Yucaipa Valley Water District

Notice and Agenda of a Board Workshop

Tuesday, January 29, 2019 at 4:00 p.m.

MEETING LOCATION: District Administration Building
12770 Second Street, Yucaipa

MEMBERS OF THE BOARD: Director Chris Mann, Division 1
Director Bruce Granlund, Division 2
Director Jay Bogh, Division 3
Director Lonni Granlund, Division 4
Director Joyce McIntire, Division 5

I. Call to Order

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

III. Staff Report

IV. Presentation

A. Discussion Regarding the Proposed Imported Water Rate Methodology for the San Gorgonio Pass Water Agency [Workshop Memorandum No. 19-024 - Page 15 of 100]

V. Operational Updates

A. Status Report on the Annual Repairs and Rehabilitation of the Yucaipa Valley Regional Water Filtration Facility [Workshop Memorandum No. 19-025 - Page 31 of 100]

B. Status Report on the Inspection and Cleaning of District Reservoirs and Facilities [Workshop Memorandum No. 19-026 - Page 33 of 100]

VI. 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. 19-027 - Page 35 of 100]

B. Status Report on the Construction of an 8-Inch Sewer Mainline in Yucaipa Boulevard [Workshop Memorandum No. 19-028 - Page 37 of 100]

C. Status Report on the Infiltration Testing at the Calimesa Lake and Spreading Basin Recharge Facility [Workshop Memorandum No. 19-029 - Page 40 of 100]

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

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

VII. Public Policy

A. Overview of a Revised Policy for Members of the Board of Directors Regarding Expense Reimbursement, Meeting Attendance, Compensation, and Benefits [Workshop Memorandum No. 19-030 - Page 45 of 100]

VIII. Development Projects

A. Overview of a Proposed Development Agreement for AutoZone Parts Incorporated on Assessor's Parcel Number 411-180-017 - Calimesa [Workshop Memorandum No. 19-031 - Page 56 of 100]

IX. Administrative Items

A. Implementation of Organizational Restructuring for Improved Integration of District Departments and Functions [Workshop Memorandum No. 19-032 - Page 74 of 100]

B. Overview of the Yucaipa Valley Water District's Water Conservation Rebate Program [Workshop Memorandum No. 19-033 - Page 75 of 100]

C. Presentation of Budget Adjustments for Fiscal Year 2018-19 [Workshop Memorandum No. 19-034 - Page 79 of 100]

D. Merchant Builders Recycled Water Recognition Awards [Workshop Memorandum No. 19-035 - Page 89 of 100]

E. Capital Improvement Project Strategic Plan Meeting Notice [Workshop Memorandum No. 19-036 - Page 90 of 100]

X. Director Comments

XI. Announcements

A. February 5, 2019 at 6:00 p.m. - Regular Board Meeting
B. February 12, 2019 at 4:00 p.m. - Board Workshop
C. February 19, 2019 at 6:00 p.m. - Regular Board Meeting
D. February 26, 2019 at 4:00 p.m. - Board Workshop
E. March 5, 2019 at 6:00 p.m. - Regular Board Meeting
F. March 12, 2019 at 4:00 p.m. - Board Workshop
G. March 19, 2019 at 6:00 p.m. - Regular Board Meeting
H. March 26, 2019 at 4:00 p.m. - Board Workshop
I. April 2, 2019 at 6:00 p.m. - Regular Board Meeting
J. April 9, 2019 at 4:00 p.m. - Board Workshop
K. April 16, 2019 at 6:00 p.m. - Regular Board Meeting
L. April 30, 2019 at 4:00 p.m. - Board Workshop

XII. 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

D. Conference with Legal Counsel--Existing Litigation - Government Code 54956.9(d)
YVWD vs Hillcrest Mobile Home Park
San Bernardino Superior Court Case No. CIVDS 1808441

E. Conference with Legal Counsel - Anticipated Litigation (Government Code 54956.9) - One Case

XIII. Adjournment

Staff Report

Yucaipa Valley Water District

bna.com

INSIGHT: PFAS Liability Is Coming to California

October 31, 2018

13-16 minutes

Across the country, regulators and litigants are turning their attention to the emerging contaminants known as “perfluoroalkyl” or “polyfluoroalkyl” substances (PFAS). PFAS are ubiquitous in modern life. These emerging contaminants come from an incredible variety of sources and have been used in myriad ways for decades, ranging from firefighting at airports and military bases to carpet manufacturing to wastewater treatment. PFAS are also exceptionally common in food packaging, especially fast food.

Yet despite their breadth of consumer uses, PFAS are remarkably persistent; even those PFAS that actually do break down upon remediation only transform into more persistent PFAS chains. Due to the persistence of PFAS, combined with their ubiquity, some form of PFAS is present in almost all biological tissue in the U.S., including humans. Complicating matters, our scientific knowledge of most PFAS chains is relatively limited. PFAS are an extremely diverse family of hundreds of thousands of synthetic organic compounds. Any plan to remediate PFAS contamination will invariably pose an enormous (and costly) challenge.

Regulators at all levels are turning their attention to this challenge.

While most regulatory activity is occurring at the state level, the federal government has tentatively begun to enter the fold. In May 2016, the EPA set "Health Advisory" levels for two common kinds of PFAS— perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS)—at 70 parts per trillion combined in drinking water. But these Health Advisory levels are not enforceable on their own, so the EPA has been hard-pressed to take further action, especially when reports surfaced that the EPA sought to block publication of a different federal health study that allegedly showed that PFOA and PFOS endanger human health at levels lower than the EPA had previously determined.

In response, the EPA convened a National Leadership Summit in May 2018 to "take action" on PFAS. At the summit, the EPA announced it would begin taking steps to designate PFOA and PFOS as "hazardous substances" under federal law and evaluate the need for a "maximum contaminant level" for PFOA and PFOS in drinking water. The EPA also is visiting communities impacted by PFAS and conducting other research. And on Sept. 6, the U.S. House of Representatives Energy and Commerce Subcommittee on Environment heard testimony on PFAS contamination and remediation, and the U.S. Senate Committee on Homeland Security & Governmental Affairs followed suit nearly three weeks later.

But state regulators and litigants are not waiting for the federal government to take concrete action. In November 2017, for example, the New Jersey Department of Environmental Protection recommended maximum contaminant levels for PFOA at 14 parts per trillion and for PFOS at 13 parts per trillion, roughly five times more stringent than the EPA Health Advisory. This past month, that

same agency formally adopted a maximum contaminant level of 14 parts per trillion for another form of PFAS called perfluorononanoic acid (PFNA). New Jersey seems especially focused on protecting its public water supplies from PFAS.

The state of Washington has taken a different approach. In late February 2018, it added PFAS to its list of chemicals that cannot intentionally be used in food packaging. That ban goes into effect in 2022 at the latest, and even earlier if state regulators can find safer alternatives than PFAS in food packaging. One month later, Washington explicitly banned the use of PFAS in the manufacture of firefighting foam. Washington regulators are also aggressively testing public water systems to determine whether remedial action is necessary to address PFAS contamination.

The increasing regulatory scrutiny paid to PFAS throughout the country has been complemented by a burgeoning number of statutory and tort claims under federal and state law. To establish liability, litigants have deployed the federal Resource Conservation and Recovery Act (RCRA) and Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Even though the EPA has not established any enforceable standards for PFAS, federal statutes can still be used to impose liability for remediation of PFAS contamination. PFAS contamination has also been challenged under the traditional toxic tort rubric. Plaintiffs alleging contamination have argued that businesses manufacturing or disposing PFAS knew or should have known that their PFAS-related activities were potentially hazardous to human health and the environment. Considering the numerous, difficult evidentiary issues at play with PFAS, the variety of toxic tort claims available in PFAS litigation will magnify the difficulties for businesses named in

those actions.

These regulatory and legal elements suggest a hostile economic climate for any company that has manufactured or potentially used PFAS in its business. Depending on where that company is located, it might be facing strict groundwater regulations, onerous labeling and packaging requirements, or an active plaintiffs' bar looking to bring suit against PFAS-related businesses. Throughout the country, companies are starting to face serious PFAS risks. But in California, they are staring down the proverbial "perfect storm" of liability under Proposition 65—a multifaceted statute intended to address chemical contamination.

On Nov. 10, 2017, the California Office of Environmental Health Hazard Assessment (OEHHA) added PFOA and PFOS to "the list of chemicals known to the state to cause reproductive toxicity (developmental endpoint) for purposes of Proposition 65." This means that, starting November 2018, companies doing business in California with 10 or more employees will be required to provide a "clear and reasonable" warning before knowingly and intentionally exposing anyone to PFOA or PFOS. Complicating matters, the OEHHA implemented a comprehensive overhaul of the "clear and reasonable" benchmark late last month. And Proposition 65 is not limited to warning requirements; it protects drinking water too. Starting July 2019, California businesses will be prohibited from discharging PFOA or PFOS into drinking water sources as well.

Under Proposition 65, the potential liability for the use of ubiquitous chemicals such as PFAS ranges from "serious" to "extreme." Civil penalties can reach up to $2,500 per violation per day, and Proposition 65 provides liberal private enforcement mechanisms. Proposition 65 can also incentivize lawsuits through attorneys' fees

awards. As demonstrated by the state's ongoing experience with coffee retailers, Proposition 65 violations can threaten operations statewide.

For businesses that manufactured, retailed, or used products containing PFAS on a regular basis—such as fast-food packaging—adding up $2,500 per violation per day could in a little over a year amount to a million dollars of potential legal liability. Moreover, once in litigation, plaintiffs are only required to find trace amounts of the listed chemical, while defendant businesses are obligated to prove the negative that the chemical presents no significant health risk. Undoubtedly, the sizable and aggressive Proposition 65 plaintiffs' bar in California has already started analyzing the chemistry of common consumer products to determine whether PFAS are present.

Despite the substantial risk to California businesses posed by its listing decision, the OEHHA has not even established maximum allowable dose levels for PFOA or PFOS. When it added PFOA and PFOS to its Proposition 65 list, the OEHHA invoked the "authoritative bodies" mechanism by relying on EPA science. But unlike the EPA, which set unenforceable Health Advisory limits at 70 parts per trillion combined for PFOA and PFOS to drinking water, the OEHHA has stated that its own "listing is not specific to any route of exposure" or even to established maximum allowable dose levels. The only direction the OEHHA has given is that it expects to complete its recommended drinking water standards "later this year." Adding to the confusion, the OEHHA has given no indication whether it will impose legacy warning requirements for products that contained PFOA and PFOS before they were listed—such as carpeting installed decades ago. Instead of offering any

real guidance, the OEHHA declared it "remains the responsibility" of regulated parties "to determine if a warning is necessary or a discharge is prohibited."

In the meantime, the OEHHA recommended "interim notification levels" for PFOA and PFOS for use by the State Water Resources Control Board in regulating public water supplies in California that are almost as low as detection limits. Upon the OEHHA's recommendation—and similar to the regulators in New Jersey—the board adopted notification levels for PFOA of 14 parts per trillion and for PFOS of 13 parts per trillion. These notification levels provide drinking water guidelines for local agencies to follow in detecting and reporting PFOA and PFOS in public water supplies. Granted, the guidelines adopted by the board are technically distinct from Proposition 65 and only require local water agencies to report PFOA or PFOS to their boards when those contaminants are detected at or above prescribed notification levels. Yet, these exceptionally low thresholds were specifically recommended by the OEHHA, and it is unlikely the agency would accept anything higher than that threshold under Proposition 65.

Even worse, federal, state, and local regulators have already undertaken significant testing of public water supplies in California for PFAS-related compounds, which could be used to support aggressive Proposition 65 claims the moment the warning requirement goes into effect in November.

According to a recent statewide analysis of drinking water sources pursuant to the federal "Unregulated Contaminant Monitoring Rule," at least 36 sources have PFOS detections, and 32 sources have PFOA detections. In other words, data already exist that show California drinking water supplies have been exposed to chemicals

prohibited under Proposition 65. Once the OEHHA finally sets maximum contaminant limits, local water districts will be on the hook for remediation liability. As explained above, PFAS are neither easy nor cheap to remediate. The water districts will be forced to find other parties to help shoulder the remediation burden, especially manufacturers and distributors of firefighting foam, which is a common groundwater exposure method. These companies will be at serious risk of immediate Proposition 65 litigation come November.

The liabilities associated with PFAS exposure could be substantial, particularly in California. Even worse, given the ever-expanding scope of PFAS regulation and litigation, the landscape is always shifting. For business owners and operators who have used PFAS—or are simply unsure whether they did—the present regulatory and legal environment can be daunting.

There are steps businesses can take to stave off the worst consequences of PFAS-related liability. As an initial step, companies can have audits performed to assess their potential liability, and take steps to minimize risks.

A thorough audit will examine the business top-to-bottom. Even if the business never manufactured its own products with PFAS, it must be equally certain that products bought and used as part of business were also PFAS-free. The company's legal department should review the business's relationships with PFAS suppliers and consumers, including any contracts or other transactional documents (such as insurance policies) for assumptions of risk and other related protections. Be sure to receive warranties from suppliers that they are providing PFAS-free products and that those products did not encounter PFAS anywhere in the supply chain.

Businesses should require their suppliers to substantiate their warranties by providing indemnity if the business's products are proven to contain PFAS. Given the ubiquity of PFAS, and the growing risk of regulatory enforcement and litigation, it is crucial that suppliers provide not only warranties, but indemnity as well.

With a complete risk profile of PFAS, businesses can begin addressing the greatest points of risk. If at all possible, businesses should immediately transition to using PFAS-free equipment and supplies at all levels. But in many cases, businesses face potential liability for historical PFAS exposure that cannot necessarily be resolved with replacement products. For example, does a law firm that installed carpet in its office two decades ago need to test that carpet? If the law firm detects PFOA or PFOS in the carpet, must it post a Proposition 65 warning?

With the deadline for PFOA and PFOS warnings looming, the OEHHA has not provided an answer. The Proposition 65 plaintiffs' bar in California is ready to prey on that uncertainty the moment the warning requirement becomes active in November. In less than three weeks, businesses may be faced with balancing the business risks of a warning requirement against the unpredictable cost of Proposition 65 litigation. Even though there are mechanisms in place under Proposition 65 to avoid warning requirements, the OEHHA admits that mechanism "can be very complex" because it involves analysis of animal studies, epidemiologic data, risk analysis, and much more.

Of course, no matter how well prepared, no business will always be able to avoid the storm of PFAS liability. But if it can batten down the hatches now, it will be ideally positioned to take on any PFAS-related challenge head-on.

Jeffrey Dintzer is a partner and Nathaniel Johnson a senior associate in Alston & Bird's Environment, Land Use & Natural Resources practice.

The opinions expressed here do not represent those of Bloomberg Environment, which welcomes other points of view.

Presentations

Yucaipa Valley Water District

Yucaipa Valley Water District

Workshop Memorandum 19-024

Date: January 29, 2019

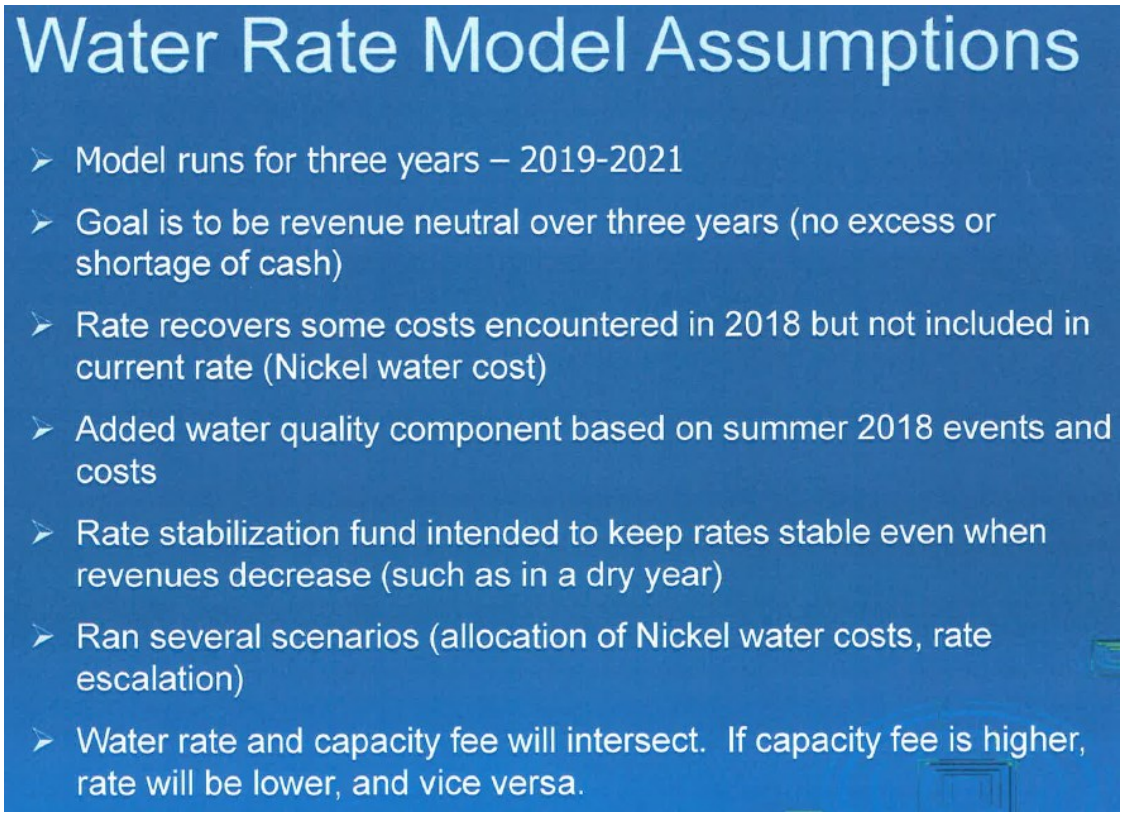
From: Joseph Zoba, General Manager

Subject: Discussion Regarding the Proposed Imported Water Rate Methodology for the San Gorgonio Pass Water Agency

On January 16, 2018, the San Gorgonio Pass Water Agency authorized David Taussig and Associates to proceed with the development of a water rate study for an amount of $40,000.

On March 1, 2018, the San Gorgonio Pass Water Agency conducted their initial Water Rate Workshop to provide information about the process and receive input from the public about issues related to adjustments in the imported water rate.

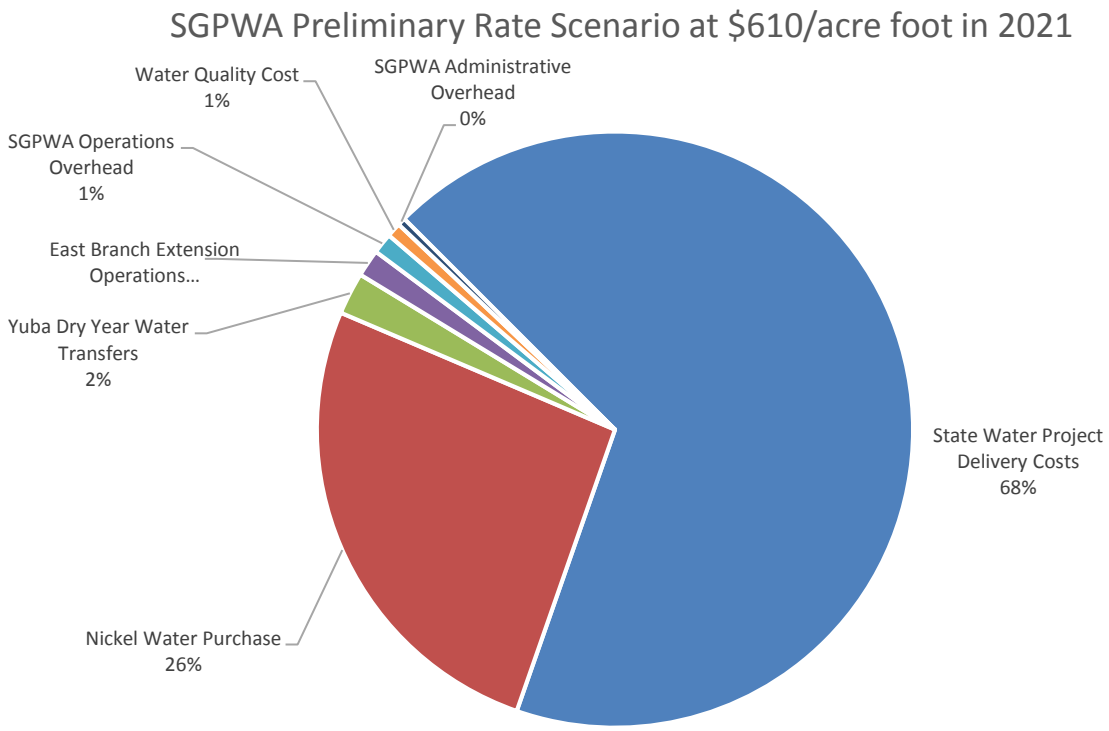
On September 13, 2018, the San Gorgonio Pass Water Agency presented the preliminary results of a water rate model developed by David Taussig & Associates. The assumptions that are included in the model are provided on the following presentation slide from the meeting.



On September 13, 2018, the Agency staff and Consultant provided the following preliminary scenarios that show how water rates are likely to change from the existing imported water rate of $309/acre foot. The units for the table below are dollar ($) per acre foot.

Model Run	2019	2020	2021
Constant rate, 100% of Nickel water on capacity fee	464	464	464
Constant rate, 50% of Nickel water on capacity fee	537	537	537
Constant rate, 0% of Nickel water on capacity fee	610	610	610
Gradually increasing rate, 100% of Nickel water on capacity fee	417	467	523
Gradually increasing rate, 50% of Nickel water on capacity fee	483	541	606
Gradually increasing rate, 0% of Nickel water on capacity fee	549	615	689

Details of the rate analysis for the “Constant Rate, 0% of Nickel Water on Capacity Fee” scenario, the most significant components in this proposed rate model in Calendar Year 2021 will be the State Water Project Delivery Costs (68%) and the Nickel Water Purchase (26%) making up 94% of the total imported water rate under this preliminary scenario.



From the District's staff perspective, the main points from the workshop on September 13, 2018 include:

- The San Gorgonio Pass Water Agency is interested in working with retail water customers and receiving input about the proposed rate at future meetings.
- There is a consensus that there will be uncertainty about the quantity of imported water available each year from the State Water Project. The amount of imported water available is beyond the control of the San Gorgonio Pass Water Agency since it is determined by the Department of Water Resources.
- The proposed imported water rate is likely to include the following components:
    - San Gorgonio Pass Water Agency Operational Overhead - 50% of annual operations cost of one employee
    - San Gorgonio Pass Water Agency Administrative Overhead - 5% of the annual administrative budget.
    - East Branch Extension Operational Costs - 50% of the annual overall expenses will be included in the imported water rate.
    - Department of Water Resources Energy and Transmission Costs - This is the largest component to the imported water rate and will likely include a projection of anticipated energy increases based on prior year data.
    - Yuba Dry Year Transfers - This cost component provides additional water supplies to the region.
    - Nickel Water Supplies - This cost component is the second most significant component and will be a factor in future rates for the remaining term of the contract (about 19 years).
    - Water Quality Cost - The cost for reducing algae in the State Water Project will likely be an ongoing expense.

On October 16, 2018, the Yucaipa Valley Water District Board of Directors sent correspondence with suggestions for the Board of Directors of the San Gorgonio Pass Water Agency to consider during their deliberation of the proposed imported water rates (attached).

On November 19, 2018, the San Gorgonio Pass Water Agency hosted a meeting with retail water managers to discuss the process of implementing the proposed SGPWA imported water rate. During this meeting, a concept was discussed about the creation of a rate setting process that would allow the Board of Directors of the San Gorgonio Pass Water Agency to evaluate and adjust imported water rates on an annual basis. This methodology would provide the retail water agencies with advanced notice of the imported water rate adjustments and participation in the process to fully communicate and understand the rate elements.

On January 24, 2019, the Yucaipa Valley Water District hosted a community meeting to provide information to the public about the proposed rate change.

Financial Impact to Existing District Customers

At this time, the current rate charged by the San Gorgonio Pass Water Agency results in a charge to our customers in Calimesa at a rate of $0.66 per 1,000 gallons. With a typical home using 22,000 gallons per month, the current rate results in a monthly charge of $14.52. This is a direct pass-through rate from the San Gorgonio Pass Water Agency. The table below shows the anticipated changes in the rates to customers in the San Gorgonio Pass Water Agency service area (Calimesa).

Model Run	2019	2020	2021
Constant rate, 100% of Nickel water on capacity fee	464	464	464
Constant rate, 50% of Nickel water on capacity fee	537	537	537
Constant rate, 0% of Nickel water on capacity fee	610	610	610
Gradually increasing rate, 100% of Nickel water on capacity fee	417	467	523
Gradually increasing rate, 50% of Nickel water on capacity fee	483	541	606
Gradually increasing rate, 0% of Nickel water on capacity fee	549	615	689

Existing SGPWA Pass Through Rate = $0.664/kgal	$/kgal	$/kgal	$/kgal
Constant Rate, 100% of Nickel Water on Capacity Fee	$0.997	$0.997	$0.997
Constant Rate, 50% of Nickel Water on Capacity Fee	$1.154	$1.154	$1.154
Constant Rate, 0% of Nickel Water on Capacity Fee	$1.310	$1.310	$1.310
Increasing Rate @ 12%, 100% of Nickel Water on Capacity Fee	$0.896	$1.004	$1.124
Increasing Rate @ 12%, 50% of Nickel Water on Capacity Fee	$1.038	$1.163	$1.302
Increasing Rate @ 12%, 0% of Nickel Water on Capacity Fee	$1.180	$1.322	$1.481

Financial Impact to New Development

Depending on the final imported water rate adopted by the San Gorgonio Pass Water Agency, new development will also be impacted by the proposed rate adjustment. The table below shows the charges to new development based on the existing imported water rate of $309/acre foot as compared to Scenario 3 which is described as the worst-case scenario.

Annual Purchase Direct Delivery	**Annual Purchase** Conjunctive Use	**Facility Capacity Charge** Water Rights	**Facility Capacity Charge** Water Pre-Purchase / Sustainability
$309 / Acre Foot	Pending	$4,683 / EDU	7 Acre Feet $2,163 / EDU
$610 / Acre Foot	Pending	$4,683 / EDU	7 Acre Feet $4,270 / EDU

This table illustrates the cost for each new Equivalent Dwelling Unit will increase to $8,953 for a dual-sourced home, as compared to the existing cost of $6,846. This cost represents only the supplemental water charges. Other fees for the purchase of water system capacity and water meters are not included in the table above.

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

October 16, 2018

Attention: Board of Directors
San Gorgonio Pass Water Agency
1210 Beaumont Avenue
Beaumont, California 92223

Subject: **Suggestions for the Review, Study, and Evaluation of a Proposed Imported Water Rate Adjustment by the San Gorgonio Pass Water Agency**

Dear Members of the Board of Directors:

On September 13, 2018, the Board of Directors of the San Gorgonio Pass Water Agency conducted a workshop to review an imported water rate model by David Taussig & Associates. The proposed imported water rate model identified six preliminary scenarios that indicated an imported water rate change from $309/acre foot to a minimum of $417/acre foot to a maximum of $689/acre foot. The specific scenarios are provided below.

Model Run	2019	2020	2021
Constant rate, 100% of Nickel water on capacity fee	464	464	464
Constant rate, 50% of Nickel water on capacity fee	537	537	537
Constant rate, 0% of Nickel water on capacity fee	610	610	610
Gradually increasing rate, 100% of Nickel water on capacity fee	417	467	523
Gradually increasing rate, 50% of Nickel water on capacity fee	483	541	606
Gradually increasing rate, 0% of Nickel water on capacity fee	549	615	689

The current imported water rate charged by the San Gorgonio Pass Water Agency results in a unit cost of $0.66 per 1,000 gallons for customers in our Calimesa service area. Based on a typical monthly water consumption of 22,000 gallons per month, this rate results in a monthly charge of $14.52. Implementation of one of the six proposed scenarios will increase the monthly imported water rate component of our service fee to customers in Calimesa by 35% to 97% in 2019. As shown below, three of the proposed scenarios will continue to increase imported water rates by 12% per year in 2020 and 2021.

Directors and Officers

CHRISTOPHER MANN, Division 1 | BRUCE GRANLUND, Division 2 | JAY BOGH, Division 3 | LONNI GRANLUND, Division 4 | THOMAS SHALHOUB, Division 5 | JOSEPH B. ZOBA, General Manager and Secretary

San Gorgonio Pass Water Agency
Board of Directors
October 16, 2018
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Model Run	2019	2020	2021
Constant rate, 100% of Nickel water on capacity fee	464	464	464
Constant rate, 50% of Nickel water on capacity fee	537	537	537
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Gradually increasing rate, 100% of Nickel water on capacity fee	417	467	523
Gradually increasing rate, 50% of Nickel water on capacity fee	483	541	606
Gradually increasing rate, 0% of Nickel water on capacity fee	549	615	689

Existing SGPWA Pass Through Rate = $0.664/kgal	$/kgal	$/kgal	$/kgal
Constant Rate, 100% of Nickel Water on Capacity Fee	**$0.997**	**$0.997**	$0.997
Constant **Rate,** 50% of Nickel Water on Capacity Fee	$1.154	$1.154	$1.154
Constant Rate, 0% of Nickel Water on Capacity Fee	**$1.310**	$1.310	$1.310
Increasing Rate @ 12%, 100% of Nickel Water on Capacity Fee	$0.896	$1.004	$1.124
Increasing Rate @ 12%, 50% of Nickel Water on Capacity Fee	$1.038	$1.163	$1.302
Increasing Rate @ 12%, **0% of Nickel Water on Capacity Fee**	$1.180	$1.322	$1.481

To properly evaluate the proposed and future cost of imported water to the region, and to determine if we will continue to purchase imported water from the San Gorgonio Pass Water Agency, the Board of Directors of the Yucaipa Valley Water District respectfully requests your consideration of the following suggestions:

- The imported water rate spreadsheet prepared by David Taussig & Associates should be expanded to include actual data from calendar years 2012, 2013, 2014, 2015, and 2016 to illustrate the trends in prior revenues and expenses.

- The imported water rate spreadsheet prepared by David Taussig & Associates should be extended to include estimated revenues and expenses for calendar years 2022, 2023, 2024, and 2025.

- Based on the attached calculation of cost for the Nickel Water Purchase between the San Gorgonio Pass Water Agency and the Antelope Valley - East Kern Water Agency, future revenues of the San Gorgonio Pass Water Agency need to be sufficient to fund the approximately $58 million obligation created by this Agreement. The San Gorgonio Pass Water Agency Board of Directors should consider shifting the new financial obligation beyond the term of the Agreement to reduce the immediate impact of this cost on imported water rates. This concept would require an extension of the imported water rate spreadsheet through 2046 to show the impact on imported water rates when the initial term of the Nickel Water Purchase Agreement concludes.

- Incorporating the suggestions above, an updated imported water rate spreadsheet should be prepared and distributed in advance of the next imported water rate workshop.

- The Yucaipa Valley Water District will need to provide noticing of the proposed adjustment to our customers in compliance with Proposition 218. The San Gorgonio Pass Water Agency should consider conducting future workshop meetings and voting on the proposed imported water rate adjustment after notices have been provided to customers impacted by the proposed imported water rate adjustment. This schedule provides an opportunity for your staff to explain the proposed changes directly to the customers and property owners.

- The San Gorgonio Pass Water Agency should consider implementing the first increase in water rates six months after adoption of the proposed imported water rate(s) to allow retail water agencies sufficient time to implement new imported water rates.

- Each year, the San Gorgonio Pass Water Agency Board of Directors should conduct a review of the imported water rate spreadsheet to determine if yearly updates to the actual revenues/expenses and the five-year forecast will require an imported water rate adjustment in future years.

- In addition to annual financial reviews, the San Gorgonio Pass Water Agency Board of Directors should use the imported water rate spreadsheet to study the financial impact on imported water rates prior to executing future purchase agreements for additional water supplies.

- The San Gorgonio Pass Water Agency should consider setting a permanent wheeling rate based solely on the "State Water Project Delivery Costs" to allow your customers to secure additional sources of supplemental water for the region.

Thank you in advance for your consideration of the suggestions above.

Sincerely,

Chris Mann
Division 1

Bruce Granlund
Division 2

Jay Bogh
Division 3

Lonni Granlund
Division 4

Thomas Shalhoub
Division 5

attachment

San Gorgonio Pass Water Agency - Antelope Valley - East Kern Water Agency Agreement

SGPWA Board Meeting - June 19, 2017

	Escalation Factor	Agreement	>3% or CPI	- -		SWP			
	Escalation Rate	**3.0%**	**3.0%**	- -	- -	**3.0%**	- -	- -	- -
Year	Contract Year	Nickel-DMB Payment	Replenishment	Administrative	Fixed Cost per Acre Foot	Pumping Cost	Quanity of Water (AF)	Total Cost	Cost per Acre Foot
2017	1	716	300	5	1,021	247	1,700	2,155,600	1,268
2018	2	737	309	5	1,051	254	1,700	2,220,013	1,306
2019	3	760	318	5	1,083	262	1,700	2,286,358	1,345
2020	4	782	328	5	1,115	270	1,700	2,354,694	1,385
2021	5	806	338	5	1,149	278	1,700	2,425,080	1,427
2022	6	830	348	5	1,183	286	1,700	2,497,577	1,469
2023	7	855	358	5	1,218	295	1,700	2,572,250	1,513
2024	8	881	369	5	1,255	304	1,700	2,649,162	1,558
2025	9	907	380	5	1,292	313	1,700	2,728,382	1,605
2026	10	934	391	5	1,331	322	1,700	2,809,979	1,653
2027	11	962	403	5	1,370	332	1,700	2,894,023	1,702
2028	12	991	415	5	1,411	342	1,700	2,980,589	1,753
2029	13	1,021	428	5	1,454	352	1,700	3,069,751	1,806
2030	14	1,051	441	5	1,497	363	1,700	3,161,589	1,860
2031	15	1,083	454	5	1,542	374	1,700	3,256,181	1,915
2032	16	1,116	467	5	1,588	385	1,700	3,353,612	1,973
2033	17	1,149	481	5	1,635	396	1,700	3,453,965	2,032
2034	18	1,183	496	5	1,684	408	1,700	3,557,329	2,093
2035	19	1,219	511	5	1,735	421	1,700	3,663,794	2,155
2036	20	1,256	526	5	1,787	433	1,700	3,773,453	2,220
						Total Agreement Cost		**57,863,381**	- -

Manager Meeting - November 19, 2018

	OVERHEAD	WATER DELIVERY COSTS		WATER PURCHASE COSTS			WATER QUALITY COSTS	ADMINISTRATIVE REVIEW & IMPLEMENTATION			
CONCEPTUAL IMPORTED WATER RATE METHODOLOGY	15% of Labor Expenses from Financial Audit for Fiscal Year ending on June 30,	50% of SBVMWD Applicable Expenses Invoiced to SGPWA through Fiscal Year ending on June 30,	Three Year Rolling Average (36 months) of DWR Energy and Transmission Expenses/Credits for Calendar Year ending December 31,	Nickel Water Purchase Additional Amount (Smoothing Factor)	Nickel Water Purchase Costs for Calendar Year ending December 31,	Yuba Dry Year Water Transfer Costs for Fiscal Year ending June 30,	Water Quality Cost for Fiscal Year ending on June 30,	Compilation and Rate Review by Manager Group in First Quarter of	SGPWA Board of Directors Approval by June 30,	Imported Water Order due for following Calendar Year by August 30,	Effective Date of Imported Water Rate on January 1,
	2018	2018	2018	20% of CY 2018	- -	2018	2018	2019	2019	2019	2020
	2019	2019	2019	40% of CY 2019	- -	2019	2019	2020	2020	2020	2021
	2020	2020	2020	60% of CY 2020	- -	2020	2020	2021	2021	2021	2022
	2021	2021	2021	80% of CY 2021	- -	2021	2021	2022	2022	2022	2023
	2022	2022	2022	- -	2022	2022	2022	2023	2023	2023	2024
	2023	2023	2023	**	2023	2023	2023	2024	2024	2024	2025
	2024	2024	2024	**	2024	2024	2024	2025	2025	2025	2026
	2025	2025	2025	**	2025	2025	2025	2026	2026	2026	2027
	2026	2026	2026	**	2026	2026	2026	2027	2027	2027	2028
	2027	2027	2027	**	2027	2027	2027	2028	2028	2028	2029
	2028	2028	2028	**	2028	2028	2028	2029	2029	2029	2030
	2029	2029	2029	**	2029	2029	2029	2030	2030	2030	2031
	2030	2030	2030	**	2030	2030	2030	2031	2031	2031	2032
	2031	2031	2031	**	2031	2031	2031	2032	2032	2032	2033
	2032	2032	2032	**	2032	2032	2032	2033	2033	2033	2034
	2033	2033	2033	**	2033	2033	2033	2034	2034	2034	2035
	2034	2034	2034	**	2034	2034	2034	2035	2035	2035	2036
	2035	2035	2035	**	2035	2035	2035	2036	2036	2036	2037
	2036	2036	2036	**	2036	2036	2036	2037	2037	2037	2038

** Total of unpaid amount of Nickel Water Costs for CY 2018, CY 2019, CY 2020, CY 2021 divided by the remaining years of the Nickel Water Agreement initial contract term.

1
San Gorgonio Pass Water Agency
December 10, 2018
DISCUSSION OF ONE POTENTIAL METHODOLOGY TO COMPUTE WATER RATE

2
Monthly Review of Data at Manager Meetings
• DWR Invoices
• SGPWA Audit
• SGPWA Budget
• Nickel Water Purchase Costs
• Yuba Dry Year Water Transfer Costs
Presentation of a Consolidated Imported Water Rate to the Board of Directors – First Quarter
Board of Director Review and Approval of Imported Water Rate – Second Quarter
Imported Water Orders Submitted by Retail Water Agencies – Third Quarter

3
San Gorgonio Pass Water Agency
Imported Water Rate Components
Overhead Expenses
•15% of Labor Expenses from SGPWA Financial Audit
Water Delivery Expenses
•50% of San Bernardino Valley Municipal Water District Applicable Expenses
•Three Year Rolling Average of DWR Energy and Transmission Expenses
Water Purchase Expenses
•Nickel Water Lease
•Yuba Dry Year Water Transfer
•Ventura Water Purchase
Water Quality Expenses
•Water Quality Control
Other Expenses
•Unexected and Planned Operational Costs

4

CONCEPTUAL IMPORTED WATER RATE METHODOLOGY

OVERHEAD	WATER DELIVERY COSTS		WATER PURCHASE COSTS			WATER QUALITY COSTS	ADMINISTRATIVE REVIEW & IMPLEMENTATION			
15% of Labor Expenses from Financial Audit for Fiscal Year ending on June 30,	50% of SBVMWD Applicable Expenses Invoiced to SGPWA through Fiscal Year ending on June 30,	Three Year Rolling Average (36 months) of DWR Energy and Transmission Expenses/Credits for Calendar Year ending December 31,	Nickel Water Purchase Additional Amount (Smoothing Factor)	Nickel Water Purchase Costs for Calendar Year ending December 31,	Yuba Dry Year Water Transfer Costs for Fiscal Year ending June 30,	Water Quality Cost for Fiscal Year ending on June 30,	Compilation and Rate Review by Manager Group in First Quarter of	SGPWA Board of Directors Approval by June 30,	Imported Water Order due for following Calendar Year by August 30,	Effective Date of Imported Water Rate on January 1,
2018	2018	2018	20% of CY 2018	--	2018	2018	2019	2019	2019	2020
2019	2019	2019	40% of CY 2019	--	2019	2019	2020	2020	2020	2021
2020	2020	2020	60% of CY 2020	--	2020	2020	2021	2021	2021	2022
2021	2021	2021	80% of CY 2021	--	2021	2021	2022	2022	2022	2023
2022	2022	2022	--	2022	2022	2022	2023	2023	2023	2024
2023	2023	2023	**	2023	2023	2023	2024	2024	2024	2025
2024	2024	2024	**	2024	2024	2024	2025	2025	2025	2026
2025	2025	2025	**	2025	2025	2025	2026	2026	2026	2027
2026	2026	2026	**	2026	2026	2026	2027	2027	2027	2028
2027	2027	2027	**	2027	2027	2027	2028	2028	2028	2029
2028	2028	2028	**	2028	2028	2028	2029	2029	2029	2030
2029	2029	2029	**	2029	2029	2029	2030	2030	2030	2031
2030	2030	2030	**	2030	2030	2030	2031	2031	2031	2032
2031	2031	2031	**	2031	2031	2031	2032	2032	2032	2033
2032	2032	2032	**	2032	2032	2032	2033	2033	2033	2034
2033	2033	2033	**	2033	2033	2033	2034	2034	2034	2035
2034	2034	2034	**	2034	2034	2034	2035	2035	2035	2036
2035	2035	2035	**	2035	2035	2035	2036	2036	2036	2037
2036	2036	2036	**	2036	2036	2036	2037	2037	2037	2038

** Total of unpaid amount of Nickel Water Costs for CY 2018, CY 2019, CY 2020, CY 2021 divided by the remaining years of the Nickel Water Agreement initial contract term.

Managers Meeting

December 12, 2018

Notes

Suggested changes to proposed rate setting methodology:

- Agency pays for 2018 Nickel water; not included in rate. This goes a long way toward smoothing—half the amount proposed by retail managers.
- Actual costs calculated for calendar years; rate goes into effect six months later. Shorten time in which it takes for Agency to collect our costs.
- Calculate costs for CY 2018 (excluding Nickel costs); these costs would go into rate starting in July 2019. Should be relatively close to the current rate.
- So Nickel water costs would go into rate starting July 2020 for 2019.
- DWR energy costs are for previous year (12-month calendar year); no three-year smoothing.
- Add columns to spread sheet for depreciation, new water, infrastructure, and additional overhead
- Agency needs to put numbers to costs and deliveries so Board can get an idea of what the rate would be. Board does not want to approve concept until they see numbers.
- Proposed timetable
    - Agency summarizes all costs for calendar year in mid-February
    - Managers review costs in March
    - Agency board adopts rate in April
    - Rate goes into effect July 1 for costs accrued in previous calendar year
- For July 2019 rate, no Nickel water costs
- For July 2020 rate, only 2019 Nickel costs—no Nickel costs for 2018
- Agency wants larger storage account in order to "buy" Nickel water in 2018

I will have Tom put numbers to both these options, compare them to the original Taussig options, and take them to the Board for discussion, probably in January.

Operational Updates

Yucaipa Valley Water District

Yucaipa Valley Water District

Director Memorandum 19-025

Date: January 29, 2019

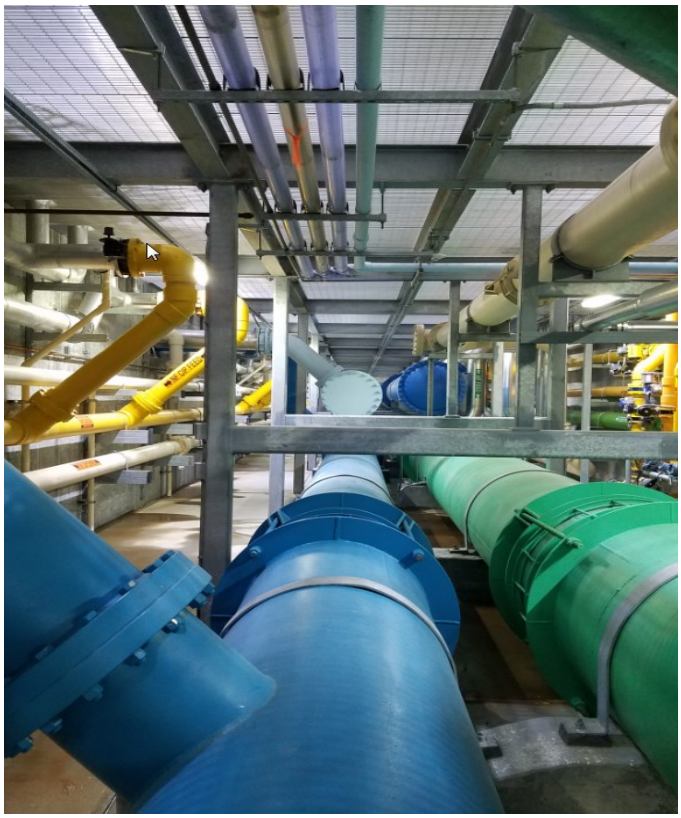
From: Mike Kostelecky, Operations Manager

Subject: Status Report on the Annual Repairs and Rehabilitation of the Yucaipa Valley Regional Water Filtration Facility

Each year the District staff takes the Yucaipa Valley Regional Water Filtration Facility (YVRWFF) out of service to perform routine inspections and repairs to prepare the drinking water facility for summertime operation.

The purpose of this agenda item is to discuss the status and schedule of the anticipated repairs.

On Thursday, January 31, the State Water Project water flow will cease and the dewatering and maintenance will begin. Attached is the list of tasks associated with this year's shutdown.



The YVRWFF repairs and maintenance are scheduled to be completed and resume the influent flow on Monday, March 4. Staff will start flushing until a final disinfectant residual is recorded. This will be followed by two series of bacteriological samples that are more than 24 hours apart. The plant is expected to be turned into the distribution system by Thursday, March 7, 2019.

YVRWFF 2019 Maintenance Task List

This SOP will serve as a check list to ensure that all required process equipment receives yearly maintenance when the plant is off-line during the annual plant shut down.

1. Perform-CIP on each Micro-rack the week prior to shut down.
2. Preserve Micro filtration racks.
3. Preserve Nano filtration trains.
4. Close inlet valves at Auto strainers and power off local controls.
5. Exercise all filtration facility valves.
6. Drain and wash down DAF units 1 & 2.
7. Disassemble and inspect the DAF unit's air blending chamber float.
8. Inspect CPE line and the 48" MF feed line.
9. Drain and inspect the blending structure.
10. Inspect and repair chlorine storage and isolation valves.
11. Inspect and perform annual maintenance on Kinne strainers per CMMS.
12. Clean and inspect CIP waste sump. Schedule with EC.
13. Pump septic lift station. Schedule with EC.
14. MF Caustic tank – remove hatch, clean/inspect. Schedule with EC.
15. MF Acid tank - remove hatch, clean/inspect. Schedule with EC.
16. NF CIP tank - remove hatch, clean/inspect. Schedule with EC.
17. Re-gel strap on flow meters in plant (Qversa).
18. Re-gel strap on meter at "Dog House." (Qversa)
19. Inspect MF caustic & acid basket strainers.
20. Service UPS systems.
21. Inspect CPE chemical injectors.
22. Flush bypass line around R13.1(this is accomplished during start-up)
23. Clean air filtration systems for all VFD's.
24. Inspect and upgrade chemical trench flex lines and close bulk tank valves.
25. Change cartridge filters on Nano filtration trains 1 & 2.
26. Inspect Micro filtration feed headers – Drain racks on day of start-up and pull end caps.
27. Tighten RF system nuts/bolts – Micro filtration.
28. Grease zert fittings on all pumps throughout the plant.
29. Change oil in NF inter-stage booster pumps.
30. RF Basket Clean.
31. RF Nipple/fitting replacement on air/vac(s).
32. Chemical instrument probes – replace fitting/bushings/adaptors.
33. Inspect DAF pump check valves – rebuild/replace as needed.
34. Replace (3) 6" air & vacuum valves, pre and post FSS.
35. Replace ¾" & 1" air & vacuum valves on MF/NF systems
36. Replace backwash valve at FSS

***** Report and/or correct any deficiencies immediately**

***** Log findings and any operational changes made in the plant logbook**

Yucaipa Valley Water District

Director Memorandum 19-026

Date: January 29, 2019

From: Mike Kostelecky, Operations Manager

Subject: Status Report on the Inspection and Cleaning of District Reservoirs and Facilities

On December 18, 2018, the Board of Directors authorized the General Manager to execute a contract with Inland Potable Services for reservoir inspection and cleaning services for the next three years. [Director Memorandum No. 18-158]

The purpose of the workshop item is to discuss the current status of the cleaning and inspections.

Capital Improvement Projects

Yucaipa Valley Water District

Yucaipa Valley Water District

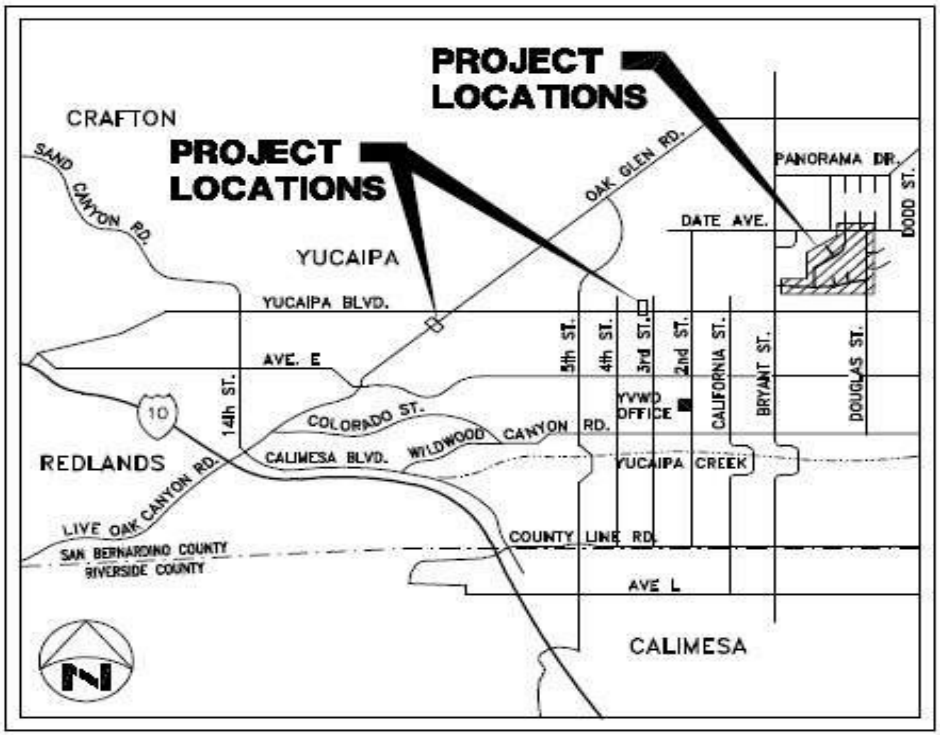
Workshop Memorandum 19-027

Date: January 29, 2019

Prepared By: Matthew Porras, Implementation Manager

Subject: 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

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



On July 25, 2018 the District received 4 bids for the Drinking Water pipeline replacement project as discussed at the regular Board Workshop on July 31, 2018.

On August 7, 2018, the Board of Directors awarded a construction contract to Borden Excavating. Borden Excavating started work on November 5, 2018 and is scheduled to be completed January 7,2018. The current phasing will include the Citi-Bank segment first, the Oak Glen Road crossing second, and the residential subdivision third.

Current Update: Borden has completed the installation of the mainlines for the Citi-Bank and Oak Glen Road segments. They are making good progress in the residential subdivision. The main line installation is now complete, and the crews are working on the installation of the individual services with the road repair to follow.

YUCAIPA VALLEY
WATER DISTRICT

Yucaipa Valley Water District

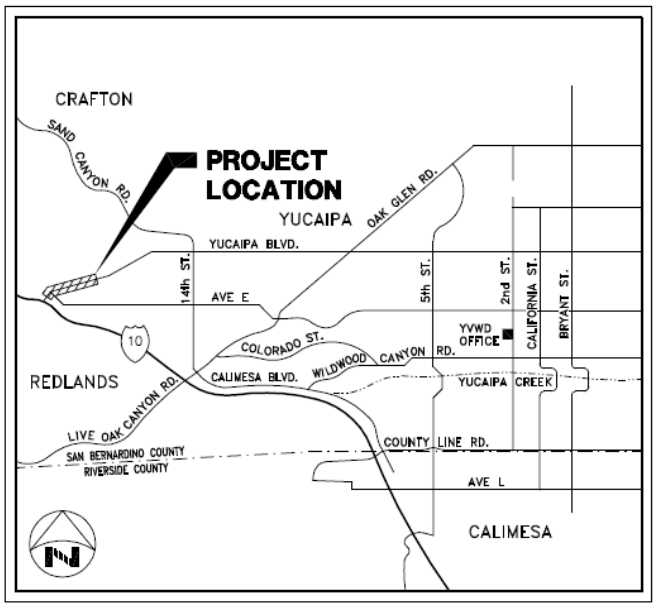
Workshop Memorandum 19-028

Date: January 29, 2019

Prepared By: Matthew Porras, Implementation Manager

Subject: Status Report on the Construction of an 8-Inch Sewer Mainline in Yucaipa Boulevard

Project Overview: On October 4, 2016, the Board of Directors authorized the General Manager to execute an Agreement between The City of Yucaipa and The Yucaipa Valley Water District for Yucaipa Boulevard Sewer Utility [Director Memorandum No. 16-094].



On November 14, 2017, the Board of Directors authorized the District staff to solicit bids for the construction of Yucaipa Boulevard Sewer from Hampton Road to 18th Street [Workshop Memorandum No. 17-163]. The project includes the construction of approximately 2,550 linear feet of 8-inch Vitrified Clay Pipe, including manholes, laterals and appurtenances. The sewer main project is categorically exempt from environmental review in accordance with the California Environmental Quality Act Guidelines Section 15301(C).

As discussed in a Board Workshop on February 13, 2018, the District received 6 bids for the pipeline project. Weka, Inc. was the low bidder in the amount of $526,193.00. On February 20, 2018 at a regular Board Meeting [Director Memorandum 18-035] the Board of Directors awarded a construction contract with Weka, Inc. to complete the project.

Financial Consideration: Funding for this project will be from Sewer Fund, Infrastructure Reserves [GL Account #03-10311]. This project was not included in the 2017-18 budget, however, there is sufficient funding available in the reserve fund listed above.

Current Update: The District's contractor (Weka, Inc.) is constructing lateral lines in the areas of completed main line. Although the District's contractor experienced numerous conflicts in the main line installation, as well as a few rain days, the project's overall timeline remains mostly intact. City of Yucaipa is providing traffic control in Yucaipa Boulevard for the District's contractor.

BUSINESSES
OPEN DURING
CONSTRUCTION

Real Estate
31510

GATEWAY

Yucaipa Valley Water District

Workshop Memorandum 19-029

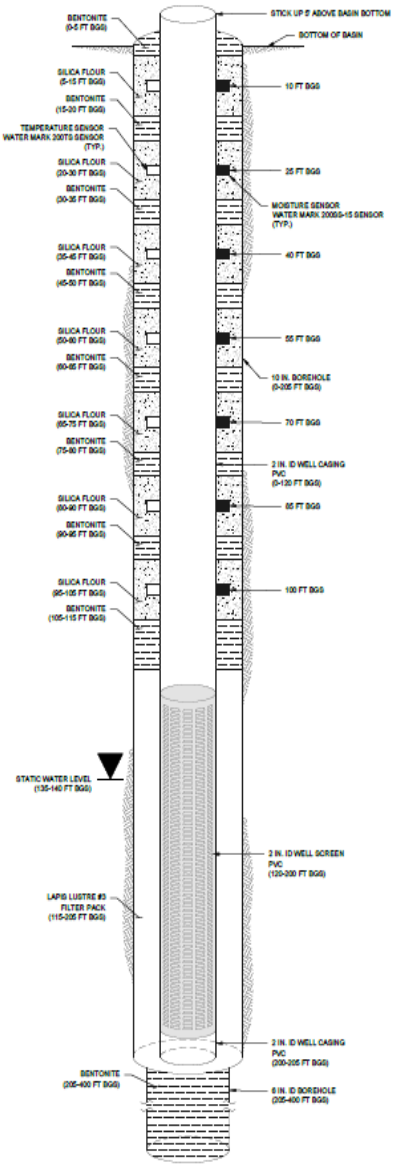
Date: January 29, 2019

From: Matthew Porras, Implementation Manager

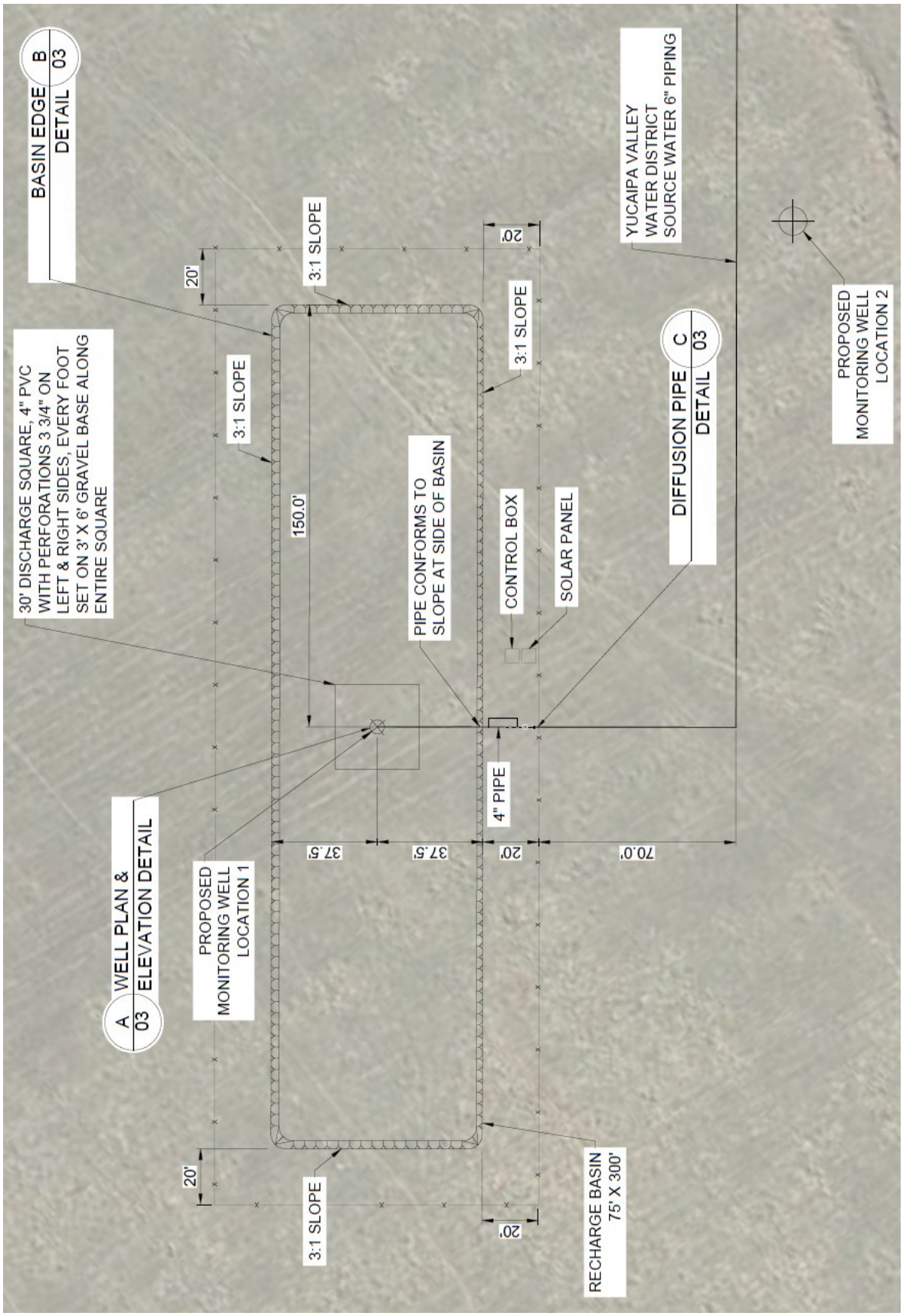
Subject: Status Report on the Infiltration Testing at the Calimesa Lake and Spreading Basin Recharge Facility

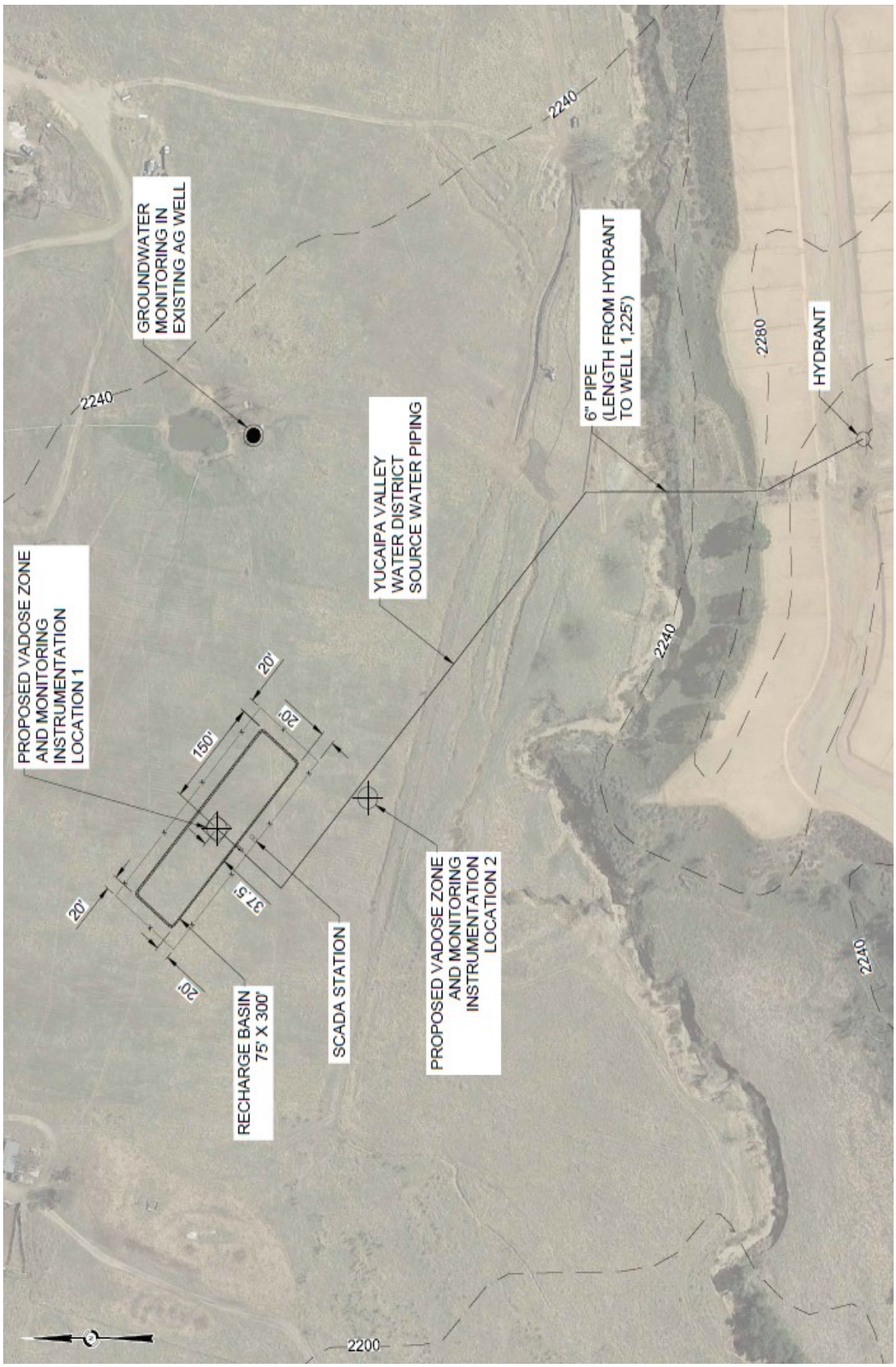
As a part of the Calimesa Lakes project, the District has contracted with Geoscience who will be conducting recharge testing by discharging water into a constructed basin that will measure 300 feet long and 75 feet wide depicted in the drawing to the right. The testing is scheduled to last 6-8 weeks and will utilize instrumentation that is designed to accurately measure changes in moisture and temperature at various depths in two separate locations.

District staff met onsite with the Geoscience team on Tuesday January 22, 2019 during a project site walk to assist in the coordination of the project. After the necessary permits are in place, the monitoring well drilling will begin, followed by the grading of the basin and installation of the monitoring equipment. The District will complete the installation of the temporary pipeline after the grading is complete.



PROPOSED VADOSE ZONE AND MONITORING INSTRUMENTATION LOCATION 1


BASIN EDGE B 03 DETAIL
YUCAIPA VALLEY WATER DISTRICT SOURCE WATER 6" PIPING
PROPOSED MONITORING WELL LOCATION 2
30' DISCHARGE SQUARE, 4" PVC WITH PERFORATIONS 3 3/4" ON LEFT & RIGHT SIDES, EVERY FOOT SET ON 3' X 6' GRAVEL BASE ALONG ENTIRE SQUARE
20'
3:1 SLOPE
20'
3:1 SLOPE
3:1 SLOPE
150.0'
PIPE CONFORMS TO SLOPE AT SIDE OF BASIN
CONTROL BOX
SOLAR PANEL
DIFFUSION PIPE C 03 DETAIL
A 03 WELL PLAN & ELEVATION DETAIL
PROPOSED MONITORING WELL LOCATION 1
4" PIPE
37.5'
37.5'
20'
70.0'
20'
3:1 SLOPE
20'
RECHARGE BASIN 75' X 300'


GROUNDWATER MONITORING IN EXISTING AG WELL
6" PIPE (LENGTH FROM HYDRANT TO WELL 1,225')
HYDRANT
YUCAIPA VALLEY WATER DISTRICT SOURCE WATER PIPING
PROPOSED VADOSE ZONE AND MONITORING INSTRUMENTATION LOCATION 1
PROPOSED VADOSE ZONE AND MONITORING INSTRUMENTATION LOCATION 2
SCADA STATION
RECHARGE BASIN 75' X 300'
150'
37.5'
20'
2240
2280
2200

Public Policy

Yucaipa Valley Water District

Yucaipa Valley Water District

Workshop Memorandum 19-030

Date: January 29, 2019

From: Joseph B. Zoba, General Manager

Subject: Overview of a Revised Policy for Members of the Board of Directors Regarding Expense Reimbursement, Meeting Attendance, Compensation, and Benefits

Each year the District staff presents a resolution setting forth the policies related to board member reimbursement, meeting attendance, compensation, and benefits. This policy has been amended to consolidate two existing resolutions: Resolution No. 2017-03 and Resolution No. 2018-05.

RESOLUTION NO 2019-xx

A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT ADOPTING A REVISED POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS REGARDING EXPENSE REIMBURSEMENT, MEETING ATTENDANCE, COMPENSATION, AND BENEFITS

WHEREAS, the Yucaipa Valley Water District ("District") desires to ensure its customers, residents, employees, and those who conduct business with the District, that the District emphasizes values in public service, leadership, and decision-making by adopting these Guidelines; and

WHEREAS, in order to document the District's Board of Director's commitment to ethical behavior in performance of the District's business, the Board desires to adopt these Guidelines; and

WHEREAS, pursuant to Government Code section 53232.2, the Board of Directors adopted a written policy governing compensable activities and reimbursable expenses for travel, meals, lodging, and incidental expenses; and

WHEREAS, the Board of Directors desires to revise the policy.

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

Section 1: Adoption of Policy and Establishment of Procedures. The Board of Directors hereby adopts the Directors Compensation and Expense Reimbursement Policy, set forth as Exhibit "A", attached hereto and incorporated herein by reference.

Section 2: Rescission of Inconsistent Resolutions and Policies. Resolution Nos. 2017-03 and 2018-05 are hereby repealed. In addition, any prior resolutions and/or policies established by the Board of Directors that conflict with the policy set forth in the attached Exhibit "A" shall be deemed rescinded to the extent of such conflict.

PASSED, APPROVED and ADOPTED this __th day of January 2019.

YUCAIPA VALLEY WATER DISTRICT

Jay Bogh, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

Yucaipa Valley Water District

Policy for Members of the Board of Directors Regarding Conduct of Directors, Expense Reimbursement, Meeting Attendance, Compensation, and Benefits

January xx, 2019

This Policy governs the code of conduct, and compensation/reimbursement of expenses for members of the Yucaipa Valley Water District's Board of Directors.

Section 1. Key Guiding Principles

Members of the Board of Directors ("Directors") are subject to the provisions of this Policy in addition to other District policies, state laws and regulations. Such laws govern but are not limited to: disclosure of personal economic interests, receipt of loans, gifts, travel payments and honoraria, campaign contributions, conflicts of interest, dual office-holding and incompatible offices, and criminal and civil misconduct in office. If a Director has a question regarding interpretation or compliance with this Policy, or state laws and regulations, the Director shall refer the matter to the General Manager who shall provide the Director with information or may refer the matter to Legal Counsel for further guidance.

While the laws are expansive, the core ethical requirements can be summarized as follows:

- Public office cannot be used for personal financial gain.
- Holding public office does not entitle anyone to personal advantage or benefits.
- The public's business must be conducted openly.
- Fair processes and merit-based decision-making create an environment of good governance and service to the public.

The purpose of this Code of Conduct is to: provide guidance for dealing with ethical issues; heighten awareness of ethics and values as critical elements in a Director's conduct; and improve ethical decision-making.

A. Integrity. A Director must not place himself or herself under any financial or other obligation to any individual or organization that might reasonably be thought to influence the Director's performance of his or her duties.

B. Leadership. A Director has a duty to promote and support the key principles by leadership and example and to maintain and strengthen the public's trust and confidence in the integrity of the District.

C. Selflessness. A Director has a duty to make decisions solely in the public interest. A Director must not act in order to gain financial or other benefits for himself or herself, his

or her family, friends or business interests. This means making decisions because they benefit the District, not because they benefit the Director.

D. Objectivity. A Director must make decisions solely on merit and in accordance with the Director's statutory obligations when carrying out public business.

E. Accountability. A Director is accountable to the public for his or her decisions and actions.

F. Transparency. A Director has a duty to be as open and transparent as possible about his or her decisions and actions and give reasons for decisions.

G. Honesty. A Director has a duty to act honestly. A Director must declare any private interests relating to his or her public duties and take steps to resolve any conflicts arising in such a way that protects the public interest or recuse or disqualify himself or herself from taking any action which would constitute a conflict of interest.

H. Respect. A Director must treat others with respect at all times and observe the rights of other people. A Director must treat fellow Directors, officials, staff, customers, and the public, with courtesy and civility.

Section 2. Conduct of Directors

A. Ethics Training. Directors shall complete two (2) hours of state-mandated ethics training for local agency officials to meet the specific requirements of state law. State law also mandates two (2) hours of training within one (1) year of initially taking office.

B. Relationship Between Board Members. Directors shall strive to work collaboratively and assist each other in conducting the affairs of the District. Directors shall function as a part of a whole. Directors should bring all issues to the attention of the Board as a whole, rather than to select individual Directors.

C. Relationship with The Public and Other Public Agencies. Directors shall refer all complaints from customers, residents, and members of the public, to the General Manager. A Director shall not make representations or promises to any member of the public regarding the future action of the District or of the Board, unless such representation or promise has been duly authorized by the Board. When making public statements, a Director shall make it clear whether he or she is authorized to speak on behalf of the Board, or whether he or she is presenting their own views. When representing the Board, a Director's comments should reflect approved Board policies. In areas where no policy has yet been developed, the Director's comments shall make this fact clear.

D. Presentation and Appearance to the Public. In order to present a positive image to the public, customers and residents, Directors should strive to maintain a professional appearance while performing their duties as Directors.

E. Relationship with General Manager and Staff.

1. The Board sets the policy of the District. The General Manager is responsible for implementing the policy as formulated by the Board. Directors shall not engage in actions which would constitute day-to-day management. The General Manager is

the highest-ranking nonelected officer of the District. The General Manager is appointed by and serves at the pleasure of the Board and performs such duties as may be imposed by the Board. Therefore, the Board will provide policy direction and instructions to the General Manager on matters within the authority of the Board by majority vote of the Board during a duly convened Board meeting. Directors will deal with matters within the authority of the General Manager through the General Manager, and not through other District employees.

2. A Director will not make requests directly to other District staff to undertake analyses, perform other work assignments, or change the priority of work assignments. A Director's contact with District staff should be kept to a minimum and should be made only when direct personal contact is required. A Director, when approached by District personnel concerning specific District policy, shall direct inquiries to the General Manager.

F. Proper Use and Safeguarding of Property and Resources. A Director will not ask a District employee to perform services for the personal benefit or profit of a Director. Each Director must protect and properly use any District asset within his or her control. Directors will safeguard District property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust. The District will not reimburse the traveling and incidental expenses incurred by or for the spouse of a Director who attends a conference, tour or event on official District business (See 75 Ops. Cal. Atty. Gen. 20).

G. Use of Confidential Information. Under the Brown Act, all meetings of the Board are open to the public except as prescribed by law. The Brown Act sets forth provisions that require public officials to maintain the confidentiality of certain information disclosed or discussed in a duly convened closed session. A Director is not authorized, without the approval of the Board, to disclose information that qualifies as confidential information under the applicable provisions of law to a person not authorized to receive it, that: (i) has been received for, or during, a closed session meeting of the Board; (ii) is protected from disclosure under the attorney-client or other evidentiary privilege; or (iii) is not required to be disclosed under the California Public Records Act. A Director shall not waive the attorney-client privilege of the District by disclosing the legal opinions or advice of Legal Counsel to a third party.

H. Information Requests. A Director shall request all publicly available documents through the General Manager. All requested public documents shall be provided to the Director making the request within a reasonable period of time. All other Directors will be notified of the requests and said documents shall be made available to them upon request. A Director shall not request copies of documents for the use of any member of the public in order to avoid the payment of copy fees outlined in the Public Records Act.

Section 3. Compensable Activities

A. Meetings. Each member of the Board of Directors shall be entitled to per diem compensation for attendance at the following meetings such that the total number of compensable days in any calendar month for all meetings attended by a Board member shall not exceed ten (10) calendar days per month as set forth in the District's Ordinance No. 53-2007:

1. Each regular meeting, special meeting, facility tour, ceremonial event, or public training session scheduled and sponsored by the Yucaipa Valley Water District;
2. Each District ad hoc committee, and committee on which the Director serves or has been duly appointed;
3. Each publicly noticed meeting or ceremonial event of a governmental board when directed to attend by the Board of Directors;
4. Each noticed meeting of a mutual water company within the boundary of the District;
5. Attendance at an association or organization (such as ASBCSD, CSDA, ACWA, and CASA) related to the drinking water, recycled water, sewer, brine disposal services provided by the District;
6. Each meeting or hearing of any joint powers authority which the District is a member or the subject matter pertains to the District's services;
7. A chamber of commerce meeting within the District service area;
8. An economic development, business, or building industry meeting open to the public;
9. Each local, state or federal agency or any board, commission, committee or department thereof;
10. Each tour, field trip, or informal business meeting with or without District staff in the performance of the official duties of the Board of Directors; and
11. Meetings of agencies, nonprofit organizations, or service clubs when the Director or District staff is scheduled to make a presentation on behalf of the District

Deleted: : South Mesa Mutual Water Company, or Western Heights Mutual Water Company

Deleted: when directed to attend by the Board of Directors…

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B. Required Training. Each Director shall be entitled to compensation for attendance at the ethics training required by Government Code Section 53235 and the sexual harassment training and education required by Government Code Section 12950.1.

C. Other Activities. Compensation for attending other meetings or activities shall be determined in advance by the Board of Directors based on activities that provide a benefit to the District. Benefits include, but are not necessarily limited to, the acquisition of information, education, training, and skills that will further the District's ability to protect public health and the environment by providing effective drinking water, recycled water, wastewater treatment, and brine disposal service. Other benefits include positive changes to federal and state statutes and regulations that govern the District, and maintenance of positive relations with the public and other governmental agencies.

1. On a case-by-case basis and by a majority vote of the Board of Directors, a Director may receive compensation for attendance at the following activities:
   a. Meetings with representatives of local, regional, state, or national government on issues affecting the District; and
   b. Meetings, conferences, and seminars sponsored by the California Association of Sanitation Agencies, Western Coalition of Arid States, Association of California Water Agencies, or the California Special Districts Association, or other organization.
   c. Other activities that the Board of Directors believe achieve the benefits identified in Section 4.C.

D. In no event shall a Director receive compensation for more than one meeting or other activity on the same day. A Director shall only receive one day of compensation regardless of the number of meetings that District attended on any particular day.

E. Non-Compensable Activities. Board members shall not receive compensation for the following activities:

1. Attendance at meetings of service clubs, except as described in Section 4.A.11. above;
2. District sponsored employee events that include, but are not limited to, employee luncheons and retirement events;
3. Parades, festivals, holiday events, or retirement dinners;
4. Meetings with existing or potential contractors, vendors, or consultants;
5. Meetings of partisan political organizations;
6. Meetings, tours, and similar events conducted at the request of the Board member;
7. Any activity not described in Section 4.A., 4.B., or 4.C. above.

Section 4. Reimbursement of Directors' Expenses

A. Approved Activities. In accordance with the terms of this Policy, the District will reimburse Directors for certain expenses incurred in connection with the compensable activities described above in Section 4.

B. Transportation. In travelling to and from events, Directors must use the most economical form of transportation that is reasonably consistent with the Director's travel and scheduling requirements.

1. Mileage for Personal Vehicles.

The District will reimburse Directors for use of personal vehicles based on actual miles traveled at the then-current "standard mileage rate" adopted by the U.S. Internal Revenue Service for use in deducting the cost of operating an automobile for business purposes. The District will not reimburse Directors for any other personal vehicle expenses.

When calculating mileage traveled by a Director to attend an event, the District will use the lesser of (1) the distance from the District's administrative headquarters to the event, and (2) the actual distance traveled. Mileage reimbursements shall not exceed the cost of the lowest available airfare.

2. Other Transportation Expenses.

When travel by personal vehicle is impractical, the District will reimburse Directors for the actual cost of (1) regularly-scheduled travel by airplane, train, bus, or other commercial carrier, (2) rental cars, and (3) taxis and other comparably-priced for-hire vehicles. The District will also reimburse Directors for related necessary travel expenses such as baggage fees, toll charges, and parking fees.

Before deciding to travel by air, each Director must consider the total cost of alternatives, including the cost of ground transportation and any necessary lodging. Each Director should also consider alternative departure times, departure and arrival airports, dates, departure times, and stopovers to minimize airfare. Directors should request travel arrangements as early as possible to take advantage of lower airfares.

The District will only reimburse Directors for air travel in coach class. Directors must use their personal cars to travel to and from the airport, and utilize long-term airport parking, rather than pay for a taxi or other transportation to and from the airport.

C. Lodging. The District will reimburse Directors for actual and necessary lodging expenses incurred in attending a conference, seminar, or meeting.

1. Directors must take advantage of any government rate or group rate for lodging whenever possible. If there is no government or group rate, the District will reimburse Directors for lodging up to the per diem rate used by the U.S. Internal Revenue Service as the maximum allowable deduction for business-related lodging expenses. The per diem rates are set by the General Service Administration ("GSA") for federal employees. The rates are set forth at GSA.gov/per diem.

2. Lodging in connection with an activity that lasts only one day is considered "necessary" when the travel time to and from the activity exceeds two hours.

D. Meals. The District will reimburse Directors for actual and necessary dining expenses incurred while attending:

1. A conference, seminar, or meeting outside of the District, or

2. A District-related business meeting within the District.

The District will reimburse Directors up to the applicable GSA per diem rate for each separate meal set forth at GSA.gov/per diem.

E. Incidentals. The District will reimburse Directors for actual and necessary incidental expenses incurred while attending a conference, seminar, or meeting outside the District, up to the applicable GSA per diem rate set forth at GSA.gov/per diem. Reimbursable expenses include tips given to drivers, porters, bellhops, baggage carriers, and hotel housekeepers.

F. Travel Arrangements. Each Director must utilize District staff to arrange all travel, lodging, and event registrations. The General Manager shall designate a District employee responsible for making these arrangements.

G. Expenses That Are Not Reimbursable. The District will not reimburse Directors for the costs of:

1. Barber and/or beauty shop services;
2. Fines for traffic or parking violations;
3. Any person accompanying a Director on a District-approved trip or event;
4. Personal telephone calls;
5. Fitness/health/spa facility use;
6. Massages;
7. Alcoholic beverages;
8. Entertainment (movies, sporting events, etc.); or
9. Vehicle expenses other than the standard mileage charge.

H. Reimbursement Procedure. Each Director seeking reimbursement must file an expense report no later than three weeks after the conclusion of the compensable activity. The report shall attach detailed, actual receipts for all expenses. The report shall document that each expense meets the requirements for reimbursement set forth in this policy. Without limiting the foregoing, each report shall identify the compensable activity and the date, nature, and purpose of each expense for which reimbursement is sought. For reimbursement of a personal vehicle expense at the standard mileage rate, the expense report shall identify the date of the travel, the actual miles traveled, and the business purpose of the travel. The General Manager shall prepare a standard form of expense report for use by Directors in seeking reimbursement.

I. Board Reports. Each Director seeking reimbursement of expenses incurred in connection with an activity shall provide a brief report of the activity at the next regular meeting of the Board of Directors.

J. Other Expenses. Any expense that does not meet the requirements of this policy may be reimbursed only if the Board of Directors approves the expense at a public meeting before the expense is incurred.

K. Penalties. Any Director that misuses public resources or falsifies an expense report required by this policy is subject to the following penalties:

1. Exclusion from closed sessions during directly related discussions of legal action;

2. Loss of reimbursement privileges;

3. Restitution of the District;

4. Civil penalties for misuse of public resources pursuant to Government Code Section 8314; and/or

5. Prosecution for misuse of public resources pursuant to Penal Code Section 424.

Section 5. Medical Benefits

A. Medical Benefits. The District shall provide compensation for medical benefits to a member of the Board of Directors equal to a single employee in the Management-Exempt Bargaining Group during their tenure as a board member. No medical benefit(s) shall be provided to spouses or other family members of the board member. Any monetary amount of medical benefit that is unused, may be paid to the board member as either cash or a contribution to a deferred compensation account at the sole discretion of the board member.

Section 6. Communications by Board Members

A. Opinion Statements, Editorials, and Letters to the Editor. In a manner similar to any other public member, the Board of Directors may submit opinion statements, editorials, and letters to the editor of newspapers to present an opinion on an issue. Board members should be mindful that their individual opinion may not necessarily represent the opinions

of other board members. Therefore, specific language should be inserted within the written piece to reflect the sole opinion and the signature should reference the board member by division.

B. Board Member Contact with the Public. The District staff will not provide personal contact information of board members to the public. When a customer requests to speak to a board member, the District staff will record the name and contact information of the customer and relay the information to the board member. An email address provided by board members will be added to the District website at the board member request.

Development Projects

Yucaipa Valley Water District

Yucaipa Valley Water District

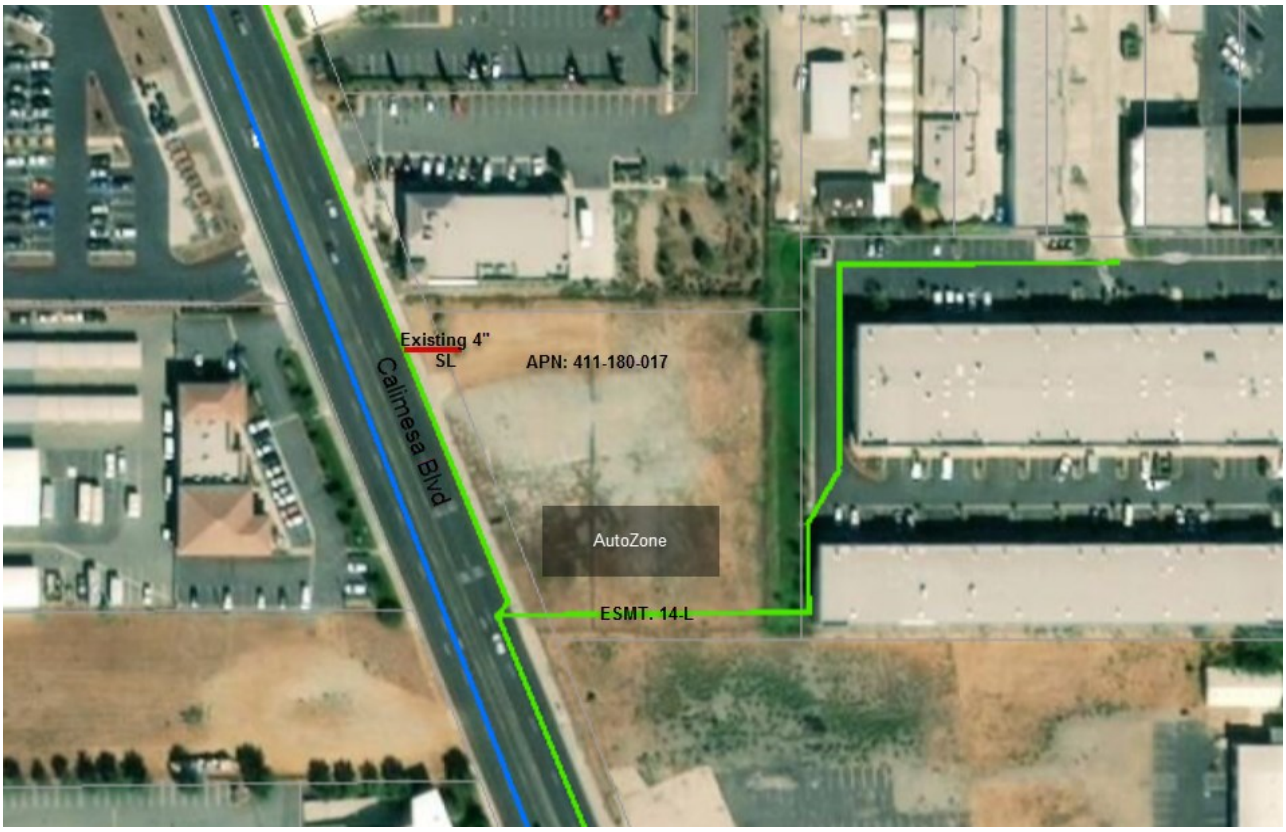
Workshop Memorandum 19-031

Date: January 29, 2019

Prepared By: Dustin Hochreiter, Senior Engineering Technician

Subject: Overview of a Proposed Development Agreement for AutoZone Parts Incorporated on Assessor's Parcel Number 411-180-017 - Calimesa

District staff is in the process of finalizing a development agreement for sewer service to the AutoZone parts store located at 1095 Calimesa Boulevard, between Avenue L and Myrtlewood Drive, in the City of Calimesa. District staff has prepared a draft development agreement to document the terms and conditions for the existing sewer easement and sewer service to this project. This project will receive sewer only.



A copy of the draft development agreement is attached for your review and consideration.

AGREEMENT TO PROVIDE SEWER SERVICE TO THE PRIVATE DEVELOPMENT OF ASSESSOR'S PARCEL NUMBER 411-180-017

Project File(s)	Work Order(s)
	#65-31290

This Agreement is made and effective this 16th day of January 2019, by and between the Yucaipa Valley Water District, a public agency ("District") and AutoZone Parts Inc. / Kimley-Horn and Associates ("Developer"). Each is sometimes referred to herein as a "Party" and jointly as the "Parties".

For contractual issues, the Parties are represented by the following responsible individuals authorized to execute this Agreement:

District	Developer
Yucaipa Valley Water District 12770 Second Street Post Office Box 730 Yucaipa, California 92399 Attention: Joseph Zoba, General Manager Telephone: (909) 797-5119 x2 Email: jzoba@yvwd.us	AutoZone Parts, Inc. 123 South Front Street Memphis, Tennessee 38103 Attention: Mitch Bramlitt Kimley-Horn and Associates, Inc 765 The City Drive, Suite 200 Orange, California 92868 Attention: Jacob Glaze P. E. Email: Jacob.glaze@kimley-horn.com Telephone: (714) 705-1374

The Developer has represented to the District that they are the owner of the following parcel(s) which is/are the subject of this Agreement and described herein as the "Property":

Assessor Parcel Numbers	City / County
411-180-017	City of Calimesa / Riverside County

RECITALS

WHEREAS, the Developer desires to develop its Property situated within the service area of the District as shown on Exhibit A attached hereto; and

WHEREAS, the Developer has provided plans, drawings, and/or concepts to the District to construct the proposed "Project" as shown on Exhibit A attached hereto; and

WHEREAS, the Developer desires to obtain sewer service from the District for the Project in accordance with the current Rules, Regulations, and Policies of the District; and General Construction Conditions as provided in Exhibit B attached hereto; and

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WHEREAS, it is the purpose of this Agreement to set forth the terms and conditions by which the District will provide service to the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Developer and the District agree as follows:

A. **Project Overview.** The proposed development of the AutoZone commercial building is on approximately 1.49 acres. The project consists of APN 411-180-017 which is located at 1095 Calimesa Boulevard, between Avenue L and Myrtlewood Drive, in the City of Calimesa, Riverside County, (the "Property"). The proposed development of the Property will not include phased construction. The project will receive sewer service from the Yucaipa Valley Water District.

The Yucaipa Valley Water District has been involved in the review process for this project and has established the following development related project files:
Work Order 65-31290.

B. **Special Conditions.** In addition to the General Construction Conditions attached hereto as Exhibit B, the following conditions, being contained herein, are hereby required by the District for the Developer to receive service for the Project.

1. Project Specific Drinking Water Conditions: The Project water needs must be obtained from the South Mesa Water Company.

2. Project Specific Recycled Water Conditions: Not Applicable.

3. Project Specific Sewer Conditions: The Project will receive sewer service from the Yucaipa Valley Water District. The Developer shall design and construct, at its sole cost and expense, on-site and/or off-site sewer infrastructure ("Facilities") pursuant to District approved plans and requirements.

    a. The Project requires a new 6-inch commercial sewer lateral to be installed off the existing 8-inch sewer mainline in Calimesa Boulevard. The Developer shall design and construct, at its sole cost and expense, related to the installation of the new 6-inch commercial sewer lateral service per the latest District standards. The sewer lateral location shall be located in a manner approved by the District prior to construction.

    b. District staff has identified an existing 4-inch sewer lateral on the northwest end of the property. The Developer shall properly abandon this 4-inch sewer lateral at the right of way pursuant to District direction at the time of construction.

    c. District staff has identified an existing 10-foot sewer easement 14-L on the southern end of the property. The Developer shall prepare a new sewer

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easement document in favor of the District to reflect the new layout for the public sewer main through the property of APN: 411-180-017. The Developer will design the width of the easement to 20-feet from the existing property line with a 12-foot wide all-weather surface from the existing property line. The all-weather surface shall be constructed of an asphalt, concrete, soil cement or other approved driving surface capable of supporting the imposed load of District vehicles weighing at least 60,000 pounds or as otherwise determined by the District.

d. Upon review and acceptance of the new sewer easement document, the district will vacate the existing easement 14-L through APN: 411-180-017.

e. No permanent wall, fence or structure may be constructed across or within the District easement with out prior review and approval from the District.

4. Project Specific Stormwater Conditions. The City of Calimesa and/or the County of Riverside will retain responsibility and authority for stormwater related to the Project. The Developer shall provide, at its sole cost and expense, approved plans, specifications, and construction drawings to the District for review and identification of onsite stormwater collection facilities and retention basins and the District will review such plans, specifications and drawings to ensure that the Facilities will not interfere with existing District infrastructure and/or the stormwater facilities.

a. Previously Constructed Facilities: The Developer shall properly abandon any existing underground sewer facilities not currently in use, or planned to not be used pursuant to District direction at the time of construction.

5. Project Specific Conditions. The Developer, at its sole cost and expense, shall design and construct all Facilities and related appurtenances pursuant to the District approved plans and construction drawings to serve the Project.

a. The District will not provide sewer service to the Project until the necessary infrastructure is completed and accepted by the District to provide service to the project.

b. Project phases will be coordinated with the district staff.

c. The Developer shall provide electronic design drawings of parcels and infrastructure in native AutoCAD file formats consistent with existing District enterprise systems prior to receiving occupancy.

d. Facilities located in easements shall be protected pursuant to District requirements.

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6. Rates, Fees and Charges.

   a. The most current rates, fees and charges will be payable pursuant to the Resolution/Ordinance in effect at the time building permits are issued or renewed for each lot.

7. Project Related Invoices. Pursuant to Exhibit B - Design and Construction Requirements, Section O, the Developer agrees to deposit funds in the amount of $10,000 with the District within 10 business days following the District's approval of this Agreement. The Developer acknowledges and hereby agrees that the District is authorized, from time-to-time, to reimburse itself from the funds on deposit for Project costs incurred and that the District will not release any structure for occupancy unless there is a minimum balance of $3,000 in the Project Cash Account.

8. Ownership; Operation and Maintenance. Once constructed and accepted by the District, title to the Facilities (excluding private, on-site Facilities) will be conveyed by the Developer to the District, and the District will operate and maintain the Facilities and provide service to the Developer's Property in accordance with the District's Rules, Regulations and Policies and the provisions of this Agreement.

9. Easements, Dedications, and Recorded Documentation: All easements, dedications, and recorded documentation required by the District shall be provided by the Developer to the District prior to the release of occupancy of any structure within the Project.

10. Annexation. This Project is located within the service area of the District, so an annexation is not required.

11. Annual Review of Construction Drawings. The District requires an annual review of approved construction drawings related to this Project. The District will not charge the Developer for the annual construction drawing review. However, the Developer will be required to update and resubmit construction drawings based on comments provided by the District at the sole cost and expense of the Developer prior to the start of construction.

12. Amendment. This Agreement may be amended, from time-to-time, by mutual agreement, in writing signed by both Parties. The District and the Developer further agree that to the extent this Agreement does not address all aspects of the Developer's Property and/or Project, the Parties will meet and confer and negotiate in good faith and execute a written amendment or supplement to this Agreement.

13. Assignment. This Agreement will not be assigned, whether in whole or in part by either Party.

14. Term and Termination of Agreement. Unless extended by mutual agreement of the parties in writing, this Agreement shall terminate at 5:00 p.m., on the day before the sixth (6th) anniversary date of this Agreement; provided, however, that this Agreement shall automatically terminate, without further liability to either party, as follows:

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a. Immediately, upon abandonment by the Developer of the Developer's Property and/or the work hereunder. "Abandonment" is defined as the act of bankruptcy or Developer's failure to improve the Property in a manner consistent with the proposed development plan within twelve months of the effective date of this Agreement; and/or

b. Within 45 days of the date of the issuance of a Notice of Default by the District to the Developer in the event, the Developer fails or refuses to perform, keep or observe any of the terms, conditions or covenants set forth in this Agreement.

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

YUCAIPA VALLEY WATER DISTRICT

Dated: _____ By: _____
Christopher Mann, President

DEVELOPER

Dated: _____ By: _____

Print Name: _____

Print Title: _____

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Attachments	Status
Exhibit A - Proposed Development Concept	Included
Exhibit B - General Construction Conditions	Included

Exhibit A - Proposed Development Concept

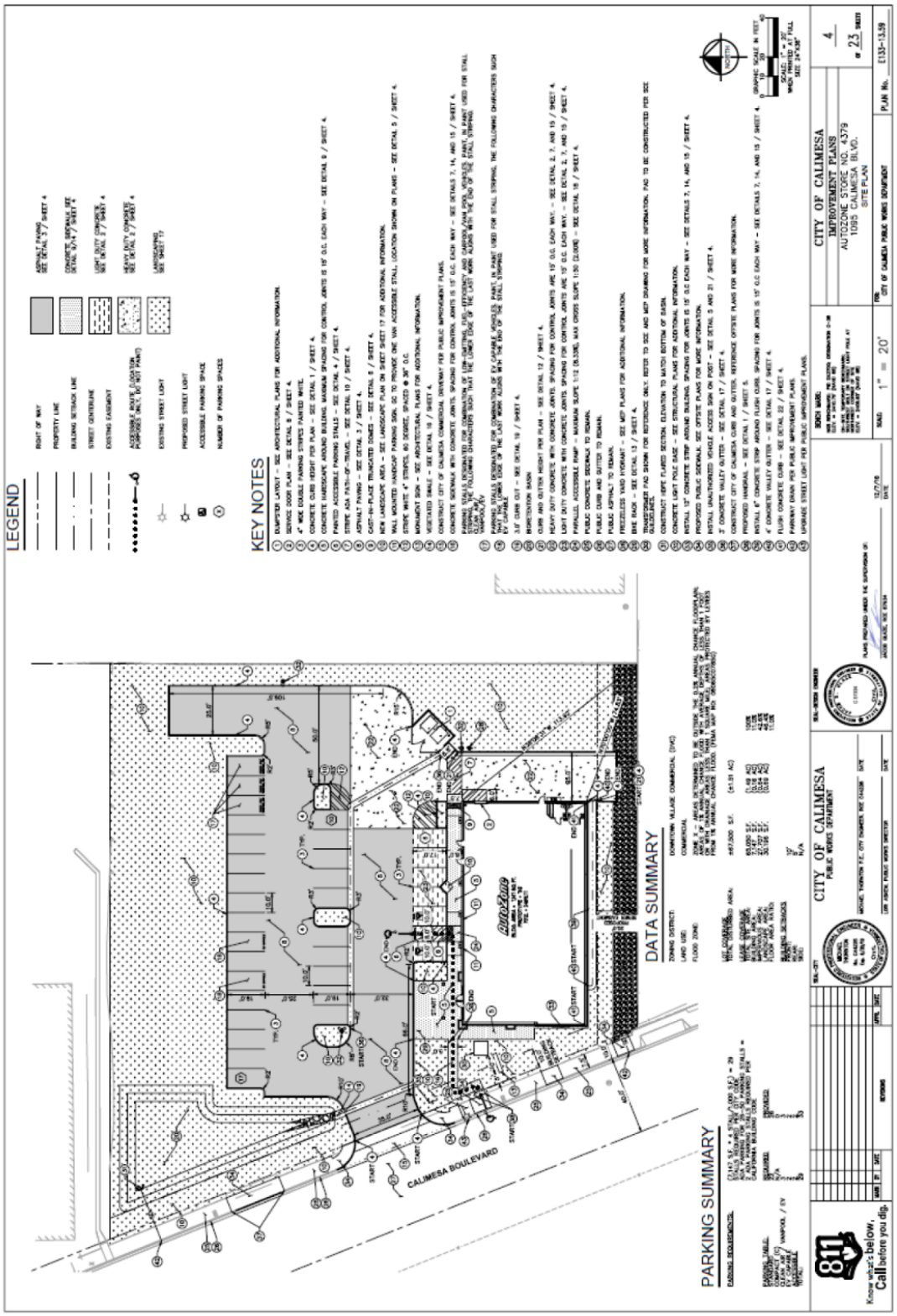
LEGEND
KEY NOTES
DATA SUMMARY
PARKING SUMMARY
CALIMESA BOULEVARD
CITY OF CALIMESA
IMPROVEMENT PLANS
AUTOZONE STORE NO. 4379
1098 CALIMESA BLVD.
SITE PLAN

Exhibit B - General Construction Conditions

DESIGN AND CONSTRUCTION

A. Licensed Professionals. All work, labor and services performed and provided in connection with, for example, the preparation of surveys and descriptions of real property and rights-of-way, the preparation of construction specifications, plans and drawings, and the construction of all Facilities shall be performed by or under the direction of professionals appropriately licensed by the State of California and in good standing.

B. Plan Acceptance; Facility Acceptance. Upon its final review and approval of the plans and specifications ("Plans"), the District shall sign the construction drawings ("Approved Plans") indicating such approval ("Plan Acceptance"). Plans are subject to an annual review by the District and modifications will be required by the District to conform to revised construction standards and policies as part of the Plan Acceptance. The Developer shall update and resubmit the Plans for final approval by the District.

1. The Developer shall not permit, or suffer to permit, the construction of any Facility without having first obtained Plan Acceptance or completed modifications required by annual updates. In the event the Developer fails or refuses to obtain the District's Plan Acceptance, the District may refuse, in its sole discretion and without liability to the Developer, to issue its Facility Acceptance (as that term is defined below) as to such Facility when completed.

2. The Developer shall not deviate from any Approved Plans and/or specifications without the District's prior written approval.

C. Facility Inspection. All construction work shall be inspected on a timely basis by District personnel and/or by District's consultants at the sole cost of the Developer. The Developer acknowledges that the inspector(s) shall have the authority to require that any and all unacceptable materials, workmanship, construction and/or installation not in conformance with either (i) the Approved Plans, or (ii) standard practices, qualities and standards in the industry, as reasonably determined by the District, shall be replaced, repaired or corrected at Developer's sole cost and expense.

1. In the event the Developer's contractor proposes to work overtime and beyond normal business hours, the Developer shall obtain the District's approval at least 24 hours in advance so that inspection services may be appropriately scheduled. The Developer shall be solely responsible for paying all costs and expenses associated with such inspection services.

2. The District shall promptly upon request of Developer cause the final inspection of a Facility which Developer indicates is completed. If the District finds such Facilities to have been completed in conformance with the Approved Plans for which a Plan Acceptance has been issued, then the District shall issue to Developer its letter ("Facility Acceptance") indicating satisfactory completion of the Facility and District's acceptance thereof. Neither inspection nor issuance of the Facility Acceptance shall constitute a waiver by District of any claims it might have

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against Developer for any defects in the work performed, the materials provided, or the Facility constructed arising during the one-year warranty period.

D. Project Coordination and Designation of Developer's Representative. The Developer shall be solely responsible for coordinating the provision of all work, labor, material and services associated with the planning, design and construction of the Facilities required for the Project.

1. The Developer shall be solely responsible for compliance with all applicable federal, state and local safety rules and regulations, and shall conduct periodic safety conferences as required by law and common sense.

2. Prior to proceeding with any Facility construction, the Developer shall schedule and conduct a preconstruction conference with the District. In the event the Developer fails or refuses to conduct any such conference, the District may refuse, in its sole discretion, to accept the Facilities constructed by the Developer.

3. The District and the Developer hereby designate the individual identified on page 1 of this Agreement as the person who shall have the authority to represent the District and Developer in matters concerning this Agreement. In order to ensure maximum continuity and coordination, the District and Developer agree not to arbitrarily remove or replace the authorized representative, but in the event of a substitution, the substituting Party shall promptly advise the other Party of such substitution, in writing.

E. District's Right to Complete Facilities. The District is hereby granted the unqualified right to complete, construct or repair all or any portion of the water and/or sewer Facilities, at Developer's sole cost and expense in the event there is a threat to the public's health, safety or welfare.

F. Construction of Connections to District Facilities. Unless otherwise agreed to in writing by the District, the District shall furnish all labor, materials and equipment necessary to construct and install connections between the Developer's Facilities and the District's water, recycled water, and sewer systems. All costs and expenses associated therewith shall be paid by the Developer.

G. Compliance with Law and District Regulations. The Developer hereby agrees that all Facilities shall be planned, designed and constructed in accordance with all applicable laws, and the District's Rules, Regulations and Policies in effect at the time of construction. The Developer shall keep fully informed of and obey all laws, rules and regulations, and shall indemnify the District against any liability arising from Developer's violation of any such law, rule or regulation.

H. Developer's Warranties. The Developer shall unconditionally guaranty, for a period of one year following the District's Facility Acceptance thereof, any and all materials and workmanship, at the Developer's sole cost and expense. The provision of temporary water service through any of the Developer's Facilities, prior to District's acceptance of same, shall not nullify nor diminish the Developer's warranty obligation, nor shall the Developer's warranty obligation be voided if the District determines, in its sole discretion, to make any emergency repairs necessary to protect the public's health, safety or welfare or to ensure

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continuity of water or sewer service. The District shall notify Developer of such emergency repairs.

I. Testing and Disinfection. Upon approval by the District, the Developer, at its sole cost and expense, shall undertake and satisfactorily complete a testing program, including without limitation, compaction, cleaning, video and air testing, and pressurized and disinfection testing (drinking water Facilities), for all Facilities prior to acceptance by the District.

J. Bond Requirements. The Developer shall provide to the District, in a form satisfactory to the District, the following bonds:

1. Performance and Warranty Bond. A performance bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount representing not less than one hundred percent (100%) of any and all construction work to be conducted or performed under this Agreement. A warranty bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount representing not less than fifty percent (50%) of the total cost of any and all construction performed hereunder, insuring against any and all defects in the Facilities constructed hereunder, for a period of not less than one full year after the date of acceptance thereof by the District.

2. Labor and Materials Payment Bond. A labor and materials payment bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount representing not less than one hundred percent (100%) of the total cost of any and all construction performed hereunder per California Civil Code Sections 9550 and following.

3. Miscellaneous Bond Requirements. All bonds required by this section are subject to the approval as to form and content by the General Manager and District's Legal Counsel. All bonds required by this section shall be provided by a surety that is an "admitted" surety insurer authorized to transact surety insurance in California, with assets exceeding its liabilities in the amount equal to or in excess of the amount of the bonds, and each bond shall not be in excess of ten percent (10%) of the surety insurer's assets. The bond shall be duly executed and shall meet all of the requirements of Section 995.660 of the Code of Civil Procedure.

K. Title to Facilities and Right-of-Way. Provided that the Developer's Facilities are designed and constructed as required hereunder and the District proposes to issue its Facility Acceptance, the Developer shall, concurrently with the District's Facility Acceptance, convey ownership title to all Facilities (and right-of-way, if applicable) to the District, free and clear of any and all liens and encumbrances except those that are expressly agreed to by the District. The District may require fee title or an easement, depending upon the location of the Facility through action by the Board of Directors. Upon conveyance of title, the District shall assume the responsibility of operating and maintaining the Facilities, subject to the Developer's warranty as provided herein. The Developer acknowledges and agrees that the District shall not be obligated to operate and maintain the Facilities and to provide service to and through them until all applicable conditions imposed by this

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Agreement hereunder are satisfied and title to the Facilities has been conveyed and delivered to the District in recordable form.

L. Risk of Loss. Until such time as acceptance thereof by the District, and until good and marketable title to the easements, rights-of-way and Facilities are conveyed and delivered to the District in recordable form, the Developer shall be solely and completely responsible for any and all losses and/or damage of every kind or nature to the easements, rights-of-way and Facilities. In the event Developer believes the loss and/or damages arose from or are related to acts performed by the District, this provision does not preclude Developer's insurance carrier from seeking indemnity and/or reimbursement from the District.

M. Conditions Precedent to the Provision of Water and Sewer Service. Unless the District otherwise agrees in writing, the District shall not be obligated to provide any water and/or sewer service to the Developer's Property or any part thereof, including model homes, until Facility Acceptance by the District and Developer conveys to the District the right-of-way and Facilities associated with the requested service. Upon acceptance of the right-of-way and appurtenant Facilities, the District shall provide the service requested and assume the responsibility for operating and maintaining the affected Facilities. Service provided by the District shall be in accordance with its Rules, Regulations and Policies and shall be comparable in quality of service to that provided all similarly situated customers.

FEES AND CREDITS

N. Developer Fees, Charges, Costs and Expenses. The Developer shall be solely responsible for the payment to the District of all fees, charges, costs and expenses related to this Project.

O. Developer Cash Account Deposit. The Developer acknowledges and hereby agrees that the District is authorized, from time-to-time, to reimburse itself from the funds on deposit for Project costs incurred.

1. The Developer shall provide the initial deposit to the District, and maintain the minimum balance in the Cash Account for the Project as provided below:

   a. An initial deposit of $2,500 and a minimum balance of $1,000 for a Project that involves the construction of 1 to 2 proposed structures;

   b. An initial deposit of $5,000 and a minimum balance of $2,000 for a Project that involves the construction of 3 to 5 proposed structures;

   c. An initial deposit of $10,000 and a minimum balance of $3,000 for a Project that involves the construction of 6 to 20 proposed structures;

   d. An initial deposit of $25,000 and a minimum balance of $5,000 for all other Projects.

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2. The initial deposit shall be received by the District within 10 business days following the District's approval of this Agreement.

3. The District shall provide a monthly accounting of how funds were disbursed.

4. The Developer agrees to deposit funds with the District within 30 calendar days upon the date an invoice is issued by the District or a Notice of Default will be issued by the District.

5. The District will not release any structure for occupancy unless the minimum balance is available to the District in the Project Cash Account.

6. Should any unexpended funds remain in the Cash Account upon completion of the Project or termination of this Agreement, then such funds shall be reimbursed to the Developer within 60 days.

P. Current Fees and Charges. In the event of a change in the District's schedule of fees and charges, such change shall automatically be incorporated into this Agreement as though set forth in full. Unless otherwise agreed to in writing by the District, the Developer shall pay, when due, the then-current amount of the applicable fee or charge.

Q. Sustainability Water. The Developer shall pay for the purchase of a quantity of imported water pursuant to the Sustainability Policy adopted by the Board of Directors as a Resolution No. 11-2008 on August 20, 2008, or the latest version with a revised quantity or fee structure. The imported water rate shall be the rate in effect at the time water is secured from the San Bernardino Valley Municipal Water District. Imported water for compliance with the Yucaipa Valley Water District's Sustainability Policy may be pre-paid to lock in the Development Sustainability fee or purchased prior to the issuance of building permits and pay the fee in effect at that time.

R. San Gorgonio Pass Water Agency Facility Capacity Charges. If the Project is within the service area of the San Gorgonio Pass Water Agency, the Developer will be required to pay the latest San Gorgonio Pass Water Agency Facility Capacity Charge as set forth by District resolution.

S. District Financial Participation; Credits. The District may agree to participate in certain Facilities for this Project. Any participation or financial contribution to construct the water and/or sewer infrastructure associated with this Project is identified in the Special Conditions at the beginning of the Agreement.

PERMITS AND DOCUMENTATION

T. Permits, Licenses and CEQA Documentation. The Developer shall be solely responsible for securing and paying for all permits and licenses necessary to develop its project. The Developer shall be solely responsible for complying with the California Environmental Quality Act under the auspices of the City and/or County within which the Property is situated. However, upon request, the Developer shall furnish to the District all relevant environmental documentation and information.

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1. The Developer, at its sole cost and expense, shall be solely responsible for defending against any and all legal challenges, including but not limited to permits, licenses and CEQA documentation.

U. Documents Furnished by the Developer. The Developer shall furnish to the District documentation as required by the District specified below, within the time periods specified. Each and every document submittal shall consist of a fully executed original or certified copy (in recordable form, if applicable) and two copies.

Document(s)	Due Date
Certification of Streets to Rough Grade	Prior to Construction
City/County Encroachment Permits and Conditions	Prior to Construction
Field Engineering Surveys ("Cut Sheets")	Prior to Construction
Grant of Easements and Rights-of-Way	Prior to Construction
Labor and Materials Bond	Prior to Construction
Liability Insurance Certificate(s)	Prior to Construction
Performance Bond	Prior to Construction
Soil Compaction Tests	Prior to Acceptance
Warranty Bond	Prior to Acceptance
List of Approved Street Addresses and Assessor Parcel Numbers	Prior to Setting Meter
Notice of High/Low Water Pressure	Prior to Setting Meter
Notice of Water Pumping Facility	Prior to Construction
Mechanic's Lien Releases	Upon Request of District

NOTE: The DEVELOPER hereby acknowledges and agrees that the foregoing list is not intended to be exclusive; therefore, the DISTRICT reserves the right to request, from time-to-time, additional documents or documentation.

INSURANCE AND INDEMNIFICATION

V. Indemnification and Hold Harmless. The Developer and the District agree that the District should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance by Developer of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to the District, except for liability attributable to the District's intentional and/or negligent acts. Developer acknowledges that the District would not enter into this Agreement in the absence of this commitment from the Developer to indemnify and protect the District as set forth here.

Therefore, the Developer shall defend, indemnify and hold harmless the District, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by the District, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part in the performance by Developer of this

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Agreement. All obligations under this provision are to be paid by the Developer as incurred by the District. Notwithstanding the foregoing, the Developer shall have no obligation to defend, indemnify or hold harmless the District, its employees, agents or officials from any liability arising, in whole or in part, from the District's intentional and/or negligent acts.

W. Insurance. The Developer agrees to provide insurance in accordance with the requirements set forth here throughout the term of this Agreement. If the Developer uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, the Developer agrees to amend, supplement or endorse the existing coverage to do so. The following coverages will be provided by the Developer and maintained on behalf of the District and in accordance with the requirements set forth herein.

1. Commercial General Liability Insurance (Primary) shall be provided on ISO-CGL Form No. CG 00 01 10 93. Policy limits shall be no less than $1,000,000 per occurrence for all coverages and $2,000,000 general aggregate. The District and its officials, employees and agents shall be added as additional insureds using ISO Form CG 20 10 10 93. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the District or any employee or agent of the District. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

2. Umbrella Liability Insurance (over Primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum $25,000 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than $1,000,000 per occurrence and $1,000,000 in the aggregate, above any limits required in the underlying policies. The policy shall have starting and ending dates concurrent with the underlying coverages.

3. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than $1,000,000 per accident or disease. Employer's liability coverage shall be scheduled under any umbrella policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects the District, its employees or agents.

4. The Developer and the District further agree as follows:

   a. All insurance coverage provided pursuant to this Agreement shall not prohibit the Developer, and the Developer's employees or agents, from waiving the right of subrogation prior to a loss. The Developer waives its right of subrogation against the District.

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b. Unless otherwise approved by the District in writing, the Developer's insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of "A:VII". Self-insurance will not be considered to comply with these insurance specifications.

c. The Developer agrees to provide evidence of the insurance required herein, satisfactory to the District, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to the Developer's general liability and umbrella liability policies. Certificate(s) are to reflect that the insurer will provide 30 days' notice of any cancellation of coverage. The Developer agrees to require its insurer to modify such certificate(s) to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions. The Developer agrees to provide complete certified copies of policies to the District within 10 days of the District's request for such copies.

d. In the event of any loss that is not insured due to the failure of the Developer to comply with these requirements, the Developer agrees to be responsible for any all losses, claims, suits, damages, defense obligations and liability of any kind attributed to the District, or the District's officials, employees and agents as a result of such failure.

e. The Developer agrees not to attempt to avoid its defense and indemnity obligations to the District and its employees, agents and officials by using as defense the Developer's statutory immunity under workers' compensation and similar statutes.

MISCELLANEOUS PROVISIONS

X. Status of the Parties. This Agreement is not intended to create, and nothing herein contained shall be construed to create, an association, a trust, a joint venture, a partnership or other entity of any kind, or to constitute either party as the agent, employee or partner of the other.

Y. Force Majeure. If either the District or the Developer is delayed, hindered or prevented from performing any term of this Agreement by any cause beyond either party's control including, without limitation, any strike, walkout, prohibitions imposed by law, rules or regulations, riot, war, act of God or the default of the other party, then such performance may be excused or the time of performance tolled during the period of delay.

Z. Incorporation of Prior Agreements. This Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned in this Agreement, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

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AA. Waiver. No waiver by either Party of any provisions of this Agreement shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either Party of the same or any other provisions.

BB. Severance. If any provision of this Agreement is determined to be void by any court of competent jurisdiction then such determination shall not affect any other provision of this Agreement provided that the purpose of this Agreement is not frustrated.

CC. Disclaimer. Utilizing fees and Facilities provided to the District by the Developer, the District will supply sewer collection and treatment services to the Developer's Property and Project, however, the District shall not be obligated to utilize public funds to subsidize the Project.

DD. Water Supply Availability. The District does not guarantee water supply availability and shall not be required to authorize the issuance of grading, building, or occupancy permits during the period of time that the State of California and/or the Board of Directors have declared a water supply reduction of 20% or greater for a specific portion or all of the District's service area.

EE. Preparation of This Agreement. This Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it.

FF. Alternative Dispute Resolution. Any dispute as to the construction, interpretation or implementation of this Agreement, or any rights or obligations hereunder, shall be submitted to mediation. Unless the Parties enter into a written stipulation to the contrary, prior to the filing of any complaint to initiate legal action, all disputes shall first be submitted to non-binding mediation, conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, or its successor, or any other neutral, impartial mediation service that the Parties mutually agree upon in accordance with its rules for such mediation. Mediation fees shall be shared equally by the DEVELOPER and the DISTRICT.

END OF SECTION

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Administrative Items

Yucaipa Valley Water District

Yucaipa Valley Water District

Workshop Memorandum 19-032

Date: January 29, 2019

From: Joseph B. Zoba, General Manager

Subject: Implementation of Organizational Restructuring for Improved Integration of District Departments and Functions

Over the past several years, the City of Beaumont has relied upon contract employees to operate their sewer treatment plant. Recently, the City decided to create a new sewer treatment department consisting of public employees instead of using a private contractor to operate their sewer treatment plant. During the transition from a private operation to a new city department, the City of Beaumont has demonstrated that they are interested in attracting new treatment plant operators that have experience operating a reverse osmosis system.

In October 2018, Thaxton Van Belle resigned from the District as an Interim Operations Manager at the wastewater treatment plant to take the lead role of manager at the Beaumont sewer treatment plant. Over the past two weeks, several District employees from the sewer treatment plant have also resigned from the District for enhanced benefits offered by the City of Beaumont.

The East Valley Water District is currently constructing a new wastewater treatment plant that will also need highly skilled and talented staff members. This new facility will likely also utilize trained staff from the Yucaipa Valley Water District.

The Yucaipa Valley Water District has an amazing group of staff members that are highly motivated and highly trained. While these individuals are encouraged to remain with the District, their skill sets, leadership, and professionalism makes them highly desirable employees for other agencies. It is important for the District to embrace the concept that we will continue to educate and train outstanding employees that will improve the overall water and sewer industry if they choose to leave employment at the District.

With the significant changes in staffing, this creates a rare opportunity to quickly implement a new organizational structure to better prepare for the next two decades.

The purpose of this agenda item is to discuss the changes that have been implemented.

Yucaipa Valley Water District

Workshop Memorandum 19-033

Date: January 29, 2019

From: Jennifer Ares, Water Resource Manager

Subject: Overview of the Yucaipa Valley Water District's Water Conservation Rebate Program

Yucaipa Valley Water District has made great strides toward reducing residential water consumption since the passing of SB X7-7 which requires water retailers to reduce their water consumption 20% by 2020. New state law, AB 1668 and SB 606 requires additional long-term conservation measures that will require cooperation from District customers. Through the legislation, the Department of Water Resources (DWR) has prepared, *Making Water Conservation A California Way of Life* which gives DWR and the State Water Resources Control Board the ability to define conservation measures for water retailers.

The District will meet the requirements of the State through several steps such as recycled water, leak detection and rebate opportunities. For several years, the District has offered residential and commercial rebates. Weather-based irrigation controllers, sprinkler nozzles and high efficiency toilets are the current water efficient rebates offered. At the January 15, 2019 Board of Directors meeting, District staff was instructed to obtain more information regarding a potential rain barrel rebate for its customers. Analysis of the current rebate program and application is also included for Board review for the upcoming year.

Rain Barrel Rebate Program

Rain barrels collect rain water from a residential roof and hold it for use on lawns, gardens or indoor plants when needed. Capturing roof runoff in rain barrels reduces the amount of water that flows away from houses, allowing for the homeowner to reduce their outdoor water expense and use.

District staff is proposing a rain barrel rebate for water customers of the Yucaipa Valley Water District to maintain our water conservation outreach during the winter months. This rebate program will provide up to $50 per rain barrel purchased for a maximum rebate of $100 per water customer. In addition, San Bernardino Valley Municipal Water District supports the water retailer's rebate programs by providing a 25% match. District staff is proposing an initial budget of $20,000 toward the rain barrel rebate program.

Partner agencies in Metropolitan Water District of Southern California's service area participate in a rain barrel program. Research on the individual agencies resulted in rebates from $35 - $75. In order to qualify for a rain barrel rebate, the following parameters must be met by the customer.

1. Property must have existing gutters throughout the entire perimeter of the roof for adequate water collection and also existing downspouts. In the case of a partially flat roof, gutters and downspouts must be throughout all pitched areas in order to qualify.
2. Minimum size: 50 gallons, Maximum size: 199 gallons
3. Rain barrel must be designed for the intended purpose of rain capture
4. Must have a cover to prevent mosquitos, rodents and debris from entering barrel

5. The rain barrel must be mounted in a way that allows the barrel to receive all water unimpeded from a down spout.
6. Should not block or restrict access to walkways or pathways.
7. Rain barrel must be used for rain capture only and not be connected to a gray water system and/or the irrigation system. Rain water collected must be distributed through a hose or bucket.
8. Must have an overflow spigot with mosquito netting or other prevention.
9. Should be elevated 6 inches off the ground on a solid foundation.
10. Should be strapped to your home for safety if the height of the barrel is two times greater than the width.
11. Maximum of two rain barrel rebates allowed per service address.
12. Rain barrel must be purchased as an entire rain barrel. Homemade rain barrels do not qualify for rebates.

WATER USE EFFICIENCY REBATE PROGRAM!

$ave Water **$ave Money**

Yucaipa Valley Water District is offering three rebate programs for homeowners and businesses. Water efficient products provide the opportunity to reduce water consumption resulting in a lower water bill.

REBATE PRODUCTS

High Efficiency Nozzles
$60 residential / $120 commercial

High Efficient nozzles deliver streams of water at a lower rate allowing the water and nutrients to penetrate the soil more effectively, helping maintain a healthy landscape with less water. To receive this rebate:

- Nozzles must be new
- Nozzles must have documentation signifying water use efficiency
- For effective conservation, it is required all nozzles on an individual valve circuit be replaced at the same time
- Nozzles must be accepted from an approved list
- Maximum $60 for residential and $120 for commercial properties

Skydrop
Irrigation Controllers

Weather-based irrigation controllers (wbic's) allow for more accurate, customized irrigation by automatically adjusting the schedule and amount of water in response to changing weather conditions. To receive rebate:

- Customers must have an existing automated irrigation system with an operable irrigation controller
- One weather-based irrigation controller per customer account (residential). Expansion packs are available.
- For a list of complete details visit the Yucaipa Valley Water District homepage at www.yvwd.dst.ca.us

High Efficiency Toilets - $100 Rebate

Replacing old, inefficient toilets with WaterSense labeled models can reduce water used for toilets by 20 to 60 percent, that's nearly 13,000 gallons of water savings for your home every year. To receive rebate:

- All HET's must be new
- All HET's must have a low volume flush of 1.28 gpf or less
- All toilets being replaced must be models using 3.5 gpf or greater
- All HET's must bear the WaterSense logo and must be on the list of labeled toilets found at www.epa.gov/watersense.

For more information contact Jennifer Ares at (909)790-3301 www.yvwd.dst.ca.us

Water Conservation Rebate Program
$ave Water – $ave Money!

Yucaipa Valley Water District is offering several rebate programs for homeowners and businesses. High-efficient sprinkler nozzles, weather-based irrigation controllers and high efficiency toilets.

Rebate Application

Please submit application to: YVWD – P.O. Box 730 Yucaipa CA 92399 or deliver to 12770 2nd Street Yucaipa, CA 92399

Last Name:		First Name:		Account #:
Company Name (If applicable):		Address:		
City:		State:	Zip:	
County:	Daytime Phone:	Evening Phone:	Email:	

Sprinkler Nozzles ☐	Irrigation Controller ☐		Ultra-Low Flush Toilet ☐
Quantity to Install:	Quantity to Install:		Quantity to Install:
Nozzle Brand and Model::	Irrigation controller must be a weather based irrigation controller.		Please include ☐ UPC Bar Code (proof of purchase) ☐ Pre and Post Photos of toilets ☐ Receipt
Rebate Request Date:	Approved	Disapproved Why:	Rebate Approval: Reviewer's Initials:
Accounting Verification:	Original Receipt Received: (Gray portion – YVWD Only)		Rebate Amount:

Qualifications and Rules

1. All participants must be a Yucaipa Valley Water District's (YVWD) customer (water and sewer) and legal owner of residential property.
2. Customers must provide YVWD with the itemized dated sales purchase receipt(s) for any products included in this program. Purchase must be made before June 30 2019.
3. Customer installs the water conservation device.
4. Only products within the rebate program are eligible for rebate. If the purchase price for any of the products includes installation charges, the purchase and installation must be listed separately on the original receipt. There is no rebate for installation costs.
5. All applications must be complete and signed for approval to be eligible for rebate.
6. Rebates will not exceed the purchase amount of the rebate product.
7. Rebates will be processed on a first-come-first serve basis until funds for the fiscal year are exhausted.
8. Rebates are subject to pre-installation and post-installation inspections to ensure the implementation and use of the rebate products.
9. All rebates will be credited to the Yucaipa Valley Water District customer water account after validation of purchase and installation of the approved product.
10. By signing above, you agree to the terms and conditions of the Yucaipa Valley Water District Water Use Efficiency Rebate Program. One time only participation per customer.

For more information or additional questions, please call Jennifer Ares at (909) 790-3301 jares@yvwd.us

Yucaipa Valley Water District

Workshop Memorandum 19-034

Date: January 29, 2019

From: Allison M. Edmisten, Chief Financial Officer

Subject: Presentation of Budget Adjustments for Fiscal Year 2018-19

The following are adjustments to the 2018-19 Adopted budget based on trending and/or items that were not anticipated when the initial budget was adopted in June 2018.

For both the water and sewer funds there is an increase in both revenue and expenses as a result of the water fund eliminating an annual transfer to the sewer fund and the sewer fund service charge revenue trending higher than initially budgeted. For the recycled fund there is a decrease in both revenue and expenses as a result of the elimination of the annual transfer from the water fund mentioned above. After the adjustments, this continues to be a balanced budget.

District staff will continue to do budget adjustments each fiscal year as needed.

WATER DIVISION BUDGET
Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
OPERATING REVENUE:					
Potable Water - Commodity Charge	02-40010	5,958,445		5,958,445	
Construction Water - Commodity Charge	02-40011	25,000		25,000	
Imported Water - San Gorgonio Pass W.A.	02-40012	250,000		250,000	
Imported Water - San Bernardino Valley M.W.D.	02-40013	850,000		850,000	
Potable Water - Commodity Multi-Unit Discount	02-40014	(110,000)		(110,000)	
Water Wholesale Revenue	02-40015	200,000		200,000	
Water Service Establishment Fee	02-40016	5,000		5,000	
Potable Water - Service Demand Charge	02-41000	3,400,000		3,400,000	
Fire Service Standby Fee	02-41001	45,000		45,000	
Construction Water - Service Charge	02-41003	15,000		15,000	
Potable Water - Service Charge Multi-Unit Discount	02-41005	(135,000)		(135,000)	
Unauthorized Use of Water Charges	02-41010	2,000		2,000	
Water Meter & Service Installation Charges	02-41110	50,000		50,000	
Fire Flow Measurements & Reports	02-41112	4,500		4,500	
Disconnection and Reconnection Charges	02-41113	100,000		100,000	
Delinquent Payment Charges	02-41121	135,000		135,000	
Bad Debt Write-Off & Recovery	02-41124	(20,000)		(20,000)	
Management & Accounting Services	02-42123	202,500		202,500	
Total Operating Revenue		10,977,445	-	10,977,445	
NON-OPERATING REVENUE:					
Transfer - Reserve Fund to Asset Acquisition		-		-	
Transfer - Reserve Fund		-		-	
Transfer - Rate Stabilization Fund to Water Division		-		-	
Interest Earned	02-43010	85,000		85,000	
Property Tax-Unsecured	02-43110	80,000	60,000	140,000	Eliminate annual transfer to both sewer and recycled water funds.
Property Tax-Secured	02-43120	2,700,000	273,500	2,973,500	Eliminate annual transfer to sewer and partial transfer to recycled water funds.
Tax Collection-Prior	02-43130	25,000	20,000	45,000	Eliminate annual transfer to both sewer and recycled water funds.
Other Taxes	02-43140	180,000	4,000	184,000	Eliminate annual transfer to both sewer and recycled water funds.
Rental Income - Water Stock	02-49110	3,000		3,000	
Miscellaneous Non-Operating Revenue	02-49150	100,000		100,000	
Total Non-Operating Revenue		3,173,000	357,500	3,530,500	
TOTAL WATER REVENUE		**14,150,445**		**14,507,945**	

WATER DIVISION BUDGET
Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
OPERATING EXPENSE:					
Water Resource Department		5,274,337	196,000	5,470,337	
Public Works Department		3,177,454	56,500	3,233,954	
Administration Department		3,403,916	105,000	3,508,916	
Long-Term Debt Obligations		2,294,738		2,294,738	
Asset Acquisition		-		-	
Total Operating Expense		14,150,445	357,500	14,507,945	
TOTAL WATER EXPENSES		**14,150,445**		**14,507,945**	
WATER RESOURCE DEPARTMENT					
Labor	02-5-01-50010	997,976		997,976	
Benefits	02-5-01-500xx	501,361		501,361	
Repair & Maintenance - Structures	02-5-01-51003	319,000	196,000	515,000	Increased expenses as a result of SCADA issues earlier in the year.
Repair & Maintenance - Valves	02-5-01-51011	20,000		20,000	
General Supplies & Expenses	02-5-01-51140	2,000		2,000	
Power Purchases	02-5-01-51210	1,394,000		1,394,000	
Electricity and Fuel	02-5-01-51211	5,000		5,000	
Imported Water Purchases	02-5-01-51316	1,200,000		1,200,000	
Licenses & Permits	02-5-01-54019	70,000		70,000	
Laboratory Services	02-5-01-54110	65,000		65,000	
Operation, Repair & Maintenance - YVRWFF	02-5-01-57040	700,000		700,000	
Sub-Total Water Resource Department		**5,274,337**	**196,000**	**5,470,337**	
PUBLIC WORKS DEPARTMENT					
Labor	02-5-03-50010	1,650,107		1,650,107	
Benefits	02-5-03-500xx	888,847		888,847	
Repair & Maintenance - Vehicles & Equipment	02-5-03-51001	200,000		200,000	
Repair & Maintenance - Valves	02-5-03-51011	10,000		10,000	
Repair & Maintenance - Pipelines	02-5-03-51010	225,000		225,000	
Repair & Maintenance - Service Lines	02-5-03-51021	96,000		96,000	
Repair & Maintenance - Fire Hydrants	02-5-03-51022	25,000	56,500	81,500	Increase needed due to needs of replacement.
PUBLIC WORKS DEPARTMENT (CON'T)					
Repair & Maintenance - Backflow	02-5-03-51029	20,000		20,000	
Repair & Maintenance - Water Meters	02-5-03-51030	30,000		30,000	
Fire Flow Testing	02-5-03-51031	30,000		30,000	
General Supplies & Expenses	02-5-03-51140	2,500		2,500	
Sub-Total Utility Services Department		**3,177,454**	**56,500**	**3,233,954**	

WATER DIVISION BUDGET
Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
ADMINISTRATION DEPARTMENT					
Labor	02-5-06-50010	602,359		602,359	
Director Fees	02-5-06-50012	25,000		25,000	
Benefits	02-5-06-500xx	291,857		291,857	
Repair & Maintenance - Structures	02-5-06-51003	30,000		30,000	
Safety Equipment & Supplies	02-5-06-51120	25,000		25,000	
Petroleum Products	02-5-06-51125	105,000		105,000	
Office Supplies	02-5-06-51130	35,000		35,000	
General Supplies & Expenses	02-5-06-51140	35,000		35,000	
Electricity	02-5-06-51211	65,000		65,000	
Natural Gas	02-5-06-51213	1,500		1,500	
Dues & Subscriptions	02-5-06-54002	41,500		41,500	
Computer Expenses	02-5-06-54005	100,000		100,000	
Postage	02-5-06-54010	4,200		4,200	
Printing & Publications	02-5-06-54011	-		-	
Education & Training	02-5-06-54012	15,000		15,000	
Utility Billing Expenses	02-5-06-54013	150,000		150,000	
Public Relations	02-5-06-54014	25,000		25,000	
Travel Related Expenses	02-5-06-54016	8,000		8,000	
Certifications & Renewals	02-5-06-54017	8,000		8,000	
Meeting Related Expenses	02-5-06-54020	8,000		8,000	
Utilities - YVWD Services	02-5-06-54022	60,000		60,000	
Waste Disposal	02-5-06-54024	2,500		2,500	
Telephone	02-5-06-54025	45,000		45,000	
Conservatin & Rebates	02-5-06-54099	30,000		30,000	
Contractual Services	02-5-06-54104	100,000		100,000	
Legal	02-5-06-54107	50,000		50,000	
Audit & Accounting	02-5-06-54108	12,000		12,000	
ADMINISTRATION DEPARTMENT (CON'T)					
Professional Fees	02-5-06-54109	165,000	105,000	270,000	Geoscience support services and Dudek consulting expenses.
Reserve Funds	02-5-06-55500	200,000		200,000	
Water Infrastructure Replacement	02-5-06-xxxxx	1,000,000		1,000,000	
Insurance	02-5-06-56001	100,000		100,000	
Regulatory Compliance	02-5-06-57030	15,000		15,000	
Election Related Expenses	02-5-06-57090	5,000		5,000	
Beaumont Basin Watermaster	02-5-06-57096	44,000		44,000	
Sub-Total Administration Department		**3,403,916**	**105,000**	**3,508,916**	

WATER DIVISION BUDGET
Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
LONG-TERM DEBT					
Debt Service - Series 2015A Principal	02-5-40-57201	1,115,000		1,115,000	
Debt Service - Interest - Bond Repayment	02-5-40-57402	1,179,738		1,179,738	
Rate Stabilization Fund	02-5-40-57806				
Sub-Total Long-Term Debt		**2,294,738**	**-**	**2,294,738**	
ASSET ACQUISITION					
Water Department	02-5-40-57001	-		-	
Utility Services Department	02-5-40-57003	-		-	
Administration	02-5-40-57006	-		-	
Sub-Total Asset Acquisition		**-**	**-**	**-**	

SEWER DIVISION BUDGET
Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
OPERATING REVENUE:					
Sewer Service Establishment Fee	03-40016	500		500	
Sewer Service Demand Charge	03-41000	12,116,254	185,432	12,301,686	Increased budget based on trending
Sewer Service Demand - Multi-User Discount	03-41005	(200,000)		(200,000)	
Sewer Lateral Installation	03-41110	2,500		2,500	
Penalty Late Charges	03-41121	135,000		135,000	
Bad Debt Write-Off & Recovery	03-41124	(15,000)		(15,000)	
Front Footage Fees	03-41131	30,000		30,000	
Revenue-Other, Operating	03-42122	2,000		2,000	
Total Operating Revenue		**12,071,254**	**185,432**	**12,256,686**	
NON-OPERATING REVENUE:					
Transfer - Reserve Fund to Asset Acquisition		-		-	
Transfer - Reserve Fund		-		-	
Rate Stabilization Fund Transfer In		-		-	
Interest Earned	03-43010	95,000		95,000	
Property Tax-Unsecured	03-43110	50,000	(50,000)	-	Eliminate annual transfer from water fund.
Property Tax-Secured	03-43120	100,000	(100,000)	-	Eliminate annual transfer from water fund.
Tax Collection-Prior	03-43130	10,000	(10,000)	-	Eliminate annual transfer from water fund.
Other Taxes	03-43140	1,500	(1,500)	-	Eliminate annual transfer from water fund.
Misc. Non-Operating Revenue	03-49150	10,000		10,000	
Total Non-Operating Revenue		**266,500**	**(161,500)**	**105,000**	
TOTAL SEWER REVENUE		**12,337,754**		**12,361,686**	
OPERATING EXPENSE:					
Treatment		3,631,043	(191,000)	3,440,043	
Administration		3,376,153	406,746	3,782,899	
Environmental Control		1,259,463	10,000	1,269,463	
Debt Service		3,869,281	-	3,869,281	
Asset Acquisition		-	-	-	
Total Operating Expense		**12,135,940**	**225,746**	**12,361,686**	
TOTAL SEWER EXPENSES		**12,135,940**		**12,361,686**	

SEWER DIVISION BUDGET

Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
TREATMENT					
Labor	03-5-02-50010	1,170,711	(191,000)	979,711	Reduce budget based on trending to assist with increase elsewhere as a result of contract staff.
Benefits	03-5-02-500xx	577,896		577,896	
Repair and Maintenance - Structures	03-5-02-51003	300,000		300,000	
Automation Control	03-5-02-51010	70,000		70,000	
Chemicals	03-5-02-51106	600,000		600,000	
Propane	03-5-02-51111	1,000		1,000	
Laboratory Supplies	03-5-02-51115	35,000		35,000	
General Supplies & Expenses	03-5-02-51140	2,000		2,000	
Utilities-Power Purchases	03-5-02-51210	800,000		800,000	
Laboratory Services	03-5-02-54110	85,000		85,000	
Sludge Disposal	03-5-02-57031	230,000		230,000	
Brineline Operating Expenses	03-5-02-57034	385,000		385,000	
	Sub-Total Treatment	**4,256,607**	**(191,000)**	**4,065,607**	
ADMINISTRATION					
Labor	03-5-06-50010	602,359		602,359	
Directors Fees	03-5-06-50012	25,000		25,000	
Benefits	03-5-06-500xx	286,857		286,857	
Safety Equipment	03-5-06-51120	5,500		5,500	
Petroleum Products	03-5-06-51125	18,000		18,000	
Office Supplies	03-5-06-51130	10,000		10,000	
General Supplies & Expenses	03-5-06-51140	30,000		30,000	
Dues & Subscriptions	03-5-06-54002	25,000		25,000	
Management & Accounting Services	03-5-06-54003	202,500		202,500	
Computer Expenses	03-5-06-54005	100,000		100,000	
Printing & Publications	03-5-06-54011	-		-	
Education & Training	03-5-06-54012	15,000		15,000	
Public Relations	03-5-06-54014	25,000		25,000	
Travel Related Expenses	03-5-06-54016	10,000		10,000	
Certifications & Renewals	03-5-06-54017	7,500		7,500	
Licenses & Permits	03-5-06-54019	65,000		65,000	
Meeting Related Expenses	03-5-06-54020	5,000		5,000	
YVWD Services	03-5-06-54022	1,500		1,500	
Waste Disposal	03-5-06-54024	13,000		13,000	
Telephone	03-5-06-54025	45,000		45,000	
Drinking Water	03-5-06-54030	1,250		1,250	
Contractual Services	03-5-06-54104	50,000	406,746	456,746	Increase as a result of contract staff needed.
Legal	03-5-06-54107	45,000		45,000	
Audit & Accounting	03-5-06-54108	12,000		12,000	
Professional Fees	03-5-06-54109	159,000		159,000	

SEWER DIVISION BUDGET

Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
ADMINISTRATION (CON'T)					
Reserve Funds	03-5-06-55500	500,000		500,000	
Sewer Infrastructure Replacement	03-5-06-xxxxx	500,000		500,000	
Insurance	03-5-06-56001	115,000		115,000	
Regulatory Compliance	03-5-06-57030	50,000		50,000	
Sub-Total Administration		**2,924,466**	**406,746**	**3,331,212**	
ENVIRONMENTAL CONTROL					
Labor	03-5-07-50011	614,646		614,646	
Benefits	03-5-07-500xx	326,817		326,817	
Repair and Maintenance - Structures (Pipeline)	03-5-07-51003	225,000		225,000	
General Supplies & Expenses	03-5-07-51140	1,000		1,000	
Lift Station No. 1	03-5-07-51241	55,000		55,000	
Lift Station No. 2	03-5-07-51242	14,000		14,000	
Lift Station No. 3	03-5-07-51243	9,000		9,000	
Lift Station No. 4	03-5-07-51244	14,500		14,500	
Lift Station No. 6	03-5-07-51246	-	10,000	10,000	Budget needed for new lift station on Roberts Road in Calimesa.
Lift Station No. 8	03-5-07-51248	3,000		3,000	
Professional Fees	03-5-07-54109	60,000		60,000	
Laboratory Services	03-5-07-54110	-		-	
Sub-Total Environmental Control		**1,322,963**	**10,000**	**1,332,963**	
LONG-TERM DEBT					
Debt Service - Principal WRWRF Project	03-5-40-57202	2,252,312		2,252,312	
Debt Service - Principal Brineline Project	03-5-40-57203	435,383		435,383	
Debt Service - Principal WISE Project	03-5-40-57204	133,659		133,659	
Debt Service - Principal R-10.3 Project	03-5-40-57205	39,161		39,161	
Debt Service - Principal Crow Street & B-12.1	03-5-40-57206	15,330		15,330	
Debt Service - Interest	03-5-40-57403	957,873		957,873	
Debt Service - Rate Stabilization Fund	57006.03.06	-		-	
Sub-Total Long-Term Debt		**3,833,718**	**-**	**3,833,718**	
ASSET ACQUISITION					
Sewer Treatment Department	03-5-40-57002	-		-	
Sewer Administration Department	03-5-40-57006	-		-	
Environmental Control Department	03-5-40-57007	-		-	
Sub-Total Asset Acquisition		**-**	**-**	**-**	

RECYCLED WATER DIVISION
Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
OPERATING REVENUE:					
Recycled Water - Commodity Charge	04-40010	694,270		694,270	
Construction Recycled Water - Commodity Chrg	04-40011	65,000		65,000	
Recycled Water - Service Demand Charge	04-41000	85,000		85,000	
Construction Recycled Water - Service Charge	04-41003	5,000		5,000	
Meter/Lateral Installation	04-41110	45,000		45,000	
Delinquent Payment Charges	04-41121	5,000		5,000	
Revenue-Other, Operating	04-41122	500		500	
Total Operating Revenue		**899,770**	**-**	**899,770**	
NON-OPERATING REVENUE:					
Transfer - Reserve Fund	- -	-		-	
Interest Earned	04-43010	20,000		20,000	
Property Tax-Unsecured	04-43110	10,000	(10,000)	0	Eliminate annual transfer from water fund.
Property Tax-Secured	04-43120	350,000	(173,500)	176,500	Eliminate partial transfer from water fund.
Tax Collection-Prior	04-43130	10,000	(10,000)	0	Eliminate annual transfer from water fund.
Other Taxes	04-43140	2,500	(2,500)	0	Eliminate annual transfer from water fund.
Misc. Non-Operating Revenue	04-49150	1,000		1,000	
Total Non-Operating Revenue		**393,500**	**(196,000)**	**197,500**	
TOTAL RECYCLED WATER REVENUE		**1,293,270**		**1,097,270**	
OPERATING EXPENSES:					
Labor - Recycled Water	04-5-06-50010	677,931	(100,000)	577,931	Reduce budget based on trending to assist with budget decrease to revenue.
Director Fees	04-5-06-50012	5,000		5,000	
Benefits - Recycled Water	04-5-06-500xx	326,839	(60,000)	266,839	Reduce budget based on trending to assist with budget decrease to revenue.
R&M - Structures	04-5-06-51003	34,000	(20,000)	14,000	Reduce budget based on trending to assist with budget decrease to revenue.
R&M - Valves	04-5-06-51011	5,000		5,000	
R&M - Pipelines	04-5-06-51020	2,500		2,500	
R&M - Service Lines	04-5-06-51021	2,500		2,500	
R&M - Fire Hydrants	04-5-06-51022	1,000		1,000	
R&M - Meters/Backflow	04-5-06-51030	10,000		10,000	
General Supplies and Expenses	04-5-06-51140	5,000		5,000	
Utilities - Power Purchases	04-5-06-51210	70,000		70,000	
Dues & Subscriptions	04-5-06-54002	1,500		1,500	

RECYCLED WATER DIVISION

Fiscal Year 2018-19

	G/L Number	Adopted Budget Fiscal Year 2018-19	Budget Adjustment February 2019	Modified Budget Fiscal Year 2018-19	Explanation
Computer Expense	04-5-06-54005	5,000		5,000	
Printing & Publications	04-5-06-54011	-		-	
Education & Training	04-5-06-54012	4,000		4,000	
Public Relations	04-5-06-54014	6,500		6,500	
Travel & Meeting Related Expenses	04-5-06-54016	2,500		2,500	
Certifications & Renewals	04-5-06-54017	1,000		1,000	
Licenses & Permits	04-5-06-54019	10,000		10,000	
Meeting Related Expenses	04-5-06-54020	1,500		1,500	
Utilities - YVWD Services	04-5-06-54022	30,000	(16,000)	14,000	Reduce budget based on trending to assist with budget decrease to revenue.
Telephone	04-5-06-54025	2,000		2,000	
Contractual Services	04-5-06-54104	5,000		5,000	
Legal	04-5-06-54107	1,500		1,500	
Audit & Accounting	04-5-06-54108	2,500		2,500	
Professional Services	04-5-06-54109	10,000		10,000	
Laboratory Services	04-5-06-54110	-		-	
Reserve Funds	04-5-06-55500	8,000		8,000	
Recycled Water Infrastructure Replacement	04-5-06-xxxxx	15,000		15,000	
Insurance	04-5-06-56001	20,000		20,000	
Regulatory Compliance	04-5-06-57030	25,000		25,000	
Environmental Compliance	04-5-06-57040	2,500		2,500	
	Total Operating Expense	**1,293,270**	**(196,000)**	**1,097,270**	
TOTAL RECYCLED WATER EXPENSES		**1,293,270**		**1,097,270**	

Yucaipa Valley Water District

Workshop Memorandum 19-035

Date: January 29, 2018

From: Kathryn Hallberg, Implementation Manager

Subject: Merchant Builders Recycled Water Recognition Awards

Yucaipa Valley Water District would like to recognize the builders at Summerwind Trails for their participation in the use of recycled water for front yard and back yard irrigation in their communities.

These awards would bring deserved recognition for one of the first communities in Southern California to use recycled water for front yard and back yard irrigation; while promoting the responsible use of drinking water.

Financial Consideration

The recognition award is estimated to cost $150.00 each. Three builders would be recognized for the total estimated cost of $450.00. Funding would be from the Recycled budget, Public Relations [G/L #04-5-06-54014].

Yucaipa Valley Water District

Workshop Memorandum 19-036

Date: January 29, 2018

From: Kathryn Hallberg, Implementation Manager

Subject: Capital Improvement Project Strategic Plan Meeting Notice

Yucaipa Valley Water District would like to have a strategic planning meeting to discuss the District's Capital Improvement Projects for the upcoming 5-20 years.

This meeting will focus on the rehabilitation, replacement and new construction of Capital Improvement Projects needed to continue to provide exceptional drinking water, recycled water and sewer treatment services.

The meeting would be held on Thursday, February 7, 2019 at 4:00 p.m. at the District Office Boardroom.

Financial Consideration

There is no fiscal impact to hold the Capital Improvement Project Strategic plan meeting.

Director Comments

Yucaipa Valley Water District

Adjournment

Yucaipa Valley Water District

Yucaipa Valley Water District

FACTS ABOUT THE YUCAIPA VALLEY WATER DISTRICT

Service Area Size: 40 square miles (sphere of influence is 68 square miles)

Elevation Change: 3,140 foot elevation change (from 2,044 to 5,184 feet)

Number of Employees:
5 elected board members
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

- 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

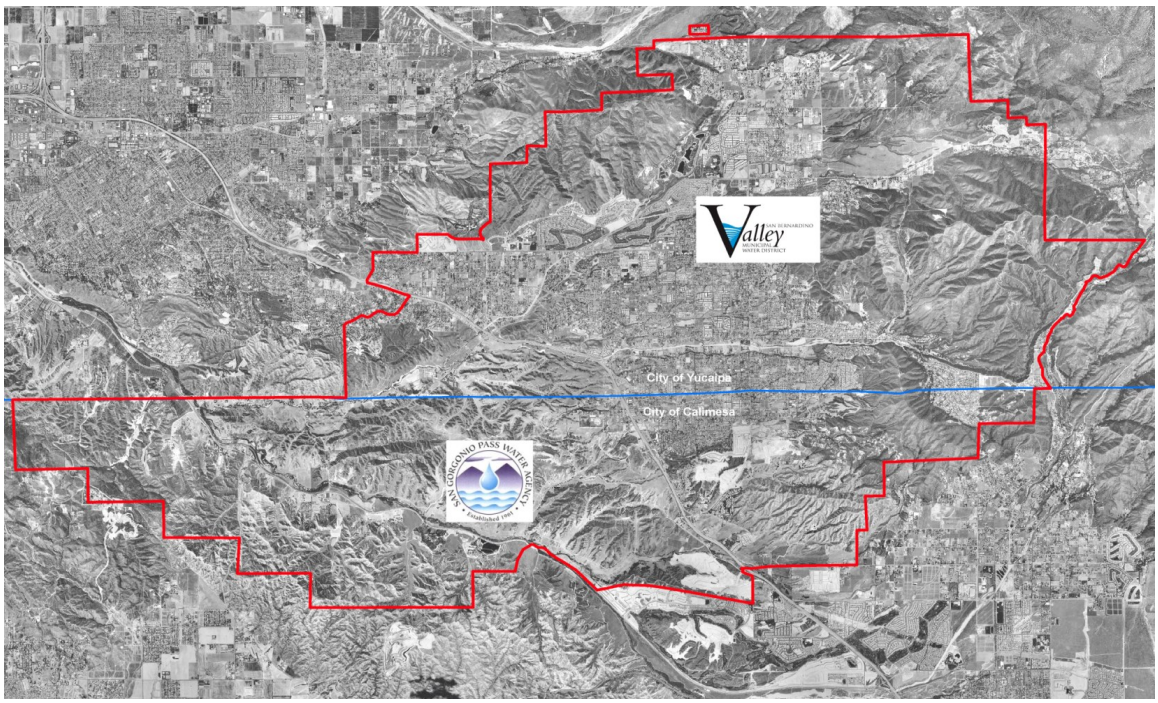
- Sewer Collection and Treatment Charge:

Typical Residential Charge	$42.43 per month

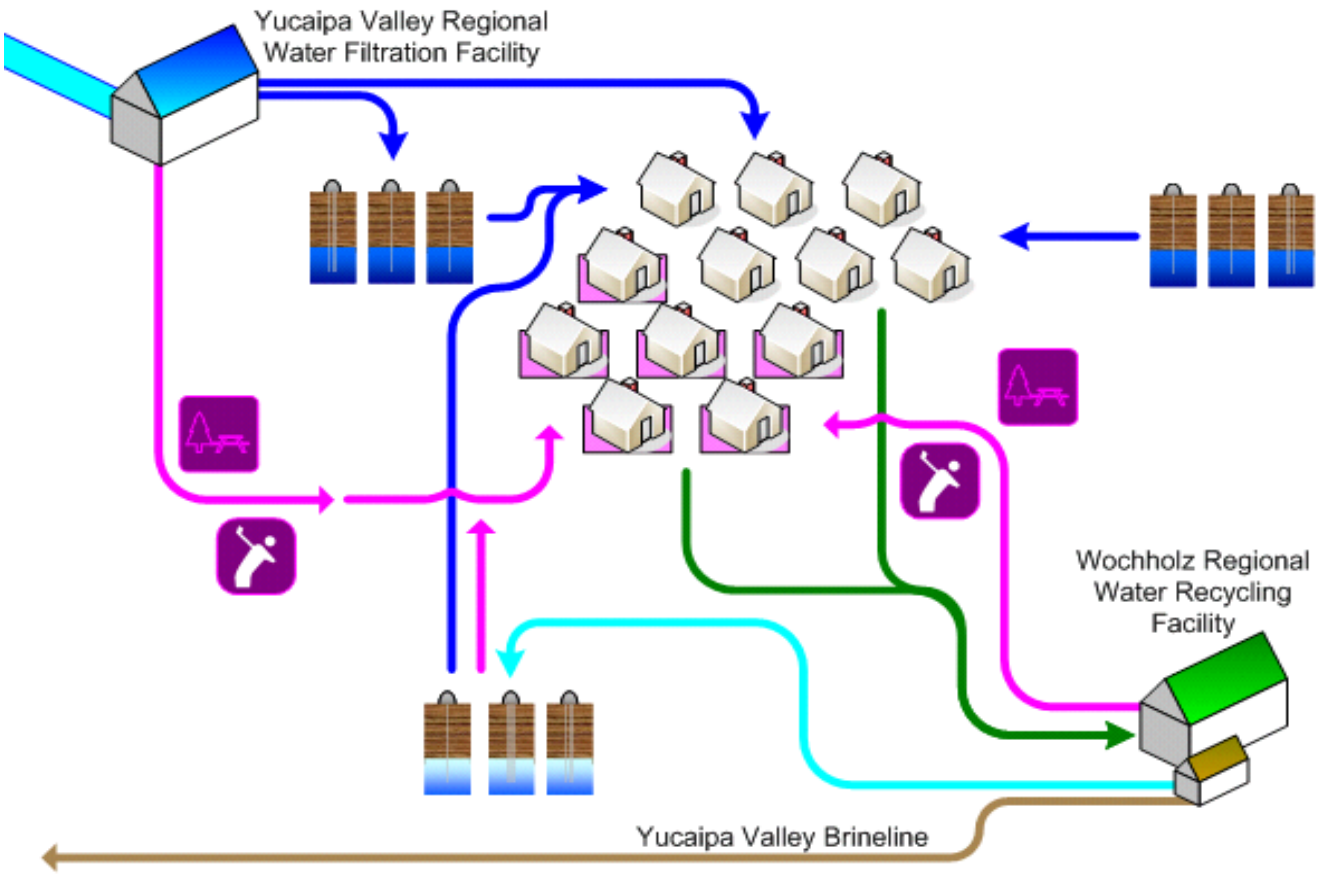
- Imported Water Charges (Pass-through State Water Project Charge):

San Bernardino Valley Municipal Water District	$0.27 per each 1,000 gallons
San Gorgonio Pass Water Agency	$0.66 per each 1,000 gallons

State Water Contractors: San Bernardino Valley Municipal Water District
San Gorgonio Pass Water Agency



Sustainability Plan: A Strategic Plan for a Sustainable Future: The Integration and Preservation of Resources, adopted on August 20, 2008.



Yucaipa Valley Water District

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 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.

Yucaipa Valley Water District

COMMONLY USED ABBREVIATIONS

AQMD	Air Quality Management District
BOD	Biochemical Oxygen Demand
CARB	California Air Resources Board
CCTV	Closed Circuit Television
CWA	Clean Water Act
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
FOG	Fats, Oils, and Grease
GPD	Gallons per day
MGD	Million gallons per day
O & M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
POTW	Publicly Owned Treatment Works
PPM	Parts per million
RWQCB	Regional Water Quality Control Board
SARI	Santa Ana River Inceptor
SAWPA	Santa Ana Watershed Project Authority
SBVMWD	San Bernardino Valley Municipal Water District
SCADA	Supervisory Control and Data Acquisition system
SSMP	Sanitary Sewer Management Plan
SSO	Sanitary Sewer Overflow
SWRCB	State Water Resources Control Board
TDS	Total Dissolved Solids
TMDL	Total Maximum Daily Load
TSS	Total Suspended Solids
WDR	Waste Discharge Requirements
YVWD	Yucaipa Valley Water District