)
2. Recycled Water Service On-Site Design and Construction Standards for Non-Residential Sites (**Appendix F**)
3. Recycled Water Service On-Site Design and Construction Standards for Residential Dual-Plumbed Homes (**Appendix H**)
4. Recycled Water Service On-Site Design, Review and Inspection Procedures for Residential Dual Plumbed Homes (**Appendix G**)

Plans submitted to the District must meet the requirements of these documents in order to receive District approval.

3.6 INSPECTION OF WORK

All work is subject to inspection by the District to ensure compliance with these Rules and Regulations (see **Appendix G**). Work shall be left open and uncovered until approved by the District. The customer shall cooperate with those making the inspection and assist in the performance of the operational tests as required.

3.7 RECORD (AS-BUILT) DRAWINGS

Record drawings shall be prepared and show all changes in the work constituting departures from the original drawings. For non-residential sites, these drawings must be prepared by a registered engineer or landscape architect and a copy of the irrigation control chart must be submitted. All conceptual or major design changes, including any changes that may be affected by the requirements of these standard specifications, shall be approved by the District before implementing the change in the construction contract and before a request for regular service start-up is made. Failure to receive prior approval may result in initial recycled service delays and/or termination of service.

Aside from regular maintenance and drip systems, any changes or alterations to existing on-site facilities, including that which is the result of intentional or unintended damage, shall first be reviewed, approved and inspected by the District.

For the purposes of reference, record drawings and control charts, if applicable, shall be maintained onsite at all times with copies provided to the District.

SECTION 4

FACILITIES OPERATION

4.1 OFF-SITE RECYCLED WATER FACILITIES

Operation, maintenance and monitoring of all of the District's off-site recycled water systems including, but not limited to, recycled water transmission and distribution mains, service lines, valves, connections, storage facilities, and other appurtenances and properties up to and including the District's meter, shall be under the management and control of the District. No other persons except authorized representatives of the District shall have any right to enter any portion of the foregoing facilities. No other persons except authorized representative of the District shall have any right to operate, adjust, repair, change, alter, move or relocate any portion of the off-site recycled water system.

4.2 ON-SITE RECYCLED WATER FACILITIES

4.2.1 User's Responsibilities

The User shall be responsible for the safe and efficient operation, maintenance and upkeep of their on-site facilities. The User must attend and complete the Site Supervisor Training Program.

The User shall notify the District of any and all updates or proposed changes, modifications of additions to the on-site facilities. Changes shall be approved by the District and shall be designed and constructed according to the requirements, conditions and standards set forth in these Rules and Regulations and other District requirements.

The User shall comply with any and all applicable Federal, State, and local statutes, ordinances, regulations, contracts and requirements prescribed by the District, including these Rules and Regulations.

It shall be the responsibility of the User to notify the District of any violations of these Rules and Regulations within 24 hours from the time the User becomes aware of the circumstances. Such circumstances include, but are not limited to:

1. Any unplanned or uncontrolled discharge of recycled water resulting from water line breaks, malfunctioning control system, or any other circumstances.
2. Discharge of recycled water outside the approved use area due to runoff or windblown spray.
3. Discovery of a cross connection of a recycled water system with a domestic water system.
4. Discharge of recycled water at a construction site in an unapproved manner or in an unapproved area.

The User shall keep a written log of all system failures and violations including corrective action taken. The log shall be reviewed by the District regularly.

4.2.2 Designation/Responsibility of the Recycled Water Supervisor (On-Site Supervisor)

All recycled water Users shall designate a Recycled Water Site Supervisor. This Site Supervisor must attend and completed the District's Site Supervisor Training Program. At dual-plumbed residential use sites, the homeowner shall be the on-site supervisor and must also attend and complete the District's Site Supervisor Training Program. The Recycled Water Site Supervisor shall be a person accepted and approved by the District to operate and maintain the on-site facilities and irrigation systems, and to assume the responsibilities outlined below.

The District shall require that the designated Recycled Water Supervisor obtain instruction in the use of recycled water, such instruction being provided or approved by the District. The District shall conduct a regular monthly scheduled Recycled Water Site Supervisor Training Program to provide required information for those who design, install, maintain and use recycled water.

The Recycled Water Site Supervisor shall be the contact person for the User in all matters between the User and the District concerning the operation of the onsite system and the use of recycled water. It shall be the responsibility of the User to notify the District whenever a change of the Recycled Water Site Supervisor occurs. Subsequently, the User shall be responsible to obtain the District's acceptance and approval of any newly designated supervisor, through attendance and completion of the District's Site Supervisor Training Program. The Recycled Water Site Supervisor will have the following responsibilities:

- a. To oversee recycled water service and maintain onsite facilities.
- b. To ensure that all operations personnel are trained and familiarized with the use of recycled water, including all pertinent information contained in these Rules and Regulations and those applicable portions of the California Code of Regulations.
- c. To furnish operations personnel with operating instructions, maintenance instructions, controller charts, and record drawings to ensure proper operation in accordance with the facilities design and these Rules and Regulations and all applicable permits.
- d. To operate and control the customer's recycled water system in order to prevent direct human consumption of recycled water and to control and prevent run-off.
- e. To carry out ongoing regular maintenance and upkeep to ensure the continued operation of all system elements within the requirements of these Rules and Regulations.
- f. To prevent cross-connections to drinking water systems, and also to protect the recycled water system from contamination from cross-connections to other sources.
- g. To ensure that maintenance and inspection of backflow prevention assemblies is done regularly on an annual basis as per requirements of regulatory agencies, or more often in those instances where successive inspections indicate repeated failures.

- h. To report to the District any and all failures in the on-site facilities whether or not such failures may result in violations.
- i. In the event of a cross-connection to the drinking water system, the customer shall immediately shutoff the main recycled water supply valve and depressurize the recycled water system to prevent further mixing with the drinking supply and shall immediately advise the District of the occurrence of the cross-connection within 24 hours of discovery. The local and State health officers shall be immediately advised by the District so that appropriate measures may be taken to control any contamination or pollution.

4.2.3 Operation and Control of the On-Site Recycled Water System

The goal is to minimize overspray and runoff and confine recycled water to the use area. In addition, to the extent possible, the operation of a spray irrigation system shall be during periods, of minimal public use of the approved area. Such periods of operation shall remain within 9 P.M. and 6 A.M. unless otherwise approved by the District. Drip irrigation is allowable at any time. The Recycled Water Site Supervisor must be present if irrigation takes place when public contact may occur.

Operation and control measures of onsite recycled water systems shall include, but not limited to, the following:

1. On-site recycled water facilities shall be operated in such a manner to prevent or control surface flows or windblown sprays of recycled water across boundary lines, or into areas not approved for recycled water use.
2. The system design shall avoid spray patterns that tend to accumulate recycled water to produce ponding and/or run-off on public rights-of-way or adjoining areas not approved for recycled water use.
3. It is not practical to completely eliminate overspray or runoff. Excessive irrigation with recycled water which results in excessive runoff of recycled water, or continued irrigation of recycled water during periods of rain is prohibited.

4.2.4 Residential Dual-Plumbed Use Sites

In addition to meeting the requirements of this Section, homeowners and/or those who operate their irrigation systems must meet the requirements of the District's "Recycled Water Service Use Guidelines for Residential Dual-Plumbed Homes" (**Appendix I**).

4.3 WARNING SIGNS

Warning signs are required to inform the public that recycled water is being used. Signs shall be required at site entrances, any customer field office, maintenance building, or common areas within the approved use area, and at other locations on-site as deemed appropriate by the District and other regulatory agencies. Warning notices and labels shall be posted on designated facilities such as controller panels, quick couplers, or blowoff valves on trucks, and temporary construction facilities. Signs shall be no less than 4

inches by 8 inches, shall have the wording “CAUTION: RECYCLED WATER – DO NOT DRINK” and “PELIGRO: AGUA IMPURA—NO BEBER” and shall be in compliance with California DPH regulations. It shall be the responsibility of the Recycled Water Site Supervisor to ensure the required bilingual postings in English and Spanish are installed and maintained, and so placed that they can be readily seen by all personnel or public utilizing the facilities.

All water hazards containing recycled water shall be posted with signs. All water outlets shall be posted as “drinking” or “recycled”, as applicable and appropriate.

4.4 MONITORING AND INSPECTION

The District, California DPH, and/or the Regional Water Quality Control Board, or authorized representatives of any of these agencies shall have authority to monitor and inspect the entire recycled water system including both on-site and off-site facilities. The District shall conduct monitoring programs, as it deems necessary, to ensure that User's recycled water facilities are being operated in accordance with these Rules and Regulations, including the provision that cross-connections between drinking water facilities and the recycled water facilities do not exist. In carrying out these functions the District, the State DPH, and/or the Regional Water Quality Control Board, or authorized representatives of any of these agencies shall have the right to enter any customer's premises during reasonable hours upon presentation of proper credentials. Reasonable hours shall include hours when irrigation is being performed to ascertain whether the user is complying with the District's Rules and Regulations for Recycled Water. The customer shall indemnify and hold the District harmless for any damage, loss, or injury alleged to have been caused by District personnel while inspecting on-site facilities, except where the District's sole negligence is duly established.

Each time there is a change of either owner or User of any use site, the owner or User shall notify the District immediately. The District will then reassess the level of backflow protection required and conduct a cross connection test. Also, any alterations to existing on-site facilities that may affect required protection levels must be reported immediately to the District.

4.5 METERS

4.5.1 Meter Test

If the recycled water meter fails to register during any period or is known to register inaccurately, the User shall be charged with an average daily usage based on similar seasonal times when the meter was registering correctly, or by other means determined by the District's General Manager. Any User may demand that the meter, through which recycled water is being furnished, be examined and tested by the District for the purpose of ascertaining whether or not it is correctly registering the amount of recycled water being delivered through it. Such demand shall be in writing to the General Manager, or his designee, and shall be accompanied by a deposit equal to the charge for testing such meter as established from time to time by the District.

Upon receipt of such demand and deposit, the District will have the meter examined and tested. If upon such test the meter shall be found to register over three percent (3%) more water than actually passes through it, the meter shall be properly adjusted or an accurate

meter substituted. The deposit shall be returned and the recycled water bill for the current month and for such previous billing periods, not exceeding six (6) months, or for a period it appears the meter was in error, as determined by the District, will be adjusted proportionately. If the meter should be found to register not more than three percent (3%) more than actually passes through it, the deposit shall be retained by the District as the expense of making the test.

4.5.2 Non-Registering Meters

If a meter is found to be not registering, the charges for service shall be based on the estimated recycled water consumption. Such estimates shall be made from previous consumption for a comparable period or by such other method as is determined by the District's General Manager, or his designee, in his sole discretion, and its decision shall be final.

4.5.3 Meter Exchange

The District reserves the right to exchange recycled water meters for any reason at the discretion of the General Manager.

SECTION 5

RECYCLED WATER SERVICE RATES AND BILLING

5.1 RATES, FEES AND CHARGES

All rates and fees are set by the District's Board of Directors. The current rate and fee schedule is available from the District.

Applicants for recycled water service shall pay their fair share for the construction of facilities needed to deliver recycled water to the applicant's property. All fees and estimated construction costs shall be paid prior to construction.

5.1.1 Temporary Service

The recycled water rate for all water sold through temporary recycled water meters shall be the same as the construction recycled water rate. The charges for water sold through temporary recycled water meters shall be billed and paid on a monthly basis.

5.1.2 Service Outside of District

The rate for recycled water used on land or property located entirely outside of the District shall be the same rate as the rate for water sold through temporary meters unless the recycled water agreement approved by the Board establishes a rate, in which case the rate set forth in the agreement shall apply.

The rate for water used on land or property located both inside and outside the District shall be apportioned according to the place of use insofar as the amounts used on properties within and outside of the District.

5.1.3 Change of Rates, Fees or Charges

The District's Board of Directors shall from time-to-time by Resolution, establish rates, fees and charges for recycled water and other service provided by the District. The District reserves the right to change the schedule of recycled water rates, service charges and any other charges, deposits, or fees at any time. These changes are subject to the terms of any existing recycled water service permits (and/or agreements) and will be made by appropriate action of the District.

5.2 CUSTOMER BILLING PROCEDURES

5.2.1 Rates, Fees and Charges

Recycled water rates, fees and charges shall begin when a recycled water service connection is installed and the meter is set or an existing service is requested to be turned on, unless the recycled water is ordered to be left shut off when the service connection is ordered or installed.

Bills and charges shall be deemed to have been presented upon having been deposited in the United States mail, postage pre-paid and addressed to the User, as reflected in the District's records.

5.2.2 Liability of Property Owner for Recycled Water Used

The property owner shall be held liable for recycled water used until the District is notified in writing to discontinue service or to transfer the account to another property owner. The property owner remains responsible for all charges owed to the District whether or not the property owner actually lives on the premises, and whether or not the property owner is the User.

5.2.3 Liens for Unpaid Bills

All unpaid bills will be made a lien against the property pursuant to these Rules and Regulations, and the California Water Code.

5.2.4 Billing Period

The regular billing period will be on a monthly basis.

5.2.5 Meter Reading

Drinking water and recycled water meters will be read as nearly as possible on the same day of each month and will be billed in the same billing period or cycle.

5.2.6 Billing of Separate Meters Not Combined

Separate bills may be rendered for each meter installation. The District may, for its own convenience, consider each register of compound meters as a separate service and bill each as provided for herein.

5.2.7 Opening and Closing Bills

Opening and closing bills for less than the normal billing period shall be prorated as to recycled water usage only. Closing bills may be estimated by the District for the final period as an expediency to permit the User to pay the closing bill at the time service is discontinued.

5.2.8 Payment of Bills

Bills for recycled water service shall be rendered at the end of each billing period and are due and payable prior to the beginning of the next billing period. The final payment date shall be due within thirty (30) calendar days following the mailing of the bill. If full payment is not received at the business office of the District on or before the final payment date, the bill shall become past due and delinquent.

5.2.9 Delinquent Bills

Accounts remaining unpaid at the next billing date are delinquent and subject to a delinquency charge. Accounts (bills) containing past due amounts and delinquency charges are subject to turnoff if not paid within thirty (30) days of the mailing or presentation of the bill. When notice of turnoff is provided at the end of the thirty (30) day period, the entire balance due must be paid within five (5) days of presentation or service will be discontinued. Refer to **Section 5.4** "Disconnection for Nonpayment" for additional information.

5.2.10 Voluntary Temporary Disconnect

A User may request recycled water service be disconnected upon payment of a disconnect fee. This relieves the User of responsibility for daily minimum charges. Services disconnected hereunder shall be continued upon payment of a reconnect fee.

5.2.11 Legal Action and Attorney's Fees

All unpaid rates, fees and charges and penalties herein provided may be collected by legal action commenced in a court of appropriate jurisdiction. In any legal action filed under or related to these Rules and Regulations, with the exception of any action filed to challenge the validity of any or all of these Rules and Regulations, the prevailing party shall be entitled to recovery its reasonable attorneys' fees and costs, including prejudgment interest, if appropriate, at 10% per annum.

5.2.12 Upon Vacating Premises

Users desiring to discontinue service should so notify the District five (5) days prior to vacating the premises. Unless discontinuance of service is ordered, the User shall be liable for ongoing charges whether or not any recycled water is used, up until the time of the requested discontinuance of service.

5.2.13 Turn-On and Turn-Off Services

A User may request that service be discontinued either temporarily or permanently. Such a request must be made by giving at least two (2) working days advance notice to the District. If such a notice is not given, the User will be billed for service until one (1) working day after the District acquires actual knowledge that the customer has vacated premises or otherwise discontinued service.

No charge shall be made for a turn-on or turn-off service at the meter, either for emergency purposes or at the request of the User for maintenance. The District shall, upon request day or night, and without charge, shut off the supply of recycled water for emergency purposes at the angle meter stop.

5.3 COMPLAINTS AND DISPUTED BILLS

5.3.1 Meet and Confer

Should a User have a complaint with regard to recycled water service, these Rules and Regulations, or any District resolution, or ordinance, or dispute the accuracy of a bill for recycled water service or other charges, for any reason whatsoever, the User shall have

an opportunity to meet and confer with the General Manager, or his designee, to discuss the dispute and present any evidence the User has to support his/her/its position.

5.3.2 Arrangement of Meeting

To arrange such a meeting the User shall contact the District office, either in writing or by telephone, during normal business hours.

5.3.3 Presentation of Evidence

The User may be accompanied by a friend, attorney or other representative to meet with the General Manager, or his designee, and may present any evidence they may have to support his/her/its position.

5.3.4 Discontinuance of Service

Except for an emergency implicating public health concerns, no recycled water or other service shall be discontinued pending the final resolution of a dispute.

5.4 DISCONNECTION FOR NONPAYMENT

Recycled water service shall be discontinued without further notice if payment for recycled water service is not made by the delinquent date. At least forty-eight (48) hours prior to termination, the District will make a reasonable attempt to notify the resident of the affected property by telephone or by personal contact.

5.4.1 Complaint Procedures for Disconnection

Service disconnection for non-payment of bills or for violation of any of these Rules and Regulations, or any District ordinance or resolution is subject to the complaint procedures specified in **Section 5.3** herein.

5.4.2 Lien against Property for Non-Payment

Any and all bills rendered for the use of water or recycled water service shall be deemed to be an indebtedness against the real property served with recycled water and, at the option of the District, unpaid recycled water bills may become a lien against that real property.

5.4.3 Service Charges for Violations

If recycled water service is discontinued for violation of any of the District's rules, regulations, resolutions or ordinances, service shall not be reinstituted until the violations have been corrected and all applicable rates, fees and charges have been paid.

5.4.4 Partial Payments

A partial payment of a delinquent account balance may be accepted and credited to a User's account, but such partial payment shall not be cause for removing the account from a delinquent status and shall not preclude the meter from being turned off for delinquency.

5.4.5 Authorization for Continuance of Service for Delinquent Accounts

The General Manager, or his designee, may authorize continuation of service to a delinquent account if financial arrangements satisfactory to the General Manager have been established.

5.5 ADDING DELINQUENT CHARGES TO TAX ROLL

5.5.1 Report of Delinquent and Unpaid Charges

A report of delinquent and unpaid charges for recycled water and other services which remain unpaid and delinquent for sixty (60) days or more shall be prepared and submitted to the Board for consideration as tax liens. The unpaid and delinquent charges listed in said report for each parcel of property shall be fixed at the amount listed in said report.

5.5.2 Adoption and Filing of Report

The General Manager or designee shall file with the County Assessor of the County of San Bernardino and the Board of Supervisors of the County of San Bernardino, or with the same of the County of Riverside as applicable, in the time and manner specified by the County Assessor and Board of Supervisors, a copy of such written report with a statement endorsed thereon over the signature of the General Manager or designee, that such a report has been adopted and approved by the Board of Directors and that the County Assessor shall enter the amount of such charges against the respective lots or parcels of land as they appear on the current assessment roll.

5.5.3 Collection of Delinquent and Unpaid Charges

The County Assessor shall include the amount of charges on bills for taxes levied against their respective lots and parcels of land and thereafter, the amount of such unpaid and delinquent charges shall be collected at the same time and in the same manner by the same person, as together with and not separately from, the general taxes, if any, for the District, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties.

Appendix A

Definitions

Please consult the latest version of this document

APPENDIX A

Definitions

AFY: Acre-feet per year

AGRICULTURAL USE: Recycled water used for the watering of field and nursery crops, row crops, trees and vines, and crops or pastures for the feeding of fowl and livestock.

AGRICULTURAL USER: Any person engaged in irrigation of food, fodder, fiber, seed, or nursery crops for commercial purposes.

AIR-GAP SEPARATION: A physical vertical separation between the free flowing discharge end of a water supply pipeline and an open or non-pressurized receiving vessel. An air gap separation shall meet the requirements of Section 603.1.2 of the Uniform Plumbing Code.

ANSI: American National Standards Institute

APPLICANT: Shall mean the person making application hereunder and shall be the owner of the premises involved, or his authorized agents, so authorized in writing to the District, or a licensed plumber or contractor. An approved applicant becomes a user.

APPLICATION RATE: The rate at which recycled water is applied to a use area.

APPROVED BACKFLOW PREVENTER: A device installed to protect the drinking water supply from contamination by recycled water and approved by the State of California and San Bernardino or Riverside County, if applicable.

APPROVED USE: An application of recycled water in a manner and in compliance with any and all applicable District and Regulatory Agency requirements.

APPROVED USE AREA: A site with well-defined boundaries, designated in a user agreement issued by Yucaipa Valley Water District to receive recycled water for an approved use and acknowledged by any and all applicable Regulatory Agencies.

ARTIFICIAL LAKE: A human-made lake, pond, lagoon, or other body of water that is used wholly or partly for landscape, scenic, or non-contact recreational purposes.

AS-BUILT DRAWINGS: Engineered drawings that depict the completed facilities as constructed or modified.

ASTM: American Society for Testing Materials

AUTOMATIC SYSTEM: Automatic controllers, timers, valves, and associated equipment used to program irrigation systems for the application of recycled water.

AUXILIARY WATER SUPPLY: Any source of water that has not been approved by the State Department of Public Health for domestic use in the District's water system that is either used or equipped to be used, as a water supply and located on, or piped to, the premises of a water user.

The term “equipped” in this definition means that appurtenances such as active or inactive wells, connections to other drinking water suppliers, pumps, power supply, intakes, suction lines, pipelines, connection fitting, or storage tanks are in place and readily available for use.

AWWA: American Water Works Association

BACKFLOW: A flow condition, caused by a differential in pressure, that causes the flow of water or other liquids, gases, mixtures or substances into the distribution pipelines of a water supply from any source or sources other than an approved water supply source. Back-siphonage is one cause of backflow. Back pressure is another cause.

BOARD: Shall mean the Board of Directors of the Yucaipa Valley Water District.

BRINE: A saline solution resulting from the operation of a regenerative type water softener, evaporative cooling device, or other source. Brine, for purposes of this document, shall be defined as any wastewater with a total dissolved solids (TDS) content exceeding the limits specified in Yucaipa Valley Water District "Regulations for Sewer Connections and Use".

CCR: The current California Code of Regulations

CHECK VALVE: A check valve that seats readily and completely. It must be carefully machined to have free moving parts and assure water tightness. The face of the closure element and valve seat must be bronze or other non-corrodible material that will seat tightly under all prevailing conditions of field use. Pins and bushings shall be of bronze or other non-corrodible, non-sticking material. The closure element (e.g. clapper) shall be internally weighted or otherwise internally equipped to promote rapid and positive closure in all sizes where this feature is obtainable.

CODE: The current California Code of Regulations, California Water Code and/or California Health and Safety Code.

COMMERCIAL USE: Any building for office or commercial uses with water requirements which include, but are not limited to, landscape irrigation, toilets, sewer trap priming, urinals and decorative fountains.

COMMODITY CHARGE: A charge imposed by the District for all recycled water used, whether such water use is estimated or is actually metered.

CONNECTION: The pipeline and appurtenant facilities such as the angle meter stop, meter and meter box, all used to extend recycled water service from the mainline to the premises, the laying thereof and the tapping of the main. Where services are divided at the curb or property line to serve several customers, each such branch service shall be deemed a separate service.

CONNECTION FEE: A fee imposed by the District for obtaining recycled water service from the District by means of its recycled water facilities.

CONSTRUCTION USE: An approved use of recycled water to support construction activities such as soil compaction and dust control during grading.

CONSTRUCTION DEPOSIT: Deposit placed with the District to cover the estimated cost of recycled water facilities to be installed by the District for a customer.

CONTRACTOR: A person, persons or firm entering into a legal agreement with the District or applicant for the performance of work on any portion of facilities subject to these Regulations.

COST: The cost of labor, materials, transportation, supervision, engineering and all other necessary expenses.

COUNTY: The County of San Bernardino, California, or the County of Riverside, California, as applicable.

CROSS-CONNECTION: Any actual or unprotected connection or structural arrangement between the District's water system, or a piping system connected to the District's system and located on the premises of a water user, and any source or distribution system containing liquid, gas, or other substances not from the District's water system or a water system that is approved for use in the District's system.

CUSTOMER: Any person, group, firm, partnership, corporation, association, or agency that legally receives recycled water service from the District.

CUSTOMER'S SERVICE VALVE: A valve independent of the District's facilities located in the customer's piping as close to the meter as practicable, the operation of which will control the entire water supply from the meter.

DEVELOPER: Shall mean any person who shall construct or develop any property, which may require recycled water service from the District.

DESIGN AREA: A site with well-defined boundaries, proposed to receive recycled water for an approved use, as delineated in the Application for Recycled Water Service.

DPH: State of California Department of Public Health

DIRECT BENEFICIAL USE: The use of recycled water, which has been transported from the point of production to the point of use without an intervening discharge to waters of the State.

DISCHARGE: Any release or distribution of recycled water, or release of wastes to a sewerage system.

DISTRICT: Yucaipa Valley Water District staff and Board of Directors.

DISTRICT RECYCLED WATER DISTRIBUTION SYSTEM: Individually or collectively, any recycled water facility or facilities financed, constructed and dedicated to the District by an applicant, developer, or customer or financed and constructed by the District.

DOUBLE CHECK VALVE ASSEMBLY: An assembly of at least two independently-acting, internally loaded approved check valves including tightly closing shut-off valves upstream and downstream of the check valve assembly and suitable leak-detector drains plus connections available for testing the water tightness of each check valve. The assembly shall meet AWWA Standard C510-97 "Double Check Valve Backflow Prevention Assembly" and be approved through laboratory and field evaluation tests.

DUAL-PLUMBED SYSTEM: A system that utilizes separate piping systems for recycled and/or recycled water and drinking water either (1) within a facility to serve plumbing outlets (excluding

fire suppression systems) within a building or (2) outdoor landscape irrigation at individual residences.

DUAL-SOURCED OR MULTIPLE WATER SYSTEMS: Systems that provide two or more grades of water to the same area, one drinking and the others recycled. The quality, quantity, reliability and pressure available from each system vary with the sources and intended uses for each grade of water.

ECONOMICALLY FEASIBLE: Customer costs of recycled water facilities that are projected to be offset by long-term water cost savings or construction of facilities, as determined by the District, to the point of economic viability.

EFFLUENT: Treated wastewater discharged from a wastewater treatment plant.

ENGINEER: The Engineer of Yucaipa Valley Water District or other person designated by the General Manager.

ENGINEER'S REPORT OR TITLE 22 ENGINEERING REPORT: A report, required by Section 60324 of Title 22 of the CCR prior to using recycled water, prepared by a properly qualified engineer registered in California and experienced in the field of wastewater treatment, which contains a description or the design of the proposed reclamation system. The report shall clearly indicate the means for compliance with Title 22 regulations and any other features specified by the regulatory agency.

GENERAL MANAGER: The General Manager of the Yucaipa Valley Water District.

GENERAL PUBLIC: Any person(s) at large who may come in contact with facilities and/or areas where recycled water is approved for use.

GOVERNING BODY: The Board of Directors of the Yucaipa Valley Water District.

GRAYWATER: Untreated wastewater, which has not been contaminated by any toilet discharge, has not been affected by infectious, contaminated or unhealthy bodily wastes and which does not present a threat from contamination by unhealthful processing, manufacturing, or operating wastes. Graywater includes wastewater from bathtubs, showers, bathroom washbasins, clothes washing machines, and laundry tubs, but does not include wastewater from kitchen sinks or dishwashers.

GREENBELT AREAS: A greenbelt area includes, but is not limited to, parkways, parks, golf courses, cemeteries, and landscaping within or surrounding a community.

1000 GALLONS: A common unit of water volume measurement.

HUMAN CONSUMPTION: Per California Health and Safety Code Section 116275(e), human consumption is defined as drinking, bathing or showering, hand washing, or oral hygiene. Recycled water and recycled water are not permitted for these purposes.

INDUSTRIAL PROCESS WATER: Water for any industrial facility with requirements, which include, but are not limited to, rinsing, washing, cooling, circulation, or construction, including any facility regulated by the industrial waste discharge ordinance of the District.

INDUSTRIAL USE: Water used for industrial processes, such as cooling, flushing or construction and other related uses.

INFILTRATION RATE: The quantity of water that can enter the soil in a specified time interval.

INSPECTOR: Shall mean the person who shall perform the work of inspecting recycled water and/or drinking water facilities under the jurisdiction or control of the District.

INSTALLER: A person(s) or firm performing work necessary to construct or install equipment or facilities subject to these Regulations.

LANDSCAPE IMPOUNDMENT: An impoundment in which recycled water or recycled water is stored or used for aesthetic enjoyment or landscape irrigation, or which otherwise serves a similar function and is not intended to include public contact or ingestion.

LANDSCAPE IRRIGATION SYSTEM: All equipment and materials used for applying irrigation water to the use area from the service connection, including all piping, valves, sprinkler heads, controllers and appurtenances.

LANDSCAPE IRRIGATION USE: Recycled water used for the propagation and maintenance of trees, shrubs, ground cover and turf. This plant material is intended for erosion control and aesthetic value, not for resale/profit purposes.

LESSEE: Person leasing property from the property owner.

LESSOR: Property owner leasing property to a lessee.

MAIN: Shall mean a water line in a street, highway, alley or easement used for public and private fire protection and for the general distribution of water.

RECYCLED USE: Any water use not requiring drinking water.

RECYCLED WATER: Water available from the District's recycled water facilities, which may include, but is not limited to, a combination of tertiary disinfected treated wastewater, intercepted surface and subsurface stream flows, groundwater, and microfiltration and nanofiltration concentrate from the District's drinking water treatment plant. This water is not acceptable for human consumption.

RECYCLED WATER SERVICE: Water service and facilities rendered for non-domestic, commercial and industrial purposes on a permanent basis, and the recycled water available.

RECYCLED WATER USE PERMIT (USE PERMIT): The processed and approved application for, and agreement with, the District for recycled water service, including all applicable Regulatory Agency requirements.

OFF-SITE FACILITIES: Existing or proposed facilities under the control of the District, or other public agency, from the source of supply to the point of connection with the customer's on-site facilities, normally up to and including District's meter and the meter box.

ON-SITE FACILITIES: Existing or proposed facilities on the property being served under the control of the customer, normally downstream of the District's meter (i.e., irrigation system).

ON-SITE RECYCLED WATER SUPERVISOR (ON-SITE SUPERVISOR): A qualified person designated as a recycled (recycled) water customer and approved by the District. This person shall be knowledgeable in the construction and operation of recycled water and irrigation systems and in the application of the Federal, State and local guidelines, criteria, standards, and rules and regulations governing the use of recycled and recycled water.

OPERATIONS PERSONNEL: Any employee of a customer, whether permanent or temporary, or any contracted worker whose regular or assigned work involves the supervision, operation or maintenance of equipment on any portion of onsite facilities using recycled water.

OPERATOR: A person(s) or firm who, by entering into an agreement with a user, is responsible for operating onsite facilities.

OWNER: The person owning in fee title, or in whose name the legal title to the property appears, by deed duly recorded in the County Recorder's office, or the person in possession of the property or buildings under claim of, or exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the owner.

PERMIT: Any written authorization required pursuant to this or any other regulation of the District.

PERSON: Any human being, individual, firm, company, partnership, association and private or public or municipal corporation, the United States of America, the State of California.

POC: Point of connection.

PONDING: Retention of piped water on the surface of the ground or man-made surface for a period of time following the cessation of an approved recycled water use activity such that potential hazard to the public health may result.

DRINKING WATER: Water, which conforms to the latest Federal, State and local drinking water standards.

PREMISES: A lot or parcel of real property under one ownership, except where there are well defined boundaries or partitions such as fences, hedges or other restrictions preventing the common use of the property by several tenants, in which case each portion shall be deemed separate premises. Apartment houses and office buildings may be classified as single premises.

PRESSURE VACUUM BREAKER ASSEMBLY (PVB): The combination of an independently-acting, internally-loaded check valve and an independently-acting loaded air inlet valve located on its discharge side, with test stops and shutoff valves attached at each end of the combination. The assembly shall meet AWWA Standard C512-99 "Air Release, Air/Vacuum, and Combination Air Valves for Waterworks Service" and be approved through laboratory and field evaluation tests.

PRIVATE FIRE PROTECTION SERVICE: Shall mean water service and facilities for building sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection and the water available.

PROPERTY OWNER (OWNER): The holder of legal title to a property.

PSI: Pounds per square inch. The most common unit of pressure measurement.

PUBLIC FIRE PROTECTION SERVICE: Shall mean the service and facilities of the entire water supply, storage and distribution system of the District, including the fire hydrants affixed thereto, and the water available for fire protection, excepting house service connections and appurtenances thereto.

PURVEYOR: An agency that supplies drinking or recycled water. The Yucaipa Valley Water District is a purveyor.

RECYCLED WATER: As defined in Title 22, Division 4, Chapter 3, of the California Code of Regulations, means water which, as a result of treatment of wastewater, is suitable for direct beneficial use or a controlled use that otherwise would not occur; such treatment of wastewater having been accomplished in accordance with the criteria, including the level of constituents in combination with the means for assurance of reliability, as set forth in the California Code of Regulations. The District may also deliver water available from the District's recycled water facilities through its recycled water system, which may include, but is not limited to, a combination of tertiary disinfected wastewater, intercepted surface and subsurface stream flows, groundwater and microfiltration and nanofiltration concentrate from the District's Water Filtration Facility.

RECYCLED WATER AGREEMENT: A contract between the District and the customer which must be executed as a condition for obtaining recycled (recycled) water service.

RECYCLED WATER FACILITIES: Facilities used in the treatment, storage, pumping and conveyance of recycled water.

RECREATIONAL IMPOUNDMENT: A body of recycled or recycled water used for recreational activities including, but not limited to, fishing, boating, and/or swimming. Allowable uses will depend on treatment level of the recycled water.

REGULAR WATER SERVICE: Water service and facilities rendered for normal domestic, commercial and industrial purposes on a permanent basis, and the water available therefore.

REGULATORY AGENCY: Individually, or in concert, the Federal EPA, the State Water Resources Control Board, the California Regional Water Quality Control Board, the State Department of Health, the San Bernardino County Health Department, the Riverside County Health Department, Department of Fish and Game, U.S. Army Corp. of Engineers, Riverside County Flood Control, Yucaipa Valley Water District, or any other regulatory agency having jurisdiction.

REIMBURSEMENT AGREEMENT: An agreement for future limited reimbursement by the District for the cost of portions of recycled water facilities which a developer, customer, applicant, or other may be required to install which are necessary and beneficial to a subsequent development, or customer.

RESIDENTIAL: Any single family unit, any duplex or triple family unit, apartment or condominium not requiring licensing for occupancy and operation.

REDUCED PRESSURE PRINCIPLE ASSEMBLY (RPPA): A backflow preventer incorporating not less than two independently-acting, internally-loaded check valves with an automatically operated differential-pressure relief valve located between the two check valves, a tightly closing shut-off valve located upstream and downstream of the check valve assembly and equipped with

necessary test stops for field testing. The assembly shall meet AWWA Standard C511-97 "Reduced-Pressure Principle Backflow Prevention Assembly" and be approved through laboratory and field evaluation tests.

RULES AND REGULATIONS: All applicable rules and regulations issued by appropriate regulatory agencies, including "Yucaipa Valley Water District Rules and Regulations for Water Service", and "Yucaipa Valley Water District Rules and Regulations for Sewer Connections and Use", as periodically amended.

RUN-OFF: Unintentional flow of water along either natural or manmade surfaces of the ground off of the designated use area.

RWQCB: Regional Water Quality Control Board.

SECRETARY: The Secretary to the Board of Directors.

SERVICE: The delivery of recycled water to a customer.

SERVICE CONNECTION: The District's facilities between the District's recycled water distribution system and the customer's recycled water service valve, including, but not limited to, the meter, meter box, valves and piping equipment.

SERVICE ANGLE METER STOP: A valve independent of the District's facilities located in the customer's piping as close to the meter as practicable, the operation of which will control the entire water supply from the meter.

SERVICE CONNECTION FEE: A charge imposed by and paid to the District to cover the installation costs of recycled water facilities to be paid for by the customer/applicant as a condition prior to service.

STANDARD SPECIFICATIONS: "Standard Specifications for Construction of Water, Sewer and Recycled Water Facilities" of Yucaipa Valley Water District, as amended.

SURCHARGE: A charge imposed by the District for the provision of special service not normally provided by the District.

SYSTEM OPERATOR: On-site supervisor, or designee responsible for operation and maintenance of customer's system in conformance with this Ordinance.

TEMPORARY WATER SERVICE: Water service and facilities rendered for construction work and other uses of limited duration, and the recycled water available.

TERTIARY EFFLUENT: Disinfected Tertiary-2.2 Recycled Water as defined in Title 22, Division 4, Chapter 3, of the California Code of Regulations, Section 60301.230.

TITLE 22: Title 22, Division 4, Chapter 3, of the California Code of Regulations.

UNAUTHORIZED DISCHARGE: Any release of recycled or recycled water that violates the provisions of this Ordinance or any applicable Federal, State, District, or local statutes, regulations, ordinances, contracts or other requirements.

URP: User Reclamation Plan.

USE AREA: The specific area designated to be served recycled water through on-site recycled water facilities.

USER: Any person, group, firm, partnership, corporation, association, or agency who legally receives recycled water service from the District; a Customer.

VIOLATION: Noncompliance with any condition or conditions of these Regulations and/or a user permit by any person, action or occurrence, whether willfully or by accident.

WATER APPLICATION DEVICES: Any mechanism or device that applies water at a predetermined rate onto a receiving area. Devices include, but are not limited to, impact sprinklers, pop-up sprinklers, rotor sprinklers, drip emitters, mini-micro-sprayers, bubblers, spinners, portables.

WATER DEPARTMENT: The Board of Directors of the District performing functions related to the District's recycled water service, together with the General Manager and any other duly authorized representative.

WATER CODE: State of California Water Code.

WINDBLOWN SPRAY: Dispersed, airborne particles of water capable of being transmitted through the air to a location other than that for which the direct application of recycled water is approved.

Appendix B

Mandatory Use Resolution No. 13-1998

Please consult the latest version of this document

RESOLUTION NO. 13-1998

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE YUCAIPA VALLEY WATER DISTRICT,
SAN BERNARDINO AND RIVERSIDE COUNTIES,
CALIFORNIA, REQUIRING THE USE OF
RECYCLED WATER FOR NONPOTABLE PURPOSES

WHEREAS, the Yucaipa Valley Water District ("the District") and the surrounding region is subject to periodic drought conditions; and

WHEREAS, the development of traditional water resources in the District may not keep pace with the District's population; and

WHEREAS, there is a need for reliable sources of water for uses not related to the supply of potable water to protect investments in agriculture, greenbelts and recreation; and

WHEREAS, the environmental benefits of reclaimed water include a reduced demand for potable groundwater which is otherwise needed to maintain water quantity, quality, and to reduce salinity; and

WHEREAS, the use of recycled water has proven to be safe from a public health standpoint; and

WHEREAS, realizing the importance of recycled water, the Yucaipa Valley Water District adopted a Water Reclamation Master Plan dated November 1992; and

WHEREAS, the use of recycled water is a cost-effective, reliable method of helping to meet the District's water supply needs; and

WHEREAS, the development of the infrastructure to distribute recycled water will provide jobs and enhance the economy of the community.

NOW, THEREFORE, the Board of Directors of the Yucaipa Valley Water District hereby resolve as follows:

Section 1: Findings and Declaration

The Board of Directors hereby finds and declares that the use of potable domestic water for nonpotable uses including, but not limited to, cemeteries, golf courses, parks, landscape areas and industrial and irrigation uses, is a waste or unreasonable use of the water within the meaning of Section 2 of Article X of the California Constitution, if recycled water is available. It shall hereafter be District policy that recycled water be used to the maximum extent possible.

Section 2: Definition

"Recycled water" means and includes any one or a combination of reclaimed water, nonpotable water and/or untreated water.

Section 3: Applicability3.1 New Development

All new development within the District shall use recycled water for nonpotable uses.

3.2 Existing Development

All nonpotable uses in existence on the effective date of this Resolution may, after notice and hearing, be ordered to use recycled water or to cease using potable water if the following requirements are met:

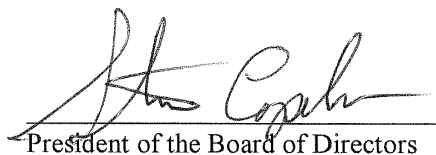
3.2.1 The recycled water is available at a reasonable cost to the user. In determining reasonable cost, the District shall consider all relevant factors including, but not limited to, the present and projected costs of supplying, delivering and treating potable domestic water and the present and projected costs of supplying and delivering recycled water, and shall find that the cost of supplying the recycled water is comparable to, or less than the cost of supplying potable domestic water; and

3.2.2 The use of recycled water will not be detrimental to public health.

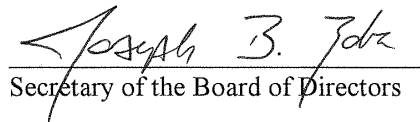
Section 4: Effective Date

This policy shall take effect thirty (30) days after its adoption.

ADOPTED this 18th day of February, 1998.


President of the Board of Directors

ATTEST:


Secretary of the Board of Directors

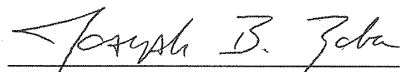
(SEAL)

STATE OF CALIFORNIA)
) SS
COUNTIES OF RIVERSIDE)
AND SAN BERNARDINO)

I, Joseph B. Zoba, Secretary of the Board of Directors of the Yucaipa Valley Water District, California, do hereby certify that the foregoing resolution being Resolution No. 13-1998 was duly passed, approved and adopted by said Board, approved and signed by the President, and attested by the Secretary all at the Regular Meeting of said Board held on the 18th day of February, 1998, and that the same was passed and adopted by the following vote:

AYES: Directors Wochholz, Nelson, Copelan, Lesser and Shalhoub
NOES: None
ABSENT: None
ABSTAIN: None

Executed this 19th day of February, 1998, at Yucaipa, California.



Secretary of the Yucaipa Valley
Water District and of the Board
of Directors thereof

(SEAL)

Appendix C

Rules and Regulations for Drinking Water Service Ordinance No. 48-1998, Section 10 Cross Connection Control

Please consult the latest version of this document

Appendix D

California Code of Regulations Backflow Prevention and Cross Connection Control Title 17

Please consult the latest version of this document

Appendix E

Application for Recycled Water Service

Please consult the latest version of this document



Director Memorandum 18-148

Date: November 20, 2018

Prepared By: John Wrobel, Public Works Manager

Subject: Ratification of the Issuance of a Class II Non-Significant Industrial User Discharge Permit to Skat-Trak Performance Products - Permit No. CP-003-03

Recommendation: That the Board ratify the issuance of Permit No. CP-003-03.

Publicly owned treatment works (POTWs) collect waste from homes, commercial buildings, and industrial facilities and transport the water carrying waste via a series of pipes, known as a sewer collection system to a sewer treatment plant. Here, the POTW is responsible for separating the waste from the water.

Generally, POTWs are designed to treat waste in water from typical domestic uses. However, POTWs also receive waste from industrial (non-domestic) users. Industrial wastewater often includes by-product chemicals from production and manufacturing processes that can contain chemicals such as copper, lead, nickel, and other heavy metals. Because certain wastes can interfere with the biological or filtration treatment processes, these wastes must be removed before they are discharged into a sewer collection system.

The removal process is known as "pretreatment" and is enforced by the General Pretreatment Regulations at 40 CFR 403.1 et seq. which establish the responsibilities of government agencies and industries to implement practices to control industrial wastes that may pass through or interfere with publicly owned treatment works (POTWs) or contaminate sewage sludge.

In 1978, U.S. EPA promulgated extensive regulations requiring many POTWs to develop and implement local pretreatment programs. U.S. EPA delegated the responsibility to oversee these pretreatment programs to the State Water Board and Regional Water Boards in 1989. As a result, the State and Regional Water Quality Control Boards are responsible for the review and approval of POTW pretreatment programs. The discharge permits for POTWs spell out the pretreatment program monitoring and reporting requirements.

The Regional Water Board's pretreatment program includes pretreatment compliance audits, inspections, annual and semiannual report reviews, program modifications, and enforcement activities. Pretreatment compliance inspections verify the compliance status of POTWs, focusing on the POTW's own compliance monitoring and enforcement activities. Pretreatment compliance audits involve a comprehensive review of all elements of a POTW's pretreatment program. Audits take place every five years. Inspections usually occur every year, except when an audit is scheduled.

The attached pretreatment permit outlines the pollutant limitations for the industrial wastewater to be discharged from the Skat-Trak Performance Products facility located at 654 Avenue. "K".



Yucaipa Valley Water District

RECEIVED

OCT 05 2018

YUCAIPA VALLEY
WATER DISTRICT**CLASS II NON-SIGNIFICANT INDUSTRIAL USER
DISCHARGE PERMIT****Date:** October 4, 2018**Name:** Skat-Trak Performance Products
654 Ave. "K"
Calimesa, CA 92320**Attention:** Ms. Diane Stuart, Secretary-Treasurer**Reference:** Class II Non-Significant Categorical Industrial User Discharge
Permit Issued to Skat-Trak Performance Products**Permit No:** CP-003-03**SIC No:** 3365
NAICS: 331524**Issued By:** Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

Dear Ms. Stuart:

The enclosed permit outlines the pollutant limitations for the industrial wastewater to be discharged from Skat-Trak Performance Products, facility located at 654 Ave. "K" into the Yucaipa Valley Water District ("District") wastewater collection system. All discharges of wastewater generated at this facility, actions, and reports thereto, shall be in accordance with the terms and conditions of this permit and the **District's Sewer Use Ordinance**. The annual permit fee is \$500 per year plus sampling costs.

If you wish to appeal or challenge any of the discharge limitations, pretreatment requirements, or conditions imposed in this permit, a petition must be filed for modification or reissuance of this permit within ten (10) working days of issuance.

It is hereby certified that this permit was prepared based on information provided by a combination of one or more of the following sources: the user's permit application, facts obtained during a field inspection of the user's wastewater generating activities, and/or additional information obtained from the user.

John Wrobel,
Public Works Manager



Skat-Trak Performance Products
Wastewater Discharge Permit
Number CP-003-03
Page 1

Class II Non-Significant Categorical Industrial User Discharge Permit Number CP-003-03

IU Name and Address: Skat-Trak Performance Products
654 Ave. "K"
Calimesa, CA 92320

Responsible Party: Diane Stuart, Secretary-Treasurer

Contact: Al Miersma, Safety Trainer (909)
795-2505

Mailing Address: Skat-Trak Performance Products
P.O. Box 518
Calimesa, CA 92320

In accordance with the provisions of the Yucaipa Valley Water District's **Sewer Use Ordinance**, the above listed company ("permittee") is hereby authorized to discharge industrial wastewater from 654 Ave. "K" Calimesa, CA 92320 to the District's wastewater collection system, in accordance with the discharge limitations, monitoring requirements, and other conditions set forth in this permit. Compliance with this permit does not relieve the permittee of its obligation to comply with all pretreatment regulations, standards or requirements under local, State and Federal laws, including any such laws, regulations, standards, or requirements that may become effective during the term of this permit.

Noncompliance with the terms and conditions of this permit shall constitute a violation of the requirements of the District's **Sewer Use Ordinance**, and shall subject the permittee to applicable enforcement actions.

This permit shall become effective on: October 17, 2018

This permit shall expire at midnight on: October 16, 2020

The permittee shall not discharge any industrial wastewater after the date of expiration. If the permittee wishes to continue discharging wastewater to the District's wastewater collection system after the expiration date, an application must be filed for reissuance of this permit in accordance with the requirements of District's **Sewer Use Ordinance**. This application is due a minimum of 90-days prior to the expiration of this permit.

Issued By:

A handwritten signature in blue ink, appearing to read "John Wrobel", written over a horizontal line.

John Wrobel, Public Works Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

Accepted By:

A handwritten signature in blue ink, appearing to read "Diane Stuart", written over a horizontal line.

Diane Stuart, Secretary-Treasurer
Skat-Trak Performance Products
654 Ave. "K"
Calimesa, CA 92320



Skat-Trak Performance Products
Wastewater Discharge Permit
Number CP-003-03
Page 2

PART 1 - DISCHARGE REQUIREMENTS

- A. Discharge Location:** During the period of **October 18, 2018 to midnight of October 17, 2020**, the permittee is authorized to discharge the industrial wastewater specified in Part 1-C, through the sample location(s), and outfall(s) listed below to the District's wastewater collection system.

1. Discharge Location 001 - The floor sink located in the boiler and autoclave area, which is located on the south side of the main building (See diagram on Page 8). This discharge is subject to the District's local limits.

Skat-Trak Performance Product's only non-domestic discharge is generated from boiler and autoclave batch discharges. Skat-Trak is not permitted to discharge any other process tanks or containers.

- B. Permit Duration and Designated Discharge Limits:** During the period of **October 17, 2018 to midnight of October 16, 2020** the industrial wastewater discharged from Sample Location 001, shall not exceed the Local Discharge Limitations specified in the Discharge Limitation Table on page 6.

- C. Permit Classification:** Skat-Trak Performance Products is classified as a **Non-Significant Categorical Industrial User (NSCIU)** as outlined in 40CFR464.15 Subpart "A" PSES Aluminum Casting and 40 CFR464.35 Subpart "C" PSES Ferrous Casting. Skat-Trak has chosen to haul and/or evaporate all process wastewater. **Industrial User (Permittee) is not authorized to discharge any federally (Categorical) regulated process wastewater into the sanitary sewer.** The only industrial wastewater permitted to be discharged is the batch discharges from the boiler (**less than 140 degrees °F (Fahrenheit) prior to discharge**) and autoclave.

- D. Total Toxic Organic (TTO) Monitoring:** TTO monitoring is required under 40CFR464 for wastewater discharges from the investment casting/cleaning operation. As an alternative to TTO monitoring the permittee may choose to monitor for oil and grease (40CFR464.03 (a)). Since there is no discharge of process wastewater allowed under this permit, the **TTO monitoring requirement is waived**. However, a TTO Management Plan (TOMP), that specifies to the satisfaction of the District the toxic organic compounds stored and used; the method of disposal such as recycling, incineration, or contract hauling; and the procedures for ensuring that toxic organics do not routinely spill or leak into the wastewater is required.

A TOMP was previously submitted to the District. Skat-Trak shall continue to be required to complete a certification statement in the self monitoring reports that the TOMP is being followed. (See Part 1 Section E below) shall be submitted with the annual report as indicated in Part 3 Section A of this Permit.

- E. Certification Statement in Lieu of Requiring Monitoring for TTO:** The District may allow Skat-Trak Performance Products to make the following certification statement: "Based on my inquiry of the person or persons directly responsible for managing compliance with the permit limitation [or pretreatment standard] for total toxic organics (TTO), I certify that, to the best of my knowledge and belief, no dumping of concentrated toxic organics into the wastewaters has occurred since filing of the last discharge monitoring report. I further certify that this facility is implementing the Toxic Organic Management Plan (TOMP) submitted to the District. This statement is to be included as a comment with each Self Monitoring Report required by this permit. If monitoring is necessary to measure compliance with the TTO standard, the industrial discharger shall analyze for only those pollutants which would reasonably be expected to be present above 0.01 mg/L.



Skat-Trak Performance Products
Wastewater Discharge Permit
Number CP-003-03
Page 3

- F. Certification Statement:** certifying that the pretreatment standards are being met in the self monitoring data. This statement will be included on the Self monitoring Report Forms provided by the District.
- G.** The oil and grease limitations are listed on pages 4 & 5 of the permit. **The section applies only to categorical discharges and therefore is not required under this discharge permit.**
- H. Notification of Process Changes:** Skat-Trak Performance Products is required to notify the District, in writing, at least 30 days in advance, of any new connections or changes to existing discharges or other modifications which will alter the amount of or pollutant strength of any wastewater, which is discharged to the District's wastewater collection system.
- I. Discharge Limitations:** The Discharge Limitation Tables on pages 4,5 & 6 contain limits for both federal and local limitations. The federal (Categorical) limits are for reference only, as this permit does not allow any categorical process to be discharged to the District's wastewater collection system without prior approval. Certain constituents may also contain daily and monthly average limitations.
- J. Categorical Discharges:** *No categorical process discharges are allowed under this permit.* If an accidental or unauthorized discharge occurs it must be reported immediately to the District. A sample of the accidental or unauthorized discharge shall be collected and evaluated against the most stringent values listed in the Tables on pages 4-5. Additionally, if more than 1 sample is collected during a calendar month, each sample must comply with the daily maximum and the arithmetic mean of all collected samples will be compared against the monthly average. Please note, that if only one sample is collected in a calendar month, the single sample also represents the "monthly average" and will be evaluated against that limitation as well.
- K. Skat-Trak has been classified as a Non-Significant Categorical Industrial User and is allowed to self-monitor on an annual bases for meeting the following requirements:**
- Never discharges any categorical wastewater.
 - Consistently complied with all applicable Pretreatment Standards.
 - Annually submit a certification statement and never discharge any untreated concentrated wastewater.



Skat-Trak Performance Products
Wastewater Discharge Permit
Number CP-003-03
Page 4

DISCHARGE LIMITATION TABLE (Categorical – Aluminum Casting)
Limits are informational only; there shall be no discharge from this area.

SAMPLE POINT (N/A) MAXIMUM ASSIGNED FLOW No Discharge	Categorical Limit 40CFR464.15(a) (PSES) Casting Cleaning (Lbs/10 ⁶ lbs of metal poured)		Categorical Limit 40CFR464.15(f) (PSES) Investment Casting (Lbs/10 ⁶ lbs of metal poured)	
	Daily Maximum	Monthly Average	Daily Maximum	Monthly Average
Copper (Cu)	0.0771	0.0421	8.48	4.63
Lead (Pb)	0.0791	0.039	8.7	4.3
Zinc (Zn)	0.114	0.0431	12.6	4.74
Total Toxic Organics (TTOs)	-	-	18.1	5.91
Oil/Grease (Alternate Monitoring)	-	-	330	110

Total toxic organics (TTO). TTO is a regulated parameter under PSES (§464.15) and PSNS (§464.16) for the aluminum subcategory and is comprised of a discrete list of toxic organic pollutants for each process segment where it is regulated, as follows:

Investment Casting (§464.15(a) and §464.15(f):

1,1,1-trichloroethane, chloroform (trichloromethane), methylene chloride (dichloromethane) bis (2-ethylhexyl) phthalate, pyrene, tetrachloroethylene, trichloroethylene



Skat-Trak Performance Products
 Wastewater Discharge Permit
 Number CP-003-03
 Page 5

DISCHARGE LIMITATION TABLE (Categorical – Ferrous Casting)
 Limits are informational only; there shall be no discharge from this area.

SAMPLE POINT (N/A) MAXIMUM ASSIGNED FLOW No Discharge	Categorical Limit 40CFR464.35(a) (2)(PSES) Casting Cleaning (Lbs/10 ⁶ lbs of metal poured)		Categorical Limit 40CFR464.35(e) (2) (PSES) Investment Casting (Lbs/10 ⁶ lbs of metal poured)	
	Daily Maximum	Monthly Average	Daily Maximum	Monthly Average
Copper (Cu)	0.0129	0.0071	3.19	1.76
Lead (Pb)	0.0353	0.0174	8.7	4.3
Zinc (Zn)	0.0656	0.025	16.2	6.17
Total Toxic Organics (TTOs)	-	-	13.2	4.3
Oil/Grease (Alternate Monitoring)	-	-	330	110

Total Toxic Organics (TTO). TTO is a regulated parameter under PSES (§464.35) and PSNS (§464.36) for the ferrous subcategory and is comprised of a discrete list of toxic organic pollutants for each process segment where it is regulated, as follows:

Investment Casting (§464.35(e):

chloroform (trichloromethane), methylene chloride (dichloromethane)
 bis (2-ethylhexyl) phthalate, acenaphthylene pyrene



Skat-Trak Performance Products
Wastewater Discharge Permit
Number CP-003-03
Page 6

DISCHARGE LIMITATION TABLE

LOCAL LIMITATIONS SAMPLE POINT (001)	
Pollutant	Daily Maximum (mg/L)
Ammonia-Nitrogen	50
Arsenic (As)	1.9
Bis (2-Ethylhexyl) Phthalate	0.013
Biochemical Oxygen Demand –5 Day (BOD)	2500
Boron (B)	Water Supply + 1.0
Cadmium (Cd)	0.1
Chromium (Cr) (Total)	1.7
Copper (Cu) Total	0.7
Cyanide (CN), Total	0.3
Lead (Pb) – Total	0.2
Mercury (Hg)	0.01
Molybdenum (Mo)	0.7
Nickel (Ni)	2.3
Oil/Grease (Total)	500
Oil/Grease (Total Petroleum Hydrocarbons - TPH)	100
pH ¹	5.0-11.0 pH units
Selenium (Se) Total	0.1
Silver (Ag) Total	0.1
Sulfides Dissolved (SO ₃ ²⁻)	0.1
Total Dissolved Solids (TDS) ²	Water Supply + 400
Total Suspended Solids (TSS)	2500
Total Toxic Organics	0.58
Zinc	7.2

1: pH equals the negative log of the hydrogen ion concentration (-log [H⁺]).

2: TDS limit is a "floating" or variable limit based upon an incremental amount over the potable water supply. The increment allowed over the potable concentration is 400 mg/L. Therefore, a potable sample must be taken at the same time as the wastewater sample for comparison purposes.

BOD and TSS limits shown is the maximum concentration allowed. The District reserves the right to place a surcharge fee on any concentration over 300 mg/L.



Skat-Trak Performance Products
Wastewater Discharge Permit
Number CP-003-03
Page 7

PART 2 - MONITORING REQUIREMENTS

- A. General Monitoring Requirements:** From the period beginning on the effective date of the permit until midnight on **October 16, 2020**, the permittee shall monitor the wastewater to be discharged to the District's wastewater collection system at the indicated frequency, for the following pollutants at Sample Location¹ 001. **All annual monitoring shall be completed during the FIRST MONTH of the FOURTH QUARTER of the calendar year (October), to ensure meeting the reporting requirements.** The District may at its discretion collect samples of the domestic discharges from Skat-Trak to verify compliance with all permit limitations and conditions set forth in this permit.

POLLUTANT	FREQUENCY	SAMPLE TYPE
CATEGORICAL BATCH DISCHARGE (If Required)		
Copper (Cu)	Unscheduled - As Needed	Grab
Lead (Pb)	Unscheduled - As Needed	Grab
Zinc (Zn)	Unscheduled - As Needed	Grab
Total Toxic Organics (TTOs)	Unscheduled - As Needed	Grab
Oil/Grease (Alternate Monitoring)	Unscheduled - As Needed	Grab
SAMPLE LOCATION 001 MONITORING		
Flow (Batch 500 Gallons Approx.)		
Ammonia-Nitrogen	Annually	Grab
Biochemical Oxygen Demand (BOD)	Annually	Grab
Boron (B)	Annually	Grab
Cadmium (Cd)	Annually	Grab
Chromium (Total)	Annually	Grab
Copper (Cu)	Annually	Grab
Cyanide, Total (CN)	Annually	Grab
Lead (Pb)	Annually	Grab
Mercury (Hg)	Annually	Grab
Nickel (Ni)	Annually	Grab
Total Petroleum Hydrocarbons (TPH)	Annually	Grab
pH	Annually	Grab
Selenium (Se)	Annually	Grab
Silver (Ag)	Annually	Grab
Sulfide Dissolved (SO ₃)	Annually	Grab
Total Dissolved Solids (TDS)	Annually	Grab
Total Suspended Solids (TSS)	Annually	Grab
Total Toxic Organics ²	-	-
Zinc (Zn)	Annually	Grab

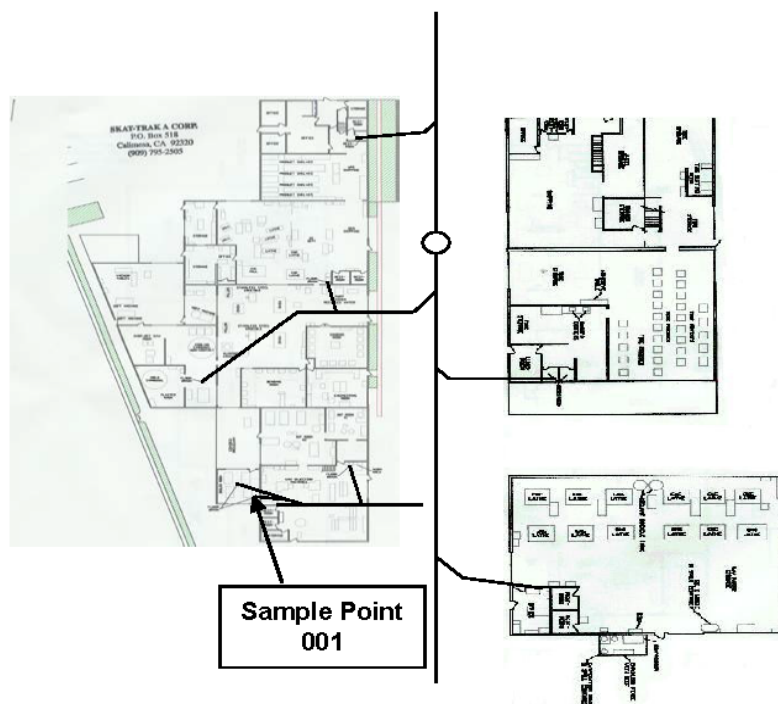
1. See Part 2-C, Sample Location (Page 8) 2.Sampling may be waived in accordance with Part 1 – Discharge Requirements Section D and E of this Permit



Skat-Trak Performance Products
Wastewater Discharge Permit
Number CP-003-03
Page 8

- B. Additional Monitoring Requirements:** All handling and preservation of collected samples and laboratory analyses of samples shall be performed in accordance with **40 CFR, Part 136**, and amendments thereto unless specified otherwise in the monitoring conditions of this permit. ***Annual* self monitoring results shall be submitted prior to the last day of the SECOND MONTH of the FOURTH QUARTER (November).** A Self Monitoring Report Form shall accompany each submittal of sample Results. See Part 3 – Reporting for more details on the Self-Monitoring Report (SMR) form.
- C. Monitoring Location:** Self-Monitoring of industrial wastewater shall be conducted at the Sample Locations 001 (shown below). Compliance with all and Local limits in this permit will be determined at Sample Location 001 only.

SKAT-TRAK PERFORMANCE PRODUCTS SAMPLE LOCATION





Skat-Trak Performance Products
Wastewater Discharge Permit
Number CP-003-03
Page 9

PART 3 - REPORTING REQUIREMENTS

- A. Permittee's Self-Monitoring Reports:** All required monitoring results shall be summarized and reported on the District's Dischargers Self Monitoring Report Form provided by the District. This report form shall indicate the compliance status and concentration and/or mass value of all pollutants in the wastewater for which sampling and analysis were performed. The Self Monitoring Report Form includes the following:

1. **Certified Laboratory Report**
2. **Signed Certified Statement Form**

All applications, reports, or information submitted to the District must include a **Signed Certified Statement**.

All required **Annual** monitoring reports shall be submitted to the District no later than the last day of the **Second Month of the Fourth Quarter of the Calendar Year (November)**. Failure to submit the required Reporting Forms shall result in the permittee being in violation of their Industrial User Discharge Permit. Any incomplete monitoring result shall be returned to the permittee for completion. If the monitoring results are not submitted within 45 days of the due date, the permittee shall be considered in Significant Noncompliance (SNC) and a Notice of Violation (NOV) will be issued.

- B. Automatic Re-sampling:** If the results of the wastewater analysis indicate that a violation of this permit has occurred, the permittee must:

1. Inform the District of the violation by telephone within 24 hours of receiving the results of the analysis indicating a violation has occurred.
2. Repeat the sampling and constituent analysis and submit, in writing, the results of this repeat analysis within 30 days of the first violation.

- C. Accidental Discharge Report:** The permittee shall notify the District immediately upon the occurrence of any accidental discharge of substances prohibited by the District's Sewer Use Ordinance or any upsets, bypass, slug loads or spills that occur at the facility identified in this permit and may enter the public sewer. During normal business hours the Yucaipa Valley Water District's Wochholz Regional Water Recycling Facility should be notified by telephone at **(909) 795-2491**. The notification shall include the location of the discharge, date and time of the discharge, and the type of waste, including concentration, volume and corrective actions taken. The permittee's notification of accidental discharges in accordance with this section does not relieve the permittee of other reporting requirements that arise under local, State, or Federal laws.

Within five days following an accidental discharge, the permittee shall submit to the District, a detailed written report. The report shall specify:

1. Description and cause of the accidental discharge and the impact of the incident on the permittee's compliance status. The description should also include location of discharge, type, concentration and volume of waste.
2. Duration of noncompliance, including exact dates and times of noncompliance and the time when compliance is expected to be achieved.
3. All steps taken or to be taken to reduce, eliminate, and/or prevent recurrence of such conditions of slug load, accidental discharge or other noncompliance events.

- D. Material Safety Data Sheets:** The permittee shall maintain copies of Material Safety Data Sheets (MSDS) for all chemicals used in association with the manufacturing process. If



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hazardous materials are used in the manufacturing process, secure storage with secondary containment must be provided for those materials. If the permittee generates substances listed as toxic under the permittee must follow Federal regulatory guidelines for the disposal of those substances. Secure storage with secondary containment must be provided with no possible access to the sewer. Storage of the wastes shall not exceed 90 days and transportation of the wastes shall be by a licensed carrier to a licensed disposal facility. Copies of all shipping manifests and disposal receipts for hazardous materials shipped offsite shall be available for the District to review.

E. Slug Discharge Control Plan (SDCP): Each permitted Industrial user who stores significant quantities of liquids in the vicinity of floor drains or other openings to the District's sewer system such that spillage of stored liquids could result in Slug Loading or in any violation of the provisions of the District's Sewer Use Ordinance shall file a Slug Discharge Control Plan with the District. All Significant Industrial Users shall be evaluated for the need to develop a Slug Discharge Control Plan. The Plan shall contain at a minimum, the following elements:

1. Description of discharge practices, including non-routine batch discharges;
2. Description of stored chemical;
3. Procedures for immediately notifying YVWD of any accidental or slug discharge. Such notification must also be given for any discharge which would violate any of the standards set forth in the District's **Sewer Use Ordinance** and any local, state or federal regulations; and **within five days** following an accidental discharge, the permittee shall submit to the District, a detailed written report.
4. Procedures to prevent adverse impact from any accidental or slug discharge. Such procedures include, but are not limited to inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site runoff, worker training, building of containment structures or equipment, measures for containing toxic organic chemicals (including solvents), and/or measures and equipment for emergency response.

The Slug Discharge Control Plan shall be updated whenever changes occur in any of the addressed areas; chemicals are added or replaced; processes or plumbing are rerouted or changed; pretreatment facilities are modified or replaced; operations and/or maintenance procedures are modified; or personnel listed in the plan are replaced, changed, or removed.

During routine inspections, the Slug Discharge Control Plan shall be reviewed by the responsible party and either;

1. Updated and resubmitted, or
2. A written certification submitted stating that no change in the Slug Discharge Control Plan has occurred.

F. Report Submittal: All reports required by this permit shall be submitted to: **Yucaipa Valley Water District, P.O. Box 730, Yucaipa, CA 92399-0730, Attention: Environmental Control Department.**



PART 4 - SPECIAL CONDITIONS

A. Reopener Clause

1. This permit may be reopened and modified to incorporate any new or revised requirement contained in a national categorical pretreatment standard promulgated for the industrial category covered by this permit.
2. This permit may be reopened and modified to incorporate any new or revised requirements resulting from the District's reevaluation of its local limits.
3. This permit may be reopened and modified to incorporate any new or revised requirements developed by the District as are necessary to ensure POTW compliance with applicable biomass management requirements promulgated by Federal Regulations in 40 CFR Part 503.

PART 5 - STANDARD CONDITIONS

A. General Conditions and Definitions

1. **Severability**: The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.
2. **Duty to comply**: The permittee must comply with all conditions of this permit. Failure to comply with the requirements of this permit may be grounds for administrative action or enforcement proceedings, including civil or criminal penalties, injunctive relief, and summary abatements.
3. **Duty to Mitigate**: The permittee shall take all reasonable steps to minimize or correct any adverse impact to the public treatment plant or the environment resulting from noncompliance with this permit.
4. **Permit Modification**: This permit may be modified for good cause including, but not limited to the following:
 - a. To incorporate any new or revised Federal, State or local pretreatment standards or requirements.
 - b. Material or substantial alterations or additions to the discharger's operation processes, or discharge volume or character which were not considered in drafting the effective permit.
 - c. A change in any condition in either the permittee or the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge.
 - d. Information indicating that the permittee's discharge poses a threat to the District's collection and treatment systems, POTW personnel or the receiving waters.
 - e. To correct typographical or other errors in the permit.
 - f. Upon request of the permittee, provided such request does not create a violation of any applicable requirements, standards, laws or rules and regulations.

The filing of a request by the permittee for a permit modification, revocation, and reissuance or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.



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5. **Permit Termination:** This permit may be terminated for the following reasons:

- a. Falsifying self-monitoring reports.
- b. Tampering with monitoring equipment.
- c. Refusing to allow timely access to the facility premises and records.
- d. Failure to meet discharge limitations.
- e. Violation of any terms or conditions of this permit.
- f. Failure to pay fines or permit fees.
- g. Failure to pay sewer charges.

6. **Permit Appeals:** The permittee may petition to appeal the terms of this permit within ten (10) days of issue date.

The petition must be in writing, sent certified mail, return receipt requested. Failure to submit a petition for review shall be deemed to be a waiver of that appeal. If an appeal is submitted, the permittee must indicate in the appeal, the permit provisions objected to, the reasons for the objection(s), and the alternative condition(s), if any, the permittee seeks to be placed in the permit.

If the Board of Directors of the District consents to consider an appeal by the permittee, the effectiveness of this permit shall not be stayed during the appeal process. If after considering the petition and any arguments put forth by the General Manager, the Board determines that reconsideration of this permit is proper, the Board shall remand the permit back to the General Manager for reissuance. Those permit provisions being reconsidered by the General Manager at the direction of the Board shall be stayed pending reissuance of the permit.

A decision by the District's Board of Directors that refuses to reconsider an issued permit shall be considered final administrative action for purposes of judicial review. The permittee seeking judicial review of a final action by the Board must do so by filing a complaint in the Superior Court of the Counties of Riverside or San Bernardino within thirty (30) days.

7. **Property Rights:** The issuance of this permit does not convey any property rights of any sort, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any violation of Federal, State, or local laws or regulations.

8. **Permit Transfers:** Permits may not be reassigned or transferred to a new owner or operator. Upon transfer of ownership, written notice to the District must be provided, and a new permit application submitted by the new owner to the District at least 60 days prior to transfer of ownership.

9. **Continuation of Expired Permits:** An expired permit will continue to be effective and enforceable until a new permit is issued if:

- a. The permittee has submitted a complete permit application at least ninety (90) days prior to the expiration date of the existing permit.
- b. The failure to reissue the permit, prior to the expiration of the previous permit, is not due to any act or failure to act on the part of the permittee.

10. **Dilution:** The permittee shall not increase the use of potable or process water or, in any way, attempt to dilute an effluent as a partial or complete substitute for adequate



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treatment to achieve compliance with the limitations contained in this permit.

11. Definitions:

- a. **Daily Maximum** - The maximum allowable discharge of a constituent during a calendar day where daily limits are expressed in units of mass, the daily discharge is the total mass discharged over the course of the day. Where daily maximum limitations are expressed in terms of a concentration, the daily discharge is the arithmetic average measurement of the constituent concentration derived from all measurements taken during that day.
- b. **Composite Sample** - A sample that is collected over time formed by either continuous sampling or by mixing discrete samples. The samples can either be a time composite or a flow proportional composite sample.
- c. **Grab Sample** - An individual sample collected in less than 15 minutes, without regard for flow or time.
- d. **Instantaneous Maximum Concentration** - The maximum concentration allowed in any single grab sample.
- e. **Cooling Water** - (1) Uncontaminated: Water used for cooling purposes only which has no direct contact with any raw material, intermediate, or final product and which does not contain a level of contaminants detectably higher than that of the intake water. (2) Contaminated: Water used for cooling purposes only which may become contaminated either through the addition of water treatment chemicals used for corrosion inhibitors or biocides, or by direct contact with process materials and/or wastewater.
- f. **Monthly Average** - The arithmetic mean of the values for effluent samples collected during a calendar month or specified 30-day period (as opposed to a rolling 30 day Window).
- g. **Weekly Average** - The arithmetic mean of the values for effluent samples collected over a period of seven consecutive days.
- h. **Bi-Weekly** - Once every other week
- i. **Bi-Monthly** - Once every other month
- j. **Bi-annually** - Once every other year
- k. **Semi-annually** - Once every six months
- l. **Bypass** - Means the intentional diversion of waste streams from any portion of a treatment facility.
- m. **Upset** - Means an exceptional incident in which there is unintentional and temporary noncompliance with categorical Pretreatment standards because of factors beyond the reasonable control of the Industrial User.

12. General Prohibitive Standards: The permittee shall comply with all the general prohibitive discharge standards in Federal regulations namely the permittee shall not discharge wastewater to the District's wastewater collection system:

- a. Having a temperature higher than 140 degrees F. (60 degrees C.);
- b. Containing more than 500 PPM by weight of fats, oils, and grease;
- c. Containing any gasoline, benzene, naphtha, fuel oil or other flammable or explosive liquids, solids, or gases; and in no case substances with a closed



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- cup flashpoint of less than 140° F. (60° C.);
- d. Containing any garbage that has not been ground by household type or other suitable garbage grinders;
- e. Containing any ashes, cinders, sand, mud, straw, shavings, metal, glass, feathers, tar, plastics, wood, paunch manure, or any other solids or viscous substances capable of causing obstructions or other interference with proper operation of the wastewater collection system;
- f. Having a pH lower than 5.0 (**to protect the sewer system**) or higher than 12.5, (**pH used to define a hazardous material**) or having any other corrosive property capable of causing damage or hazards to structures, equipment or personnel of the Districts wastewater treatment plant and collection system;
- g. Containing toxic or poisonous substances in sufficient quantity to injure or to interfere with any wastewater treatment process, to constitute hazards to humans or animals, or to create any hazard in receiving waters for the effluent from the treatment plant. Toxic wastes shall include, but are not limited to wastes containing cyanide, chromium, cadmium, mercury, copper, and nickel ions;
- h. Containing noxious or malodorous gases or substances capable of creating a public nuisance; including pollutants which result in the presence of toxic gases, vapors, or fumes;
- i. Containing solids of such character and quantity that special and unusual attention is required for their handling;
- j. Containing any substance which may affect the treatment plant's effluent and cause violation of NPDES Permit requirements;
- k. Containing any substance which would cause the treatment plant to be in noncompliance with sludge use, recycle or disposal criteria pursuant to guidelines or regulations developed under the Clean Water Act, the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substance Control Act or other regulations or criteria for sludge management and disposal as required by the State.
- l. Containing color which is not removed in the treatment process;
- m. Containing any medical or infectious wastes;
- n. Containing any radioactive wastes or isotopes; or
- o. Containing any pollutant including BOD pollutants released at a flow rate and/or concentration that would cause interference with the treatment plant operation.

B. Operation and Maintenance of Pollution Controls

1. **Proper Operation and Maintenance:** The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance includes but is not limited to: effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate QA procedures.
2. **Duty to halt or Reduce Activity:** Upon reduction of efficiency of operation, or loss or failure of all or part of the treatment facility, the permittee shall, to the extent necessary to maintain compliance with this permit, control its production or discharges (or both) until operation of the treatment facility is restored or an alternative method of treatment is provided. It shall not be a defense for a permittee



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in an enforcement action that it would have been necessary to halt or reduce the permitted activity, in order to maintain compliance with the conditions of this permit.

3. **Removed Substances:** Solids, sludge's, filter backwash, or other substances removed in the course of treatment or control of wastewaters shall not be disposed of in the sewer. They shall be disposed of in accordance with **Section 405 of the Clean Water Act, Subtitles C and D of the Resource Conservation and Recovery Act.**

C. Monitoring and Records

1. **Representative Sampling:** Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge. All samples shall be taken at the monitoring points specified in this permit and, unless otherwise specified before the effluent joins or is diluted by any other waste stream, body of water or substance. All equipment used for sampling and analysis must be routinely calibrated, inspected and maintained to ensure the accuracy of that equipment. Monitoring points shall not be changed without notification to and the approval of the District.
2. **Flow Measurements:** Flow measurement is required by this permit. The appropriate flow measurement devices and methods consistent with approved scientific practices shall be selected and used to ensure the accuracy and reliability of measurements of volume of monitored discharges. The devices shall be installed, calibrated and maintained to insure that the accuracy of the measurements is consistent with the accepted capability of that type of device. Devices selected shall be capable of measuring flows with a maximum deviation of less than 10 per cent from true discharge rates throughout the range of expected discharge volumes.
3. **Analytical Methods:** All sampling and analysis required by this permit shall be performed in accordance with **40CFR Part 136** and amendments thereto, unless otherwise approved by EPA, or as specified in this permit
4. **Additional Monitoring:** If the permittee monitors any constituent more frequently than required by this permit, using test procedures identified above in section C 3, the results of this monitoring shall be included in the permittee's self monitoring reports.
5. **Inspection and Entry:** The permittee shall allow the District, or an authorized representative, upon request, reasonable access to:
 - a. Enter upon the permittee's premises where a regulated facility or activity is located or conducted or where records must be kept under the conditions of this permit.
 - b. Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit.
 - c. Inspect, at reasonable times any facilities, equipment (including monitoring and control equipment), practices or operations regulated or required by this permit.
 - d. Sample or monitor, for the purpose of assuring permit compliance, any substances or parameters at any location.
6. **Retention of Records:**
 - a. The permittee shall retain records of all monitoring information, including copies of all reports required by this permit. Records of all data including strip



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chart recordings and all information used to complete the application for this permit, for a period of at least three years from the date of the sample, measurement, report or application. This period may be extended by request of the District at anytime.

- b. All records that pertain to matters that are the subject of special orders or any other enforcement, or litigation activities brought by the District, shall be retained and preserved by the permittee until all enforcement activities have concluded, and all periods of limitation with respect to any and all appeals have expired.

7. **Record Contents:** Records of sampling and analysis shall include:

- a. The date, exact place, time, and methods of sampling or measurements, and sample preservation techniques or procedures;
- b. The name of person or persons who performed the sampling or measurements;
- c. The date(s) analyses were performed;
- d. The name of the analytical laboratory and person who performed the analyses;
- e. The analytical methods used; and
- f. Copies of the results (lab reports) of the analyses.

8. **Falsifying Information:** Knowingly making any false statement on any report or other document required by this permit or knowingly rendering any monitoring device or method inaccurate, is a crime and may result in the imposition of criminal sanctions and/or civil penalties.

D. **Additional Reporting Requirements**

- 1. **Anticipated Noncompliance:** The permittee shall give advance notice to the District of any planned changes in the permitted facility or activity, which may result in noncompliance with permit requirements.
- 2. **Automatic Re-sampling:** If the results of the permitted wastewater analysis indicate a violation has occurred, the permittee must notify the District within 24 hours of becoming aware of the violation and repeat the sampling and analysis and submit, in writing, the results of this repeat analysis within 30 days after becoming aware of the original violation.
- 3. **Duty to provide Information:** The permittee shall furnish to the District, within three (3) working days any information which the District may request to determine whether cause exists for modifying, revoking and reissuing, or terminating, or determining compliance with this permit. The permittee shall also, upon request, furnish to the District within three (3) working days copies of any records required to be kept by this permit.
- 4. **Signatory Requirements:** All applications, reports, or information submitted to the District must contain the following certification statement, and be signed as required in Sections (a), (b), or (c) below:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather



and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations”.

- a. By a responsible corporate officer, if the permittee submitting the report is a corporation. For the purpose of this paragraph, a responsible corporate officer means:
 - i. A president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any person who performs similar policy or decision making functions for the corporation, or
 - ii. The manager if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.
 - b. By a general partner or proprietor if the permittee submitting the reports is a partnership or sole proprietorship respectively.
 - c. By a duly authorized representative if:
 - i. The authorization is made in writing by the individual described in paragraph (a) or (b).
 - ii. The authorization specifies either an individual or a position having responsibility for the overall operation of the facility from which the discharge originates, or having overall responsibility for environmental matters for the discharger.
 - iii. The written authorization is submitted to the District.
 - d. If an authorization under paragraph (a), (b), or (c) of this section is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, or overall responsibility for environmental matters for the permittee, a new authorization satisfying the requirements of paragraph (c) of this section must be submitted to the District prior to or together with any reports to be signed by an authorized representative.
5. **Annual Publication:** The names of all Industrial Users which are found to be in significant noncompliance with the District's **Sewer Use Ordinance** shall be published at least annually in the largest daily circulating newspaper within the jurisdiction of the District in which the Industrial User is located.
 6. **Civil and Criminal Liability:** Nothing in this permit shall be construed to relieve the permittee from civil and/or criminal penalties for noncompliance under or State or Federal laws or regulations.
 7. **Penalties for Violations of Permit Conditions:** The District's **Sewer Use Ordinance** provides that any person who violates a permit condition may be subject to a civil penalty of up to \$25,000.00 per day for each violation.
 8. **Recovery of Costs Incurred:** In addition to civil and criminal liability, the permittee who violates any provision of this permit resulting in damage to or otherwise inhibiting the District's wastewater collection system, shall be liable to the District for



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any expense, loss, or damage caused by the violation or discharge. The District shall bill the permittee for the costs incurred by the District for any cleaning, repair, or replacement work caused by the non-compliance. The reimbursement shall also include any fines or penalties levied against the District resulting from the violation or discharge. Refusal to pay the assessed costs shall constitute a separate violation of the District's **Sewer Use Ordinance**.

E. Enforcement

1. **Notice of Violation:** Any permittee found to be in violation of any permit condition, discharge requirement, reporting requirement, or any provision of the District's **Sewer Use Ordinance** may be issued a written Notice of Violation. The Notice shall state the nature of the violation and the penalties for continued non-compliance. If required by the notice, the violator shall submit to the District, within a prescribed period specified in the notice, a plan of return to full compliance pursuant to the District's **Sewer Use Ordinance**.
2. **Administrative Complaint:** The Manager may issue an Administrative Complaint to any user who violates any permit condition or requirement, a Notice of Violation or any section of the District's **Sewer Use Ordinance**.
 - a. The Administrative Complaint shall allege the act or failure to act that constitutes the violation, the provisions of law authorizing the imposition of Civil Liability, and the Civil Penalty proposed.
 - b. The Administrative Complaint shall be served by personal delivery or certified mail and shall give notice to the recipient of a hearing to be conducted within sixty (60) days from the date of service.
3. **Administrative Hearing:** The Hearing shall be before a hearing officer designated by the Board of Directors of the District.
 - a. The defendant of an Administrative Complaint may waive the right to a hearing, in which case no hearing shall be held.
 - b. A defendant in an Administrative Hearing wishing to appeal a decision of the Hearing Officer may do so to the Board of Directors of the District within thirty (30) days of notice of the Hearing Officer's decision.
 - c. If after a hearing or appeal, if any, it is found in fact there has been a violation of reporting requirements, discharge requirements, the Hearing Officer or the Board of Directors may assess a Civil Penalty against the defendant.
 - d. In determining the amount of a Civil Penalty, the Hearing Officer or Board of Directors may consider all relevant circumstances including, but not limited to, the extent of harm caused by the violation, the economic benefit derived through any non-compliance, the nature and persistence of the violation, and the corrective actions, if any, attempted or taken by the discharger.
4. **Civil Penalties:**
 - a. Fines not to exceed \$2,000.00 for each day of failure or refusal to furnish technical or self-monitoring reports, [**Government Code, Section 54740.5(d)(1)**];
 - b. Fines not exceeding \$3,000.00 for each day for failure or refusal to timely comply with any compliance schedule established by the District, [**Government Code, Section 54740.5(d)(2)**];



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- c. Fines not to exceed \$5,000.00 per violation for each day for discharges in violation of any discharge limitation, permit condition, or requirement issued, reissued or adopted by the District, [**Government Code, Section 54740.5(d)(3)**];
 - d. Fines not exceeding \$10.00 per gallon for discharges in violation of any suspension, cease and desist order, other orders or prohibitions issued, reissued or adopted by the Manager of the District, [**Government Code, Section 54740.5(d)(4)**].
 - e. Unless appealed, orders setting administrative Civil Penalties shall become effective and final upon issuance thereof, and payment shall be made within thirty (30) days. Copies of the orders shall be served by personal service or by registered mail upon the parties served with the Administrative Complaint and to other persons who appeared at the hearing and requested a copy.
 - f. All monies collected under these penalties shall be deposited in a special account of the District and shall be made available for the monitoring, treatment and control of harmful discharges into the POTW or for other mitigation measures.
 - g. The amount of any Civil Fines imposed as a result of the Administrative Hearing process, which remain delinquent for a period of sixty (60) force, effect and priority of a judgment lien and continue for ten (10) years from the time of recording unless sooner released, and shall be renewable in accordance with the provisions of Sections 683.110 to 683.220, inclusive, of the Code of Civil Procedure
- 5. **Judicial Review:** the District's Sewer Use Ordinance.
 - 6. **Civil Liability for Violation:** The District's Sewer Use Ordinance
 - 7. **Emergency Termination of Service:** The District's Sewer Use Ordinance
 - 8. **Annual Public Notice of SNC:** Annually, the District shall publish in the newspaper with the largest daily circulation in the District's service area, a list of all industrial users that been in SNC with applicable pretreatment standards or requirements during the previous year.
 - 9. **Supplemental Enforcement Actions:** The District's Sewer Use Ordinance
 - 10. **Remedies Non-exclusive:** The remedies provided for in this section are not exclusive. The District may take any, all, or any combination of these actions against the non-compliant user. Enforcement of industrial waste discharge limit violations, other permit conditions, sampling requirements or self-monitoring reporting, will generally be in accordance with the District's Enforcement Response Plan. However, the Manager may take other action against any user when the circumstances warrant. Further, the Manager is empowered to take more than one enforcement action against any non-compliant user.
 - 11. **Criminal Penalties:**
 - a. A user who willfully or negligently violates any provision of a discharge permit, or any other pretreatment standard or requirement shall, upon conviction, be guilty of a misdemeanor, punishable by a fine of at least One Thousand



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Dollars (\$1,000.00) per violation, per day or imprisonment for not more than six months, or both for each violation per day.

- b. Any user who knowingly makes any false statements, representations or certifications in any application, record, report, plan or other documentation filed or required to be maintained pursuant to a discharge permit, or falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under that permit shall, upon conviction, be guilty of a misdemeanor, punishable by a fine of at least One Thousand Dollars (\$1,000.00) per violation, per day or imprisonment for not more than six months, or both for each violation per day.
- c. Payment of any penalty required in this section shall not relieve a user from responsibility for correcting the violation and reimbursing the District for all costs and expenses associated with all corrections including any fines and/or penalties incurred by the District as a result of the violation.

PART 6 - COMPLIANCE TIME SCHEDULES

- A. Compliance Time Schedule Progress Reports.** When required, Compliance Time Schedule progress reports shall be submitted at a minimum frequency of every 30 days until compliance with discharge requirements or the District's Sewer Use Ordinance are obtained. These reports shall contain dates for pretreatment equipment design completion, building permit submittal date, construction starting date, construction updates, construction completion date, employee training completion date, date of achieving final compliance, and/or any other required information. Samples may be required to be collected to demonstrate compliance. The samples shall be collected in accordance with the requirements of this permit.
- B. Compliance Schedule Reporting.** No later than on the respective compliance schedule dates, the permittee shall submit to the District a report including, at a minimum, whether or not it complied with the increment of progress to be met on such date and, if not, the date on which it expects to comply with the increment of progress, the reasons for delay, and the steps being taken to return the project to the schedule established. In no case shall any milestone in the compliance schedule exceed nine months.
- C. Reports of Progress.**
 - 1. Skat-Trak Performance Products shall submit to the District later than the 15th of each month if required, a written Report of Progress. The Report of Progress shall state the probability of Skat-Trak Performance Products completing the work required for the upcoming compliance date.
 - 2. If a Compliance Time Schedule milestone date cannot be met, Skat-Trak Performance Products shall notify the District in **Writing and Prior** to the expiration of the Compliance Time Schedule date to request an extension. The extension request shall describe the reason(s) for Skat-Trak Performance Product's failure to comply and the additional amount of time required to complete the remaining work. Compliance Time Schedule date extensions will be granted at the reasonable discretion of the District.



Date: November 20, 2018

Prepared By: Joseph B. Zoba, General Manager

Subject: Acceptance of Property Associated with Lift Station No. 6

Recommendation: Pending.

The Yucaipa Valley Water District is currently in the process of conducting the final inspections related to the Interim Lift Station No. 6 located north of the Summerwind Trails development. The property transfer documents are anticipated to be received so the Board can authorize the acceptance of the property.

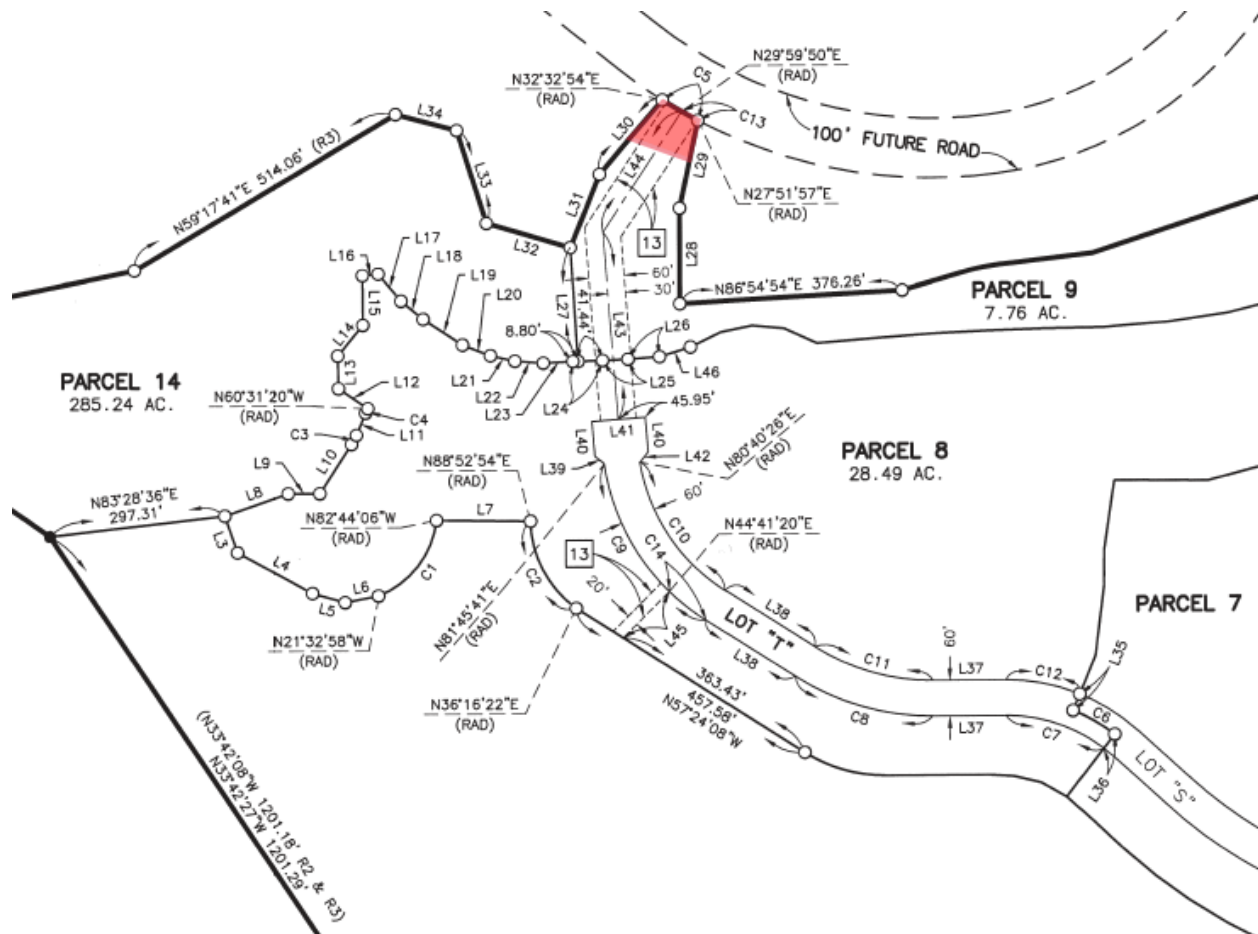


EXHIBIT "A"
LEGAL DESCRIPTION
FOR
YUCAIPA VALLEY WATER DISTRICT PUBLIC UTILITY EASEMENT

A PORTION OF PARCELS 8 AND 9 OF PARCEL MAP No. 33105, IN THE CITY OF CALIMESA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 243, PAGES 99 THROUGH 111, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN SECTION 25, TOWNSHIP 2 SOUTH, RANGE 2 WEST, OF THE SAN BERNARDINO BASELINE AND MERIDIAN AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY LINE OF SAID PARCEL 9,

THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 9, SOUTH 12°02'30" WEST, A DISTANCE OF 65.35 FEET;

THENCE LEAVING SAID NORTHERLY LINE, NORTH 69°19'14" WEST, A DISTANCE OF 25.97 FEET, TO A POINT ON THE SOUTHEASTERLY LINE OF A PUBLIC UTILITY EASEMENT DEDICATED ON SAID PARCEL MAP NO. 33105 AND THE TRUE POINT OF BEGINNING, SAID POINT ALSO LYING ON THE SOUTHEASTERLY LINE OF A PUBLIC UTILITY EASEMENT, 60.00 FEET IN WIDTH, AS RECORDED ON SAID PARCEL MAP NO. 33105;

THENCE ALONG SAID EASEMENT LINE, SOUTH 33°24'20" WEST, A DISTANCE OF 168.32 FEET, TO AN ANGLE POINT IN SAID LINE;

THENCE CONTINUING ALONG SAID EASEMENT LINE, SOUTH 4°26'15" EAST, A DISTANCE OF 207.23 FEET, TO A POINT ON THE NORTHERLY LINE OF SAID PARCEL 8;

THENCE ALONG SAID NORTHERLY LINE, SOUTH 85°26'22" WEST, A DISTANCE OF 4.86 FEET, TO AN ANGLE POINT IN SAID LINE;

THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTH 87°22'10" WEST, A DISTANCE OF 1.10' FEET;

THENCE LEAVING SAID NORTHERLY LINE, SOUTH 4°33'38" EAST, A DISTANCE OF 100.04 FEET, TO A POINT ON THE NORTHERLY LINE OF LOT "T" OF SAID PARCEL MAP NO. 33105;

THENCE ALONG SAID NORTHERLY LINE, SOUTH 85°26'22" WEST, A DISTANCE OF 42.25 FEET;

THENCE LEAVING SAID NORTHERLY LINE, NORTH 4°26'15" WEST, A DISTANCE OF 101.45 FEET, TO A POINT ON THE SOUTHERLY LINE OF SAID PARCEL 9;

THENCE ALONG SAID SOUTHERLY LINE, SOUTH 88°19'47" WEST, A DISTANCE OF 12.02 FEET, TO A POINT ON THE WESTERLY LINE OF ABOVE SAID PUBLIC UTILITY EASEMENT;

THENCE ALONG SAID EASEMENT LINE, NORTH 4°26'15" EAST, A DISTANCE OF 225.86 FEET, TO AN ANGLE POINT IN SAID LINE;

THENCE CONTINUING ALONG SAID EASEMENT LINE, NORTH 33°24'20" EAST, A DISTANCE OF 175.34 FEET;

THENCE LEAVING SAID EASEMENT LINE, SOUTH 69°19'14" EAST, A DISTANCE OF 61.51 FEET, TO THE TRUE POINT OF BEGINNING,

CONTAINING 27,557.56 SQUARE FEET (0.63 ACRES), MORE OR LESS.

SEE EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE PART HEREOF.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE OF THE PROFESSIONAL LAND SURVEYORS ACT.


MIGUEL A. VILLASENOR 3/21/18
DATE



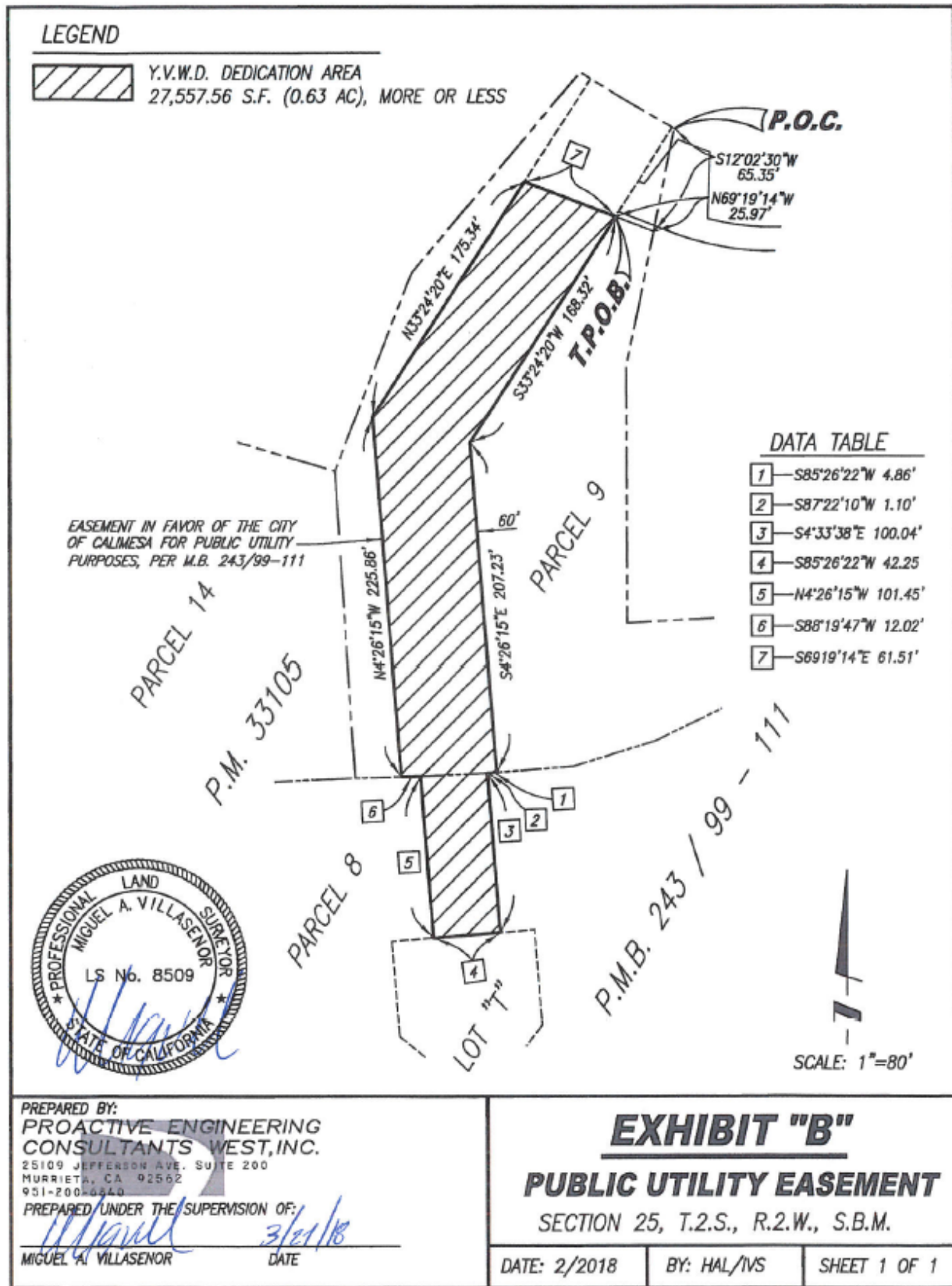


EXHIBIT "A"
LEGAL DESCRIPTION
FOR
YUCAIPA VALLEY WATER DISTRICT LIFT STATION SITE

A PORTION OF PARCEL 9 OF PARCEL MAP No. 33105, IN THE CITY OF CALIMESA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 243, PAGES 99 THROUGH 111, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN SECTION 25, TOWNSHIP 2 SOUTH, RANGE 2 WEST, OF THE SAN BERNARDINO BASELINE AND MERIDIAN AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHWESTERLY CORNER OF SAID PARCEL 9, SAID POINT ALSO BEING ON THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORHTEASTERLY AND HAVING A RADIUS OF 850.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 32°32'54" EAST;

THENCE SOUTHEASTERLY ALONG SAID CURVE AND NORTHERLY LINE OF SAID PARCEL 9, THROUGH A CENTAL ANGLE OF 04°40'57" A DISTANCE OF 69.47 FEET, TO AN ANGLE POINT THEREON, A RADIAL LINE TO SAID POINT BEARS NORTH 27°51'57" EAST;

THENCE CONTINUING ALONG SAID NORTHERLY LINE OF SAID PARCEL 9, SOUTH 12°02'30" WEST, A DISTANCE OF 65.35 FEET;

THENCE LEAVING SAID LINE, NORTH 69°19'14" WEST, A DISTANCE OF 105.86 FEET, TO A POINT ON THE WESTERLY LINE OF SAID PARCEL 9;

THENCE ALONG SAID WESTERLY LINE, NORTH 40°35'10" EAST, A DISTANCE OF 80.94 FEET, TO THE POINT OF BEGINNING.

CONTAINING 6,151.58 SQUARE FEET, MORE OR LESS.

SEE EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE PART HEREOF.

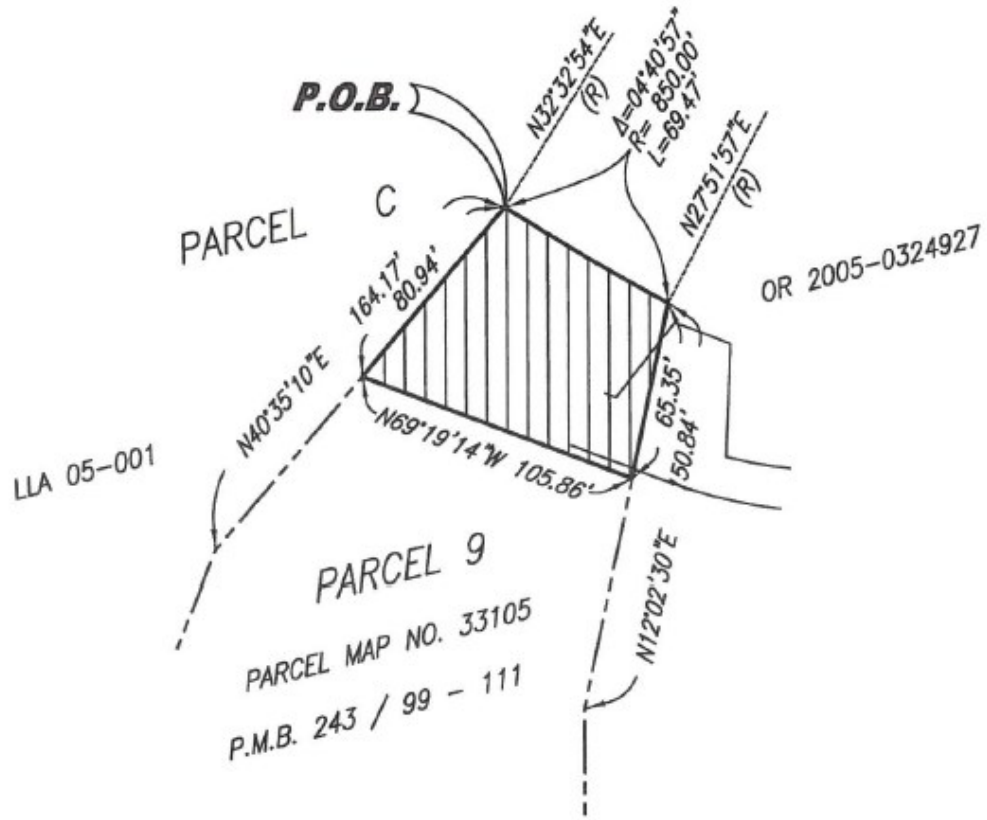
THIS LEGAL DESCRIPTION WAS PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE OF THE PROFESSIONAL LAND SURVEYORS ACT.


MIGUEL A. VILLASENOR 3/21/18
DATE



LEGEND

Y.V.W.D. DEDICATION AREA
6,152 S.F. (0.14 AC), MORE OR LESS



PREPARED BY:
PROACTIVE ENGINEERING
CONSULTANTS WEST, INC.
25109 JEFFERSON AVE. SUITE 200
MURRIETA, CA 92562
951-200-6840

PREPARED UNDER THE SUPERVISION OF:

MIGUEL A. VILLASEÑOR

DATE

3/21/18

EXHIBIT "B"

SEWER LIFT STATION SITE

SECTION 25, T.2.S., R.2.W., S.B.M.

DATE: 3/2018

BY: HAL/IVS

SHEET 1 OF 1



Date: November 20, 2018

Prepared By: Joseph B. Zoba, General Manager

Subject: Adoption of Resolutions Related to State Revolving Funding for the Calimesa Recycled Water Pipeline Project

Recommendation: That the Board adopt:

Resolution No. 2018-29 - A Resolution of the Yucaipa Valley Water District Approving Reimbursement for Recycled Water Capital Improvement Projects Financed by the State Revolving Fund Loan Program of the State Water Resources Control Board

Resolution No. 2018-30 - A Resolution of the Yucaipa Valley Water District Authorizing the Completion of Financial Assistance Application Material with the State Water Resources Control Board

Resolution No. 2018-31 - A Resolution of the Yucaipa Valley Water District Pledging Revenues and Funds for the Payment of Loan Financings with the State Water Resources Control Board

In 2015, the Yucaipa Valley Water District approved a series of resolutions related to the State Revolving Fund loan for the Calimesa Recycled Water Pipeline Project.

The District staff was informed that the loan/grant application material is being reviewed by the State Water Resources Control Board and that documents previously submitted will need to be updated.

The District staff recommends adoption of the attached resolutions to replace the previously approved documents.

RESOLUTION NO. 2018-29**A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT
APPROVING REIMBURSEMENT FOR RECYCLED WATER CAPITAL IMPROVEMENT
PROJECTS FINANCED BY THE STATE REVOLVING FUND LOAN PROGRAM OF THE
STATE WATER RESOURCES CONTROL BOARD**

WHEREAS, the Yucaipa Valley Water District desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Yucaipa Valley Water District intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Yucaipa Valley Water District desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Yucaipa Valley Water District; and

WHEREAS, the Yucaipa Valley Water District has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Yucaipa Valley Water District for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDERED, by the Board of Directors of the Yucaipa Valley Water District, as follows:

1. The Yucaipa Valley Water District hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.
2. The reasonably expected maximum principal amount of the Project Funds is \$6,900,113.
3. Resolution No. 2018-29 is being adopted no later than 60 days after the date on which the Yucaipa Valley Water District will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.
4. Each Yucaipa Valley Water District expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.
5. To the best of our knowledge, this Yucaipa Valley Water District is not aware of the previous adoption of official intents by the Yucaipa Valley Water District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

6. This resolution is adopted as official intent of the Yucaipa Valley Water District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.
7. All the recitals in this Resolution are true and correct and this Yucaipa Valley Water District so finds, determines and represents.
8. This resolution supersedes Resolution No. 2015-16.

PASSED AND ADOPTED this 20th day of November 2018.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

RESOLUTION NO. 2018-30**A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT
AUTHORIZING THE COMPLETION OF FINANCIAL ASSISTANCE APPLICATION
MATERIAL WITH THE STATE WATER RESOURCES CONTROL BOARD**

WHEREAS, the Yucaipa Valley Water District desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure; and

WHEREAS, the Yucaipa Valley Water District intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys provided by the State of California, acting by and through the State Water Resources Control Board.

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDERED, by the Board of Directors of the Yucaipa Valley Water District, that the General Manager or designee (the "Authorized Representative") is hereby authorized and directed to sign and file, for and on behalf of the Yucaipa Valley Water District, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Calimesa Recycled Water Conveyance Project (the "Project").

This Authorized Representative, or designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or designee, is designated to represent the Yucaipa Valley Water District in carrying out the responsibilities under the financing agreement, including certifying disbursement requests and compliance with applicable state and federal laws.

This resolution supersedes Resolution No. 2015-17.

PASSED AND ADOPTED this 20th day of November 2018.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

RESOLUTION NO. 2018-31**A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT
PLEDGING REVENUES AND FUNDS FOR THE PAYMENT OF LOAN FINANCINGS WITH
THE STATE WATER RESOURCES CONTROL BOARD**

WHEREAS, the Yucaipa Valley Water District desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure; and

WHEREAS, the Yucaipa Valley Water District intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys provided by the State of California, acting by and through the State Water Resources Control Board.

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDERED, by the Board of Directors of the Yucaipa Valley Water District, that the Yucaipa Valley Water District (the "Entity") hereby dedicates and pledges recycled water revenue to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Calimesa Recycled Water Conveyance Project (the "Project").

The Yucaipa Valley Water District commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Yucaipa Valley Water District has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Yucaipa Valley Water district commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

This resolution supersedes Resolution No. 2015-18.

PASSED AND ADOPTED this 20th day of November 2018.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

Board Reports



Yucaipa Valley Water District

Director Comments



Yucaipa Valley Water District



FACTS ABOUT THE YUCAIPA VALLEY WATER DISTRICT

Service Area Size: 40 square miles (sphere of influence is 68 square miles)

Elevation Change: 3,140 foot elevation change (from 2,044 to 5,184 feet)

Number of Employees: 5 elected board members
71 full time employees

FY 2018-19 Operating Budget: Water Division - \$14,150,445
Sewer Division - \$12,337,754
Recycled Water Division - \$1,293,270
Total Annual Budget - \$25,754,750

Number of Services: 12,693 water connections serving 17,362 units
13,980 sewer connections serving 21,806 units
92 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
1.756 million gallons of Inland Empire Brine Line capacity
0.595 million gallons of treatment capacity in Orange County

Typical Rates, Fees and Charges:

- Drinking Water Commodity Charge:

1,000 gallons to 15,000 gallons	\$1.429 per each 1,000 gallons
16,000 gallons to 60,000 gallons	\$1.919 per each 1,000 gallons
61,000 gallons to 100,000 gallons	\$2.099 per each 1,000 gallons
101,000 gallons or more	\$2.429 per each 1,000 gallons
- Recycled Water Commodity Charge:

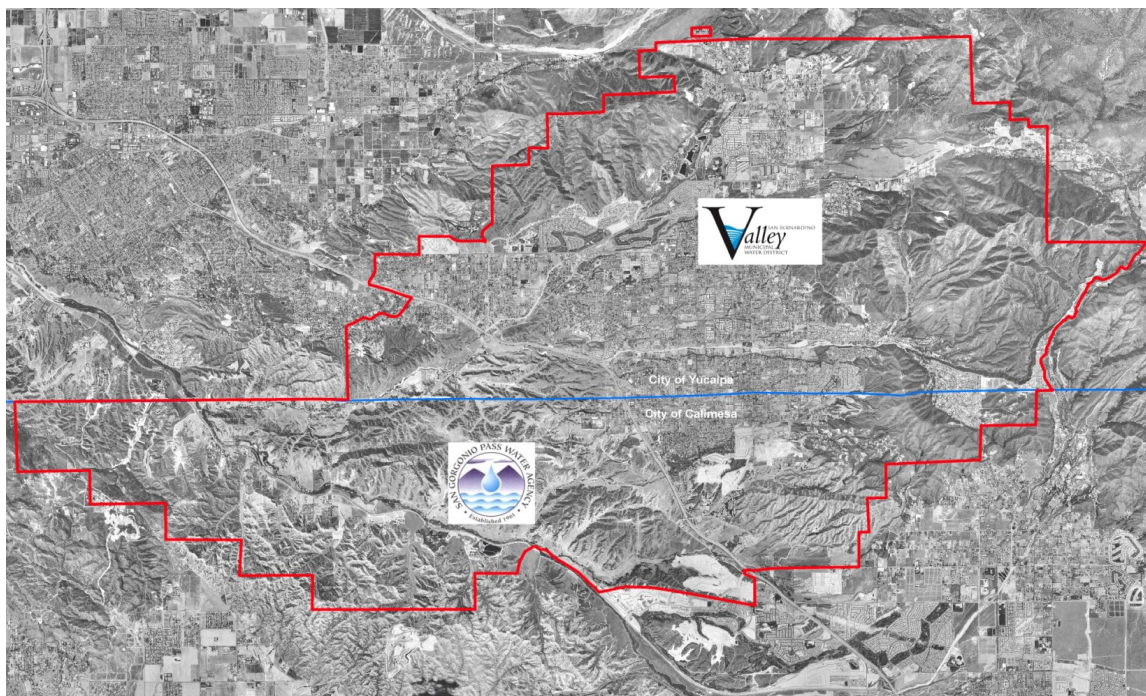
1,000 gallons or more	\$1.425 per each 1,000 gallons
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- Water Meter Service Charge (Drinking Water or Recycled Water):

5/8" x 3/4" Water Meter	\$14.00 per month
1" Water Meter	\$23.38 per month
1-1/2" Water Meter	\$46.62 per month
- Sewer Collection and Treatment Charge:

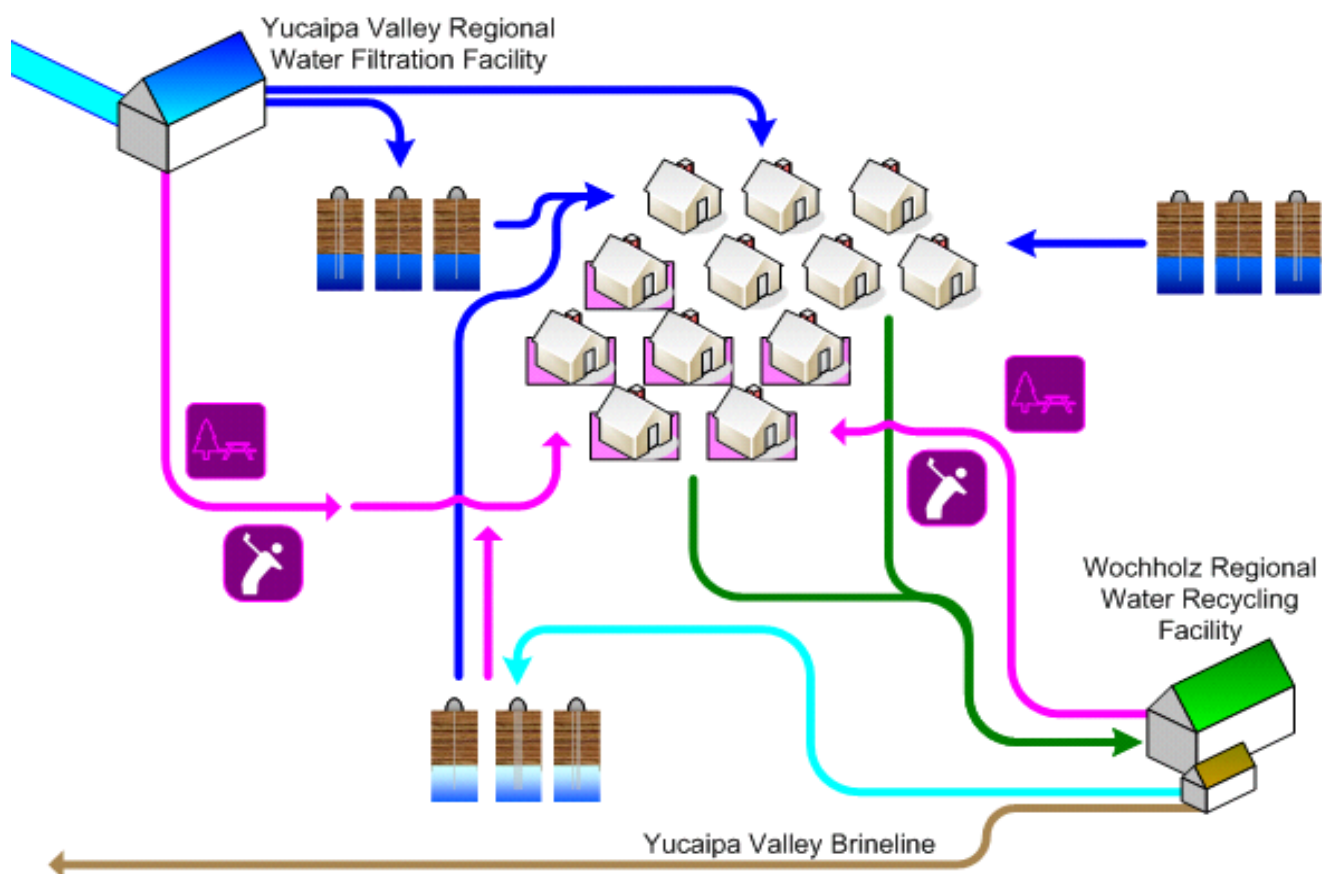
Typical Residential Charge	\$42.43 per month
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- Imported Water Charges (Pass-through State Water Project Charge):

San Bernardino Valley Municipal Water District	\$0.27 per each 1,000 gallons
San Geronio Pass Water Agency	\$0.66 per each 1,000 gallons

State Water Contractors: San Bernardino Valley Municipal Water District
San Geronio Pass Water Agency



Sustainability Plan: A Strategic Plan for a Sustainable Future: The Integration and Preservation of Resources, adopted on August 20, 2008.





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 wastewater 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 wastewater treatment process. This high-quality product can be recycled 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.

Capital Improvement Program (CIP) - Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

Certificate of Participation (COP) - A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

Coliform Bacteria - A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere used as indicators of sewage pollution. E. coli are the most common bacteria in wastewater.

Collections System - In wastewater, it is the system of typically underground pipes that receive and convey sanitary wastewater or storm water.

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.

Contaminants of Potential Concern (CPC) - Pharmaceuticals, hormones, and other organic wastewater contaminants.

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.

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.

Levels of Service (LOS) - Goals to support environmental and public expectations for performance.

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 to 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.

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.

Santa Ana River Interceptor (SARI) Line - A regional brine line designed to convey 30 million gallons per day (MGD) of non-reclaimable wastewater from the upper Santa Ana River basin to Orange County Sanitation District for treatment, use and/or disposal.

Secondary treatment - Biological wastewater treatment, particularly the activated-sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

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 wastewater.

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.

South Coast Air Quality Management District (SCAQMD) - Regional regulatory agency that develops plans and regulations designed to achieve public health standards by reducing emissions from business and industry.

Special district - A form of local government created by a local community to meet a specific need. Yucaipa Valley Water District is a County Water District formed pursuant to Section 30000 of the California Water Code

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.

Surface Water - Water found in lakes, streams, rivers, oceans, or reservoirs behind dams. In addition to using groundwater, Yucaipa Valley Water District receives surface water from the Oak Glen area.

Sustainable Groundwater Management Act (SGMA) - Pursuant to legislation signed by Governor Jerry Brown in 2014, the Sustainable Groundwater Management Act requires water agencies to manage groundwater extractions to not cause undesirable results from over production.

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 wastewater as it trickles over them.

Underground Service Alert (USA) - A free service (<https://www.digalert.org>) 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 carry 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.

Water Pressure - Water pressure is created by the weight and elevation of water and/or generated by pumps that deliver water to customers.

Water Service Line - A water service line is used to deliver water from the Yucaipa Valley Water District's mainline distribution system.

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.

Watershed - A watershed is the region or land area that contributes to the drainage or catchment area above a specific point on a stream or river.

Water-Wise House Call - a service which provides a custom evaluation of a customer's indoor and outdoor water use and landscape watering requirements.

Well - a hole drilled into the ground to tap an underground aquifer.

Wetlands - lands which are fully saturated or under water at least part of the year, like seasonal vernal pools or swamps.





COMMONLY USED ABBREVIATIONS

AQMD	Air Quality Management District
BOD	Biochemical Oxygen Demand
CARB	California Air Resources Board
CCTV	Closed Circuit Television
CWA	Clean Water Act
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
FOG	Fats, Oils, and Grease
GPD	Gallons per day
MGD	Million gallons per day
O & M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
POTW	Publicly Owned Treatment Works
PPM	Parts per million
RWQCB	Regional Water Quality Control Board
SARI	Santa Ana River Inceptor
SAWPA	Santa Ana Watershed Project Authority
SBVMWD	San Bernardino Valley Municipal Water District
SCADA	Supervisory Control and Data Acquisition system
SSMP	Sanitary Sewer Management Plan
SSO	Sanitary Sewer Overflow
SWRCB	State Water Resources Control Board
TDS	Total Dissolved Solids
TMDL	Total Maximum Daily Load
TSS	Total Suspended Solids
WDR	Waste Discharge Requirements
YVWD	Yucaipa Valley Water District