



Yucaipa Valley Water District

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

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

Tuesday, November 5, 2019 at 6:00 p.m.

- I. **CALL TO ORDER** - Pledge of Allegiance
- II. **ROLL CALL**
- III. **PUBLIC COMMENTS** - At this time, members of the public may address the Board of Directors on matters within its jurisdiction. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the board meeting.
- IV. **CONSENT CALENDAR** - All consent calendar matters are routine and will be acted upon in one motion. There will be no discussion of these items unless board members, administrative staff, or members of the public request specific items to be discussed and/or removed prior to the vote for approval.
 - A. Minutes of Meetings
 - 1. Regular Board Meeting - October 15, 2019
 - 2. Board Workshop - October 29, 2019
- V. **STAFF REPORT**
- VI. **DISCUSSION ITEMS**
 - A. Consideration of a One Year Extension for Annual Landscape Services with Pacific Coast Landscape for 2020 [[Director Memorandum No. 19-119 - Page 16 of 365](#)]
RECOMMENDED ACTION: That the Board authorizes the General Manager to extend the landscape services contract with Pacific Coast Landscape to maintain the existing pricing schedule for calendar year 2020.
 - B. Consideration of Resolution No. 2019-21 Approving a Memorandum of Agreement for the Creation of the Coordinated San Timoteo Groundwater Sustainability Agency [[Director Memorandum No. 19-120 - Page 18 of 365](#)]
RECOMMENDED ACTION: That the Board of Directors approve Resolution No. 2019-21.
 - C. Overview of Drinking Water Issues Associated with the Transition to a Single Utility Billing Cycle in November 2019 [[Director Memorandum No. 19-121 - Page 38 of 365](#)]
RECOMMENDED ACTION: That the Board adopt Resolution No. 2019-22.

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

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

- D. Presentation of the Unaudited Financial Report for the Period Ending on September 30, 2019 [[Director Memorandum No. 19-122 - Page 40 of _](#)]
RECOMMENDED ACTION: That the Board receives and files the unaudited financial report.
- E. Implementation of Xpress Bill Pay Lock Box Service [[Director Memorandum No. 19-123 - Page 64 of 365](#)]
RECOMMENDED ACTION: That the Board authorize the General Manager to implement the Lock Box Service with Xpress Bill Pay.
- F. Overview of Public Relations Support Services [[Director Memorandum No. 19-124 - Page 66 of 365](#)]
RECOMMENDED ACTION: That the Board authorize the General Manager to execute a service-based contracts with Desmond & Louis, TEMIMO, and CV Strategies.
- G. Consideration of Amendment No. 3 to Evaluate the Long-Term Infiltration Rates in the Western Portion of the Beaumont Basin as part of the Calimesa Aquifer Storage and Recovery Project [[Director Memorandum No. 19-125 - Page 67 of 365](#)]
RECOMMENDED ACTION: That the Board authorize the General Manager to execute a contract for Amendment No. 3 with Geoscience for a sum not to exceed \$89,767.
- H. Consideration of an Agreement to Facilitate Water Deliveries by San Bernardino Valley Municipal Water District for the San Gorgonio Pass Water Agency in the Calimesa Area [[Director Memorandum No. 19-126 - Page 80 of 365](#)]
RECOMMENDED ACTION: That the Board authorize the President to execute the joint agency agreement as presented.
- I. Review of the Financial Rate Model and Draft Comprehensive Rate Study for the Drinking Water, Sewer, and Recycled Water Enterprises [[Director Memorandum No. 19-127 - Page 104 of 365](#)]
RECOMMENDED ACTION: That the Board approve the Comprehensive Rate Study and authorize the General Manager to initiate the Proposition 218 process and set a public hearing for the consideration of a resolution setting rates, fees, and charges for drinking water, recycled water and sewer service.

VII. BOARD REPORTS & DIRECTOR COMMENTS

VIII. ANNOUNCEMENTS

- A. November 12, 2019 at 4:00 p.m. - Board Workshop
- B. November 19, 2019 at 6:00 p.m. - Board Meeting
- C. November 26, 2019 at 4:00 p.m. - Board Workshop
- D. December 3, 2019 at 6:00 p.m. - Board Meeting
- E. December 10, 2019 at 4:00 p.m. - Board Workshop
- F. December 17, 2019 at 6:00 p.m. - Board Meeting
- G. **December 31, 2019 at 4:00 p.m. - Board Workshop - Cancelled**
- H. **January 7, 2020 at 6:00 p.m. - Board Meeting - Cancelled**
- I. January 14, 2020 at 4:00 p.m. - Board Workshop
- J. January 21, 2020 at 6:00 p.m. - Board Meeting
- K. January 28, 2020 at 4:00 p.m. - Board Workshop

IX. Closed Session

- A. Conference with Real Property Negotiator(s) - Government Code 54956.8
Property: Assessor's Parcel Number: 0319-121-38
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Harry Holdorff
Under Negotiation: Terms of Payment and Price
- B. Conference with Real Property Negotiator(s) - Government Code 54956.8
Property: Assessor's Parcel Number: 0319-121-63
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Emmet Conlon
Under Negotiation: Terms of Payment and Price
- C. Conference with Legal Counsel - Anticipated Litigation (Government Code 54956.9) - Two Cases

X. ADJOURNMENT

Consent Calendar



Yucaipa Valley Water District

MINUTES OF A REGULAR BOARD MEETING

October 15, 2019 at 6:00 P.M.

Directors Present:

Chris Mann, President
Jay Bogh, Director
Lonni Granlund, Director
Joyce McIntire, Director

Staff Present:

Kathryn Hallberg, Implementation Manager
Matthew Porras, Implementation Manager
John Wrobel, Operations Manager
Joseph Zoba, General Manager

Directors Absent:

Bruce Granlund, Vice President

Consulting Staff Present:

David Wysocki, Legal Counsel

Registered Guests and Others Present:

Linda Shelton
Leonard Stephenson, San Gorgonio Pass Water Agency

CALL TO ORDER

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

FLAG SALUTE

Director Jay Bogh led the pledge of allegiance.

ROLL CALL

The roll was called with Director Jay Bogh, Director Lonni Granlund, and Director Joyce McIntire present.

Director Chris Mann arrived at the meeting during agenda item VI.E.

PUBLIC COMMENTS

None.

CONSENT CALENDAR

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

- A. Minutes of Meetings
 - 1. Regular Board Meeting - October 1, 2019
 - 2. Board Workshop - October 8, 2019
- B. Administrative Items
 - 1. Ratify General Expenses for August 2019
 - 2. Ratify General Expenses for September 2019

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Absent

Director Lonni Granlund - Yes
Director Chris Mann - Absent
Director Joyce McIntire - Yes

STAFF REPORT

General Manager Joseph Zoba discussed the following items:

- The recent Sandalwood Fire scorched the property to the south of the Wochholz Regional Water Recycling Facility. The District staff will be reviewing options for remediating anticipated damage from winter storms.
- The District will be hosting a community meeting on Wednesday, October 16, 2019 at 6:00 pm to discuss our plans for building a sustainable community.
- The District staff recommended an additional closed session item related to a real property negotiation pursuant to Government Code Section 54956.8 with Costica Lupu. The property was discovered to be on the market yesterday which was after the agenda for this Board meeting was posted and noticed. And there is urgency in having the Board discuss and direct its real property negotiator (the General Manager) to consider making an offer before anyone else without waiting until the next Board meeting two weeks from today.

Legal Counsel David Wysocki provided information about adding this item to the meeting agenda pursuant to Government Code Section 54954.2(b).

Based on the information provided by staff, Director Lonni Granlund moved to add the closed item discussion regarding the real property negotiation with Costica Lupu to the meeting agenda. Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Absent
Director Lonni Granlund - Yes
Director Chris Mann - Absent
Director Joyce McIntire - Yes

DISCUSSION ITEMS:

DM 19-111

RATIFICATION OF PROFESSIONAL SERVICES CONTRACT AND RELATED EQUIPMENT FOR MONITORING GROUNDWATER LEVELS AT THE WILSON CREEK BASIN AND OAK GLEN CREEK BASIN

General Manager Joseph Zoba presented information about the installation of groundwater monitoring equipment at the Wilson Creek Spreading Basins and the Oak Glen Creek Spreading Basins.

Director Joyce McIntire moved that the Board ratify the Professional Services Contract with Geoscience for a sum not to exceed \$15,686.

Director Lonni Granlund seconded the motion.

The motion was approved by the following vote:

- Director Jay Bogh - Yes
- Director Bruce Granlund - Absent
- Director Lonni Granlund - Yes
- Director Chris Mann - Absent
- Director Joyce McIntire - Yes

DM 19-112

CONSIDERATION OF CYBER LIABILITY INSURANCE PROPOSAL FROM ALLIANT

Implementation Manager Kathryn Hallberg discussed the proposal for cyber liability insurance from Alliant.

Director Lonni Granlund moved that the Board authorize the General Manager to execute the necessary contracts with Alliant Insurance Services for cyber liability insurance.

Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

- Director Jay Bogh - Yes
- Director Bruce Granlund - Absent
- Director Lonni Granlund - Yes
- Director Chris Mann - Absent
- Director Joyce McIntire - Yes

DM 19-113

CONSIDERATION OF A WORKERS' COMPENSATION INSURANCE POLICY

Implementation Manager Kathryn Hallberg discussed the proposal for workers' compensation insurance.

Director Lonni Granlund moved that the Board authorize the General Manager to execute the necessary contracts with Redwood F&C Berkshire Hathaway for workers' compensation insurance.

Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Absent
Director Lonni Granlund - Yes
Director Chris Mann - Absent
Director Joyce McIntire - Yes

DM 19-114

AUTHORIZATION TO
SOLICIT BIDS FOR THE
REPLACEMENT OF THE
DRINKING WATER
RESERVOIR R-16.6 -
CALIMESA

Implementation Manager Matthew Porras presented information about the need to replace drinking water reservoir R-16.6.

Director Joyce McIntire moved that the Board authorize the General Manager to solicit bids for the replacement of the Drinking Water Reservoir R-16.6.

Director Lonni Granlund seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Absent
Director Lonni Granlund - Yes
Director Chris Mann - Absent
Director Joyce McIntire - Yes

DM 19-115

CONSIDERATION OF
RESOLUTION NO. 2019-
20 APPROVING THE
NOTICE OF EXEMPTION
FOR THE
REPLACEMENT OF
DRINKING WATER
RESERVOIR R-16.6

Implementation Manager Matthew Porras presented information about the environmental documentation associated with the replacement of drinking water reservoir R-16.6.

Director Lonni Granlund moved that the Board adopt Resolution No. 2019-20.

Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Absent
Director Lonni Granlund - Yes
Director Chris Mann - Abstain
Director Joyce McIntire - Yes

DM 19-116

AUTHORIZATION TO
PURCHASE
TEMPORARY
PORTABLE TANKS FOR
USE DURING THE
REPLACEMENT OF
DRINKING WATER
RESERVOIR R-16.6

Implementation Manager Matthew Porrás presented information about the purchase of temporary portable drinking water storage tanks to be used during the construction of drinking water reservoir R-16.6.

Director Lonni Granlund moved that the Board authorize the General Manager to purchase temporary portable tanks for use during the replacement of Drinking Water Reservoir R-16.6.

Director Chris Mann seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Absent
Director Lonni Granlund - Yes
Director Chris Mann - Yes
Director Joyce McIntire - Yes

DM 19-117

STATUS REPORT ON
THE GEOTECHNICAL
INVESTIGATION FOR
THE ARTIFICIAL
GROUNDWATER
RECHARGE PROJECT
IN THE BEAUMONT
GROUNDWATER BASIN

General Manager Joseph Zoba provided an update on the status of the geotechnical investigation for an aquifer storage and recovery project in the Beaumont Basin.

DM 19-118

AUTHORIZATION TO
CONSTRUCT A DAIS,
DESK AND PODIUM IN
THE BOARDROOM

Implementation Manager Matthew Porrás presented the proposed improvements for the boardroom dais, desk and podium.

Director Jay Bogh moved that the Board authorize the General Manager to execute the proposal with Doc's Woodshop for a sum not to exceed \$15,628.

Director Chris Mann seconded the motion.

The motion was approved by the following vote:

Director Jay Bogh - Yes
Director Bruce Granlund - Absent
Director Lonni Granlund - Yes
Director Chris Mann - Yes
Director Joyce McIntire - Yes

BOARD REPORTS AND
DIRECTOR COMMENTS

Director Joyce McIntire and Director Lonni Granlund reported on the San Gorgonio Pass Water Agency meeting held on October 7, 2019.

Director Joyce McIntire reported on her visit to the Wochholz Regional Water Recycling Facility on Saturday, October 12, 2019 following the Sandalwood Fire.

ANNOUNCEMENTS

Director Chris Mann called attention to the announcements listed on the agenda.

CLOSED SESSION

Director Jay Bogh, Director Lonni Granlund, Director Chris Mann, and Director Joyce McIntire were present in closed session with Legal Counsel David Wysocki and General Manager Joseph Zoba to discuss the following items.

- A. *Conference with Real Property Negotiator(s) - Government Code 54956.8 (This item was added to the meeting agenda by the Board of Directors on October 15, 2019)
Property: Assessor's Parcel Number: 0319-121-39
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Costica Lupu
Under Negotiation: Terms of Payment and Price*
- B. Conference with Legal Counsel - Anticipated Litigation (Government Code 54956.9) - Two Cases

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

ADJOURNMENT

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

Respectfully submitted,

Joseph B. Zoba, Secretary

(Seal)

MINUTES OF A BOARD WORKSHOP

October 29, 2019 at 4:00 P.M.

Directors Present:

Chris Mann, President
Bruce Granlund, Vice President
Lonni Granlund, Director
Joyce McIntire, Director

Staff Present:

Jennifer Ares, Water Resource Manager
Madeline Blua, Water Resource Specialist
Allison Edmisten, Chief Financial Officer
Chelsie Fogus, Engineering Technician I
Ashley Gibson, Regulatory Compliance Manager
Kathryn Hallberg, Implementation Manager
Dustin Hochreiter, Senior Engineering Technician
Mike Kostelecky, Operations Manager
Matt Porras, Implementation Manager
Mike Rivera, Public Works Supervisor
Charles Thomas, Operations Manager
Joseph Zoba, General Manager

Directors Absent:

Jay Bogh, Director

Consulting Staff Present:

David Wysocki, Legal Counsel

Guests and Others Present:

Claire Teeters
Linda Shelton
Leonard Stephenson, San Gorgonio Pass Water Agency

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- I. Call to Order - 4:00 p.m. - The workshop of the Board of Directors of the Yucaipa Valley Water District was called to order by Chris Mann at 4:00 p.m. at the Administrative Office Building, 12770 Second Street, Yucaipa, California.
 - II. Public Comments
None
 - III. Staff Report - General Manager Joseph Zoba presented information on the following topics:
 - Information was included in the workshop packet about the new operations plan for the State Water Project and the Central Valley Project. The operations plan will require a more adaptive water project operations that both protects endangered fish and allows the flexibility to quickly adapt to changing conditions to ensure effective and efficient water supply management . It is too early to tell if this new plan increases or decreases the reliability of the State Water Project.
 - The District received three proposals from public relations consultants. An agenda item will be presented at the next board meeting to discuss the proposed engagement of the three consultants.
 - IV. Presentation
 - A. Presentation of a State Water Project Tour [Workshop Memorandum No. 19-220 - Chief Financial Officer Allison Edmisten provided an overview of a recent tour of the State Water Project with the San Bernardino Valley Municipal Water District.

V. Operational Updates

- A. Status Report on the Replacement of Two CIP Waste Sump Pumps at the Yucaipa Valley Regional Water Filtration Facility [Workshop Memorandum No. 19-221] - Operations Manager Mike Kostecky provided a status report on the installation of two waste sump pumps at the Yucaipa Valley Regional Water Recycling Facility.
- B. Status Report on the Replacement of Microfiltration Membrane Modules at the Wochholz Regional Water Recycling Facility [Workshop Memorandum No. 19-222] - Operations Manager Charles Thomas provided a status report on the installation of microfiltration membrane vessels at the Wochholz Regional Water Recycling Facility by District staff members.

VI. Capital Improvement Projects

- A. Status Report on the Geotechnical Investigation for the Calimesa Artificial Groundwater Recharge and Aquifer Storage Project in the Beaumont Groundwater Basin [Workshop Memorandum No. 19-223] - General Manager Joseph Zoba provided a status report on the injection well test being conducted in the Beaumont Basin.

VII. Administrative Issues

- A. Overview of Drinking Water Issues Associated with the Transition to a Single Utility Billing Cycle in November 2019 [Workshop Memorandum No. 19-224] - Chief Financial Officer Allison Edmisten discussed the transition to a single billing cycle starting in November 2019.
- B. Presentation of the Unaudited Financial Report for the Period Ending on September 30, 2019 [Workshop Memorandum No. 19-225] - Chief Financial Officer Allison Edmisten provided an overview of the Unaudited Financial Report.
- C. Discussion Regarding the Implementation of an XPress Bill Pay Lockbox [Workshop Memorandum No. 19-226] - Chief Financial Officer Allison Edmisten provided information about the use of a separate mail processing facility for receipt of customer payments.
- D. Review of Agreement to Facilitate Water Deliveries by San Bernardino Valley Municipal Water District for the San Gorgonio Pass Water Agency in the Calimesa Area [Workshop Memorandum No. 19-227] - General Manager Joseph Zoba provided an overview of an agreement that was discussed at a joint board meeting on September 25, 2019 with the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency.
- E. Consideration of a One Year Extension for Annual Landscape Services with Pacific Coast Landscape for 2020 [Workshop Memorandum No. 19-228] - Implementation Manager Kathryn Hallberg discussed an option to extend the landscape services contract for 2020.
- F. Overview of the Draft Memorandum of Agreement for the San Timoteo Groundwater Sustainability Agency [Workshop Memorandum No. 19-229] - Water Resource Manager Jennifer Ares provided an update on the San Timoteo Groundwater Sustainability Agency.
- G. Overview of the Draft Financial Rate Model for the Drinking Water, Sewer, and Recycled Water Enterprises and Rate Adjustment Resolution [Workshop Memorandum No. 19-230] - General Manager Joseph Zoba provided an overview of the Comprehensive Rate Study and associated resolution.

VIII. Director Comments

None

IX. Announcements - The future meetings were referenced on the workshop agenda.

X. Closed Session

Director Bruce Granlund, Director Lonni Granlund, Director Chris Mann, and Director Joyce McIntire were present in closed session with Legal Counsel David Wysocki, General Manager Joseph Zoba, and Chief Financial Officer Allison Edmisten to discuss the following items.

- A. Conference with Real Property Negotiator(s) - Government Code 54956.8
Property: Assessor's Parcel Number: 0319-121-38
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Harry Holdorff
Under Negotiation: Terms of Payment and Price
- B. Conference with Real Property Negotiator(s) - Government Code 54956.8
Property: Assessor's Parcel Number: 0319-121-63
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Emmet Conlon
Under Negotiation: Terms of Payment and Price
- E. Conference with Legal Counsel - Anticipated Litigation (Government Code 54956.9) - Two Cases

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

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

Respectfully submitted,

Joseph B. Zoba, Secretary

Staff Report



Yucaipa Valley Water District

Discussion Items





Date: November 5, 2019

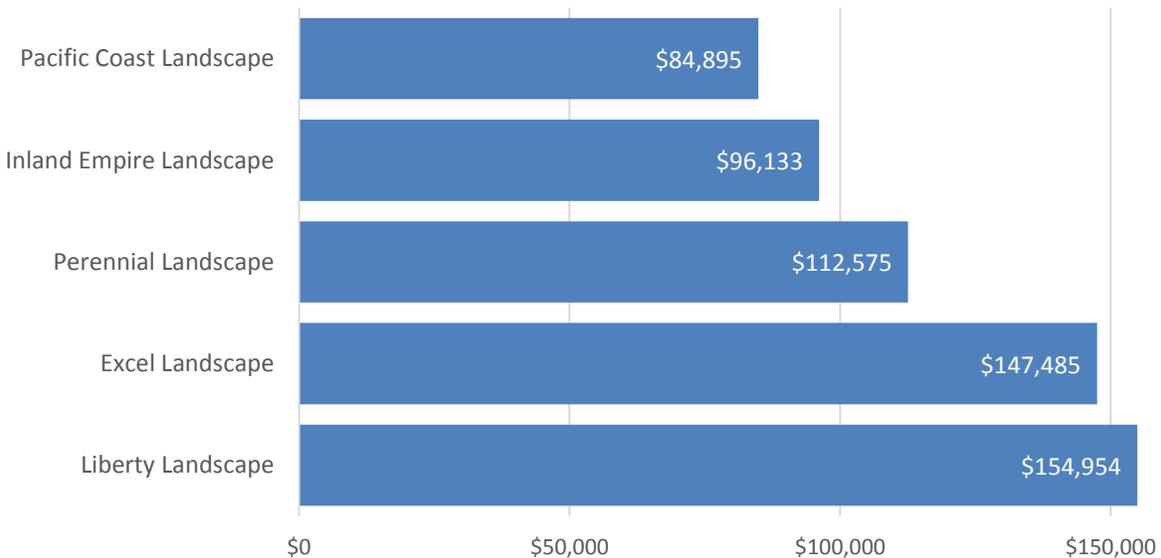
Prepared By: Kathryn Hallberg, Implementation Manager

Subject: Consideration of a One Year Extension for Annual Landscape Services with Pacific Coast Landscape for 2020

Recommendation: That the Board authorizes the General Manager to extend the landscape services contract with Pacific Coast Landscape to maintain the existing pricing schedule for calendar year 2020.

On December 21, 2017, District staff held a bid opening for landscape services. On January 16, 2018, the Board of Directors reviewed proposals from landscape contractors and awarded the annual landscape contract to Pacific Coast Landscape [Director Memorandum No. 18-008]. Pacific Coast Landscape was awarded the bid and has performed the services since that time.

2018 Bid Results



The services provided by Pacific Coast Landscape have been timely and professional, and the District staff is pleased with the overall service provided by this contractor.

Prior to issuing a Request for Proposals for 2020, the District staff asked Pacific Coast Landscape if they would be interested in retaining their 2018 prices for an extended contract in 2020. While the District staff has not received verification in writing, the Board of Directors may have an opinion on the option to extend this contract at the prior year pricing.

Financial Consideration

Funding for this contract will be allocated amongst the Water, Sewer and Recycled Divisions (based on location), Contractual Services [GL Account #506-54104] and YVRWFF [GL Account #02-501-57040]. This expense is included in the 2019-20 adopted budget.



Date: November 5, 2019

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

Subject: Consideration of Resolution No. 2019-21 Approving a Memorandum of Agreement for the Creation of the Coordinated San Timoteo Groundwater Sustainability Agency

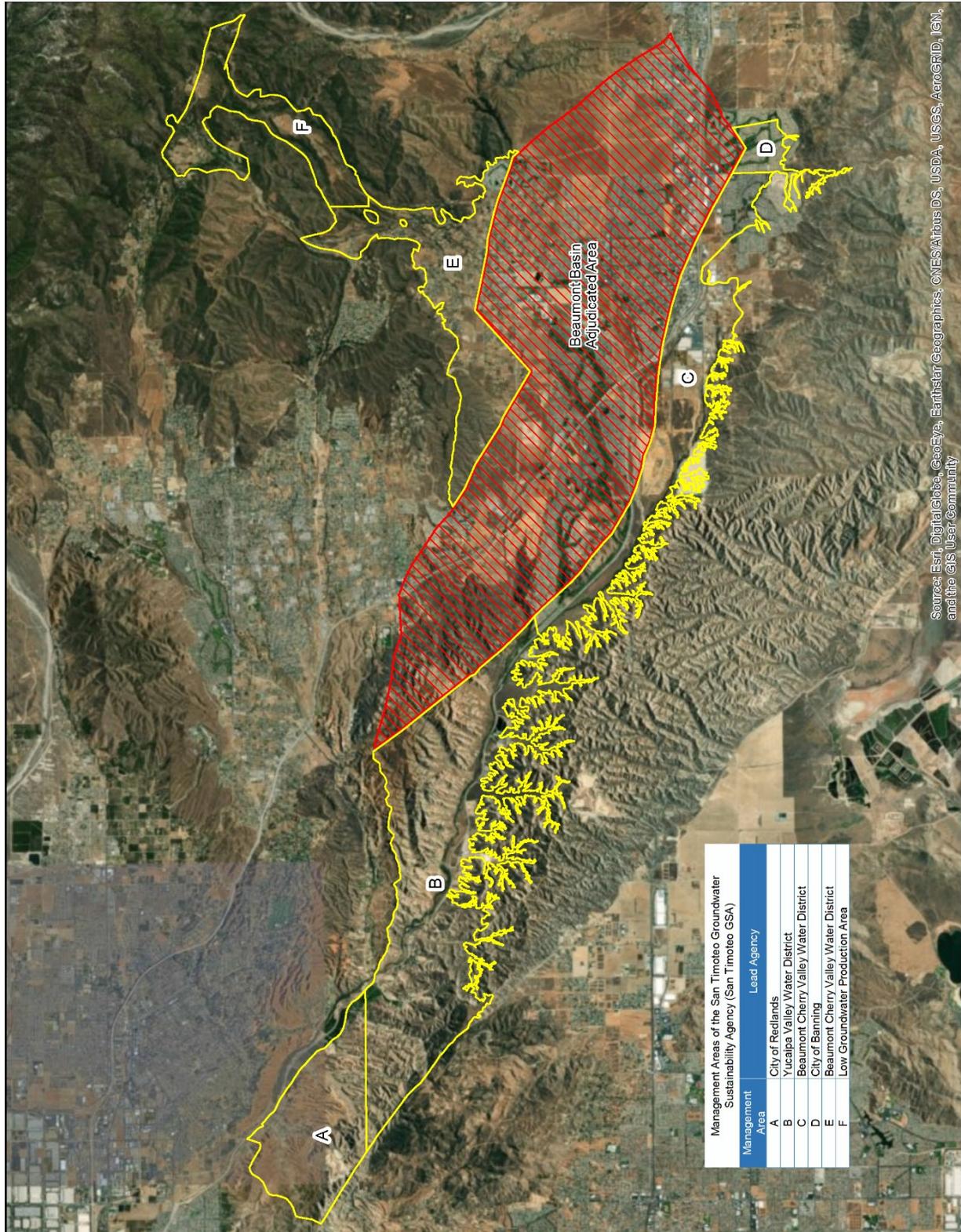
Recommendation: That the Board of Directors approve Resolution No. 2019-21.

The Department of Water Resources recently approved a boundary amendment for the San Timoteo Groundwater Basin that eliminated the southerly portion of the basin in the Badlands due to the lack of available groundwater. This change, together with the management area of the adjudicated delineation of the Beaumont Basin Watermaster will significantly reduce the functionality and management of the San Timoteo Groundwater Basin.



The attached Memorandum of Agreement (MOA) is being proposed to create a coordinated management effort between the City of Banning, City of Redlands, Beaumont Cherry Valley Water District, and the Yucaipa Valley Water District.

The illustration below shows how the proposed Groundwater Sustainability Agency (GSA) will utilize management areas to achieve compliance with the Sustainable Groundwater Management Act (SGMA).



RESOLUTION NO 2019-21

A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT TO APPROVE A MEMORANDUM OF AGREEMENT TO FORM A COORDINATED GROUNDWATER SUSTAINABILITY AGENCY FOR THE UNADJUDICATED PORTION FO THE SAN TIMOTEO SUBBASIN AND TO CREATE MULTIPLE GROUNDWATER SUSTAINABILITY PLANS

WHEREAS, in September 2014, the Sustainable Groundwater Management Act ("SGMA") was signed into law, with an effective date of January 1, 2015, and codified at California Water Code, Section 10720 et. seq.; and

WHEREAS, the legislative intent of SGMA is to, among other goals, provide for sustainable management of alluvial groundwater basins and Basins defined by the California Department of Water Resources ("DWR"), to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide specified local agencies with the technical and financial assistance necessary to sustainably manage groundwater; and

WHEREAS, Water Code section 10723(a) authorizes a "local agency" with water supply, water management or local land use responsibilities, or a combination of local agencies with such responsibilities overlying a groundwater basin, to decide to become a Groundwater Sustainability Agency under SGMA; and

WHEREAS, the City of Banning, Beaumont Cherry Valley Water District, the City of Redlands, and Yucaipa Valley Water District (the "Parties") each overlie a portion of the unadjudicated portion of the San Timoteo Basin and each has respective groundwater supply and groundwater management responsibilities within the Basin, and will seek authorization from their respective governing board to become part of the coordinated San Timoteo Groundwater Sustainability Agency ("San Timoteo GSA"); and

WHEREAS, in accordance with the terms of the attached Memorandum of Agreement, and in furtherance of the shared intent of the Parties to manage local groundwater supplies, maximize funding opportunities, increase transparency, and foster cooperation, the Parties agree that the San Timoteo GSA shall be reformed to cover the entire Basin except the Adjudicated Area of the Basin.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE YUCAIPA VALLEY WATER DISTRICT HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

- Section 1. The above recitals, and each of them, are true and correct, and are incorporated as terms of this Resolution.
- Section 2. The Board of Directors hereby decides and determines that the Yucaipa Valley Water District shall become a member of the Coordinated Groundwater Sustainability Agency for the unadjudicated portion of the San Timoteo Subbasin and to participate in the creation of multiple Groundwater Sustainability Plans pursuant to the attached Memorandum of Agreement.

- Section 3. Yucaipa Valley Water District ("District") staff, or staff of one of the other member agencies on behalf of the District, shall submit to the Department of Water Resources, within thirty (30) days of the approval of this Resolution, all documentation and information required by Water Code section 10723.8 to support the Agency's formation of a GSA over the Basin.
- Section 4. The Board of Directors hereby finds and determines that the approval of this Resolution and formation of the Coordinated Groundwater Sustainability Agency for the unadjudicated portion of the San Timoteo Subbasin is not a project pursuant to the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.) or the State CEQA Guidelines (14 Cal. Code Regs., Title 14, § 15000 et seq.) (collectively, "CEQA"). Specifically, the Board finds that, because it is only electing to form the GSA for the Basin and not approving any specific projects or authorizing any further activities, formation of the GSA is not a project under State CEQA Guidelines §15378 because there is no potential that formation of the GSA will result in either a direct physical change or reasonably foreseeable indirect change in the environment. The Board further finds that even if formation of the GSA constitutes a project under CEQA, it is exempt from CEQA review pursuant to State CEQA Guidelines §15061(b)(3) because it can be seen with certainty that there is no possibility that the formation of the GSA may have a significant effect on the environment, finally, the Board finds that formation of the GSA is further exempt from CEQA review pursuant to State CEQA Guidelines §15307 and §15308 as an action authorized by state law and taken by a regulatory agency that will assure the maintenance, restoration, or enhancement of a natural resource and the environment.
- Section 5. Yucaipa Valley Water District staff is directed to file and post within five (5) business days a Notice of Exemption for this approval with the Clerk of the Board of Supervisors of San Bernardino County.

PASSED, APPROVED and ADOPTED this 5th day of November 2019.

YUCAIPA VALLEY WATER DISTRICT

Chris Mann, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

**MEMORANDUM OF AGREEMENT TO FORM A
COORDINATED GROUNDWATER SUSTAINABILITY AGENCY
FOR THE UNADJUDICATED PORTION OF THE
SAN TIMOTEO SUBBASIN AND TO CREATE
MULTIPLE GROUNDWATER SUSTAINABILITY PLANS**

This 2019 Memorandum of Agreement (MOA), amending the 2017 Memorandum of Agreement, is entered into by and among Beaumont Cherry Valley Water District (BCVWD), City of Banning (Banning), City of Redlands (Redlands), and Yucaipa Valley Water District (YVWD), which may be referred to herein individually as a "Party" and collectively as the "Parties."

Pursuant to the Sustainable Groundwater Management Act (SGMA) and as further set forth herein, the purpose of this MOA is to form a Groundwater Sustainability Agency (GSA) for part of the unadjudicated portion of the San Timoteo Subbasin (Basin), the members of which GSA shall be Banning, BCVWD, Redlands, and YVWD (herein, the "San Timoteo GSA").

RECITALS

WHEREAS, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act (SGMA), codified in certain provisions of the California Government Code, commencing with Section 65350.5, and in certain provisions of the California Water Code, including but not limited to, Sections 5200 et seq. and 10720 et seq.; and

WHEREAS, SGMA went into effect on January 1, 2015, and thereafter various clarifying amendments to SGMA were signed into law in 2015, including Senate Bills 13 and 226, and Assembly Bills 617 and 939; and

WHEREAS, the San Timoteo Subbasin (Basin), as further depicted in Exhibit A to this MOA, was originally identified by the California Department of Water Resources (DWR) Bulletin 118 as Subbasin No. 8-02.08 of the Upper Santa Ana Valley Groundwater Basin, and designated by DWR as medium priority, and therefore, except as provided by SGMA, the Basin is subject to the requirements of SGMA; and

WHEREAS, on June 20, 2017, the original parties to the San Timoteo GSA adopted a Memorandum of Agreement pursuant to the requirements of SGMA. The original parties consisted of Beaumont Cherry Valley Water District (BCVWD), Yucaipa Valley Water District (YVWD), City of Redlands (Redlands), and San Geronimo Pass Water Agency (SGPWA); and

WHEREAS, on June 20, 2018, the Board of Directors of Eastern Municipal Water District adopted Resolution No. 2018-083 Initiating a Basin Boundary Modification Request for the San Timoteo Subbasin that was subsequently approved by the Department of Water Resources resulting in a revised Basin boundary as depicted in Exhibit B to this MOA which represents the effective boundary of this San Timoteo GSA; and

WHEREAS, in 2019, the San Timoteo Subbasin was reprioritized and identified as Subbasin No. 8-002.08 of the Upper Santa Ana Valley Groundwater Basin and designated by DWR as a very low priority, and therefore, a Groundwater Sustainability Plan (GSP) is encouraged and authorized, but not required by SGMA (Water Code § 10720.7); and

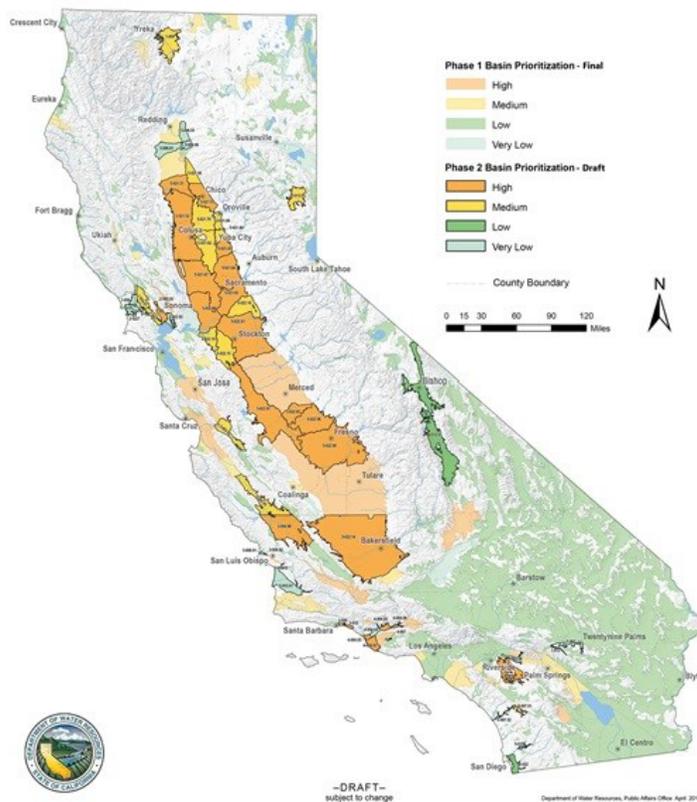
WHEREAS, on June 6, 2019, the General Manager of the San Gorgonio Pass Water Agency indicated by email message that the San Gorgonio Pass Water Agency would not be part of the amended San Timoteo GSA due to the very low priority of the Basin; and

WHEREAS, the Parties recognize and agree that a portion of the Basin (herein, the Adjudicated Area) is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197, and that pursuant to SGMA Section 10720.8(a)(1), said portion of the Basin generally is not subject to the requirements of SGMA and will be managed by the Beaumont Basin Watermaster and not the San Timoteo GSA; and

WHEREAS, Banning, BCVWD, Redlands, and YVWD each overlie a portion of the Basin and each has respective groundwater supply and groundwater management responsibilities within the Basin, and have been authorized by their governing board to become part of the San Timoteo GSA; and

WHEREAS, in accordance with the terms of this MOA, and in furtherance of the shared intent of the Parties to maximize funding opportunities, increase transparency, and foster cooperation, the Parties agree that the San Timoteo GSA shall be reformed by this MOA to cover the entire Basin except the Adjudicated Area of the Basin; and

WHEREAS, the Parties mutually desire and intend to work with local stakeholders and interested entities in the Basin that are not Parties to this MOA, including but not limited to City of Beaumont, City of Calimesa, County of Riverside Planning Department, County of San Bernardino Flood Control District, San Bernardino Valley Municipal Water District, Beaumont Basin Watermaster, San Gorgonio Pass Water Agency, overlying landowners, and others to carry out the policy, purposes, and requirements of SGMA in the Basin.



AGREEMENT

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, it is mutually understood and agreed as follows:

- I. **Incorporation of Recitals.** The Recitals stated above are incorporated herein by reference.
- II. **Purposes.** The purpose of this MOA is to form the San Timoteo GSA for part of the unadjudicated portion of the Basin and to initially create separate Groundwater Sustainability Plans (GSPs) for each Management Area in such a manner that the individual GSPs can be consolidated into a single GSP when the priority of the Basin is changed and a GSP is required.
- III. **Boundaries of San Timoteo GSA.** The boundaries of the San Timoteo GSA, as further depicted in Exhibit B to this MOA, shall be the entire Basin except the Adjudicated Area of the Basin as further specified in this MOA. The Parties understand and agree that the Adjudicated Area of the Basin will not be managed by the San Timoteo GSA.
- IV. **Definitions.** The following terms, whether used in the singular or plural, and when used with initial capitalization, shall have the meanings specified herein. The Parties agree that any definitions set forth herein are intended to be consistent with SGMA, and in the event of any discrepancy between a defined term in this MOA and a defined term in SGMA, the terms of SGMA shall control.
 - A. "Adjudicated Area" refers to that portion of the Basin that is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197, as further depicted in Exhibit B to this MOA.
 - B. "Banning" means the City of Banning.
 - C. "Basin" refers to the San Timoteo Subbasin, designated by the California Department of Water Resources as Subbasin No. 8-002.08, as further specified, and depicted in Exhibit B to this MOA.
 - D. "BCVWD" means the Beaumont Cherry Valley Water District.
 - E. "DWR" means the California Department of Water Resources.
 - F. "GSA" means Groundwater Sustainability Agency, as defined by SGMA.
 - G. "GSP" means Groundwater Sustainability Plan, as defined by SGMA.
 - H. "Management Area" refers to the portions of the Basin that have been identified in Exhibit C that allow each Party to proceed at their leisure to create a site-specific GSP to collect data and support the localized groundwater Management Area.
 - I. "Memorandum of Agreement" or "MOA" refers to this Memorandum of Agreement.

- J. "Party" or "Parties" refers individually or collectively to Beaumont Cherry Valley Water District, City of Banning, City of Redlands, and Yucaipa Valley Water District, as signatories to this MOA.
- K. "Redlands" means the City of Redlands.
- L. "SGMA" refers to the Sustainable Groundwater Management Act.
- M. "San Timoteo GSA" refers to the San Timoteo Subbasin GSA formed under this MOA, the members of which GSA are Banning, BCVWD, Redlands, and YVWD.
- N. "YVWD" means the Yucaipa Valley Water District.

V. Approval of MOA and Formation of the San Timoteo GSA. Approval of this MOA and formation of the San Timoteo GSA shall be accomplished by Banning, BCVWD, Redlands, and YVWD each holding its own noticed public hearing pursuant to Government Code §6066 and at such hearing approving a Resolution by its governing board to enter into this MOA and jointly form the San Timoteo GSA.

- A. Upon Approval of the MOA, each Party accepts the responsibility to become the Lead Agency for the development of a GSP in their respective Management Area as illustrated in Exhibit C based upon the schedule and timing as determined by the Lead Agency.

Management Area	Lead Agency
A	City of Redlands
B	Yucaipa Valley Water District
C	Beaumont Cherry Valley Water District
D	City of Banning
E	Beaumont Cherry Valley Water District
F	Low Groundwater Production Area

- B. The Lead Agency agrees to incur all costs related to SGMA compliance, or develop an alternative funding mechanism applicable to their respective Management Area to include, but not be limited to, public outreach, websites, annual reports, well installation, groundwater quality monitoring, groundwater elevation monitoring, GSP updates, groundwater replenishment, and other costs associated with SGMA.

VI. Coordination and Cooperation

- A. Management Areas. The Parties acknowledge that SGMA, and provisions of the SGMA regulations promulgated by DWR, including but not limited to Section 354.20 (23 C.C.R. § 354.20), authorize the establishment of Management Areas for the development and implementation of sustainable groundwater management within the Basin, and accordingly the Parties acknowledge that each GSP covering a Management Area shall at a minimum include the following elements which shall be jointly developed, maintained, and modified as appropriate in the future:
 - i. The reason for the creation of each management area;

- ii. The minimum thresholds and measurable objectives established for each Management Area, and an explanation of the rationale for selecting those values
 - iii. The level of monitoring and analysis appropriate for each Management Area;
 - iv. An explanation of how the Management Area can operate under different minimum thresholds and measurable objectives without causing undesirable results outside the Management Area; and
 - v. Specific localized descriptions, maps, and other information sufficient to describe conditions in each area.
- B. Determination to Prepare a GSP. As a very low priority Basin, each Party, as a lead agency, shall retain the sole and absolute discretion to prepare a GSP for their respective Management Area based on the boundary illustrated in Exhibit C.
- C. Continued Cooperation. At least annually, the Parties to this MOA will meet, confer, coordinate, and collaborate to discuss and develop technical, managerial, financial, and other criteria and procedures for the preparation, governance, and implementation of GSPs in the Basin and to carry out the policy, purposes, and requirements of SGMA in the Basin.
- D. Points of Contact. Each Party shall designate a principal contact person for that Party, who may be changed from time to time at the sole discretion of the designating Party. The principal contact person for each Party shall be responsible for coordinating with the principal contact persons for the other Parties in scheduling meetings and other activities under this MOA.
- E. Changes to Water Levels. The Parties shall coordinate and resolve any changes in groundwater elevations within each Management Area to ensure the Parties, stakeholders, and other interested individuals are reasonably protected from damages related to the operation of each individual Management Area.
- F. Development of a Basin-wide GSP. In the event the Department of Water Resources requires, or by unanimous written consent of the Parties adopting this MOA in calendar year 2019, the Parties may consolidate the individual GSPs into one GSP and redefine the cost sharing, voting, and operational parameters for the long-term maintenance and oversight of a Basin-wide GSP.

VII. Roles and Responsibilities

- A. The Parties agree to work in good faith and coordinate all activities to carry out the purposes of this MOA in implementing the policy, purposes, and requirements of SGMA within the boundaries of the San Timoteo GSA.
- B. Banning, BCVWD, Redlands, and YVWD, as members of the San Timoteo GSA, shall coordinate with each other to cause all applicable noticing and submission of required information to DWR regarding formation of the San Timoteo GSA.
- C. Banning, BCVWD, Redlands, and YVWD, as members of the San Timoteo GSA, shall determine the information collected and provided on individual websites for

each Management Area to maintain the integrity and exchange of data with the other Parties and Stakeholders in the Basin.

VIII. Funding and Budgeting. The Parties shall independently be responsible for the development of each GSP within their specific Management Area as provided in Exhibit C.

IX. Stakeholders

A. The Parties agree to work together in ensuring public outreach and involvement of the public, other interested stakeholders, and other agencies, including but not limited to beneficial uses and users of groundwater as provided in SGMA Section 10723.2 for each Management Area.

B. The Parties acknowledge, agree, and desire that the preparation, adoption, and implementation of GSPs for the Basin, and the ongoing process of ensuring compliance with the requirements of SGMA in the Basin, will involve coordination and cooperation with stakeholders and other interested parties, including but not limited to those identified in this MOA.

X. Term, Termination, and Withdrawal

A. Term. This MOA shall continue and remain in effect unless and until terminated by the unanimous written consent of the Parties, or as otherwise provided in this MOA or as authorized by law.

B. Withdrawal. Any Party may decide, in its sole discretion, to withdraw from this MOA by providing fifteen (15) days written notice to the other Parties. Withdrawal by a Party shall not cause or require the termination of this MOA or the existence of the San Timoteo GSA with respect to the non-withdrawing Parties.

XI. Notice Provisions

All notices required by this MOA shall be made in writing and delivered to the respective representatives of the Parties at their respective addresses as follows:

Beaumont Cherry Valley Water District
Attn: General Manager
560 Magnolia Avenue
Beaumont, California 92223

City of Banning
Attention: Public Works Director
99 E. Ramsey Street
Banning, California 92220

City of Redlands
Attn: Municipal Utilities Director
35 Cajon Street
Redlands, California 92373

Yucaipa Valley Water District
Attn: General Manager
12770 Second Street
Yucaipa, California 92399

Any Party may change the address to which notices are to be given under this MOA by providing all other Parties with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change. All notices shall be effective upon receipt

and shall be deemed received upon confirmed personal service, confirmed courier service, or on the fifth (5th) calendar day following deposit of the notice in registered first class mail.

XII. General Terms

- A. Amendments. Amendments to this MOA require unanimous written consent of all Parties and approval by the Parties' respective governing bodies.
- B. Successors and Assigns. The terms of this MOA shall be binding upon all successors in interest and assigns of each Party; provided, however, that no Party shall assign its rights or obligations under this MOA without the signed written consent of all other Parties to this MOA.
- C. Waiver. No waiver of any provision of this MOA by any Party shall be construed as a further or continuing waiver of such provision or any other provision of this MOA by the waiving Party or any other Party.
- D. Authorized Representatives. Each person executing this MOA on behalf of a Party hereto affirmatively represents that such person has the requisite authority to sign this MOA on behalf of the respective Party.
- E. Exemption from CEQA. The Parties recognize and agree that, pursuant to SGMA Section 10728.6 and Public Resources Code Section 21065, neither this MOA nor the preparation or adoption of a GSP constitute a "project" or approval of a project under the California Environmental Quality Act (CEQA) or the State CEQA Guidelines, and therefore this MOA is expressly exempt from CEQA review.
- F. Governing Law and Venue. This MOA shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this MOA shall be brought and maintained to the extent allowed by law in the County of Riverside, California.
- G. Attorney's Fees, Costs, and Expenses. In the event of a dispute among any or all of the Parties arising under this MOA, each Party shall assume and be responsible for its own attorney's fees, costs, and expenses.
- H. Entire Agreement/Integration. This MOA constitutes the entire agreement among the Parties regarding the specific provisions of this MOA, and the Parties hereto have made no agreements, representations or warranties relating to the specific provisions of this MOA which are not set forth herein.
- I. Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through a negotiated process among the Parties, and that each Party has had a full and fair opportunity to review the terms of this MOA with the advice of its own legal counsel and to revise the terms of this MOA, such that each Party constitutes a drafting Party to this MOA. Consequently, the Parties understand and agree that no rule of construction shall be applied to resolve any ambiguities against any particular Party as the drafting Party in construing or interpreting this MOA.

- J. Force Majeure. No Party shall be liable for the consequences of any unforeseeable force majeure event that (1) is beyond its reasonable control, (2) is not caused by the fault or negligence of such Party, (3) causes such Party to be unable to perform its obligations under this MOA, and (4) cannot be overcome by the exercise of due diligence. In the event of the occurrence of a force majeure event, the Party unable to perform shall promptly notify the other Parties in writing to the extent practicable. It shall further pursue its best efforts to resume its obligations under this MOA as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.
- K. Execution in Counterparts. This MOA may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument.
- L. No Third Party Beneficiaries. This MOA is not intended, and will not be construed, to confer a benefit or create any right on a third party or the power or right of any third party to bring an action to enforce any of the terms of this MOA.
- M. Timing and Captions. Any provision of this MOA referencing a time, number of days, or period for performance shall be measured in calendar days. The captions of the various articles, sections, and paragraphs of this MOA are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, terms, or intent of this MOA.

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

[The remainder of this page has been intentionally left blank.]

[Signature pages to follow.]

BEAUMONT CHERRY VALLEY WATER DISTRICT

By:

President, Board of Directors

Attest:

Secretary, Board of Directors

Approved as to form:

Counsel, Beaumont Cherry Valley Water District

Participation in the San Timoteo GSA was approved as Resolution No. _____

on _____.

Notices for the Beaumont Cherry Valley Water District shall be sent as follows:

Attention: General Manager
560 Magnolia Avenue
Beaumont, California 92223

With copies to:

CITY OF BANNING

By:

Mayor, City Council

Attest:

Secretary, City Council

Approved as to form:

Counsel, City of Banning

Participation in the San Timoteo GSA was approved as Resolution No. _____

on _____.

Notices for the City of Banning shall be sent as follows:

Attention: Public Works Director
99 E. Ramsey
Banning, California 92220

With copies to:

CITY OF REDLANDS

By:

Mayor, City Council

Attest:

Secretary, City Council

Approved as to form:

Counsel, City of Redlands

Participation in the San Timoteo GSA was approved as Resolution No. _____

on _____.

Notices for the City of Redlands shall be sent as follows:

Attention: Municipal Utilities and Engineering Director
35 Cajon Street
Redlands, California 92373

With copies to:

YUCAIPA VALLEY WATER DISTRICT

By:

President, Board of Directors

Attest:

Secretary, Board of Directors

Approved as to form:

Counsel, Yucaipa Valley Water District

Participation in the San Timoteo GSA was approved as Resolution No. _____

on _____.

Notices for the Yucaipa Valley Water District shall be sent as follows:

Attention: General Manager
12770 Second Street
Yucaipa, California 92399

With copies to:

**Exhibit A - Original San Timoteo Subbasin No. 8-02-08
of the Upper Santa Ana Valley - 2017**



**Exhibit B - Modified San Timoteo Subbasin 8-002.08
of the Upper Santa Ana Valley - 2019**

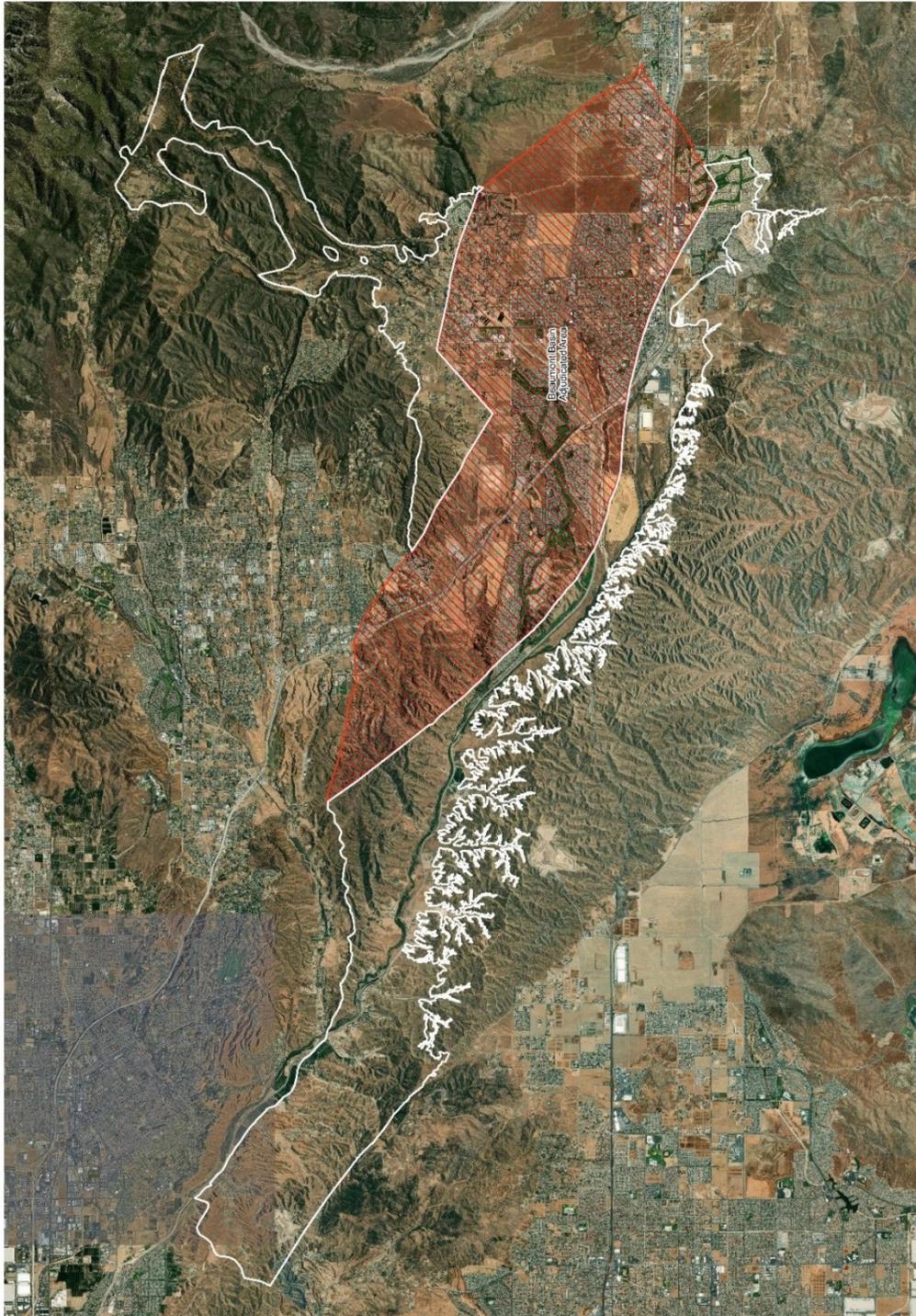
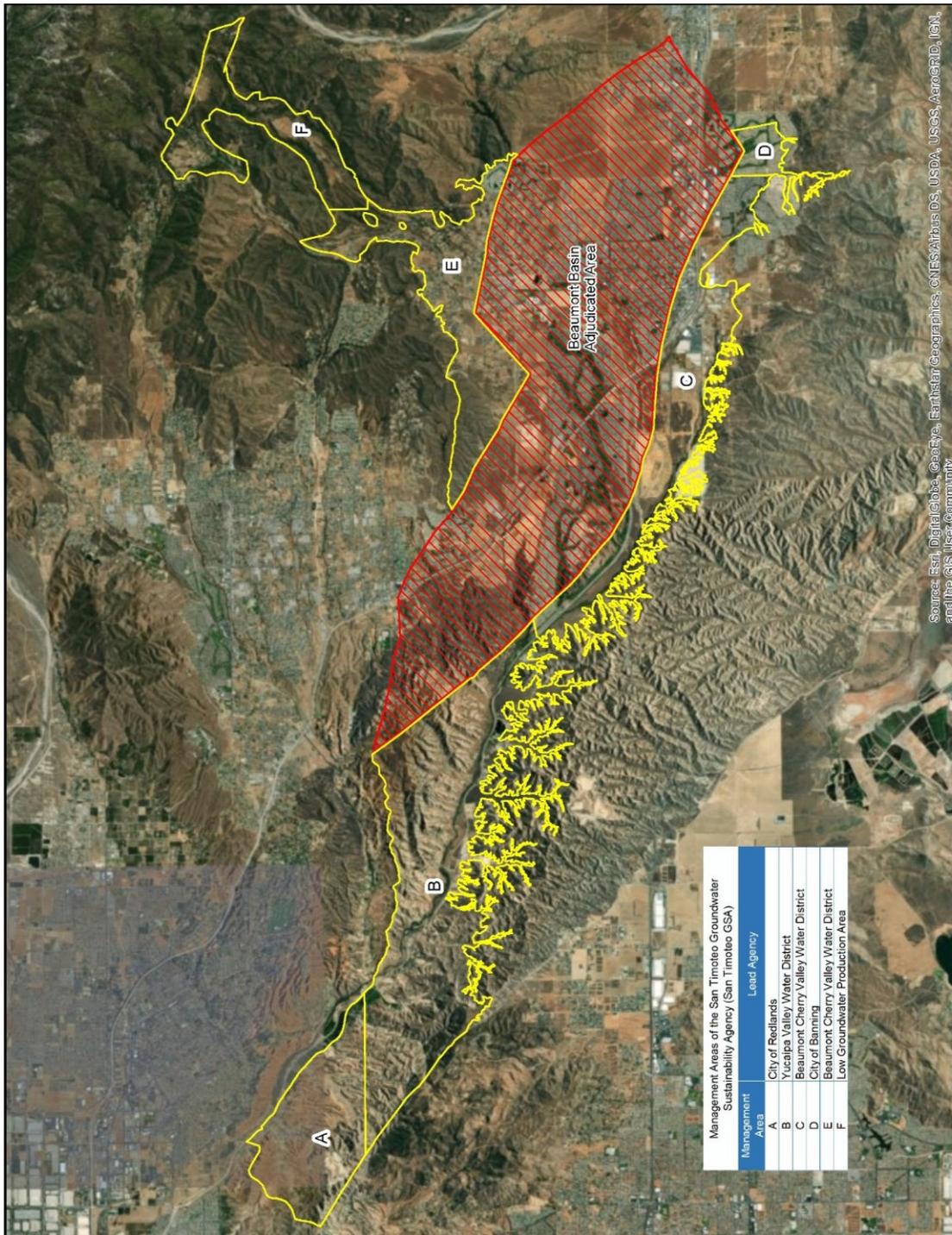


Exhibit C - Management Areas of the San Timoteo Groundwater Sustainability Agency - 2019





Date: November 5, 2019

Prepared By: Allison M. Edmisten, Chief Financial Officer

Subject: Overview of Drinking Water Issues Associated with the Transition to a Single Utility Billing Cycle in November 2019

Recommendation: That the Board adopt Resolution No. 2019-22.

At the October 8, 2019 Board Workshop [Workshop Memorandum No 19-218] District staff discussed the conversion from a weekly utility billing process to a single monthly utility billing process. District staff intends to implement this change beginning in November 2019. As a result, the utility bills mailed to our customers on October 31, 2019 will be the last time the multi-cycled billing process will be used by the District.

For the first month of the conversion to a single monthly cycle, some customers will have a larger water consumption charge due to the extended service period. For example, some customers were last billed on October 9th and will not be billed again until November 30th. As a result of this one-time extended service period, customers will likely “bump up” into higher water consumption tiers. To resolve this issue, the District staff recommends a one-time tier reduction for November 2019 whereby all customers will be charged at the lowest tier for water commodity charges, regardless of consumption.

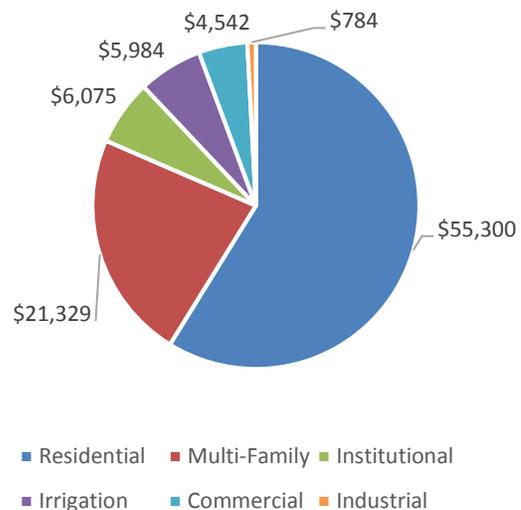
After the utility bills are sent to our customers in December for the November 1st to November 30th service period, the pre-existing rate tiers will be reinstated for water consumption in December 2019.

Should this policy change be implemented by the Board of Directors, the District staff will mail notices to our customers providing information about the monthly billing change and the reduction of rate tiers for November 2019.

Financial Impact

Based on November 2018 data, this one-time suspension of the utility billing tiers will result in reduced revenue of approximately \$95,000 for the drinking water enterprise. The recycled water enterprise and sewer enterprise will not experience a financial impact due to the change in billing procedures.

Reduced Revenue by Customer Class



RESOLUTION NO. 2019-22**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YUCAIPA VALLEY WATER DISTRICT ADJUSTING TIERED CONSUMPTION IN
NOVEMBER 2019 FOR ONE MONTH**

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

WHEREAS, in November 2019, the Yucaipa Valley Water District will be reducing the current processing of five separate billing cycles per month to one billing cycle per month; and

WHEREAS, as a result of this change to business practices, some drinking water customers will experience an extended service period for the month of November 2019 which will likely result in more water consumed and subsequently charged at a higher drinking water rate tier

NOW, THEREFORE, BE IT HEREBY RESOLVED AND ORDERED, by the Board of Directors of the Yucaipa Valley Water District, that for drinking water consumption recorded for the service period ending in November 2019, all drinking water customers will be charged at the lowest tiered rate of \$1.429 per kgal.

Furthermore, this adjustment to the lowest tier will automatically expire after November 30, 2019 and the existing drinking water tiered rate structure shall resume for all drinking water consumption recorded after December 1, 2019.

PASSED AND ADOPTED this 5th day of November 2019.

YUCAIPA VALLEY WATER DISTRICT

Chris Mann, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager



Date: November 5, 2019
Prepared By: Allison M. Edmisten, Chief Financial Officer
Subject: Presentation of the Unaudited Financial Report for the Period Ending on September 30, 2019

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

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

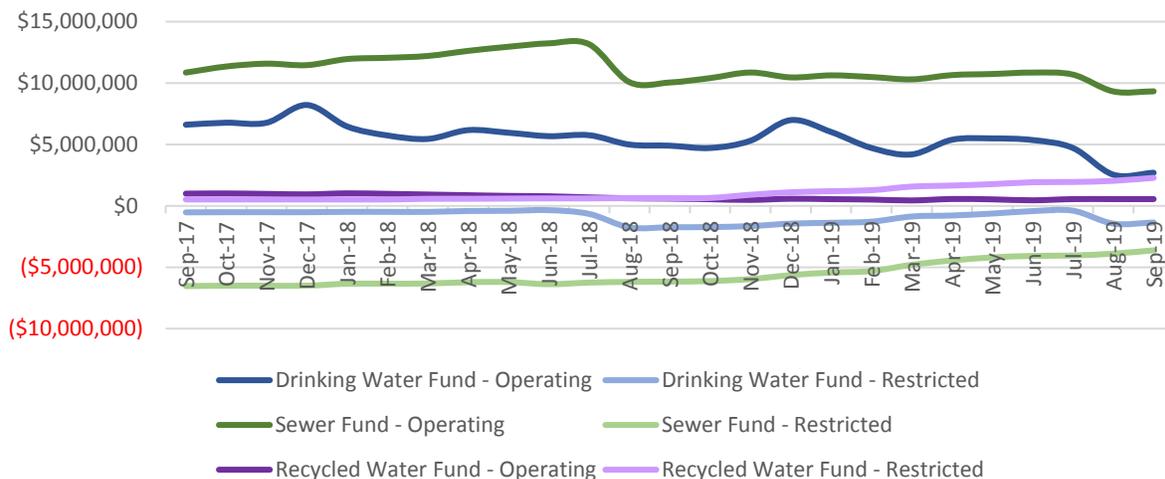
Cash Fund Balance and Cash Flow Reports

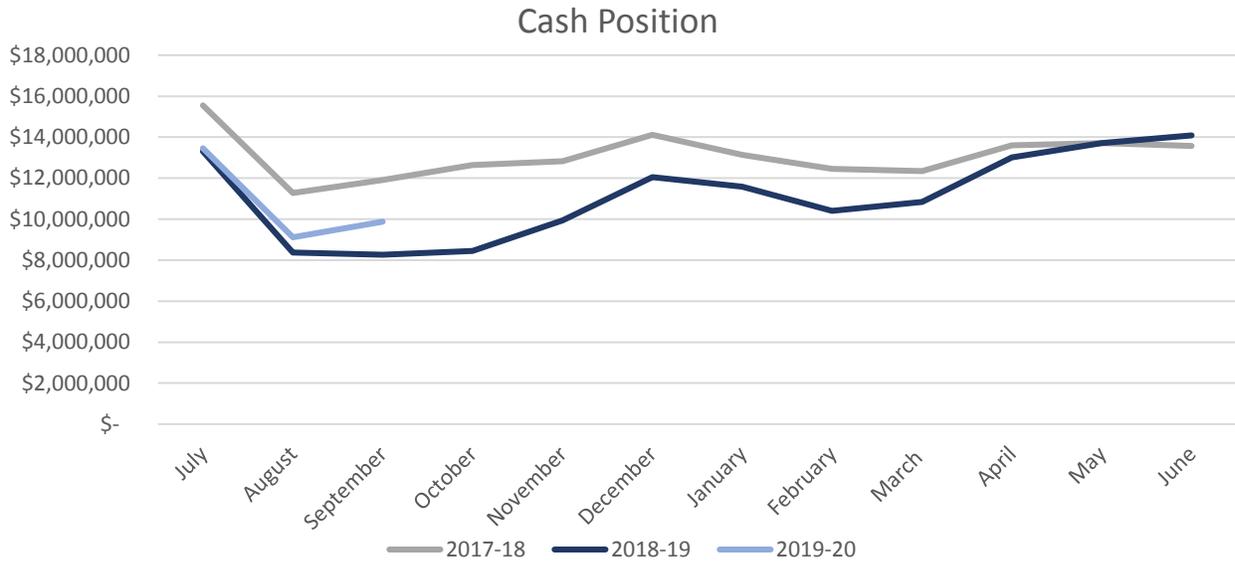
[Detailed information can be found on page 7 to 8 of 25]

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

Fund Source	Operating Funds	Restricted Funds	Total Funds
Water Division	\$ 2,699,020.66	\$ (1,353,815.09)	\$ 1,345,205.57
Sewer Division	\$ 9,327,020.56	\$ (3,621,404.89)	\$ 5,705,615.67
Recycled Water Division	\$ 550,389.16	\$ 2,278,233.10	\$ 2,828,622.26
Total	\$ 12,576,430.38	\$ (2,696,986.88)	\$ 9,879,443.50

Fund Balance





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

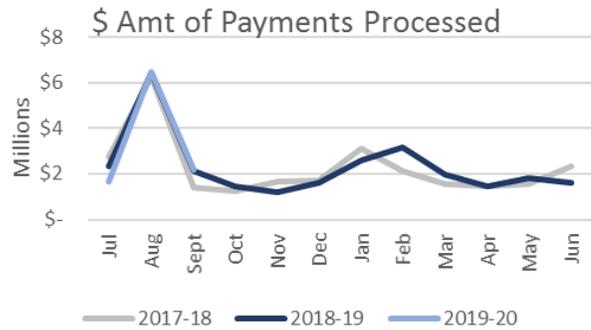
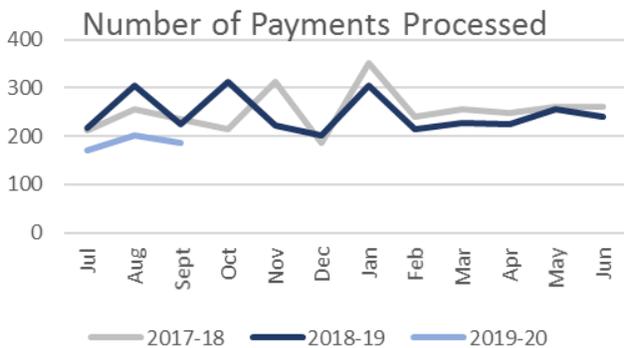
The Cash Flow Report provides a list of the debt service payment due dates and amounts as well as the cash flow requirements for debt service for each month of the fiscal year.

Cash Disbursement Report

[Detailed information can be found on pages 9 to 13 of 25]

The cash disbursement report lists each check and electronic payment processed during the month of September 2019. All payments are reviewed by District staff for accuracy and completeness, checks are usually signed by the General Manager and one Director but may be signed by two Directors. The Chief Financial Officer will make any check, payment, invoice or supporting documentation available for review to any board member upon request.

	Number Processed	Amount Processed
Checks	173	\$ 1,552,856.45
Electronic Payments	12	\$ 611,950.99
Total	185	\$ 2,164,807.44



Financial Account Information

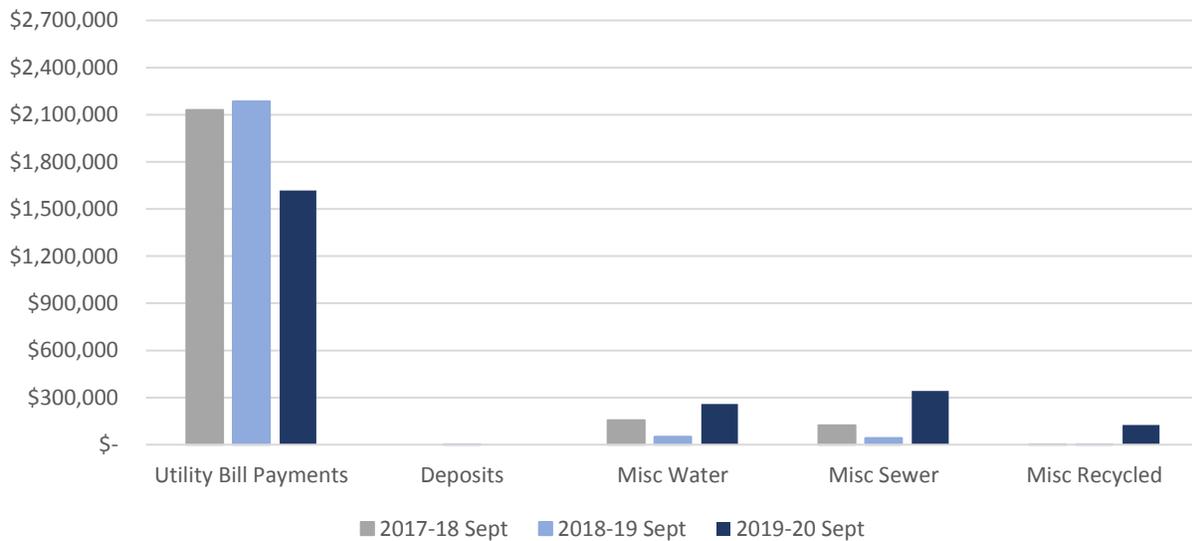
The District currently deposits all revenue received via mail or in person into the Deposit Checking account. All revenue received through Xpress Bill Pay is kept in a separate account and transferred weekly to the Deposit Checking account. The General Checking account is used as a sole processing account for all District checks and electronic payroll. The Investment Checking account is used for the purchase and redemption of US treasury notes and bills and for the transfer of LAIF funds. The US treasury notes and bills are booked at cost.

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

Monthly Revenue Allocation:

Funding Source	Total
Utility Bill Payments	\$ 1,616,770.15
Deposits	\$ 0.00
Misc. Water Related Activities	\$ 258,468.53
Misc. Sewer Related Activities	\$ 341,596.69
Misc. Recycled Related Activities	\$ 126,199.73
Total	\$ 2,343,035.10

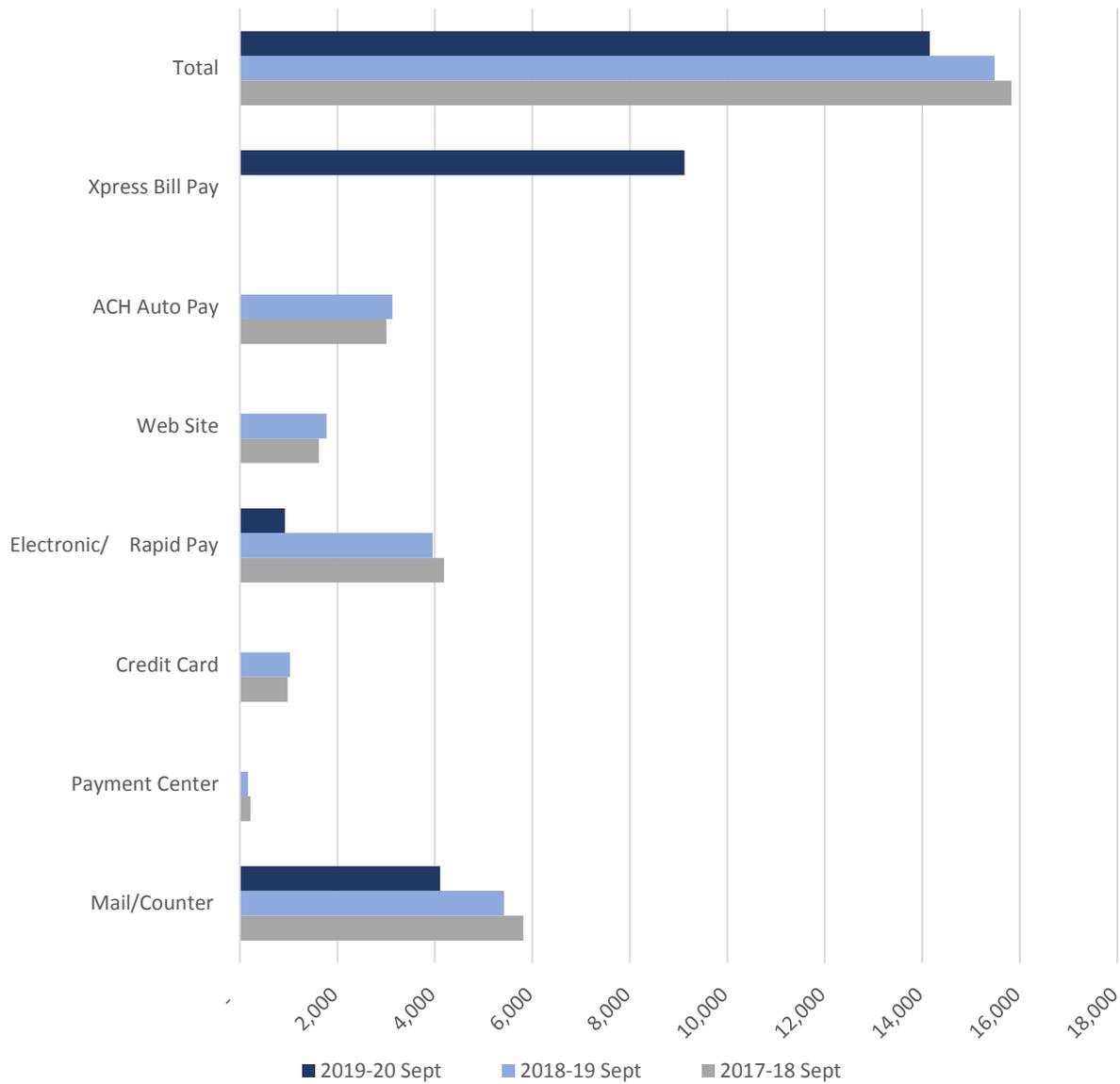
Monthly Revenue Allocation



Summary of Utility Bill Payments:

Payment Method	Number of Payments	% of Total Received
Mail/Counter	4,106	29.01%
Electronic Rapid Pay	926	6.54%
Xpress Bill Pay	9,123	64.45%
Total	14,155	100.00%

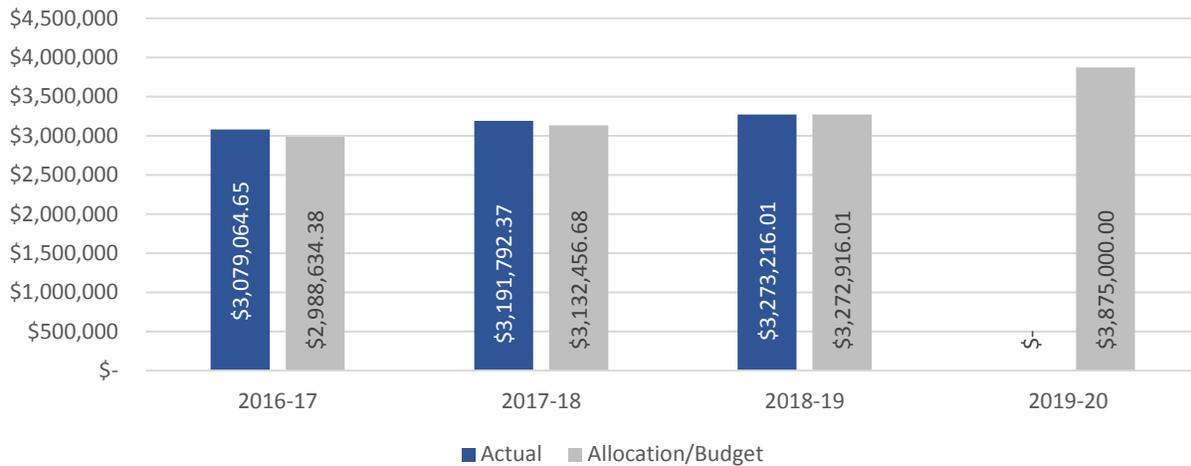
Type of Payments



Summary of Property Tax Revenue:

Current Month	Year-to-Date	Budget Amount	Percentage
Property Taxes	\$ 0	\$ 3,875,000	0%

Property Taxes - Actual vs. Budget



Investment Summary

[Detailed information can be found on pages 14 to 15 of 25]

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

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

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

Fiscal Year 2019-20 Detail Budget Status

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

The revenue and expense budget status for the 2019-20 Fiscal Year is provided for your review.

Questions or Comments

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

Summary of Revenue Budget				
As of September 30, 2019 (19% of Budget Cycle)				
Division	Current Month	Year-to-Date	Budget Amount	Percentage
Water	\$ 1,078,838	\$ 3,282,978	\$ 14,455,500	22.71%
Sewer	\$ 968,297	\$ 2,960,097	\$ 12,217,712	24.23%
Recycled Water	\$ 99,408	\$ 289,832	\$ 1,301,447	22.27%
District Revenue	\$ 2,146,543	\$ 6,532,906	\$ 27,974,659	23.35%

Summary of Water Budget vs. Expenses				
As of September 30, 2019 (19% of Budget Cycle)				
Department	Current Month	Year-to-Date	Budget Amount	Percentage
Water Resources	\$ 364,894	\$ 1,307,541	\$ 5,220,192	25.05%
Public Works	\$ 260,055	\$ 954,317	\$ 3,176,293	30.04%
Administration	\$ 268,380	\$ 978,419	\$ 3,756,403	26.05%
Long Term Debt	\$ -	\$ 1,745,648	\$ 2,292,612	76.14%
Asset Acquisition	\$ -	\$ -	\$ -	0.00%
TOTAL	\$ 893,329	\$ 4,985,926	\$ 14,445,500	34.52%

Summary of Sewer Budget vs. Expenses				
As of September 30, 2019 (19% of Budget Cycle)				
Department	Current Month	Year-to-Date	Budget Amount	Percentage
Treatment	\$ 313,984	\$ 1,155,694	\$ 4,198,162	27.53%
Administration	\$ 197,848	\$ 770,964	\$ 2,803,515	27.50%
Environmental Control	\$ 99,245	\$ 371,386	\$ 1,382,316	26.87%
Long Term Debt	\$ 2,923,669	\$ 2,923,669	\$ 3,833,719	76.26%
Asset Acquisition	\$ -	\$ -	\$ -	0.00%
TOTAL	\$ 3,534,746	\$ 5,221,712	\$ 12,217,712	42.74%

Summary of Recycled Water Budget vs. Expenses				
As of September 30, 2019 (19% of Budget Cycle)				
Department	Current Month	Year-to-Date	Budget Amount	Percentage
Administration	\$ 75,451	\$ 298,246	\$ 1,301,447	22.92%
TOTAL	\$ 75,451	\$ 298,246	\$ 1,301,447	22.92%
District Expenses	\$ 4,503,526	\$ 10,505,884	\$ 27,964,659	37.57%

Cash Fund Balance Report - September 2019

Water Division		GL#	Balance
Restricted	*ID 1 Construction Funds	02-10216	\$ 293,145.85
	*ID 2 Construction Funds	02-10217	\$ 80,409.31
	*FCC - Debt Service YVRWFF Phase I	02-10401	\$ (5,824,028.30)
	*FCC - Future YVRWFF Phase II & III	02-10403	\$ 542,786.18
	*FCC - Recycled System	02-10410	\$ (674,772.89)
	*FCC - Booster Pumping Plants	02-10411	\$ 893,520.95
	*FCC - Pipeline Facilities	02-10412	\$ 817,644.68
	*FCC - Water Storage Reservoirs	02-10413	\$ 2,517,479.13
Operating	Depreciation Reserves	02-10310	\$ 905,042.81
	Infrastructure Reserves	02-10311	\$ 3,875,450.51
	Sustainability Fund	02-10313	\$ 132,915.86
	Rate Stabilization Fund	02-10314	\$ 500,209.14
	Imported Water Fund - MUNI	02-10315	\$ 535,845.25
	Imported Water Fund - SGPWA	02-10316	\$ 855,807.35
	Operating Funds:		\$ (4,106,250.26)
Total Water Division			\$ 1,345,205.57

Sewer Division		GL#	Balance
Restricted	*SRF Reserve Fund - Brineline	03-10218	\$ 637,449.00
	*SRF Reserve Fund - WISE	03-10219	\$ 184,928.00
	*SRF Reserve Fund - R 10.3	03-10220	\$ 51,531.00
	*SRF Reserve Fund - Crow St	03-10221	\$ 19,255.00
	*FCC - Debt Service WWTP Expansion & Upgrade	03-10405	\$ 2,936,528.58
	*FCC - Future WWTP Expansion	03-10407	\$ 2,164,073.26
	*FCC - Sewer Interceptors	03-10415	\$ (628,001.90)
	*FCC - Lift Stations	03-10416	\$ 428,574.31
	*FCC - Effluent Disposal Facilities	03-10417	\$ (1,373,737.00)
	*FCC - Salt Mitigation Facilities	03-10418	\$ (8,042,005.14)
Operating	Project Fund - Encumbered	03-10215	\$ 646,500.00
	Depreciation Reserves	03-10310	\$ 4,106,106.94
	Infrastructure Reserves	03-10311	\$ 5,310,295.80
	Rate Stabilization Fund	03-10314	\$ 1,464,394.90
Operating Funds:		\$ (2,200,277.08)	
Total Wastewater Division			\$ 5,705,615.67

Recycled Water Division		GL#	Balance
Restricted	*FCC - Recycled System	04-10410	\$ 214,622.32
	*FCC - Booster Pumping Plants	04-10411	\$ 162,565.65
	*FCC - Pipeline Facilities	04-10412	\$ 1,024,199.54
	*FCC - Water Storage Reservoirs	04-10413	\$ 876,845.59
Operating	Project Fund - Encumbered	04-10215	\$ -
	Depreciation Reserves	04-10310	\$ 27,994.09
	Infrastructure Reserves	04-10311	\$ 292,492.31
	Operating Funds:		\$ 229,902.76
Total Recycled Water Division			\$ 2,828,622.26

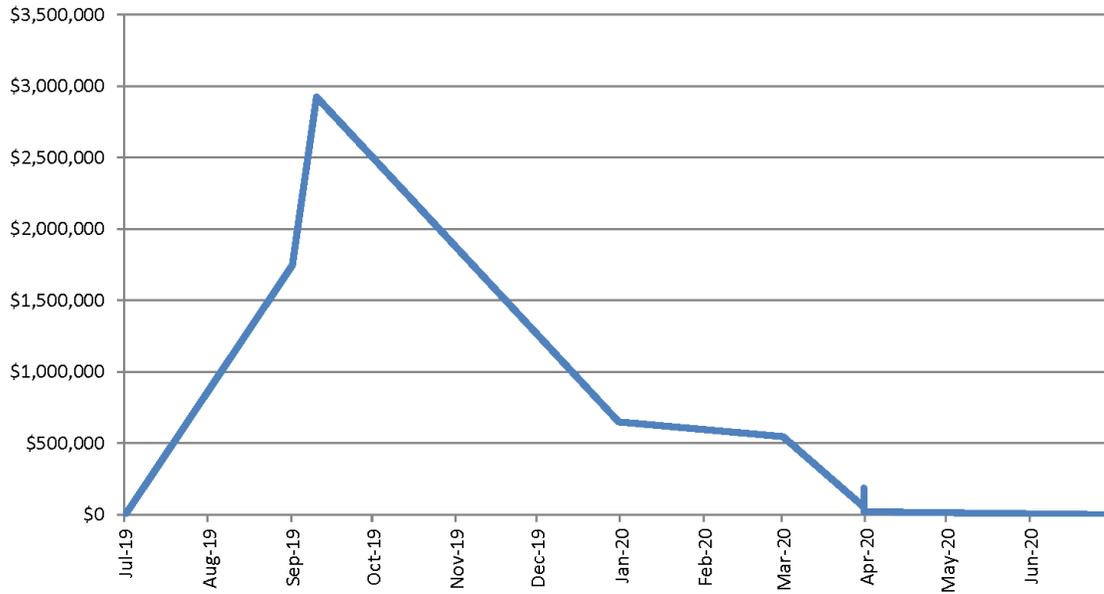
DISTRICT TOTAL \$ 9,879,443.50

*=Restricted Funds

Cash Flow Report for Fiscal Year 2019-20

Financial Obligations for Fiscal Year 2019-20				
Due Date	Fund	Description	Term of Obligation	Amount
9/1/2019	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 1,745,931.25
9/10/2019	Sewer	SRF Payment - WRWRF	2009-2028	\$ 2,923,668.75
12/31/2019	Sewer	SRF Payment - Yucaipa Regional Brineline	2013-2032	\$ 649,273.50
3/1/2020	Water	2015A Bond Payment - YVRWFF	2015-2034	\$ 546,681.25
3/31/2020	Sewer	SRF Payment - Recycled Reservoir R-10.3	2014-2033	\$ 54,277.31
3/31/2020	Sewer	SRF Payment - Desalinization at WRWRF	2014-2033	\$ 185,251.30
3/31/2020	Sewer	SRF Payment - Crow Street/Recycled Booster B-12.1	2016-2035	\$ 21,233.27
			Total	\$ 6,126,316.63

**Payment Schedule and Cash Flow Requirements
for Fiscal Year 2019-20**



Check Register - September 2019

Check Date	Check Number	Payee	Amount
9/3/2019	35362	Agriserve Pest Control	\$ 953.00
9/3/2019	35363	Ameripride Uniform Services	\$ 1,222.87
9/3/2019	35364	Aqua-Metric Sales Company	\$ 2,304.07
9/3/2019	35365	Brenntag Pacific, Inc	\$ 22,431.07
9/3/2019	35366	C & B Crushing, Inc.	\$ 240.00
9/3/2019	35367	California Water Environment Association	\$ 380.00
9/3/2019	35368	Calimesa Chamber Of Commerce	\$ 105.00
9/3/2019	35369	Fastenal Company	\$ 264.47
9/3/2019	35370	Fedex	\$ 29.90
9/3/2019	35371	Hasa, Inc.	\$ 7,601.18
9/3/2019	35372	House Of Quality, Parts Plus	\$ 11.58
9/3/2019	35373	Houston & Harris PCS, Inc.	\$ 3,600.00
9/3/2019	35374	Inland Water Works Supply Co.	\$ 14,713.25
9/3/2019	35375	JB Paving & Engineering, Inc.	\$ 22,890.00
9/3/2019	35376	JW D'Angelo Co.	\$ 2,826.66
9/3/2019	35377	MBC Applied Environmental Sciences	\$ 1,350.00
9/3/2019	35378	NetComp Technologies, Inc.	\$ 2,396.50
9/3/2019	35379	Nuckles Oil Company, Inc.	\$ 3,084.30
9/3/2019	35380	Optics Planet, Inc.	\$ 449.32
9/3/2019	35381	Pall Corporation	\$ 17,430.64
9/3/2019	35382	Q Versa, LLC	\$ 4,882.59
9/3/2019	35383	Ralph C. Casas	\$ 82.50
9/3/2019	35384	Safeguard Business Systems Inc	\$ 1,191.18
9/3/2019	35385	San Bdn. Valley Muni. Water Dist.	\$ 5,520.21
9/3/2019	35386	Sturdivan Emergency Management Consultin	\$ 2,000.00
9/3/2019	35387	The Gas Company	\$ 52.19
9/3/2019	35388	Victor James Valenti	\$ 3,346.44
9/3/2019	35389	Blue Shield of CA	\$ 3,703.40
9/3/2019	35390	Nippon Life Insurance	\$ 2,869.05
9/3/2019	35391	Standard Dental Insurance Co.	\$ 1,552.24
9/3/2019	35392	Standard Insurance Vision	\$ 264.80
9/3/2019	35393	Western Dental Services Inc.	\$ 251.16
9/9/2019	35394	Ameripride Uniform Services	\$ 995.45
9/9/2019	35395	AutoZone Stores LLC	\$ 9.70
9/9/2019	35396	Baldy View Chapter	\$ 150.00
9/9/2019	35397	BofA Credit Card	\$ 11,240.51
9/9/2019	35398	Calimesa Chamber Of Commerce	\$ 35.00
9/9/2019	35399	Cart Guy LLC	\$ 780.65
9/9/2019	35400	Clark Pest Control	\$ 230.00
9/9/2019	35401	Clinical Laboratory of San Bernardino	\$ 11,019.50
9/9/2019	35402	Commercial Solar Guy	\$ 1,000.00
9/9/2019	35403	Coverall North America, Inc.	\$ 1,331.00
9/9/2019	35404	Crown Ace Hardware - Yucaipa	\$ 265.12
9/9/2019	35405	First American Data Tree, LLC	\$ 50.00
9/9/2019	35406	Fuel Equipment Services, Inc.	\$ 892.31
9/9/2019	35407	G&G Environmental Compliance, Inc	\$ 4,729.82
9/9/2019	35408	Grainger	\$ 189.40

Check Register - September 2019

Check Date	Check Number	Payee	Amount
9/9/2019	35409	Hach Company	\$ 2,416.73
9/9/2019	35410	Hemet Valley Tool Inc.	\$ 821.08
9/9/2019	35411	House Of Quality, Parts Plus	\$ 1.41
9/9/2019	35412	JB Paving & Engineering, Inc.	\$ 78,240.00
9/9/2019	35413	JB Paving & Engineering, Inc.	\$ 5,426.00
9/9/2019	35414	Luke's Transmission Inc.	\$ 423.40
9/9/2019	35415	NCL Of Wisconsin Inc	\$ 1,531.24
9/9/2019	35416	NetComp Technologies, Inc.	\$ 2,100.00
9/9/2019	35417	Nuckles Oil Company, Inc.	\$ 4,740.85
9/9/2019	35418	Pacific Coast Landscape & Design, Inc.	\$ 6,875.00
9/9/2019	35419	Pro-Pipe & Supply, Inc.	\$ 45.47
9/9/2019	35420	Q Versa, LLC	\$ 4,650.00
9/9/2019	35421	Quinn Company	\$ 5,701.71
9/9/2019	35422	Redlands Employment Services	\$ 1,230.52
9/9/2019	35423	SB CNTY-Solid Waste Mgmt Div	\$ 80.89
9/9/2019	35424	SCCI, Inc.	\$ 350.00
9/9/2019	35425	Sinclair Rock and Sand Inc.	\$ 8,750.00
9/9/2019	35426	Southwest Toyotalift:DBA	\$ 11,829.88
9/9/2019	35427	State Water Resources Control Board	\$ 1,856.00
9/9/2019	35428	The Counseling Team International	\$ 300.00
9/9/2019	35429	Timothy F. Moore	\$ 512.18
9/9/2019	35430	Tri County Pump Company	\$ 23,351.35
9/9/2019	35431	Underground Service Alert Of So. CA	\$ 336.70
9/9/2019	35432	US Bank	\$ 7,565.01
9/9/2019	35433	Water Systems Optimization Inc.	\$ 2,500.00
9/9/2019	35434	Yucaipa Disposal, Inc.	\$ 1,923.84
9/9/2019	35435	Matthew Garner	\$ 1,617.51
9/9/2019	35436	Greren Maple 2, LLC - VOID	\$ -
9/9/2019	35437	Crown Ace Hardware - Yucaipa	\$ 559.63
9/9/2019	35438	Green Maple 2, LLC	\$ 12,595.59
9/16/2019	35439	Borden Excavating, Inc.	\$ 387,621.85
9/16/2019	35440	David L. Wysocki	\$ 3,375.00
9/16/2019	35441	Delta Partners, LLC	\$ 7,500.00
9/16/2019	35442	ECORP Consulting, Inc.	\$ 2,818.75
9/16/2019	35443	Geoscience Support Services, Inc.	\$ 39,587.82
9/16/2019	35444	One Stop Landscape Supply Inc	\$ 23,340.50
9/16/2019	35445	Separation Processes, Inc.	\$ 17,775.50
9/16/2019	35446	VTD, Vavrinek, Trine, Day & CO., LLP	\$ 1,500.00
9/16/2019	35447	Borden Excavating, Inc.	\$ 20,401.15
9/16/2019	35448	CA State Disbursement Unit	\$ 743.52
9/16/2019	35449	IBEW Local #1436	\$ 580.00
9/16/2019	35450	WageWorks, Inc.	\$ 1,340.00
9/16/2019	35451	All American Sewer Tools	\$ 2,809.98
9/16/2019	35452	Ameripride Uniform Services	\$ 1,162.60
9/16/2019	35453	Armorcast Products Company	\$ 18,831.47
9/16/2019	35454	Assoc. SB Cty Special Districts	\$ 102.00
9/16/2019	35455	Best Home Center	\$ 35.73

Check Register - September 2019

Check Date	Check Number	Payee	Amount
9/16/2019	35456	Brenntag Pacific, Inc	\$ 7,146.19
9/16/2019	35457	Caselle, Inc.	\$ 3,075.00
9/16/2019	35458	Center Electric Services, Inc.	\$ 7,912.32
9/16/2019	35459	Corelogic, Inc.	\$ 330.00
9/16/2019	35460	DBA:Koritas Tires Inc.	\$ 1,873.40
9/16/2019	35461	DR Horton	\$ 123,175.65
9/16/2019	35462	Eco Pro Environmental Services, Inc.	\$ 85.00
9/16/2019	35463	Evoqua Water Technologies LLC	\$ 2,001.47
9/16/2019	35464	Fastenal Company	\$ 724.08
9/16/2019	35465	Fedex	\$ 44.07
9/16/2019	35466	Grainger	\$ 1,104.13
9/16/2019	35467	Hach Company	\$ 594.61
9/16/2019	35468	Harrington Ind. Plastic, LLC	\$ 284.88
9/16/2019	35469	HD Supply Facilities Maintenance Ltd.	\$ 529.77
9/16/2019	35470	Houston & Harris PCS, Inc.	\$ 5,400.00
9/16/2019	35471	Inland Water Works Supply Co.	\$ 66,715.69
9/16/2019	35472	Integrity Hose and Fittings	\$ 62.50
9/16/2019	35473	John F. Simister	\$ 740.48
9/16/2019	35474	Konica Minolta Business Solutions	\$ 1,294.22
9/16/2019	35475	Larry Jacinto Farming, Inc.	\$ 420.00
9/16/2019	35476	MBC Applied Environmental Sciences	\$ 2,700.00
9/16/2019	35477	Micro Motion, Inc.	\$ 2,692.56
9/16/2019	35478	Nuckles Oil Company, Inc.	\$ 4,873.08
9/16/2019	35479	Pro-Pipe & Supply, Inc.	\$ 86.38
9/16/2019	35480	Redlands Employment Services	\$ 1,130.48
9/16/2019	35481	Separation Processes, Inc.	\$ 4,102.00
9/16/2019	35482	Spectrum Business	\$ 1,834.00
9/16/2019	35483	Time Warner Cable	\$ 281.54
9/16/2019	35484	Yucaipa Disposal, Inc.	\$ 2,312.55
9/16/2019	35485	Yucaipa Valley Water District	\$ 41,570.81
9/16/2019	35486	Lennar Homes	\$ 174,340.92
9/16/2019	35487	Meritage Homes,MLC Holdings Inc	\$ 81,485.43
9/17/2019	35488	WageWorks, Inc.	\$ 373.00
9/23/2019	35489	Yucaipa Disposal, Inc.	\$ 1,496.32
9/23/2019	35490	Ameripride Uniform Services	\$ 1,162.60
9/23/2019	35491	Arrow Staffing	\$ 1,076.26
9/23/2019	35492	AT&T Mobility	\$ 2,613.06
9/23/2019	35493	Bay Alarm Company	\$ 5,353.59
9/23/2019	35494	BofA Credit Card	\$ 3,647.30
9/23/2019	35495	Brenntag Pacific, Inc	\$ 2,091.85
9/23/2019	35496	C & B Crushing, Inc.	\$ 320.00
9/23/2019	35497	California Water Environment Association	\$ 192.00
9/23/2019	35498	Calmat Company	\$ 2,605.79
9/23/2019	35499	Caselle, Inc.	\$ 14,006.00
9/23/2019	35500	Center Electric Services, Inc.	\$ 3,532.99
9/23/2019	35501	Central Communications	\$ 485.89
9/23/2019	35502	Evoqua Water Technologies LLC	\$ 288.95

Check Register - September 2019

Check Date	Check Number	Payee	Amount
9/23/2019	35503	GEI Consultants, Inc.	\$ 3,268.00
9/23/2019	35504	Granicus, LLC	\$ 2,879.25
9/23/2019	35505	Hasa, Inc.	\$ 7,695.10
9/23/2019	35506	HD Supply Facilities Maintenance Ltd.	\$ 2,498.23
9/23/2019	35507	Hudco, Inc.	\$ 582.17
9/23/2019	35508	Inland Water Works Supply Co.	\$ 13,925.92
9/23/2019	35509	JW D'Angelo Co.	\$ 6,303.38
9/23/2019	35510	Lee, Karen	\$ 423.97
9/23/2019	35511	Nalco Company	\$ 10,328.10
9/23/2019	35512	NetComp Technologies, Inc.	\$ 2,600.00
9/23/2019	35513	Nuckles Oil Company, Inc.	\$ 3,107.89
9/23/2019	35514	Odyssey Power Corporation	\$ 2,655.00
9/23/2019	35515	Pacific Coast Landscape & Design, Inc.	\$ 825.00
9/23/2019	35516	Polydyne Inc.	\$ 3,462.86
9/23/2019	35517	Q Versa, LLC	\$ 255.00
9/23/2019	35518	Quinn Company	\$ 1,636.64
9/23/2019	35519	Ralph C. Casas	\$ 92.45
9/23/2019	35520	Red Alert Special Couriers	\$ 344.26
9/23/2019	35521	San Bernardino Valley Water Conservation	\$ 5,556.00
9/23/2019	35522	Spectrum Business	\$ 1,834.00
9/23/2019	35523	UPS Store#1504/ Mail Boxes Etc.	\$ 55.48
9/23/2019	35524	US Bank	\$ 10,024.12
9/23/2019	35525	Victor James Valenti	\$ 2,406.25
9/25/2019	35526	Dennis Neff	\$ 649.35
9/25/2019	35527	Joan Cadiz	\$ 886.89
9/25/2019	35528	Joe DeSalliers	\$ 604.67
9/25/2019	35529	Peggy Little	\$ 649.21
9/25/2019	35530	Robert Wall	\$ 649.35
9/25/2019	35531	Rodd Greene	\$ 610.01
9/25/2019	35532	Aflac	\$ 3,019.68
9/25/2019	35533	CA State Disbursement Unit	\$ 743.52
9/25/2019	35534	WageWorks, Inc.	\$ 1,340.00
			<u>\$ 1,552,856.45</u>
9/13/2019	electronic pmt	IRS - PAYROLL TAXES	\$ 57,456.89
9/13/2019	electronic pmt	CA-EDD	\$ 9,831.16
9/13/2019	electronic pmt	Payroll Direct Deposit	\$ 148,234.26
9/13/2019	electronic pmt	CA-PERS Supplemental Income 457 Plan	\$ 27,171.09
9/13/2019	electronic pmt	CalPERS - HEALTH	\$ 92,184.49
9/13/2019	electronic pmt	VOYA-457	\$ 5,479.86
9/13/2019	electronic pmt	Public Employees' Retirement System	\$ 30,511.10
9/27/2019	electronic pmt	IRS - PAYROLL TAXES	\$ 56,640.10
9/27/2019	electronic pmt	CA-EDD	\$ 9,835.84
9/27/2019	electronic pmt	Payroll Direct Deposit	\$ 146,664.57
9/27/2019	electronic pmt	CA-PERS Supplemental Income 457 Plan	\$ 24,491.06
9/27/2019	electronic pmt	VOYA-457	\$ 3,450.57
			<u>\$ 611,950.99</u>

Investment Summary - September 2019

U.S. TREASURIES

Quantity	Description	Cusip	Maturity Date	Yield	Cost of Purchase	Market Value
500,000	US Treasury Bill	912796SV2	June 18, 2020	2.150%	\$ 491,590.83	\$ 522,000.56
500,000	Total Values				\$ 491,590.83	\$ 522,000.56

Money Market Account Activity-Beginning Balance	\$	28,388.32
7/31/17 - Bond Interest	\$	-
7/31/18 - Dividend/Interest	\$	2.24
Cusip 912796QM4 Accrued Interest Paid		
Business Account Fee		
Income	\$	2.24
Intra-Bank Transfers to/from Investment Checking	\$	-
Fund Transfers	\$	-
Cusip Maturity		
Redemptions	\$	-
Cusip Purchase		
Purchases	\$	-
Ending Balance - Money Market	\$	28,390.56
US Treasury Securities Investment Principal	\$	491,590.83
Total Assets	\$	519,981.39

Investment Summary - September 2019

LOCAL AGENCY INVESTMENT FUND

PERIOD	TOTAL WITHDRAWAL AMOUNT	TOTAL DEPOSIT AMOUNT	ACCRUED INTEREST (QUARTERLY)	ENDING BALANCE
July 31, 2019	\$ -	\$ -	\$ 56,327.40	\$ 10,343,772.08
August 31, 2019	\$ (2,900,000.00)	\$ -	\$ -	\$ 7,443,772.08
September 30, 2019	\$ -	\$ -	\$ -	\$ 7,443,772.08
October 31, 2019	\$ -	\$ -	\$ -	\$ 7,443,772.08
November 30, 2019	\$ -	\$ -	\$ -	\$ 7,443,772.08
December 31, 2019	\$ -	\$ -	\$ -	\$ 7,443,772.08
January 31, 2020	\$ -	\$ -	\$ -	\$ 7,443,772.08
February 28, 2020	\$ -	\$ -	\$ -	\$ 7,443,772.08
March 31, 2020	\$ -	\$ -	\$ -	\$ 7,443,772.08
April 30, 2020	\$ -	\$ -	\$ -	\$ 7,443,772.08
May 31, 2020	\$ -	\$ -	\$ -	\$ 7,443,772.08
June 30, 2020	\$ -	\$ -	\$ -	\$ 7,443,772.08

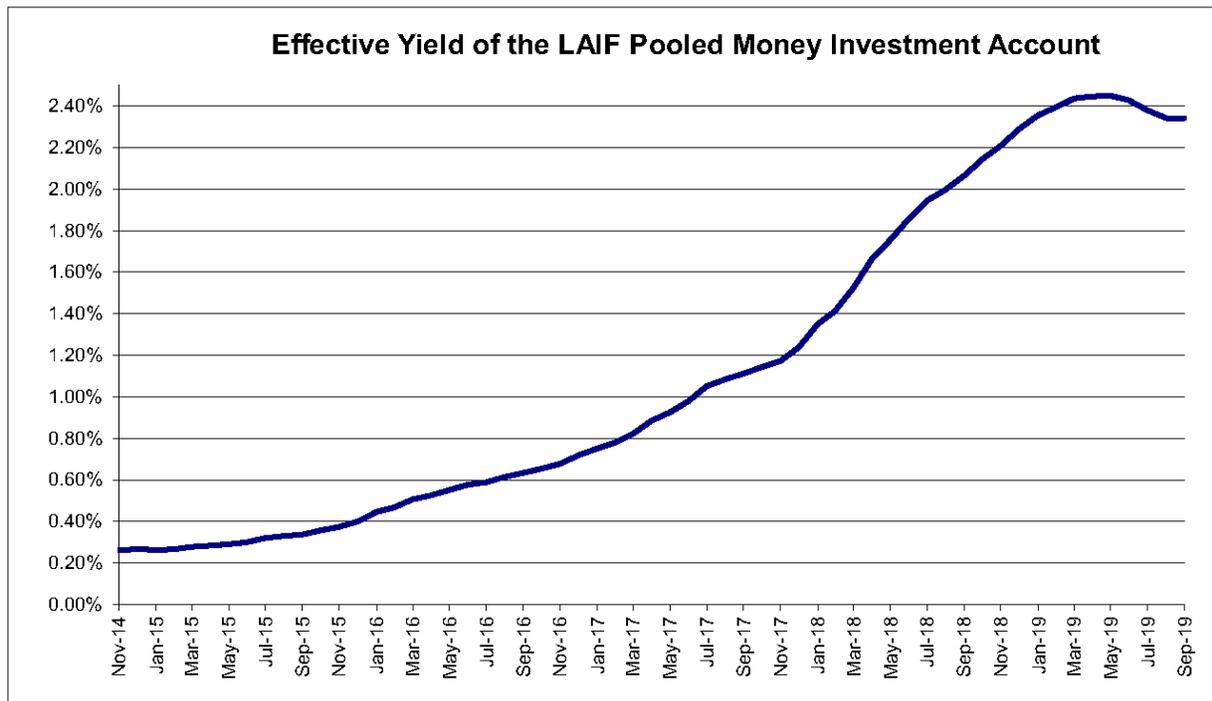
L.A.I.F. INCOME SUMMARY

CURRENT QUARTER FY YEAR-TO-DATE

INCOME RECEIVED

\$ 56,327.40

\$ 56,327.40



FY 2019-20 Water Revenue					
G/L					
ACCOUNT#	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
02-400-40010	Sales-Water & Non Potable	\$ 5,600,000	\$ 633,098	\$ 1,971,865	35.21%
02-400-40011	Sales-Construction Water	\$ 100,000	\$ 2,426	\$ 4,951	4.95%
02-400-40012	Sales-Imported Water-SGPWA	\$ 250,000	\$ 52,254	\$ 162,575	65.03%
02-400-40013	Sales-Imported Water-MUNI	\$ 850,000	\$ 59,478	\$ 184,166	21.67%
02-400-40014	Sales-Disc (Multi Unit) Commdy	\$ (110,000)	\$ (10,570)	\$ (33,793)	30.72%
02-400-40015	Sales-Wholesale Water	\$ 200,000	\$ 5,676	\$ 15,931	7.97%
02-400-40016	Sales-Establish Service Fee	\$ 6,000	\$ 950	\$ 1,625	27.08%
02-400-41000	Sales-Service Demand Charges	\$ 3,500,000	\$ 269,290	\$ 808,526	23.10%
02-400-41001	Sales-Fire Srv Standby Fees	\$ 40,000	\$ 3,506	\$ 8,568	21.42%
02-400-41003	Sales-Const Water Minimum Chg	\$ 5,000	\$ 10	\$ 10	0.20%
02-400-41005	Sales-Disc (Multi Units)-SC	\$ (135,000)	\$ (11,360)	\$ (34,079)	25.24%
02-400-41010	Unauthorized Use of Water Chrg	\$ 2,000	\$ -	\$ -	0.00%
02-400-41110	Meter/Lateral Installation	\$ 100,000	\$ 34,884	\$ 57,102	57.10%
02-400-41112	Fire Flow Test Fees	\$ 4,500	\$ 300	\$ 1,400	31.11%
02-400-41113	Disconnect & Reconnect Fees	\$ 100,000	\$ 6,975	\$ 11,600	11.60%
02-400-41121	Delinquent Payment Charges	\$ 135,000	\$ 13,546	\$ 41,665	30.86%
02-400-41124	Bad Debt Write-Off & Recovery	\$ (20,000)	\$ -	\$ -	0.00%
02-421-42122	Revenue - Other, Operating	\$ -	\$ (170)	\$ (170)	N/A
02-421-42123	Admin, Management & Acctg Fees	\$ 210,000	\$ 17,500	\$ 52,500	25.00%
02-430-43010	Interest Earned	\$ 115,000	\$ 1,189	\$ 28,184	24.51%
02-431-43110	Property Tax - Unsecured	\$ 250,000	\$ -	\$ -	0.00%
02-431-43120	Property Tax - Secured	\$ 3,000,000	\$ -	\$ -	0.00%
02-431-43130	Tax Collection - Prior	\$ 45,000	\$ -	\$ -	0.00%
02-431-43140	Taxes - Other	\$ 180,000	\$ -	\$ -	0.00%
02-491-49110	Rental Income	\$ 3,000	\$ -	\$ -	0.00%
02-491-49150	Revenue - Misc Non-Operating	\$ 25,000	\$ (144)	\$ 351	1.40%
	WATER OPERATING REVENUE	\$ 14,455,500	\$ 1,078,838	\$ 3,282,978	22.71%
	Transfer - Reserve Fund	\$ -	\$ -	\$ -	
02-480-48002	Grants	\$ 700,000	\$ -	\$ -	0.00%
02-480-48901	Contrib Cap-Capacity Fees	\$ -	\$ (287,209)	\$ (167,527)	N/A
02-480-48902	Contrib Cap-Sustainability	\$ -	\$ 1,761	\$ 43,505	N/A
	TOTAL WATER REVENUE	\$ 15,155,500	\$ 793,390	\$ 3,158,956	20.84%

NOTE: Plan check & inspection fees to 02-42122

FY 2019-20 Sewer Revenue					
G/L ACCOUNT#	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
03-400-40016	Sales-Establish Service Fee	\$ 500	\$ -	\$ -	0.00%
03-400-41000	Sales-Sewer Charges	\$ 12,132,712	\$ 973,881	\$ 2,951,328	24.33%
03-400-41005	Sales-Disc (Multi Units)-SC	\$ (200,000)	\$ (18,283)	\$ (54,991)	27.50%
03-400-41110	Meter/Lateral Installation	\$ 15,000	\$ -	\$ -	0.00%
03-400-41121	Penalty - Late Charges	\$ 125,000	\$ 12,159	\$ 37,970	30.38%
03-400-41124	Bad Debt Write-Off & Recovery	\$ (15,000)	\$ -	\$ -	0.00%
03-400-41131	Front Footage Fees	\$ 55,000	\$ -	\$ -	0.00%
03-421-42122	Revenue - Other, Operating	\$ 2,000	\$ 540	\$ 1,400	70.00%
03-430-43010	Interest Earned	\$ 100,000	\$ -	\$ 24,390	24.39%
03-431-43110	Property Tax - Unsecured	\$ -	\$ -	\$ -	-
03-431-43120	Property Tax - Secured	\$ -	\$ -	\$ -	-
03-431-43130	Tax Collection - Prior	\$ -	\$ -	\$ -	-
03-431-43140	Taxes - Other	\$ -	\$ -	\$ -	-
03-491-49150	Revenue - Misc Non-Operating	\$ 2,500	\$ -	\$ -	0.00%
	SEWER OPERATING REVENUE	\$ 12,217,712	\$ 968,297	\$ 2,960,097	24.23%
03-480-48002	Grants	\$ -	\$ -	\$ -	-
03-480-48901	Contrib Cap-Capacity Fees	\$ -	\$ 268,640	\$ 466,210	-
03-480-48905	Contrib Cap-Infrastructure	\$ -	\$ 49,500	\$ 63,000	-
	TOTAL SEWER REVENUE	\$ 12,217,712	\$ 1,286,437	\$ 3,489,307	28.56%

FY 2019-20 Recycled Revenue					
G/L ACCOUNT#	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
04-400-40010	Sales-Water & Non Potable	\$ 663,947	\$ 73,637	\$ 236,310	35.59%
04-400-40011	Sales-Construction Water	\$ 45,000	\$ -	\$ 75	0.17%
04-400-41000	Sales-Service Demand Charges	\$ 90,000	\$ 8,212	\$ 24,317	27.02%
04-400-41003	Sales-Const Water Minimum Chg	\$ 1,000	\$ -	\$ -	0.00%
04-400-41110	Meter/Lateral Installation	\$ 70,000	\$ 16,966	\$ 22,516	32.17%
04-400-41121	Penalty - Late Charges	\$ 5,000	\$ 594	\$ 1,194	23.89%
04-400-41122	Revenue - Other, Operating	\$ 500	\$ -	\$ -	0.00%
04-430-43010	Interest Earned	\$ 25,000	\$ -	\$ 5,420	21.68%
04-431-43110	Property Tax - Unsecured	\$ -	\$ -	\$ -	N/A
04-431-43120	Property Tax - Secured	\$ 400,000	\$ -	\$ -	0.00%
04-431-43130	Tax Collection - Prior	\$ -	\$ -	\$ -	N/A
04-431-43140	Taxes - Other	\$ -	\$ -	\$ -	N/A
04-491-49150	Revenue-Misc Non-Operating	\$ 1,000	\$ -	\$ -	0.00%
	RECYCLED OPERATING REVENUE	\$ 1,301,447	\$ 99,408	\$ 289,832	22.27%
04-480-48002	Grants	\$ -	\$ -	\$ -	N/A
04-480-48901	Contrib Cap-Capacity Fees	\$ -	\$ 238,872	\$ 365,799	N/A
	TOTAL RECYCLED REVENUE	\$ 1,301,447	\$ 338,280	\$ 655,631	50.38%

FY 2019-20 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
02-501-50010	Labor	\$ 1,222,703	\$ 57,669	\$ 240,162	19.64%
02-501-50011	Labor - Credit	\$ -	\$ -	\$ -	N/A
02-501-50013	Benefits-FICA	\$ 93,537	\$ 5,148	\$ 22,350	23.89%
02-501-50014	Benefits-Life Insurance	\$ 6,264	\$ 123	\$ 594	9.48%
02-501-50016	Benefits-Health & Def Comp	\$ 251,826	\$ 16,253	\$ 70,568	28.02%
02-501-50017	Benefits-Disability Insurance	\$ 11,004	\$ 933	\$ 5,365	48.76%
02-501-50019	Benefits-Workers Compensation	\$ 33,013	\$ -	\$ 1,990	6.03%
02-501-50021	Benefits-PERS Employee	\$ -	\$ -	\$ -	N/A
02-501-50022	Benefits-PERS Employer	\$ 183,405	\$ 3,920	\$ 19,492	10.63%
02-501-50023	Benefits-Uniforms	\$ 6,525	\$ 136	\$ 2,602	39.88%
02-501-50024	Benefits-Vacation & Sick Pay	\$ 8,000	\$ 4,225	\$ 29,351	366.88%
02-501-50025	Benefits-Boots	\$ 8,415	\$ -	\$ 2,700	32.09%
02-501-51003	R&M - Structures	\$ 300,000	\$ 5,510	\$ 90,666	30.22%
02-501-51011	R&M - Valves	\$ 20,000	\$ 102	\$ 102	0.51%
02-501-51115	Laboratory Supplies	\$ -	\$ -	\$ -	N/A
02-501-51140	General Supplies & Expenses	\$ 3,000	\$ 187	\$ 419	13.96%
02-501-51210	Utilities - Power Purchases	\$ 1,300,000	\$ 137,169	\$ 344,126	26.47%
02-501-51211	Utilities - Electricity	\$ 5,000	\$ 335	\$ 766	15.31%
02-501-51316	Imported Water Purchases	\$ 1,075,000	\$ 99,169	\$ 316,922	29.48%
02-501-54019	Licenses & Permits	\$ 65,000	\$ -	\$ 1,192	1.83%
02-501-54110	Laboratory Services	\$ 77,500	\$ -	\$ 10,800	13.93%
02-501-57040	YVRWFF-Crystal Creek Exp	\$ 550,000	\$ 34,015	\$ 147,376	26.80%
	WATER RESOURCE TOTALS	\$ 5,220,192	\$ 364,894	\$ 1,307,541	25.05%
02-503-50010	Labor	\$ 1,593,344	\$ 104,438	\$ 422,290	26.50%
02-503-50011	Labor - Credit	\$ -	\$ (447)	\$ (447)	N/A
02-503-50013	Benefits-FICA	\$ 121,891	\$ 9,357	\$ 37,378	30.67%
02-503-50014	Benefits-Life Insurance	\$ 10,440	\$ 290	\$ 1,170	11.21%
02-503-50016	Benefits-Health & Def Comp	\$ 425,106	\$ 39,990	\$ 156,152	36.73%
02-503-50017	Benefits-Disability Insurance	\$ 14,340	\$ 1,715	\$ 6,833	47.65%
02-503-50019	Benefits-Workers Compensation	\$ 43,020	\$ -	\$ 2,207	5.13%
02-503-50021	Benefits-PERS Employee	\$ -	\$ -	\$ -	N/A
02-503-50022	Benefits-PERS Employer	\$ 239,002	\$ 7,782	\$ 34,619	14.48%
02-503-50023	Benefits-Uniforms	\$ 10,875	\$ 551	\$ 7,110	65.38%
02-503-50024	Benefits-Vacation & Sick Pay	\$ 4,000	\$ 9,197	\$ 32,609	815.22%
02-503-50025	Benefits-Boots	\$ 32,775	\$ -	\$ 9,000	27.46%
02-503-51001	R&M - Vehicles & Equipment	\$ 207,500	\$ 5,545	\$ 77,826	37.51%
02-503-51011	R&M - Valves	\$ 5,000	\$ -	\$ 1,239	24.77%
02-503-51020	R&M - Pipelines	\$ 200,000	\$ 80,850	\$ 133,185	66.59%
02-503-51021	R&M - Service Lines	\$ 96,000	\$ 1,168	\$ 18,851	19.64%
02-503-51022	R&M - Fire Hydrants	\$ 50,000	\$ -	\$ 763	1.53%
02-503-51029	Repair & Maintenance-Backflow	\$ 65,000	\$ 122	\$ 12,330	18.97%
02-503-51030	R&M - Meters	\$ 30,000	\$ 166	\$ 247	0.82%
02-503-51031	R&M - Fire Flow Testing	\$ 25,000	\$ -	\$ 1,375	5.50%
02-503-51092	Equipment Credits	\$ -	\$ (812)	\$ (812)	N/A

FY 2019-20 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
02-503-51140	General Supplies & Expenses	\$ 3,000	\$ 143	\$ 390	13.00%
	PUBLIC WORKS TOTALS	\$ 3,176,293	\$ 260,055	\$ 954,317	30.04%
02-506-50010	Labor	\$ 616,295	\$ 42,115	\$ 164,664	26.72%
02-506-50011	Labor - Credit	\$ -	\$ -	\$ -	N/A
02-506-50012	Director Fees	\$ 26,000	\$ 2,169	\$ 7,707	29.64%
02-506-50013	Benefits-FICA	\$ 47,147	\$ 3,631	\$ 14,538	30.84%
02-506-50014	Benefits-Life Insurance	\$ 3,120	\$ 79	\$ 387	12.41%
02-506-50016	Benefits-Health & Def Comp	\$ 130,980	\$ 15,453	\$ 60,989	46.56%
02-506-50017	Benefits-Disability Insurance	\$ 5,547	\$ 656	\$ 2,597	46.82%
02-506-50019	Benefits-Workers Compensation	\$ 16,640	\$ -	\$ 1,000	6.01%
02-506-50021	Benefits-PERS Employee	\$ -	\$ -	\$ -	N/A
02-506-50022	Benefits-PERS Employer	\$ 92,444	\$ 3,276	\$ 15,507	16.77%
02-506-50023	Benefits-Uniforms	\$ 3,250	\$ 142	\$ 2,014	61.97%
02-506-50024	Benefits-Vacation & Sick Pay	\$ 10,000	\$ 1,608	\$ 13,068	130.68%
02-506-50025	Benefits-Boots	\$ 1,950	\$ -	\$ 3,300	169.23%
02-506-51003	R&M - Structures	\$ 35,000	\$ 1,048	\$ 5,089	14.54%
02-506-51091	Expense Credits (overhead)	\$ -	\$ (360)	\$ (360)	N/A
02-506-51120	Safety Equipment & Supplies	\$ 25,000	\$ -	\$ 2,971	11.88%
02-506-51125	Petroleum Products	\$ 150,000	\$ 12,480	\$ 48,969	32.65%
02-506-51130	Office Supplies & Expenses	\$ 35,000	\$ 257	\$ 4,054	11.58%
02-506-51140	General Supplies & Expenses	\$ 40,000	\$ 525	\$ 942	2.35%
02-506-51199	Disaster Repairs & Incidences	\$ -	\$ -	\$ -	N/A
02-506-51211	Utilities - Electricity	\$ 32,000	\$ 4,040	\$ 10,385	32.45%
02-506-51213	Utilities - Natural Gas	\$ 2,000	\$ 29	\$ 91	4.55%
02-506-54002	Dues & Subscriptions	\$ 30,000	\$ 1,025	\$ 635	2.12%
02-506-54005	Computer Expenses	\$ 145,000	\$ 5,603	\$ 19,628	13.54%
02-506-54010	Postage	\$ 10,000	\$ 44	\$ 74	0.74%
02-506-54011	Printing & Publications	\$ -	\$ -	\$ -	N/A
02-506-54012	Education & Training	\$ 20,000	\$ 348	\$ 2,188	10.94%
02-506-54013	Utility Billing Expenses	\$ 185,000	\$ 7,309	\$ 26,330	14.23%
02-506-54014	Public Relations	\$ 31,500	\$ -	\$ 1,982	6.29%
02-506-54016	Travel Related Expenses	\$ 7,500	\$ 1,198	\$ 7,204	96.06%
02-506-54017	Certifications & Renewals	\$ 12,000	\$ 308	\$ 2,177	18.14%
02-506-54020	Meeting Related Expenses	\$ 8,000	\$ 245	\$ 1,001	12.51%
02-506-54022	Utilities - YVWD Services	\$ 145,000	\$ 7,107	\$ 24,062	16.59%
02-506-54024	Waste Disposal	\$ 2,700	\$ 428	\$ 1,283	47.50%
02-506-54025	Telephone & Internet	\$ 45,000	\$ 6,418	\$ 13,304	29.56%
02-506-54099	Conservation & Rebates	\$ 30,000	\$ -	\$ -	0.00%
02-506-54104	Contractual Services	\$ 135,000	\$ 12,484	\$ 82,679	61.24%
02-506-54107	Legal	\$ 30,000	\$ 67	\$ 3,567	11.89%
02-506-54108	Audit & Accounting	\$ 15,000	\$ -	\$ 675	4.50%
02-506-54109	Professional Fees	\$ 165,000	\$ 16,234	\$ 70,791	42.90%
02-506-55500	Depreciation	\$ 1,272,330	\$ 106,028	\$ 318,083	25.00%
02-506-56001	Insurance	\$ 100,000	\$ 8,333	\$ 25,000	25.00%

FY 2019-20 Water Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
02-506-57030	Regulatory Compliance	\$ 35,000	\$ 2,500	\$ 14,290	40.83%
02-506-57090	Election Related Expenses	\$ -	\$ -	\$ -	N/A
02-506-57096	Beaumont Basin Watermaster	\$ 40,000	\$ -	\$ -	0.00%
02-506-57097	San Timoteo SGMA	\$ 5,000	\$ -	\$ -	-
02-506-57098	Bunker Hill GSC	\$ 15,000	\$ 5,556	\$ 5,556	-
02-506-57199	Suspense	\$ -	\$ -	\$ -	-
	ADMINISTRATION TOTALS	\$ 3,756,403	\$ 268,380	\$ 978,419	26.05%
02-540-57201	Series 2015A Principal	\$ 1,170,000	\$ -	\$ 1,170,000	100.00%
02-540-57402	Interest - Bond Repayment	\$ 1,122,612	\$ -	\$ 575,648	51.28%
	40 - Debt	\$ 2,292,612	\$ -	\$ 1,745,648	76.14%
02-540-57001	Asset Acq. - Water Dept	\$ -	\$ -	\$ -	--
02-540-57003	Asset Acq. - US Dept	\$ -	\$ -	\$ -	--
02-540-57006	Asset Acq. - Admin Dept	\$ -	\$ -	\$ -	--
	40 - Capital Outlay	\$ -	\$ -	\$ -	--
	TOTAL WATER EXPENSES	\$ 14,445,500	\$ 893,329	\$ -	0.00%

FY 2019-20 Sewer Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
03-502-50010	Labor	\$ 1,059,129	\$ 89,417	\$ 354,136	33.44%
03-502-50013	Benefits-FICA	\$ 81,023	\$ 7,772	\$ 31,124	38.41%
03-502-50014	Benefits-Life Insurance	\$ 5,592	\$ 174	\$ 761	13.61%
03-502-50016	Benefits-Health & Def Comp	\$ 224,598	\$ 23,489	\$ 96,275	42.87%
03-502-50017	Benefits-Disability Insurance	\$ 9,535	\$ 1,391	\$ 6,167	64.68%
03-502-50019	Benefits-Workers Compensatn	\$ 28,596	\$ -	\$ 1,990	6.96%
03-502-50021	Benefits-PERS Employee	\$ -	\$ -	\$ -	
03-502-50022	Benefits-PERS Employer	\$ 158,869	\$ 5,857	\$ 26,576	16.73%
03-502-50023	Benefits-Uniforms	\$ 5,825	\$ 243	\$ 2,897	49.73%
03-502-50024	Benefits-Vacation & Sick Pay	\$ 9,000	\$ 3,978	\$ 19,754	219.49%
03-502-50025	Benefits-Boots	\$ 7,995	\$ -	\$ 3,640	45.53%
03-502-51003	R&M - Structures	\$ 350,000	\$ 6,633	\$ 42,146	12.04%
03-502-51010	R&M - Automation Control	\$ 65,000	\$ 6,410	\$ 12,764	19.64%
03-502-51106	Chemicals	\$ 600,000	\$ 61,565	\$ 217,109	36.18%
03-502-51111	Propane	\$ 500	\$ -	\$ 65	12.93%
03-502-51115	Laboratory Supplies	\$ 30,000	\$ 1,124	\$ 5,072	16.91%
03-502-51140	General Supplies & Expenses	\$ 5,000	\$ -	\$ 576	11.51%
03-502-51210	Utilities - Power Purchases	\$ 850,000	\$ 103,929	\$ 266,102	31.31%
03-502-54110	Laboratory Services	\$ 85,000	\$ 1,983	\$ 19,233	22.63%
03-502-57031	Sewage Waste Disposal-Solids	\$ 226,000	\$ -	\$ 46,494	20.57%
03-502-57034	Brineline Operating Expenses	\$ 396,500	\$ 19	\$ 2,813	0.71%
	TREATMENT TOTALS	\$ 4,198,162	\$ 313,984	\$ 1,155,694	27.53%
03-506-50010	Labor	\$ 616,295	\$ 35,693	\$ 140,027	22.72%
03-506-50011	Labor - Credit	\$ -	\$ -	\$ -	
03-506-50012	Director Fees	\$ 26,000	\$ 2,169	\$ 7,707	29.64%
03-506-50013	Benefits-FICA	\$ 47,147	\$ 3,026	\$ 12,279	26.04%
03-506-50014	Benefits-Life Insurance	\$ 3,120	\$ 68	\$ 354	11.35%
03-506-50016	Benefits-Health & Def Comp	\$ 122,640	\$ 13,413	\$ 54,669	44.58%
03-506-50017	Benefits Disability Insurane	\$ 5,547	\$ 548	\$ 2,408	43.41%
03-506-50019	Benefits-Workers Compensation	\$ 16,640	\$ -	\$ 1,000	6.01%
03-506-50021	Benefits-PERS Employee	\$ -	\$ -	\$ -	
03-506-50022	Benefits-PERS Employer	\$ 92,444	\$ 2,907	\$ 13,712	14.83%
03-506-50023	Benefits-Uniforms	\$ 3,250	\$ -	\$ 204	6.29%
03-506-50024	Benefits-Vacation & Sick Pay	\$ 5,000	\$ 1,607	\$ 12,887	257.74%
03-506-50025	Benefits-Boots	\$ 1,950	\$ -	\$ 300	15.38%
03-506-50055	Pension Expense-GASB 68	\$ -	\$ -	\$ -	
03-506-51120	Safety Equipment & Supplies	\$ 9,500	\$ 1,034	\$ 3,287	34.60%
03-506-51125	Petroleum Products	\$ 24,000	\$ 2,000	\$ 7,274	30.31%
03-506-51130	Office Supplies & Expenses	\$ 7,000	\$ 529	\$ 2,328	33.26%
03-506-51140	General Supplies & Expenses	\$ 30,000	\$ 246	\$ 561	1.87%
03-506-51199	Disaster Repairs & Incidences	\$ -	\$ -	\$ -	
03-506-54002	Dues & Subscriptions	\$ 30,000	\$ 65	\$ 1,327	4.42%
03-506-54003	Management & Admin Services	\$ 210,000	\$ 17,500	\$ 52,500	25.00%
03-506-54005	Computer Expenses	\$ 120,000	\$ 4,268	\$ 18,076	15.06%
03-506-54011	Printing & Publications	\$ -	\$ -	\$ -	N/A

FY 2019-20 Sewer Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
03-506-54012	Education & Training	\$ 20,000	\$ 258	\$ 6,850	34.25%
03-506-54014	Public Relations	\$ 25,000	\$ -	\$ 1,982	7.93%
03-506-54016	Travel Related Expenses	\$ 10,000	\$ 2,934	\$ 6,094	60.94%
03-506-54017	Certifications & Renewals	\$ 10,000	\$ 556	\$ 1,313	13.13%
03-506-54019	Licenses & Permits	\$ 70,000	\$ 11,172	\$ 17,964	25.66%
03-506-54020	Meeting Related Expenses	\$ 5,000	\$ 140	\$ 612	12.23%
03-506-54022	Utilities - YVWD Services	\$ 265,000	\$ 33,821	\$ 101,294	38.22%
03-506-54024	Waste Disposal	\$ 14,000	\$ -	\$ 4,878	34.84%
03-506-54025	Telephone & Internet	\$ 50,000	\$ 5,926	\$ 17,378	34.76%
03-506-54030	Drinking Water	\$ -	\$ -	\$ -	#DIV/0!
03-506-54104	Contractual Services	\$ 46,000	\$ 5,692	\$ 29,206	63.49%
03-506-54107	Legal	\$ 30,000	\$ -	\$ 2,250	7.50%
03-506-54108	Audit & Accounting	\$ 15,000	\$ -	\$ 675	4.50%
03-506-54109	Professional Fees	\$ 200,000	\$ -	\$ 80,527	40.26%
03-506-55500	Depreciation	\$ 472,982	\$ 39,415	\$ 118,245	25.00%
03-506-56001	Insurance	\$ 130,000	\$ 10,833	\$ 32,500	25.00%
03-506-57030	Regulatory Compliance	\$ 70,000	\$ 2,027	\$ 18,295	26.14%
	ADMINISTRATION TOTALS	\$ 2,803,515	\$ 197,848	\$ 770,964	27.50%
03-507-50010	Labor	\$ 625,069	\$ 40,320	\$ 159,773	25.56%
03-507-50011	Labor - Credit	\$ -	\$ -	\$ -	0.00%
03-507-50013	Benefits-FICA	\$ 47,818	\$ 3,583	\$ 14,153	29.60%
03-507-50014	Benefits-Life Insurance	\$ 3,864	\$ 107	\$ 431	11.16%
03-507-50016	Benefits-Health & Def Comp	\$ 151,662	\$ 14,163	\$ 57,192	37.71%
03-507-50017	Benefits-Disability Insurance	\$ 5,626	\$ 655	\$ 2,827	50.26%
03-507-50019	Benefits-Workers Compensatio	\$ 16,877	\$ -	\$ 1,990	11.79%
03-507-50021	Benefits-PERS Employee	\$ -	\$ -	\$ -	
03-507-50022	Benefit-PERS Employer	\$ 93,760	\$ 3,116	\$ 13,801	14.72%
03-507-50023	Benefits-Uniforms	\$ 4,025	\$ 143	\$ 1,856	46.10%
03-507-50024	Benefits-Vacation & Sick Pay	\$ 40,000	\$ 3,462	\$ 13,582	33.95%
03-507-50025	Benefits-Boots	\$ 2,415	\$ -	\$ 600	24.84%
03-507-51003	Sewer Pipeline & Facilities	\$ 250,000	\$ 11,678	\$ 51,654	20.66%
03-507-51140	General Supplies & Expenses	\$ 500	\$ 704	\$ 787	157.34%
03-507-51241	Lift Station #1	\$ 52,500	\$ 5,270	\$ 12,797	24.38%
03-507-51242	Lift Station #2	\$ 18,000	\$ 1,681	\$ 4,204	23.35%
03-507-51243	Lift Station #3	\$ 3,200	\$ 301	\$ 814	25.45%
03-507-51244	Lift Station #4	\$ 9,500	\$ 9,724	\$ 11,938	125.66%
03-507-51246	Lift Station #6	\$ 5,000	\$ 374	\$ 1,438	
03-507-51248	Lift Station #8	\$ 2,500	\$ 101	\$ 258	10.32%
03-507-54111	Pretreatment	\$ 50,000	\$ 3,862	\$ 21,290	42.58%
	ENVIRONMENTAL CONTROL TOTAL	\$ 1,382,316	\$ 99,245	\$ 371,386	26.87%
03-540-57202	SRF Principal - WWTP	\$ 2,306,368	\$ 2,306,368	\$ 2,306,368	100.00%
03-540-57203	SRF Principal - Brineline	\$ 447,138	\$ -	\$ -	0.00%
03-540-57204	SRF Principal - Wise	\$ 136,599	\$ -	\$ -	0.00%
03-540-57205	SRF Principal - R 10.3	\$ 40,023	\$ -	\$ -	0.00%

FY 2019-20 Sewer Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
03-540-57206	SRF Principal - Crow St	\$ 15,667	\$ -	\$ -	0.00%
03-540-57403	Interest - Long Term Debt	\$ 887,924	\$ 617,301	\$ 617,301	69.52%
	40 - Debt	\$ 3,833,719	\$ 2,923,669	\$ 2,923,669	76.26%
03-540-57002	Asset Acq. - Treatment Dept	\$ -	\$ -	\$ -	
03-540-57006	Asset Acq. - Admin Dept	\$ -	\$ -	\$ -	
03-540-57007	Asset Acq. - EC Dept	\$ -	\$ -	\$ -	
	40 - Capital Outlay	\$ -	\$ -	\$ -	
	TOTAL SEWER EXPENSES	\$ 12,217,712	\$ 3,534,746	\$ 5,221,712	42.74%

FY 2019-20 Recycled Expenses					
G/L ACCOUNT #	DESCRIPTION	BUDGET	Sept '19	Year to Date	%
04-506-50010	Labor	\$ 705,207	\$ 39,425	\$ 159,943	22.68%
04-506-50011	Labor - Credit	\$ -	\$ -	\$ -	
04-506-50012	Director Fees	\$ 5,000	\$ -	\$ -	0.00%
04-506-50013	Benefits-FICA	\$ 53,948	\$ 3,306	\$ 11,829	21.93%
04-506-50014	Benefits-Life Insurance	\$ 3,600	\$ 89	\$ 377	10.47%
04-506-50016	Benefits-Health & Def Comp	\$ 143,004	\$ 12,767	\$ 51,867	36.27%
04-506-50017	Benefits-Disability Insurance	\$ 6,347	\$ 623	\$ 2,556	40.27%
04-506-50019	Benefits-Workers Compensation	\$ 19,041	\$ -	\$ 1,107	5.81%
04-506-50021	Benefits-PERS Employee	\$ -	\$ -	\$ -	
04-506-50022	Benefits-PERS Employer	\$ 105,781	\$ 3,282	\$ 13,292	12.57%
04-506-50023	Benfits-Uniforms	\$ 3,750	\$ 34	\$ 1,352	36.06%
04-506-50024	Benefits-Vacation & Sick Pay	\$ -	\$ 3,058	\$ 12,265	#DIV/0!
04-506-50025	Benefits-Boots	\$ 4,750	\$ -	\$ 1,200	25.26%
04-506-51003	R&M - Structures	\$ 26,519	\$ -	\$ -	0.00%
04-506-51011	R&M - Valves	\$ 500	\$ -	\$ -	0.00%
04-506-51020	R&M - Pipelines	\$ 500	\$ -	\$ 162	32.42%
04-506-51021	R&M - Service Lines	\$ 4,000	\$ -	\$ -	0.00%
04-506-51022	R&M - Fire Hydrants	\$ 4,000	\$ -	\$ -	0.00%
04-506-51030	R&M - Meters	\$ 1,500	\$ -	\$ -	0.00%
04-506-51140	General Supplies & Expenses	\$ 7,000	\$ -	\$ 2	0.03%
04-506-51210	Utilities - Power Purchases	\$ 84,500	\$ 7,506	\$ 19,908	23.56%
04-506-54002	Dues & Subscriptions	\$ 3,000	\$ -	\$ 10	0.32%
04-506-54005	Computer Expenses	\$ 11,000	\$ -	\$ 850	7.73%
04-506-54011	Printing & Publications	\$ -	\$ -	\$ -	N/A
04-506-54012	Education & Training	\$ 3,500	\$ 35	\$ 137	3.90%
04-506-54014	Public Relations	\$ 4,200	\$ -	\$ 440	10.49%
04-506-54016	Travel Related Expenses	\$ 1,000	\$ 245	\$ 245	24.48%
04-506-54017	Certifications & Renewals	\$ 500	\$ -	\$ -	0.00%
04-506-54019	Licenses & Permits	\$ 7,500	\$ -	\$ -	0.00%
04-506-54020	Meeting Related Expenses	\$ 1,400	\$ 85	\$ 191	13.65%
04-506-54022	Utilities - YVWD Services	\$ 12,500	\$ 635	\$ 1,890	15.12%
04-506-54025	Telephone & Internet	\$ 1,400	\$ 212	\$ 413	29.53%
04-506-54104	Contractural Services	\$ 10,000	\$ 209	\$ 2,290	22.90%
04-506-54107	Legal	\$ 500	\$ -	\$ -	0.00%
04-506-54108	Audit & Accounting	\$ 4,000	\$ -	\$ 150	3.75%
04-506-54109	Professional Fees	\$ 30,000	\$ -	\$ 3,492	11.64%
04-506-54110	Laboratory Services	\$ -	\$ -	\$ -	
04-506-55500	Depreciation	\$ -	\$ -	\$ -	#DIV/0!
04-5-06-56001	Insurance	\$ 25,000	\$ 2,083	\$ 6,250	25.00%
04-5-06-57030	Regulatory Compliance	\$ 6,500	\$ 1,856	\$ 6,030	92.77%
04-5-06-57040	Environmental Compliance	\$ 500	\$ -	\$ -	0.00%
	TOTAL RECYCLED EXPENSES	\$ 1,301,447	\$ 75,451	\$ 298,246	22.92%



Date: November 5, 2019

Prepared By: Allison M. Edmisten, Chief Financial Officer

Subject: Implementation of Xpress Bill Pay Lock Box Service

Recommendation: That the Board authorize the General Manager to implement the Lock Box Service with Xpress Bill Pay.

On July 17, 2018 [Director Memorandum 18-107] the Board of Directors authorized the General Manager to execute an agreement with Xpress Bill Pay for payment processing which works closely with Caselle, Inc. Our agreement with Xpress Bill Pay includes various services such as IVR (Interactive Voice Response), Self-Service Customer Portal, Mobile Friendly Website and an App through the Apple Store (the Android app is currently in development). One additional service District staff has recently explored with Xpress Bill Pay is the Lockbox Service.

The District has many customers who choose to pay by check via mail. This creates a significant amount of processing by District staff at the front counter to enter these payments. In addition, this creates a large stack of checks that must be physically deposited at the bank. District staff believes employee time could be better utilized performing other tasks such as proactive review of the AMI meters and notifying customers when we believe they may have a leak, etc.

Xpress Bill Pay offers a Lockbox Service where all mail payments would be rerouted to a PO Box (belonging to Yucaipa Valley Water District) in Pleasant Grove, Utah. Payments would then be entered and processed by Xpress Bill Pay staff. Xpress Bill Pay would then make the images available to District staff and send a file to the bank for deposit. These payments would be processed daily including Saturdays (except for recognized holidays).

This Lockbox Service costs \$0.48 per transaction; however, this will result in reduced check processing fees from the bank as well as less bank errors as the bank will now receive an electronic file rather than paper checks. Finally, this will result in a better use of staff time so we can proactively serve our customers.

This service will result in the new PO Box address being pre-printed on our bills that are mailed to customers. The District will continue to keep the current PO Box in Yucaipa for other mail received. District staff intends to implement this with the bills mailed out the beginning of December (the first batch of monthly billing to customers all on one cycle).

Financial Impact

District staff does not anticipate any net increase in costs compared to prior year utility billing expenses. Although this processing cost of \$0.48 per item is more than the \$0.20 per check in bank fees, we have also seen a decrease in the number of paper bills sent out which results in approximately \$0.50 per bill savings. There is also an annual fee of \$275 for the PO Box in Utah. These costs will be paid from the Water Fund, Utility Billing Expenses [G/L Account # 02-506-54013].



Date: November 5, 2019

Prepared By: Kathryn Hallberg, Implementation Manager

Subject: Overview of Public Relations Support Services

Recommendation: That the Board authorize the General Manager to execute a service-based contracts with Desmond & Louis, TEMIMO, and CV Strategies.

On October 9, 2019, District staff held proposal openings for Public Relations Services.

The Request for Proposals (RFP) from public relation agencies focused on providing educational and promotional services for the local communities, regional communities and nationally. The RFP included the preparation of various marketing products such as press releases, illustrations, videos, brochures, and informational documents; as well increase community and social media outreach.

The following three public relations agencies provided proposals: Desmond & Louis, TEMIMO, and CV Strategies. As District staff reviewed each proposal it became clear that each company had different strengths that could be beneficial for the District's overall public relations efforts.



Therefore, District staff recommends contracting with each public relations agency to assist with the outreach efforts for the District projects and communication requirements.

Financial Consideration

The cost of these contracts will be paid by the Water, Sewer and/or Recycled Water Funds based on the applicable topic of the service provided [G/L Account # 506-54014]. These costs were included in the FY 2019-20 adopted budget and there is sufficient funding for the remainder of the fiscal year.



Date: November 5, 2019

Prepared By: Joseph Zoba, General Manager

Subject: Consideration of Amendment No. 3 to Evaluate the Long-Term Infiltration Rates in the Western Portion of the Beaumont Basin as part of the Calimesa Aquifer Storage and Recovery Project

Recommendation: That the Board authorize the General Manager to execute a contract for Amendment No. 3 with Geoscience for a sum not to exceed \$89,767.

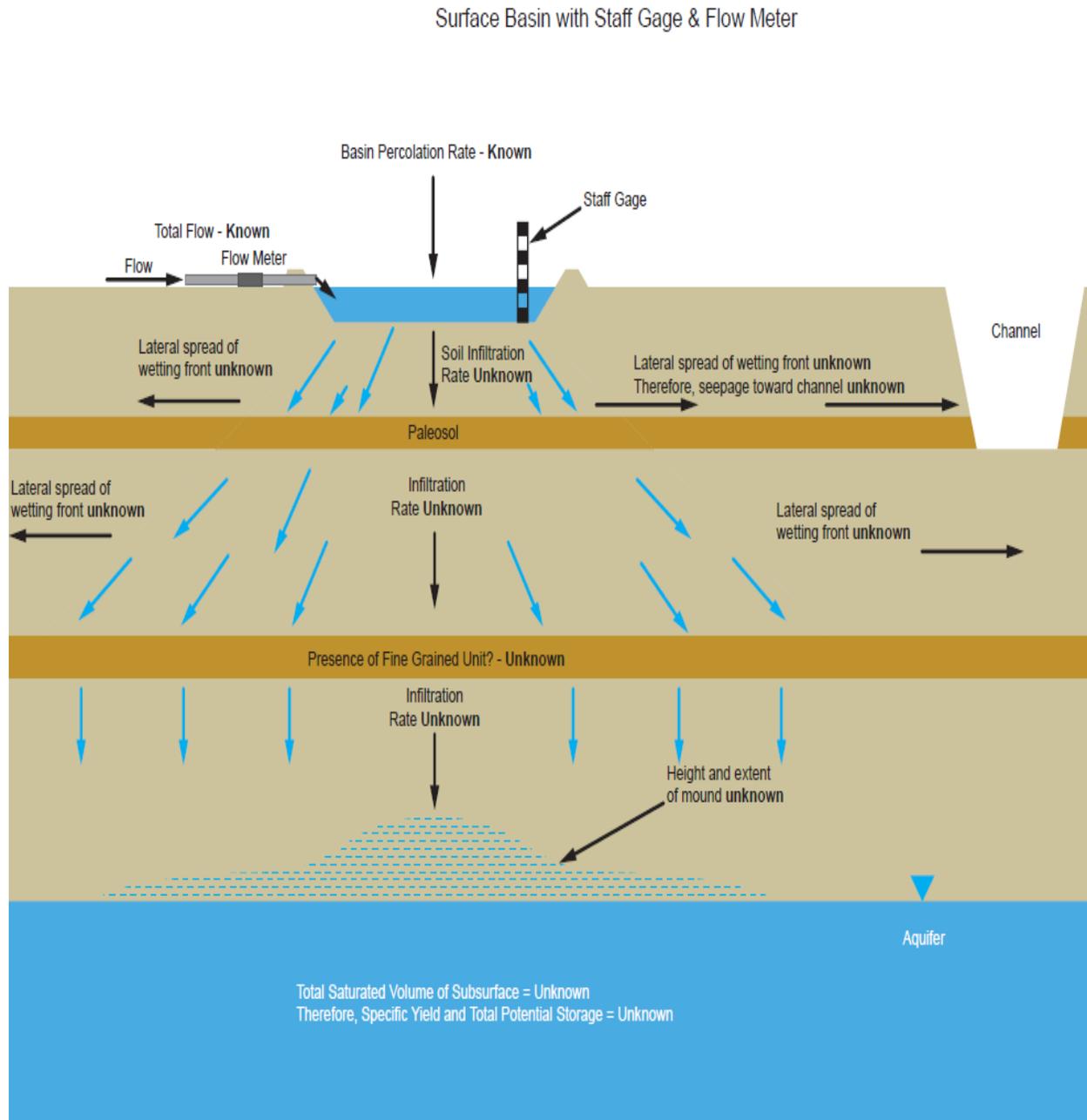
The Yucaipa Valley Regional Water Supply Renewal Project is an innovative salinity control project that will effectively eliminate the buildup of minerals in the Yucaipa Valley that would typically degrade drinking water supplies. The overall project involves expanded reverse osmosis infrastructure at the Yucaipa Valley Regional Water Filtration Facility (Salinity Concentrate Reduction and Minimization “SCRAM” System); an expanded reverse osmosis and treatment infrastructure at the Wochholz Regional Water Recycling Facility (Salinity and Groundwater Enhancement “SAGE” Project); and recharge of high quality recycled water at the Wilson Creek Spreading Basins in Yucaipa and groundwater injection wells in Calimesa. Coupled with the District’s aggressive recycled water program, these projects will minimize the amount of water imported from the fragile ecosystem in northern California and allow for the maximum use of high purity recycled water.



Long-Term Infiltration Study for the proposed Calimesa Lake and Spreading Basins

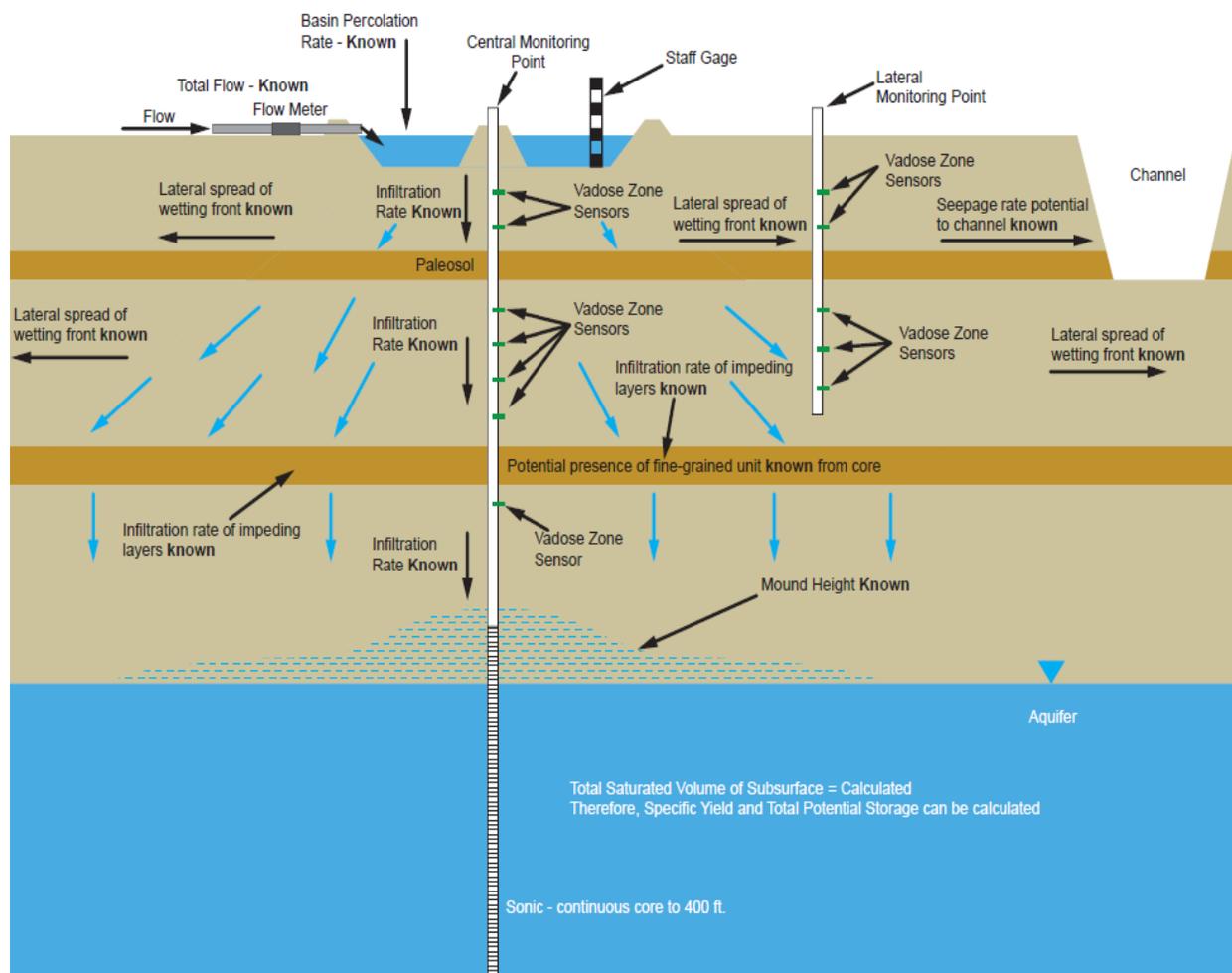
The District staff has been working with Geoscience for the development and operating plan for the proposed Calimesa Lake and Spreading Basins. Based on a thorough evaluation and study of the groundwater basin, the District will be able to effectively operate and manage the westerly portion of the Beaumont Basin consistent with the [adjudication](http://www.beaumontbasinwatermaster.org/) overseen by the Beaumont Basin Watermaster (<http://www.beaumontbasinwatermaster.org/>)

The District staff recognizes that a limited recharge study would not be sufficient in this case to answer all of the pending questions and issues. As shown in the illustration below, by simply measuring the percolation rate of the basin, there would be several other factors that remain unresolved.



Therefore, the original scope of services was developed to utilize a methodology with monitoring wells that will be able to determine: the water mounding effect; the lateral movement of subsurface water; the infiltration rate in the vadose zone; all used to calculate the specific yield and total potential of storage when the spreading basins are constructed.

Surface Basin with Staff Gage, Flow Meter, Center of Basin & Lateral Monitoring Points



The District has received written authorization from the property owner to conduct the work at this location.

Geoscience Contract - Amendment No. 1

Amendment No. 1 was approved by the Board of Directors on June 4, 2019 [Director Memorandum No. 19-057] and consisted of the following tasks.

Task 3 - Installation of Vadose Zone and Groundwater Monitoring Points

Overall, the construction of all of the monitoring equipment took longer than anticipated. Additional drill rig time and installation time was needed because the drilling logs suggested that there may be an offset in the subsurface soils along a fault and potentially a perched groundwater condition. Therefore, Geoscience deepened Location #2 to make sure that the soil materials encountered in the upper 95 feet in Location #1 was penetrated.

Geoscience also installed a piezometer to make sure groundwater levels could be measured to assess potential perched conditions.

Based on the lithology encountered in the unsaturated zone Geoscience thought it was prudent to have a subsidence benchmark placed and survey to detect whether hydro-compaction would be induced when the vadose zone was saturated during the test.

Geoscience also equipped two additional wells (Location 2 piezometer and the residential well) from their initial quote.

The additional costs for Task 3 are detailed in the attached table and are composed of staff time, additional subcontractor costs, and reimbursables.

The total additional cost for Task 3 is \$33,244.

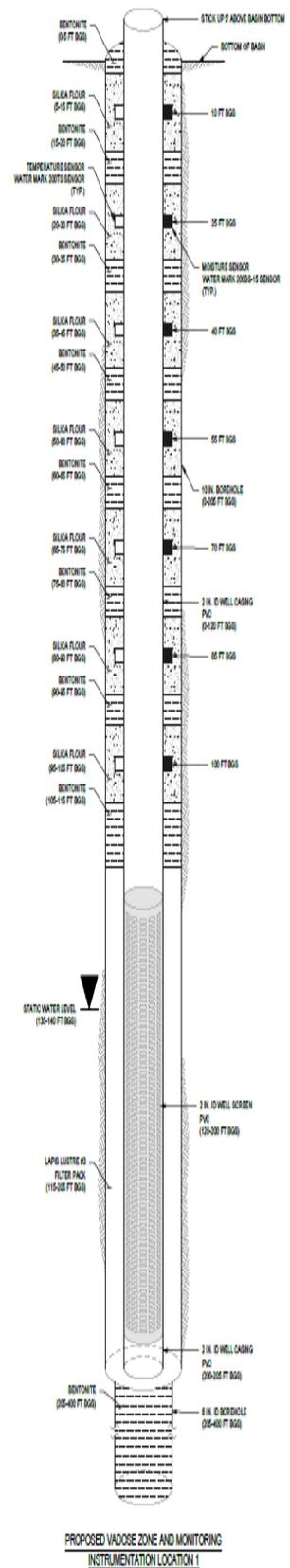
Task 4 - Pilot Testing - Artificial Recharge Basin Construction and Monitoring

This task includes the addition of climate equipment including an evaporation pan and rain gauge which was not included in the original estimate. The local data was determined to be insufficient for the precise nature of this study.

The soil types were found to be much more variable across the area than initially determined from the two instrumentation borings. The District agreed to evacuate the basin by pumping the water into the adjacent fields so as to dry out the basin as quick as possible. After the basin dried, Geoscience conducted additional investigations using 12 hand drilled borings to explore the distribution of soil types beneath the bottom of the basin across the basin. Geoscience also completed seven shallow percolation tests to assess the percolation rates of the various shallow subsurface soil types to develop an initial estimate of potential infiltration. Based on these investigations and shallow test pits conducted at the site with the District staff, Geoscience recommended the depth of removal of soils for the pilot test.

The additional new subtasks completed as a part of Task 4 to date are detailed in the attached table. The new subtasks are described in bold font. Where additional costs were incurred on old tasks, the explanation is in bold within the description.

The total additional cost for Task 4 is \$68,220.



Geoscience Contract - Amendment No. 2

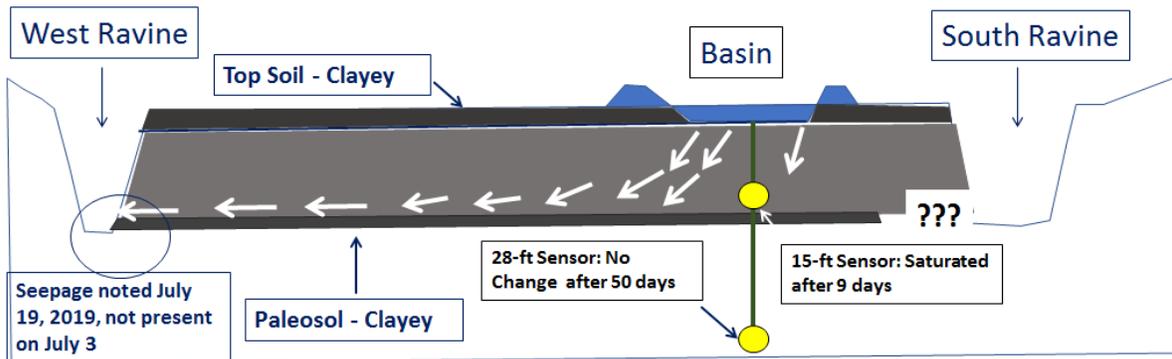
Amendment No. 2 was approved by the Board of Directors on September 3, 2019 [Director Memorandum No. 19-097] for a sum not to exceed \$456,064.

Based on the results of this study through Amendment No. 1, the infiltration testing showed the movement of groundwater in a westerly direction prior to reaching the groundwater basin.



The following illustration shows how it is possible for the recharge water to move laterally instead of vertically to the groundwater basin.

Hydrogeologic Conceptual Model
Shallow Zone

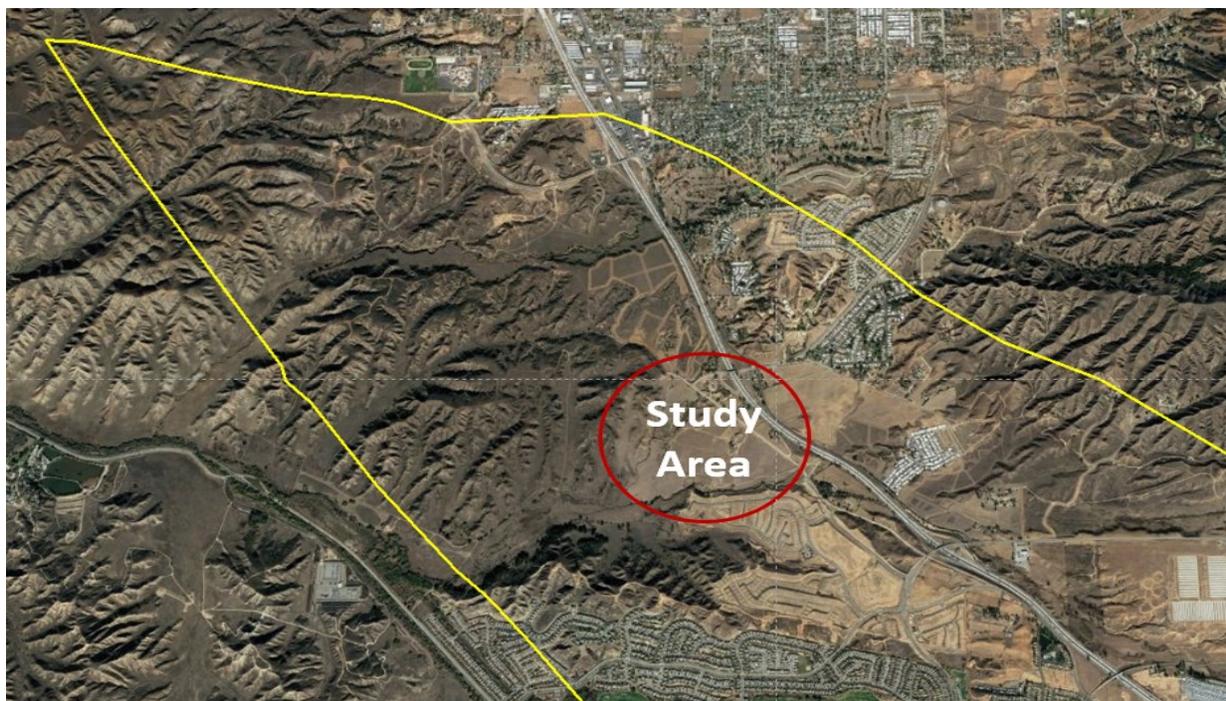


As a result of the initial testing, the District staff requested a proposal from Geoscience to conduct additional geological testing in the easterly portion of the groundwater basin. The scientific study has been developed to: (1) conduct additional exploratory drilling and testing; (2) perform additional infiltration testing; (3) prepare a groundwater model that will be used to support the recharge of recycled water at this location.

The overall goals of this phase of the project include:

- Confirm the westerly movement of water from the existing pilot basin, above the perching layer;
- Explore subsurface geology in the eastern portion of the site;
- Depending on the subsurface geologic conditions, conduct infiltration testing using methods that will provide data for potential surface spreading or injection;
- Conduct groundwater modeling to provide a preliminary evaluation of potential travel times for the recycled water in the subsurface; and
- Conduct seismic reflection surveys to explore the subsurface on and offsite within a six-month travel time of recharge locations

As discussed at the board workshop on August 27, 2019, this portion of the Beaumont Basin has not been studied as much as other areas of the basin.



While the additional scientific studies are expensive, the information and knowledge obtained will allow the District to make better informed decisions. Additionally, the scope of services allows the District to stop the investigation without completing the entire scope of work.

Geoscience Contract - Amendment No. 3

The District staff assisted with the installation of test wells to determine the injection rate at various sites in the area. Based on the construction of these 100' deep test wells, the District will be able to calculate an estimated recharge rate for several 400' deep permanent wells as part of the Calimesa Aquifer Storage and Recovery Project.



It is important to remember that the preliminary calculations from the 100' test wells can be estimated at 400', but the District should consider a deep 400' boring to validate the estimated injection rate.

The Project has now transitioned from a surface water recharge project to an Aquifer Storage and Recovery (ASR) Project. The Calimesa Aquifer Storage and Recovery Project will involve the construction of a lake and 5-6 injection wells to be constructed at various sites throughout the study area.

Based on this new configuration, the District staff requested additional study work from the scientists at Geoscience. The attached proposal will provide additional details to be added to the groundwater model to complete the investigation.

Costs associated with this project are charged to Sewer Division Reserves 03-506-54109.



GEOSCIENCE



October 14, 2019

Mr. Joe Zoba
General Manager
Yucaipa Valley Water District
Post Office Box 730
Yucaipa, California 92399-0730

Subject: Proposal to Drill Deep Boring and Conduct a Pumping Test for Assessing the On-site Mapped Fault, Proposed Oak Valley Town Center Recharge Project, Calimesa, California

Dear Joe:

We have continued work in accordance with the scope of work authorized on September 3, 2019. The recent authorized scope of work consisted of the following four Tasks:

- Task 7 - Drilling to validate confirm the westerly movement of water from the existing pilot basin (Task 7.3) and explore subsurface geology in the eastern portion of the site using eight auger borings (Task 7.4).
- Task 8 - Depending on the subsurface geologic conduct infiltration testing using methods that will provide data for potential surface spreading or injection,
- Task 9 - Groundwater modeling to provide a preliminary evaluation of potential travel times for the recycled water in the subsurface, and
- Task 10 - Seismic reflection surveys to explore the subsurface on and offsite within a six-month travel time of recharge locations.

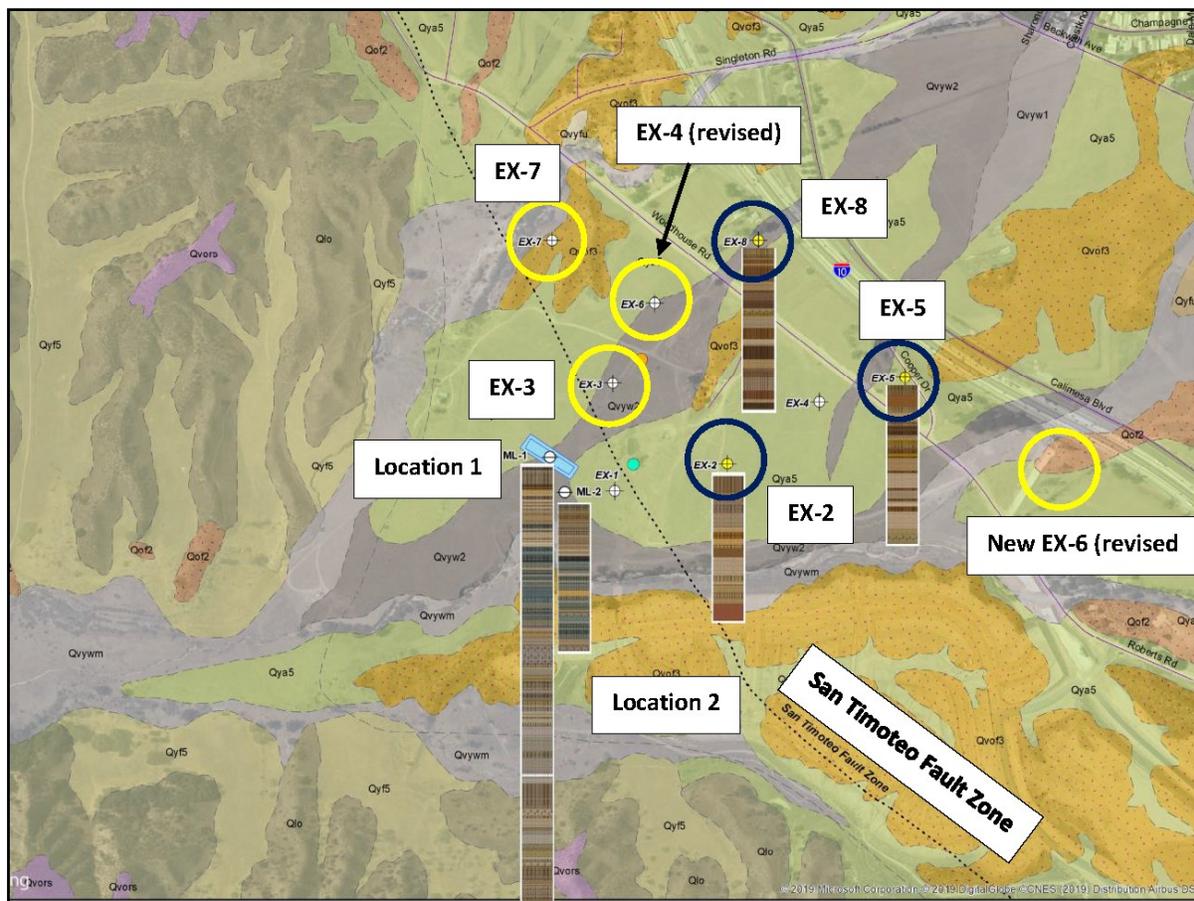
Per your instruction we have been conducting the work in smaller portions to ensure that if a fatal flaw is encountered expenditures would be limited. We completed three of the proposed auger borings which were EX-2, EX-3, and EX-8 (see inset map below). We encountered primarily coarse materials in EX-2 and EX-5 starting at depths below approximately 40 feet to depths of 128 feet, and 140 feet, respectively. Much less coarse-grained materials were encountered in EX-8 which was drilled to a depth of 145 feet. We met with District staff in your office on September 24, 2019 to review the data and discuss next steps. The data indicated that surface spreading is not an option on site due to the depth to reach suitable coarse materials. The decision was taken to drill an additional boring further east from EX-5 to determine if the coarse sequence encountered in EX-2 and EX-5 was present and to delineate the distribution of materials to the west by drilling EX-3 and EX-7. It was decided that EX-1 and EX-4

GEOSCIENCE SUPPORT SERVICES INCORPORATED
Ground Water Resources Development
P.O. Box 220, Claremont, CA 91711
T: 909-451-6650
F: 909-451-6638

Proposal to Drill Deep Boring and Conduct a Pumping Test for Assessing the On-site Mapped Fault,
 Proposed Oak Valley Town Center Recharge Project, Calimesa, California

14-October-19

would not be drilled. District staff suggested that a deep boring be drilled in the northern portion of the site to correlate with the deep boring at Location 1 which is on the southwest side of the fault. The second period of auger drilling was completed on October 3, 4 and 7. The proposed location of EX-6 was moved to the area east of EX-5 and west of the Oak Valley Office (see below inset) becoming EX-6 (revised), see below inset for location



EX-3 was drilled on October 4 and encountered material like that at Locations 1 and 2 near the test recharge basin, suggesting that the mapped fault might be further to the northeast. Therefore, on a telephone call with you, it was decided to drill at the original location of EX-6 becoming EX-4 (revised) in order to further evaluate potential fault locations and distribution of subsurface lithology and to go forward with drilling EX-7 to complete evaluation of the subsurface materials to the west. Therefore, seven out of the eight proposed auger borings were drilled.

The coarse material encountered in EX-2 and EX-5 was present in EX-6 (revised), therefore it was decided that work would continue with construction of downhole permeameters (authorized Task 8) at

Proposal to Drill Deep Boring and Conduct a Pumping Test for Assessing the On-site Mapped Fault,
Proposed Oak Valley Town Center Recharge Project, Calimesa, California

14-October-19

locations EX-2, EX-5, and EX-6 (revised). Permeameters were constructed with the aid of District staff on October 8 and 9, 2019. The permeameters were constructed with 12-inch Schedule 80 PVC well casing and screen, with screens set between 50-feet and 100 feet below ground surface. Infiltration testing will begin October 15 or 16.

New Tasks.

Two additional tasks were discussed with District staff on September 24, 2019. A deep boring should be drilled across the San Timoteo Fault Zone to the northeast. The purpose of the boring is to collect lithologic data to correlate geologic material across the San Timoteo Fault Zone and to potentially assess fault offset and to determine whether the coarse sequence of material encountered below a depth of approximately 150 feet encountered in the deep boring at Location 1 is present northeast and across the fault.

Task 12 – Deep Boring Northeast of San Timoteo Fault Zone

A deep boring will be drilled using the reverse rotary dual-tube method. The dual tube method allows for collection of lithologic samples with high frequency in order to prepare a detailed lithologic log. By using air, the method allows for determining the depth to water while drilling. The boring will be drilled to a depth of 450 feet below ground surface at a location between EX-5 and EX-6 (revised). Once the target depth is reached, the boring will be filled with drilling mud to conduct geophysical logging. The geophysical logs will be used to compare with the geophysical log of the deep boring at location 1 across the fault. The data from the boring will be used in preparation of the groundwater (Task 9). The inset below shows the proposed location of the deep boring. Task include marking and notifying dig-alert and completing well permit application.

Geologic Cross-Section – The data collected from all of the auger borings and deep borings will be used to prepare geologic cross-sections for the site which will form the basis of the conceptual model in preparing the groundwater model (Task 9).

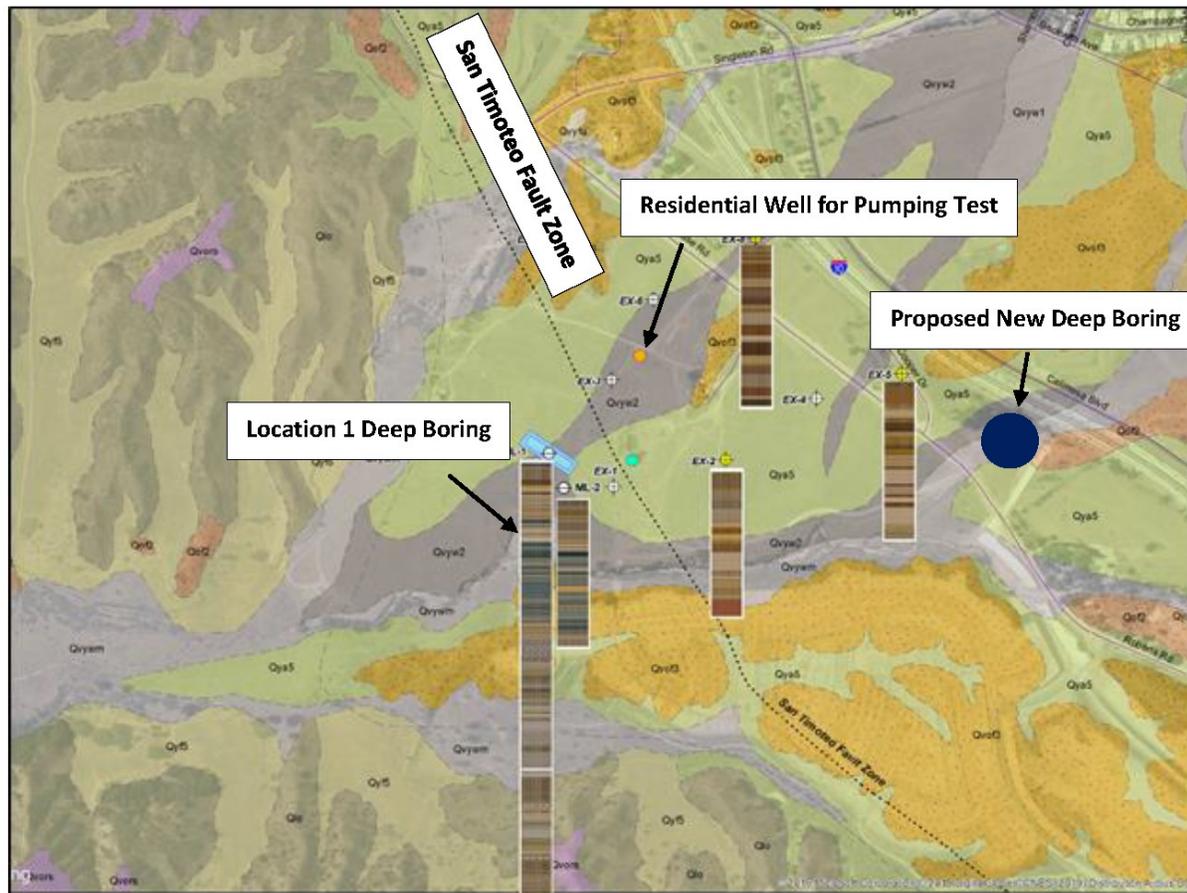
Task 13 - Pumping Test

The existing residential well will be used to conduct a pumping test as an initial evaluation of whether the San Timoteo Fault Zone mapped on site acts as a barrier to groundwater movement. Current groundwater data suggests that it does not act as a groundwater barrier, but the construction details for the residential well and the agricultural well are unknown. The pumping test will be run to observe whether drawdown in in the residential well and in the monitoring, wells show evidence of a barrier. We anticipate that the test will be run for approximately one week or until groundwater levels stabilize. However, the actual production rate of the residential well in unknown, so it is possible that the well may not operate at a high enough rate to detect a barrier. When the well is turned on our staff will

Proposal to Drill Deep Boring and Conduct a Pumping Test for Assessing the On-site Mapped Fault,
Proposed Oak Valley Town Center Recharge Project, Calimesa, California

14-October-19

determine the rate and prepare a field calculation of the potential extent of drawdown in relation to the mapped fault before continuing the test. The location of the proposed pumping well is shown in the inset below.



Next Steps

We anticipate the upcoming sequence of work to be as follows:

- Conduct permeameter testing at Ex-6 (revised), EX-5, and EX-8, (authorized Task 8)
- Drill the Deep Boring northeast of the fault (new proposed task)
- Begin construction of the groundwater model (authorized Task 9)
- Conduct pumping test (new proposed task)
- Complete extended seismic reflection survey (authorized Task 10).
- Complete construction and calibration of groundwater model
- Evaluate wellfield locations and operation for injection and extraction wells.

Proposal to Drill Deep Boring and Conduct a Pumping Test for Assessing the On-site Mapped Fault,
Proposed Oak Valley Town Center Recharge Project, Calimesa, California

14-October-19

- Complete Investigation Report and Feasibility of Injection, Storage, and Extraction of Recycled Water at the Oak Valley Property.

An estimate of costs for these two additional tasks are detailed in the attached table. Should you have any questions regarding the scope of work or costs, please do not hesitate to call me at your earliest convenience. It is our privilege to serve the District on this important project.

Sincerely,

A handwritten signature in blue ink, appearing to read 'BVillalobos', with a stylized flourish at the end.

Brian Villalobos, CEG, CHG.

Principal

Encl.

Proposal for Deep Boring and Pumping Test Associated with the Geohydrologic Investigation to Assess Artificial Recharge Feasibility at the Proposed Oak Valley Town Center, Calimesa, California

Task Description	GEOSCIENCE SUPPORT SERVICES, INC.										Drilling Subcontractor Cost	Reimbursable Expenses ¹	Total Cost		
	Principal Hydrologist	Principal Modeler	Principal Geohydrologist	Project Geohydrologist/Modeler	Modeler III	Staff Geohydrologist	Technical Illustrator	Clerical	GEOSCIENCE Labor						
	\$305	\$270	\$245	\$195	\$189	\$155	\$119	\$100							
12.0 Deep Boring North of Roberts Road, Oak Valley Site															
12.1 Dig-Alert Marking and Notification and Obtain Well Permit						16						\$ 2,480	\$ -	\$ 345	\$ 2,825
12.2 Drilling Logging, and Abandonment 450 foot Deep Borehole			12			60						\$ 12,240	\$ 51,502	\$ 725	\$ 64,467
12.3 Preparation of Lithologic Log and Cross-Sections			8	16		32						\$ 10,040	\$ -	\$ -	\$ 10,040
<i>Subtotal</i>	0	0	20	16	0	108	0	0				\$ 24,760	\$ 51,502	\$ 1,070	\$ 77,332
13.0 Pumping Test to Evaluate Presence of On-Site Mapped Fault as a GW Barrier															
13.1 Test Set-up				2		8						\$ 1,630	\$ -	\$ 145	\$ 1,775
13.2 5-Day Pumping Test				4		24						\$ 4,500	\$ -	\$ 290	\$ 4,790
13.3 Data Evaluation, Processing, and Plotting			4	6		24						\$ 5,870	\$ -	\$ -	\$ 5,870
<i>Subtotal</i>	0	0	4	12	0	56	0	0				\$ 12,000	\$ -	\$ 435	\$ 12,435
TOTAL HOURS AND COST (TASKS 12 and 13):											\$ 36,760	\$ 51,502	\$ 1,505	\$ 89,767	

Notes: ¹ Reimbursable Expenses Include Mileage, GEOSCIENCE Staff Field Per Diem at \$145/day, permeameter construction materials, infiltration test instrumentation, and report reproduction costs.



Date: November 5, 2019

Prepared By: Joseph Zoba, General Manager

Subject: Consideration of an Agreement to Facilitate Water Deliveries by San Bernardino Valley Municipal Water District for the San Gorgonio Pass Water Agency in the Calimesa Area

Recommendation: That the Board authorize the President to execute the joint agency agreement as presented.

On September 25, 2019, the Yucaipa Valley Water District Board of Directors participated in a joint board meeting together with elected officials from the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency. At this meeting, the elected officials discussed the draft *Agreement to Facilitate Water Deliveries by San Bernardino Valley Municipal Water District for the San Gorgonio Pass Water Agency in the Calimesa Area* (“Joint Agreement”).



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

JOINT MEETING OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, THE
SAN GORGONIO PASS WATER AGENCY AND THE YUCAIPA VALLEY WATER DISTRICT
BOARD OF DIRECTORS

AGENDA

1:30 PM Wednesday, September 25, 2019

CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

1. PUBLIC COMMENT - Any person may address the Board on matters within its jurisdiction.
2. DISCUSSION AND POSSIBLE ACTION ITEMS
 - 2.1. Consider Agreement Review of an Agreement to Facilitate Water Deliveries to the Calimesa Area by San Bernardino Valley Municipal Water District for the San Gorgonio Pass Water Agency (Page 3)
[Staff Memo - Review of Agreement to Facilitate Water Deliveries](#)
[Agreement to Facilitate Water Deliveries](#)
[Joint Agreement SWPAO 16030](#)
[Sample Calculation of Calimesa Deliveries for August 2019](#)
 - 2.2. Presentation and Discussion of Facilitated Joint Management Meetings (Page 26)
[Staff Memo - Calimesa Water Supply](#)
[Joint Board Meeting for Calimesa Water Supply Agreement](#)
3. BOARD MEMBER COMMENTS
4. ADJOURNMENT

The Joint Agreement is based upon the previously approved *Agreement Among the Department of Water Resources of the State of California, San Bernardino Valley Municipal Water District and San Gorgonio Pass Water Agency for a Change in Point of Delivery of a Portion of San Gorgonio Pass Water Agency’s State Water Project Table A Water, SWPAO #16030* (“SWPAO 16030”) which will provide up to 2,400 acre feet of imported water from the San Gorgonio Pass Water Agency to be delivered by the San Bernardino Valley Municipal Water District to the Yucaipa Valley Water District for use in Calimesa. This Joint Agreement will document the procedures necessary to track imported water received by Yucaipa Valley Water District from the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency.

At the Joint Board meeting, the elected officials all agreed to have the Joint Agreement adopted by each respective board.

**AGREEMENT TO FACILITATE WATER DELIVERIES BY SAN BERNARDINO
VALLEY MUNICIPAL WATER DISTRICT FOR THE SAN GORGONIO PASS
WATER AGENCY IN THE CALIMESA AREA**

THIS AGREEMENT TO FACILITATE WATER DELIVERIES (“*Agreement*”) is entered into as of _____, 2019 (“*Effective Date*”), by and among SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, a municipal water district organized and existing under the Municipal Water District Act of 1911 (Water Code § 71000 *et seq.*) (“*SBVMWD*”), SAN GORGONIO PASS WATER AGENCY, a wholesale water agency organized and existing under the San Gorgonio Pass Water Agency Law (Water Code App. § 101-1 *et seq.*) (“*SGPWA*”), and YUCAIPA VALLEY WATER DISTRICT, a county water district organized and existing under the County Water District Law (Water Code § 30000 *et seq.*) (“*YVWD*”). Valley, SGPWA, and YVWD are sometimes referred to herein individually as “*Party*” and collectively as “*Parties*”.

RECITALS

A. SBVMWD is a wholesale water agency and a State Water Contractor (“*SWC*”) that receives a yearly allocation of imported State Water Project (“*SWP*”) water supplies from the Department of Water Resources (“*DWR*”) pursuant to that certain water supply contract, dated December 30, 1960, as subsequently amended (“*SBVMWD’s Water Supply Contract*”).

B. SGPWA is a wholesale water agency and a SWC that receives a yearly allocation of imported SWP supplies from DWR pursuant to that certain water supply contract, dated November 16, 1962, as subsequently amended (“*SGPWA’s Water Supply Contract*”).

C. SBVMWD and SGPWA are not permitted to sell water to customers outside of their respective service areas.

D. YVWD is a water retailer providing retail water service within both SBVMWD and SGPWA service areas.

E. YVWD only receives imported SWP water deliveries through SBVMWD and then delivers that water to customers within both SBVMWD and SGPWA service areas. Currently, YVWD’s only physical connection to the SWP system is SBVMWD’s turnout at 3A of the California Aqueduct’s East Branch Extension (“*Reach EBX-3A*”).

F. Since 2005, YVWD has been calculating the amount of SWP water that was delivered into SGPWA’s service area through SBVMWD’s turnout at Reach EBX-3A and paying SGPWA for this quantity of SWP water. SGPWA has been paying SBVMWD for the cost of the water delivered through SBVMWD’s turnout at Reach EBX-3A.

G. Although SBVMWD was compensated for the cost of the SWP water, the SWP water delivered to YVWD for use in the SGPWA service area was deducted from SBVMWD’s SWP allocation instead of SGPWA’s SWP allocation.

H. On March 21, 2019, SBVMWD, SGPWA, and DWR entered into that certain Agreement among the Department of Water Resources of the State of California, San Bernardino

Valley Municipal Water District and San Geronio Pass Water Agency for a Change in Point of Delivery of a Portion of San Geronio Pass Water Agency's State Water Project Table A Water ("*SWPAO Agreement 16030*"), which allows SGPWA to order up to 2,400 acre-feet annually of SGPWA's approved SWP Table A water ("*SWP Water*") for delivery at SBVMWD's turnout at Reach EBX-3A and provides that DWR shall deduct such SWP Water from SGPWA's SWP allocation and SGPWA shall pay to DWR the charges for such SWP Water. A true and correct copy of SWPAO Agreement 16030 is attached as *Exhibit "A"* hereto.

I. SWPAO Agreement 16030 relies on a monthly calculation made by YVWD to quantify the amount of imported SWP Water deliveries through SBVMWD's turnout at Reach EBX-3A that are delivered into the SGPWA service area.

J. The Parties desire to document the agreed accounting procedure used by YVWD to quantify the amount of SWP Water deliveries through SBVMWD's turnout at Reach EBX-3A for customers within the SGPWA service area.

NOW, THEREFORE, in consideration of the mutual covenants and conditions stated herein and other valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows.

TERMS OF AGREEMENT

1. Incorporation of Recitals. Each and every one of the Recitals set forth above is a material part of this Agreement and is hereby incorporated by reference into and made part of this Agreement by this reference.

2. Term. This Agreement shall be effective as of the Effective Date and shall only terminate upon the expiration or other termination of SWPAO Agreement 16030 and any and all successor agreements.

3. Calculating SWP Water Deliveries. YVWD shall calculate the volume of SWP Water received from SBVMWD turnout at Reach EBX-3A and delivered to customers in SBVMWD and SGPWA service areas, respectively, each calendar month using the methodology set forth in the Supplemental Water Calculations for SBVMWD & SGPWA attached as *Exhibit "B"* hereto and incorporated herein by reference ("*Water Calculations*").

4. Definitions. For purposes of making the Water Calculations, the following terms shall have the following meanings:

a. YVWD Source of Supply Production Report. Monthly data compiled by YVWD of all water supply sources contributing to the drinking water distribution system and recycled water distribution system.

b. *Quantity of Imported Water Delivered to YVWD (AF) [A]*. SBVMWD meter reading for deliveries to YVWD. Generated by SBVMWD and regularly published in the agenda packet for regular meetings of the SBVMWD Board of Directors.

- c. *Quantity of Filtered Water Delivered to Customers (AF) [B]*. YVWD Source of Supply Production Report.
- d. *Potable Water Consumption by County (kgal) [C]*. YVWD summation of deliveries to customers within each county. Found on YVWD internal report generated from the utility billing system.
- e. *Percentage of Domestic Use per County [D]*. Calculation.
- f. *Preliminary Allocation of Filtered Water (AF) [E]*. Calculation.
- g. *Well No. 35 Production (AF) [F]*. Found on YVWD Source of Supply Production Report representing groundwater production sources in Riverside County. Additional groundwater production sources will be added to the calculation in the future as new sources are constructed.
- h. *Well No. 40 Production (AF) [G]*. Found on YVWD Source of Supply Production Report representing groundwater production sources in Riverside County. Additional groundwater production sources will be added to the calculation in the future as new sources are constructed.
- i. *Well No. 48 Production (AF) [H]*. Found on YVWD Source of Supply Production Report representing groundwater production sources in Riverside County. Additional groundwater production sources will be added to the calculation in the future as new sources are constructed.
- j. *Well No. 61 Production (AF) [I]*. Found on YVWD Source of Supply Production Report representing groundwater production sources in Riverside County. Additional groundwater production sources will be added to the calculation in the future as new sources are constructed.
- k. *Calculation of Filtered Water Use in Riverside County (AF) [J]*. Calculation.
- l. *Revised Allocation of Filtered Water (AF) [K]*. Calculation that is applicable if groundwater production in Riverside County offsets the quantity of SWP water delivered to the SGPWA service area.
- m. *Imported Water Allocated to YVWD (AF) [L]*. Calculation used to distinguish between the quantity of SWP water used by YVWD and wholesale water provided to Western Heights Mutual Water Company
- n. *Imported Water Allocated to WHMWC (AF) [M]*. YVWD Source of Supply Production Report.
- o. *Quantity of Recycled Water from Direct Imports (AF) [N]*. Calculation.

p. *Amount of Recycled Water from B-8 at Wochholz Regional Water Recycling Facility (WRWRF) (AF) [O].* Found on YVWD Source of Supply Production Report.

q. *Actual Recycled Use in Riverside County (AF) [P].* Found on YVWD internal report on recycled water.

r. *Revised Allocation of Recycled Water Use from Yucaipa Valley Regional Water Recycling Facility (YVRWFF) (AF) [Q].* Calculation applies when recycled production is less than demand. This calculation includes the quantity of the processed SWP water byproduct that is treated and added to the recycled water distribution system plus the quantity of waste product that is discharged to the YVWD sewer collection system.

5. Reporting Water Calculations. On or before the tenth (10th) business day of each calendar month, YVWD shall submit to both SBVMWD and SGPWA the completed Water Calculations for the preceding calendar month, with supporting documentation as reasonably requested by SBVMWD and/or SGPWA.

6. Records. YVWD shall keep and maintain complete and accurate records of all deliveries of SWP Water to its customers in both SBVMWD and SGPWA service areas and all information used in making the Water Calculations. Such records shall be made available to SBVMWD and SGPWA, or their representatives, for inspection and copying upon written request. YVWD shall retain such records for a period of no less than three (3) years after the later of: (a) submission of all Water Calculations pursuant to Section 5 of this Agreement; or (b) the expiration or other termination of this Agreement.

7. Audits. Any Party may, at any time and at its sole cost, hire an auditor to examine the accounting for Water Calculations generated pursuant to this Agreement. The Parties may also agree to retain an independent auditor to review the accounting for Water Calculations generated pursuant to this Agreement, and the costs of such auditor will be shared equally among the Parties so agreeing.

8. Compliance with Laws. YVWD, at YVWD's sole cost and expense, shall comply with all federal, state, and local laws, ordinances, rules, and regulations and for securing any required consent, approvals, permits, or orders.

9. Liability.

a. Nothing in this Agreement shall be construed or interpreted to modify the terms or conditions of SWPAO Agreement 16030 or SGPWA's and SBVMWD's respective Water Supply Contracts with DWR. Unless expressly provided herein, the terms and conditions of SWPAO Agreement 16030 and SGPWA's and SBVMWD's respective Water Supply Contracts with DWR, and any future amendments to any of those agreements, apply to this Agreement.

b. Nothing in this Agreement shall be construed or interpreted to create any obligation, responsibility, or liability on the part of SBVMWD or SGPWA for the delivery, use, effects, or disposal of SWP Water. Any such responsibility shall be created and governed solely by separate agreement, if any, by and among the Parties.

c. Nothing in this Agreement shall be construed or interpreted to alter or affect any Party's ownership or operation of its facilities.

d. The provisions of this Section 9 shall survive the expiration or other termination of this Agreement.

10. Dispute Resolution. In the event of a dispute regarding interpretation or implementation of this Agreement, the authorized representatives of the Parties shall endeavor to resolve the dispute by meeting within thirty (30) days after the request of a Party. If the dispute remains unresolved, the Parties shall use the services of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally. If a consultant cannot be agreed upon within sixty (60) days after the request of a Party, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter may be resolved by litigation and any Party may, at its option, pursue any available legal remedy, including without limitation injunctive or other equitable relief.

11. General Provisions.

a. *Amendment*. This Agreement may be amended or modified only by a written instrument executed by all of the Parties to this Agreement.

b. *Jurisdiction and Venue*. This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding any choice of laws provision that would apply the laws of any other jurisdiction. Any suit, action, or proceeding brought in connection with this Agreement shall be brought and maintained exclusively in the Superior Court of San Bernardino County, California.

c. *Attorneys' Fees and Costs*. The prevailing Party in any litigation or other action to enforce or interpret this Agreement shall be entitled to reasonable attorneys' fees, expert witnesses' fees, costs of suit, and other and necessary disbursements in addition to any other relief deemed appropriate by a court of competent jurisdiction.

d. *Headings*. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

e. *Construction and Interpretation*. This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

f. *Entire Agreement*. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and, except as expressly provided in this Agreement, supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

g. *Partial Invalidity.* If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

h. *Successors and Assigns.* Neither Party may assign its interests in or obligations under this Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed. This Agreement shall be binding on and inure to the benefit of the successors and permitted assigns of the respective Parties to this Agreement.

i. *No Third Party Beneficiaries.* This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

j. *Waivers.* Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement and forbearance to enforce one or more of the rights or remedies provided in this Agreement shall not be deemed to be a waiver of that right or remedy.

k. *Notices.* All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by email on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as provided below. Except as provided otherwise in this Agreement, email addresses are provided for courtesy copies only, and notice may not be given by email. Either Party may change the place for the giving of notice to it by thirty (30) days prior written notice to the other Party as provided herein.

If to SBVMWD: San Bernardino Valley Municipal Water District
Attn: General Manager
380 East Vanderbilt Way
San Bernardino, California 92408
Phone: (909) 387-9200
Email: dough@sbvmwd.com

With a copy to: Varner & Brandt LLP
Attn: Brendan W. Brandt, General Counsel
3750 University Avenue, Suite 610
Riverside, California 92501
Phone: (951) 274-7777
Email: brendan.brandt@varnerbrandt.com

If to SGPWA: San Gorgonio Pass Water Agency
Attn: General Manager
1210 Beaumont Avenue
Beaumont, California 92223
Phone: (951) 845-2577
Email: jdavis@sgpwa.com

With a copy to: Best Best & Krieger
Attn: Jeffry Ferre
3390 University Avenue, 5th Floor
Riverside, California 92501
Phone: (951) 826-8271
Email: jeff.ferre@bbklaw.com

If to YVWD: Yucaipa Valley Water District
Attn: General Manager
P.O. Box 730
Yucaipa, California 92399-0730
Phone: (909) 797-5119
Email: jzoba@yvwd.us

With a copy to: Law Office of David Wysocki
Attn: David Wysocki
543 E. Mariposa Drive
Redlands, California 92373-7351
Phone: (909) 798-3672
Email: dwysockilaw@gmail.com

l. *Authority.* Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

m. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument. Signatures may be delivered electronically or by facsimile and shall be binding upon the Parties as if they were originals.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT,
a California municipal water district

By: _____
Douglas D. Headrick
General Manager

SAN GORGONIO PASS WATER AGENCY,
a California wholesale water agency

By: _____
Name: _____
Its: _____

YUCAIPA VALLEY WATER DISTRICT,
a California county water district

By: _____
Chris Mann
President, Board of Directors

[Signature Page for Agreement to Facilitate Water Deliveries]

EXHIBIT "A"

**AGREEMENT AMONG THE DEPARTMENT OF WATER RESOURCES OF THE
STATE OF CALIFORNIA, SAN BERNARDINO VALLEY MUNICIPAL WATER
DISTRICT AND SAN GORGONIO PASS WATER AGENCY FOR A CHANGE IN
POINT OF DELIVERY OF A PORTION OF SAN GORGONIO PASS WATER
AGENCY'S STATE WATER PROJECT TABLE A WATER**

(SWPAO AGREEMENT 16030)

State of California
The Resources Agency
DEPARTMENT OF WATER RESOURCES

AGREEMENT AMONG
THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA,
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND
SAN GORGONIO PASS WATER AGENCY
FOR
A CHANGE IN POINT OF DELIVERY OF A PORTION OF
SAN GORGONIO PASS WATER AGENCY'S
STATE WATER PROJECT TABLE A WATER

SWPAO #16030

THIS AGREEMENT is made this 21st day of March, 2019,
under the provisions of the California Water Resources Development Bond Act, and other
applicable laws of the State of California, among the Department of Water Resources of
the State of California (DWR), San Bernardino Valley Municipal Water District (SBVMWD),
and San Gorgonio Pass Water Agency (SGPWA). DWR, SBVMWD and SGPWA may be
referred to individually by name, as "Party" or collectively as "Parties."

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

RECITALS

- A. DWR and SBVMWD have entered into a water supply contract, dated December 30, 1960, and subsequently amended, providing that DWR shall supply certain quantities of water to SBVMWD, providing that SBVMWD shall make certain payments to DWR, and setting forth the terms and conditions of such water deliveries and payments, hereinafter "SBVMWD's Water Supply Contract."
- B. DWR and SGPWA have entered into a water supply contract, dated November 16, 1962, and subsequently amended, providing that DWR shall supply certain quantities of water to SGPWA, providing that SGPWA shall make certain payments to DWR, and setting forth the terms and conditions of such water deliveries and payment, hereinafter "SGPWA's Water Supply Contract."
- C. Yucaipa Valley Water District (YVWD) serves customers located in both SBVMWD's and SGPWA's service areas. However, YVWD's only physical connection to the SWP system is located at SBVMWD's turnout at 3A of the California Aqueduct's East Branch Extension (Reach EBX-3A) from which SWP water is conveyed to YVWD's service area. Therefore, a change in point of delivery agreement is necessary for YVWD to receive SGPWA's SWP water for use in the SGPWA portion of YVWD's service area. SGPWA has estimated that up to 2,400 acre-feet per year of its SWP Table A water will be delivered and used by YVWD in SGPWA's service area.
- D. SGPWA requests DWR's approval for a change in point of delivery of up to 2,400 acre-feet annually of SGPWA's approved SWP Table A water to SBVMWD's turnout at Reach EBX-3A for use in the SGPWA portion of YVWD's service area.
- E. In compliance with the California Environmental Quality Act (CEQA), SGPWA, as lead agency, has determined that the change in point of delivery is categorically exempt from the requirements under CEQA Guidelines Section 15301 (exemption for the operation of existing facilities) and has filed a Notice of Exemption (NOE) with the State Clearinghouse (SCH) on January 4, 2017 (SCH # 2017018021). DWR, as the responsible agency, will file a NOE upon execution of this Agreement.

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

AGREEMENT

DWR approves a change in point of delivery of up to 2,400 acre-feet annually of SGPWA's approved SWP Table A water to SBVMWD's turnout at Reach EBX-3A of the California Aqueduct during the term of the Agreement, subject to the following terms and conditions:

TERM

1. This Agreement shall be effective upon execution by all Parties, and shall terminate on December 31, 2035, or upon final payment to DWR of all costs attributable to this Agreement, whichever occurs later. However, the liability, hold harmless and indemnification obligations in this Agreement shall remain in effect until December 31, 2039, or until any claim or litigation concerning this Agreement asserted to DWR, SBVMWD, or SGPWA as of December 31, 2039 is finally resolved, whichever occurs later. Extending the obligations in this paragraph of this Agreement beyond the termination dates in the long term SWP water supply contracts between DWR and SBVMWD and between DWR and SGPWA, and the use of the December 31, 2039 date in this Agreement, are not intended to have any legal effect on the termination dates of those or any other long term SWP water supply contracts.

UNIQUENESS OF AGREEMENT

2. DWR's approval under this Agreement is unique and shall not be considered a precedent for future agreements or DWR activities.

USE OF CALIFORNIA AQUEDUCT CAPACITY

3. Delivery of a portion of SGPWA's SWP Table A water to SBVMWD's turnout located on the California Aqueduct under this Agreement shall be in accordance with a schedule that has been reviewed and approved by DWR under applicable provisions of SGPWA's Water Supply Contract. Article 12(f) of SGPWA's Water Supply Contract shall govern the priority for delivery of such water.

APPROVALS

4. The delivery of water under this Agreement shall be contingent upon, and subject to, any necessary approvals and shall be governed by the terms and conditions of such approvals and any other applicable legal requirements. SGPWA and SBVMWD shall be responsible for complying with all applicable laws and legal requirements and for securing any required consent, approvals, permits, or orders. SGPWA and SBVMWD shall furnish to DWR copies of all approvals and agreements required for the delivery of water under this Agreement.

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

DELIVERY OF SGPWA'S TABLE A WATER

5. Under Article 15(a) of SGPWA's Water Supply Contract, DWR hereby consents to the delivery of a portion of SGPWA's SWP Table A water through SBVMWD's turnout under the terms and conditions of this Agreement and finds that such delivery will not materially impair SGPWA's capacity to make payments to DWR.

PRIOR WATER DELIVERIES

6. From 2005-2017, SBVMWD's SWP supplies were delivered to YVWD at Reach EBX-3A. However, a portion of that water was used in SGPWA's service area. SBVMWD and SGPWA internally coordinated the billing and tracking of the amount of water delivered to SGPWA's service area. However, DWR's water files did not reflect the correct amount of SWP water received by SBVMWD and SGPWA. In order to correctly reflect the activities between the two agencies in these years, DWR will reclassify water deliveries made to SBVMWD and SGPWA as shown in Attachment A.

SGPWA'S WATER DELIVERY TO SBVMWD'S TURNOUT

7. DWR will deliver up to 2,400 acre-feet annually of SGPWA's SWP Table A water to SBVMWD's turnout at Reach EBX-3A of the California Aqueduct.
8. The delivery of a portion of SGPWA's SWP Table A water under this Agreement shall be in accordance with a schedule approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations or facilities, or other SWP contractors.
9. The sum of deliveries scheduled under this Agreement, plus scheduled SGPWA SWP deliveries, plus deliveries to SGPWA under any other agreements, shall not exceed the quantities on which the proportionate Use-of-Facilities factors are based under SGPWA's Water Supply Contract, unless DWR determines that the deliveries will not adversely impact SWP operations or facilities, or other SWP contractors' Table A deliveries.

SOURCE OF WATER

10. SGPWA attests that the delivery of a portion of SGPWA's SWP Table A water to SBVMWD's turnout under this Agreement does not constitute a sale of its Table A water. Rather, SGPWA's SWP Table A water is delivered to SBVMWD's turnout on behalf of YVWD's customers that are within SGPWA's service area.

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

WATER DELIVERY SCHEDULES

11. All water delivery schedules and revisions under this Agreement shall be in accordance with Article 12 of SBVMWD's and SGPWA's respective Water Supply Contract.
12. SGPWA, in coordination with SBVMWD, shall submit monthly water delivery schedules for approval to the State Water Project Analysis Office (SWPAO), Water Deliveries Section, indicating timing and point of delivery requested under this Agreement with reference to SWPAO #16030. Delivery schedules shall be sent by electronic mail to SWPDeliveries@water.ca.gov or by FAX to (916) 653-9628, Attention: Chief, Water Deliveries Section.
13. SGPWA, in coordination with SBVMWD, shall submit weekly schedules for the delivery of water under this Agreement to the Southern Field Division, Water Operations Section, indicating timing and point of delivery requested with reference to SWPAO #16030. Schedules shall be sent by electronic mail to SFDwaterschedule@water.ca.gov or by FAX to (661) 294-3651, Attention: Chief, Water Operations Section.
14. All weekly water schedules described above shall be submitted by 10:00 a.m. Wednesday, for the following week, Monday through Sunday, to the Southern Field Division's Water Operations Section.
15. Weekly water schedules shall also be concurrently sent by electronic mail or faxed to the State Water Project Operations Control Office:
 - a. Water Management Branch
Water_deliv_sched@water.ca.gov
FAX to (916) 574-2785
Attention: Chief, Water Management Branch
 - b. Power Management and Optimization Branch
POCOptimization@water.ca.gov
FAX to (916) 574-2785
Attention: Chief, Power Management and Optimization Branch
 - c. Pre-Scheduling Section
Presched@water.ca.gov
FAX to (916) 574-2782
Attention: Chief, Pre-Scheduling Section

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

WATER DELIVERY RECORDS

16. DWR will maintain monthly records accounting for the delivery of water under this Agreement. SGPWA shall certify to SWPAO the quantity of water delivered to SBVMWD's turnout under this Agreement, by the 30th day after the delivery, with reference to SWPAO #16030.

CHARGES

17. SGPWA shall pay to DWR the charges associated with the delivery of water under this Agreement from the Delta to Reach EBX-3A. SGPWA shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost for each acre-foot of water delivered from the Delta to the Reach EBX-3A. Charges shall be determined for the month the water is delivered.
18. In addition to the charges identified above, SGPWA agrees to pay to DWR any additional identified demonstrable increase in costs that would otherwise be borne by DWR or by the SWP contractors not signatory to this Agreement as a result of DWR providing service under this Agreement.
19. Payment terms under this Agreement shall be in accordance with SGPWA's Water Supply Contract.

NO IMPACT

20. This Agreement shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water or to any other SWP approved water allocations, water deliveries, or SWP operations or facilities. SGPWA and SBVMWD shall be responsible, jointly and severally, as determined by DWR, for any adverse impacts that may result from water deliveries under this Agreement.

LIABILITY

21. DWR is not responsible for the use, effects or disposal of water under this Agreement once the water is delivered to the designated turnout(s). Responsibility shall be governed by Article 13 of SBVMWD's and/or SGPWA's respective Water Supply Contract, as applicable, with responsibilities under the terms of that article shifting from DWR to SGPWA and/or SBVMWD when the water is delivered to the designated turnout(s).

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

22. SGPWA and SBVMWD agree to defend and hold DWR, its officers, employees and agents harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees and agents incur as a result of DWR providing services under this Agreement, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees and agents.
23. If uncontrollable forces preclude DWR from delivery of water under this Agreement, either partially or completely, then DWR is relieved from the obligation to deliver the water to the extent that DWR is reasonably unable to complete the obligation due to the uncontrollable forces. Uncontrollable forces shall include, but are not limited to, earthquakes, fires, tornadoes, floods, and other natural or human caused disasters. SGPWA and SBVMWD shall not be entitled to recover any administrative costs or other costs associated with delivery of water under this Agreement if uncontrollable forces preclude DWR from delivering the water.

DISPUTE RESOLUTION

24. In the event of a dispute regarding interpretation or implementation of this Agreement, the Director of DWR and authorized representatives of SGPWA and SBVMWD shall endeavor to resolve the dispute by meeting within 30 days after the request of a Party. If the dispute remains unresolved, the Parties shall use the service of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally. If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter may be resolved by litigation and any Party may, at its option, pursue any available legal remedy including, but not limited to, injunctive and other equitable relief.

NO ASSIGNMENT OF AGREEMENT

25. Without the prior written consent of DWR, SGPWA and SBVMWD, this Agreement is not assignable by SGPWA and SBVMWD in whole or in part.

PARAGRAPH HEADINGS

26. The paragraph headings of this Agreement are for the convenience of the Parties and shall not be considered to limit, expand, or define the contents of the respective paragraphs.

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

OPINIONS AND DETERMINATION

27. Where the terms of this Agreement provide for actions to be based upon the opinion, judgment, approval, review, or determination of any Party, such terms are to be construed as providing that such opinion, judgment, approval, review, or determination be reasonable.

NO MODIFICATION OF AGREEMENT

28. No modification of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties to this Agreement.

NO MODIFICATION OF WATER SUPPLY CONTRACT

29. This Agreement shall not be interpreted to modify the terms or conditions of SGPWA's and SBVMWD's respective Water Supply Contract. Unless expressly provided herein, the terms and conditions of SGPWA's and SBVMWD's respective Water Supply Contract and any future amendments apply to this Agreement.

SIGNATURE CLAUSE

30. The signatories represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. A copy of any resolution or other documentation authorizing SGPWA and SBVMWD to enter into this Agreement, if such resolution or authorization is required, shall be provided to DWR before the execution of this Agreement.

EXECUTION IN COUNTERPART

31. This Agreement may be executed in counterpart. The Parties agree to accept facsimile or electronically scanned signatures as original signatures. This Agreement shall take effect as soon as all Parties have signed. Immediately after execution, SGPWA and SBVMWD shall transmit a copy of the executed Agreement by facsimile or electronic file to Pedro Villalobos, SWPAO Chief, at (916) 653-9628 or swpao-chief@water.ca.gov and to each other at:
- a. San Gorgonio Pass Water Agency
Mr. Jeff Davis, General Manager
Fax: (951) 845-0281
Email: jdavis@sgpwa.com
 - b. San Bernardino Valley Municipal Water District
Mr. Douglas Headrick, General Manager
Fax: (909) 387-9247
Email: dough@sbvmwd.com

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement.

Approved as to Legal Form
and Sufficiency

State of California
Department of Water Resources

Chief Counsel
Department of Water Resources

Pedro Villalobos, Chief
State Water Project Analysis Office

Date

Date

San Geronio Pass Water Agency

San Bernardino Valley Municipal Water District

Name

Douglas D. Headrick

Name Douglas D. Headrick

Title

Title General Manager

Date

12/18/18

Date

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
SWPAO #16030

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement.

Approved as to Legal Form
and Sufficiency

State of California
Department of Water Resources

Chief Counsel
Department of Water Resources

Pedro Villalobos, Chief
State Water Project Analysis Office

Date

Date

San Geronio Pass Water Agency

San Bernardino Valley Municipal Water District

Jeffrey W. Davis

Name

Name

General Manager

Title

Title

3-8-19

Date

Date

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Department of Water Resources



v/s Chief Counsel
Department of Water Resources



Pedro Villalobos, Chief
State Water Project Analysis Office

3/21/19

Date

March 21, 2019

Date

San Geronio Pass Water Agency

San Bernardino Valley Municipal Water District

Name

Name

Title

Title

Date

Date

Change in Point of Delivery Agreement
DWR, SBVMWD, & SGPWA
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Attachment A

YEAR	Amount to Reclassify (AF)
2005	57
2006	159
2007	119
2008	287
2009	274
2010	123
2011	109
2012	164
2013	180
2014	102
2015	454
2016	647
2017	898

The above table shows the amount of water to be reclassified. SGPWA's and SBVMWD's deliveries for these years will be modified by increasing and decreasing amounts respectively. The charges will be adjusted accordingly. SGPWA will be billed and SBVMWD will be credited by an equal amount.

EXHIBIT "B"

SUPPLEMENTAL WATER CALCULATIONS FOR SBVMWD AND SGPWA

Supplemental Water Calculations for SBVMWD & SGPWA

Monday, October 28, 2019

\$399.00
Effective 5/1/19

Potable Water Calculation:

	Calculations
Quantity of Imported Water Delivered to YVWD (AF)	[A]
Quantity of Filtered Water Delivered to Customers (AF)	[B]
Potable Water Consumption By County (kgal)	[C]
Percentage of Domestic Use per County	[D] = % of [C]
Preliminary Allocation of Filtered Water (AF)	[E]=[B]*[D]
Well No. 35 Production (AF)	[F]
Well No. 40 Production (AF)	[G]
Well No. 48 Production (AF)	[H]
Well No. 61 Production (AF)	[I]
Calculation of Filtered Water Use in Riv. Co. (AF)	[J]=[E]-[F]-[G]-[H]-[I]
Revised Allocation of Filtered Water (AF)	[K]
Imported Water Allocated to YVWD (AF)	[L]
Imported Water Allocated to WHMWC (AF)	[M]

July 2019		
SBVMWD	SGPWA	Total
--	--	777.00
--	--	570.27
438,483	41,354	479,837
91.4%	8.6%	100.0%
521.12	49.15	570.27
--	0.00	--
--	0.00	--
--	0.00	--
--	0.00	--
--	49.15	--
521.12	49.15	570.27
495.29	--	495.29
25.83	--	25.83

Recycled Water Calculation:

Quantity of Recycled Water from Direct Imports (AF)	[N]=[A]-[B]
Amount of Recycled Water from B-8 at Wochholz RWRF (AF)	[O]
Actual Recycled Use in Riv. Co. (AF)	[P]
Revised Allocation of Recycled Water Use from YVRWFF (AF)	[Q]

July 2019		
SBVMWD	SGPWA	Total
--	--	206.73
--	--	135.28
--	20.17	--
0.00	0.00	0.00

Summary of Monthly Water Purchase from SGPWA

July 2019		
SBVMWD	SGPWA	Total
521.12	49.15	570.27

Checks paid to SGPWA	<u>Potable</u> Check Number Check Date Check Amount	49.15 AF \$19,610.85
Checks paid to SGPWA	<u>Recycled</u> Check Number Check Date Check Amount	0.00 AF N/A N/A \$0.00



Date: November 5, 2019

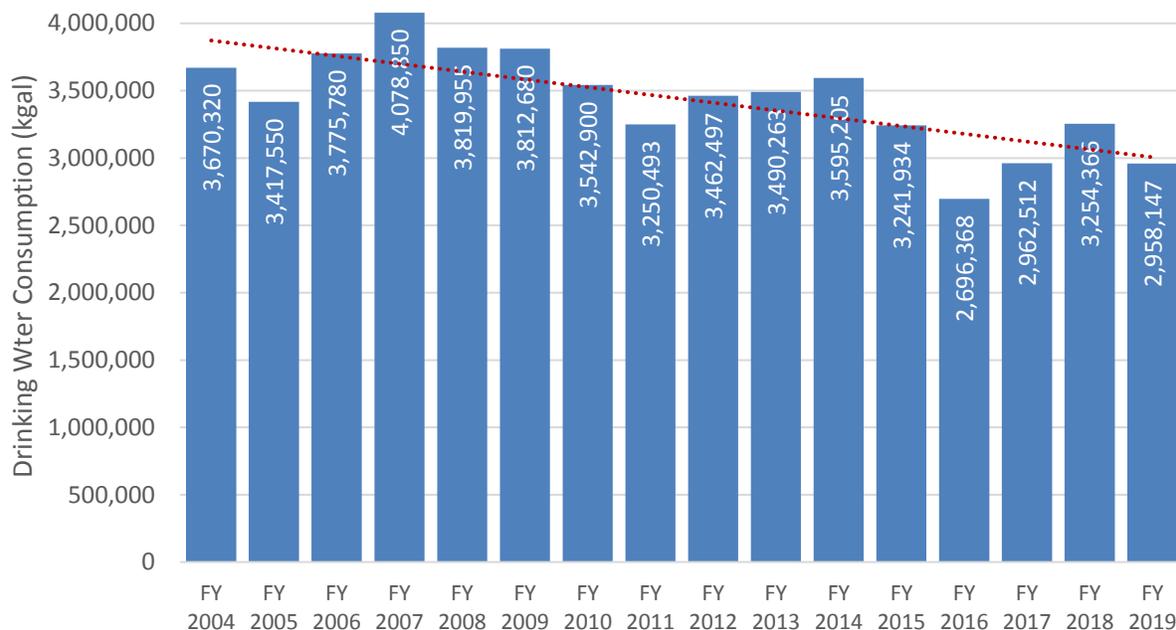
Prepared By: Joseph Zoba, General Manager

Subject: Review of the Financial Rate Model and Draft Comprehensive Rate Study for the Drinking Water, Sewer, and Recycled Water Enterprises

Recommendation: That the Board approve the Comprehensive Rate Study and authorize the General Manager to initiate the Proposition 218 process and set a public hearing for the consideration of a resolution setting rates, fees, and charges for drinking water, recycled water and sewer service.

On August 17, 2011, the Board of Directors of the Yucaipa Valley Water District adopted Resolution No. 18-2011 setting new drinking water, recycled water, and sewer service charges. While the new rate schedule improved the overall financial health of the District, the ongoing reduction in water use associated with the recent drought, water efficiency measures, and implementation of water conservation projects has resulted in a reduction of the overall quantity of water sold by the District.

Annual Drinking Water Consumption (kgal)



The District has completed a Comprehensive Rate Study that carefully analyzed this downward trend and projected further water use reductions with recently approved legislation. The attached document has been discussed at board workshops throughout the development process and is available for further review and discussion by the Board of Directors.



Yucaipa Valley Water District

12770 Second Street, Yucaipa, California 92399

Comprehensive Water, Sewer and Recycled Water Rate Analysis

November 1, 2019

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Executive Summary

The purpose of this Comprehensive Drinking Water, Sewer and Recycled Water Rate Analysis (Comprehensive Rate Study) is to develop a financial plan and cost-based rates necessary to meet the Yucaipa Valley Water District's (District) operation and maintenance needs and the capital improvement (asset management) program for the District. This study determined the adequacy of the existing water rates and provides the framework for future rate adjustments.

Key Objectives of the Study

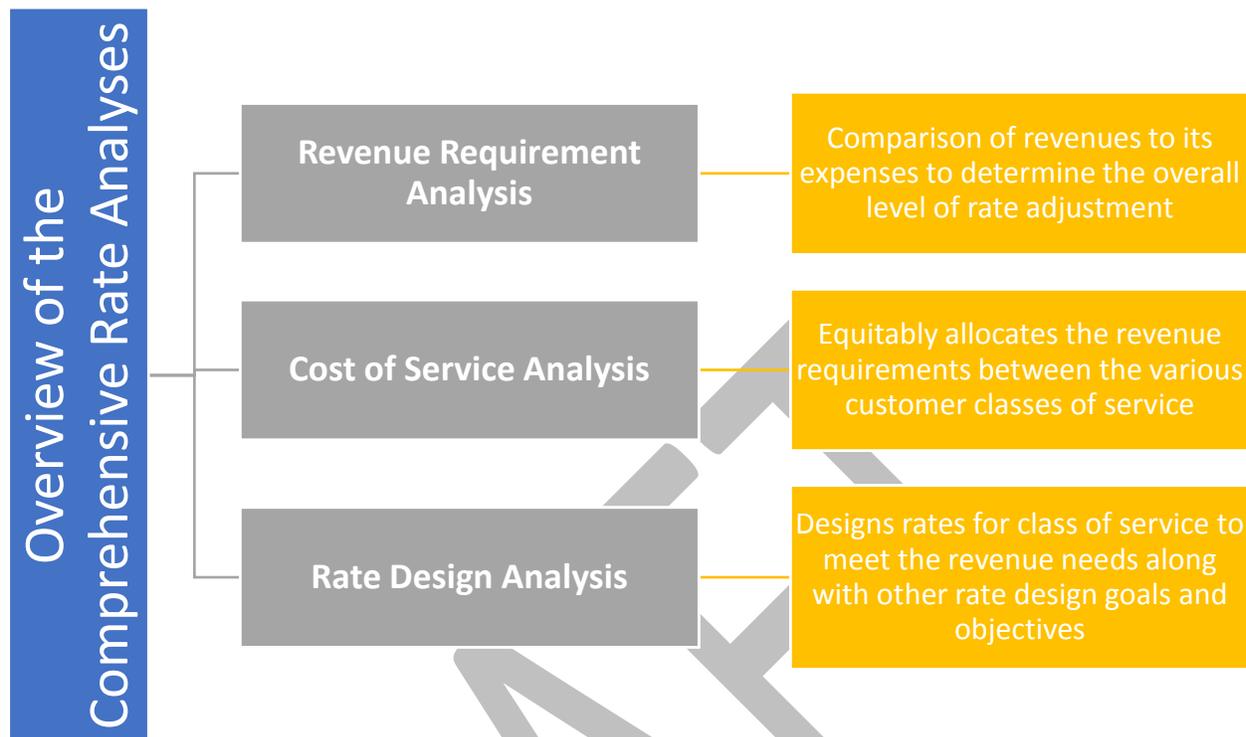
The Board of Directors identified a number of key objectives in developing the Comprehensive Rate Study. These key objectives were as follows:

- Develop the study in a manner that is consistent with the principles and methodologies established by the American Water Works Association (AWWA) M1 Manual, Principles of Water Rates, Fees and Charges.
- Develop the District's revenue requirement analysis to provide prudent and adequate funding levels for operations and maintenance (O&M) and capital infrastructure (Asset Management Program).
- Develop a cost allocation methodology that equitably allocates the cost of providing service to the District's customers.
- Review the District's current rate designs/structures, and provide a rate design that is contemporary, cost-based, and defensible and meets the specific rate design objectives of the District.
- Develop the proposed water rates and fees to meet legal and statutory requirements (e.g. Proposition 218, Section 66001, etc.).

These key objectives provided guidance as the study was developed and progressed.

Overview of the Rate Study Process

User rates must be set at a level where a utility's operating and capital expenses are met with the revenues received from customers. This is an important point, as failure to achieve this objective may lead to insufficient funds to maintain system integrity. To evaluate the adequacy of the existing rates, a Comprehensive Rate Study is performed. A Comprehensive Rate Study consists of three interrelated analyses: revenue requirement analysis; cost of service analysis; and a rate design analysis.



The above framework was utilized in the development of the District's Comprehensive Rate Study.

Revenue Requirement Analysis

A revenue requirement analysis is the first step in the preparation of the Comprehensive Rate Study and determines the adequacy of the overall level of utility rates. From this analysis, a determination can be made as to the level of adjustments needed to provide adequate and prudent funding for both operating and capital needs.

In the case of the District, a key issue is the funding of capital infrastructure replacement at a sustainable level. The District developed an Asset Management Program but did not develop a financial plan to be a companion to the Asset Management Program. Given that, a key issue and focus of the revenue requirement analysis was how to best transition the District to fully funding the Asset Management Program. The District desires to fund this Program from rates, as opposed to using long-term borrowing.

In developing revenue requirements, the District's most recent operating budget was used as the initial starting point. The analysis also considered prudent financial planning criteria based upon the financial and rate setting policies of the District.

While the revenue requirements developed by the District included a 50-year projected time period to Fiscal Year 2070, the revenue requirements developed herein provides the District with

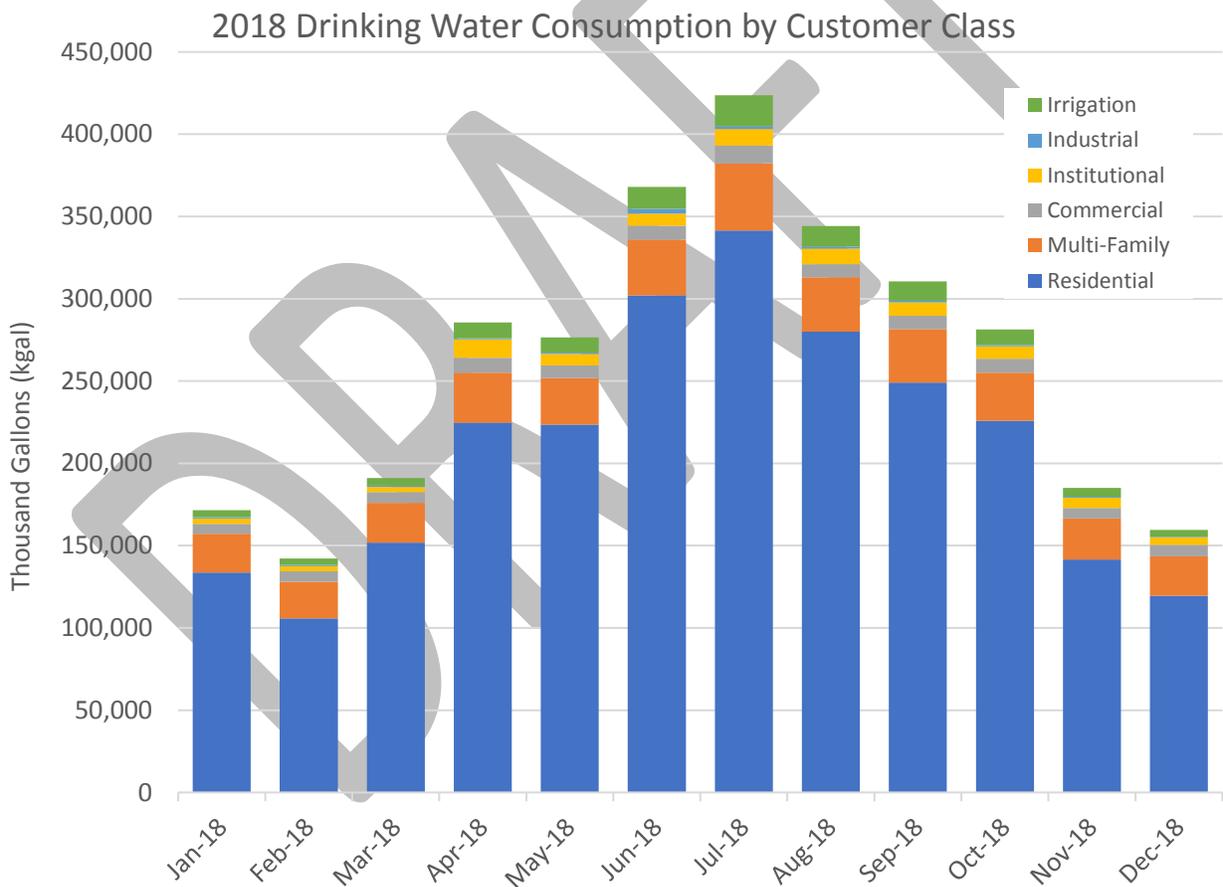
a financial plan for the next five-years and the level of capital improvement funding available for the Asset Management Program.

Cost of Service Analysis

A cost of service analysis is concerned with the equitable allocation of the total revenue requirement between the various customer classes of service (e.g., residential, commercial, institutional, etc.). There are two primary objectives in conducting a cost of service analysis:

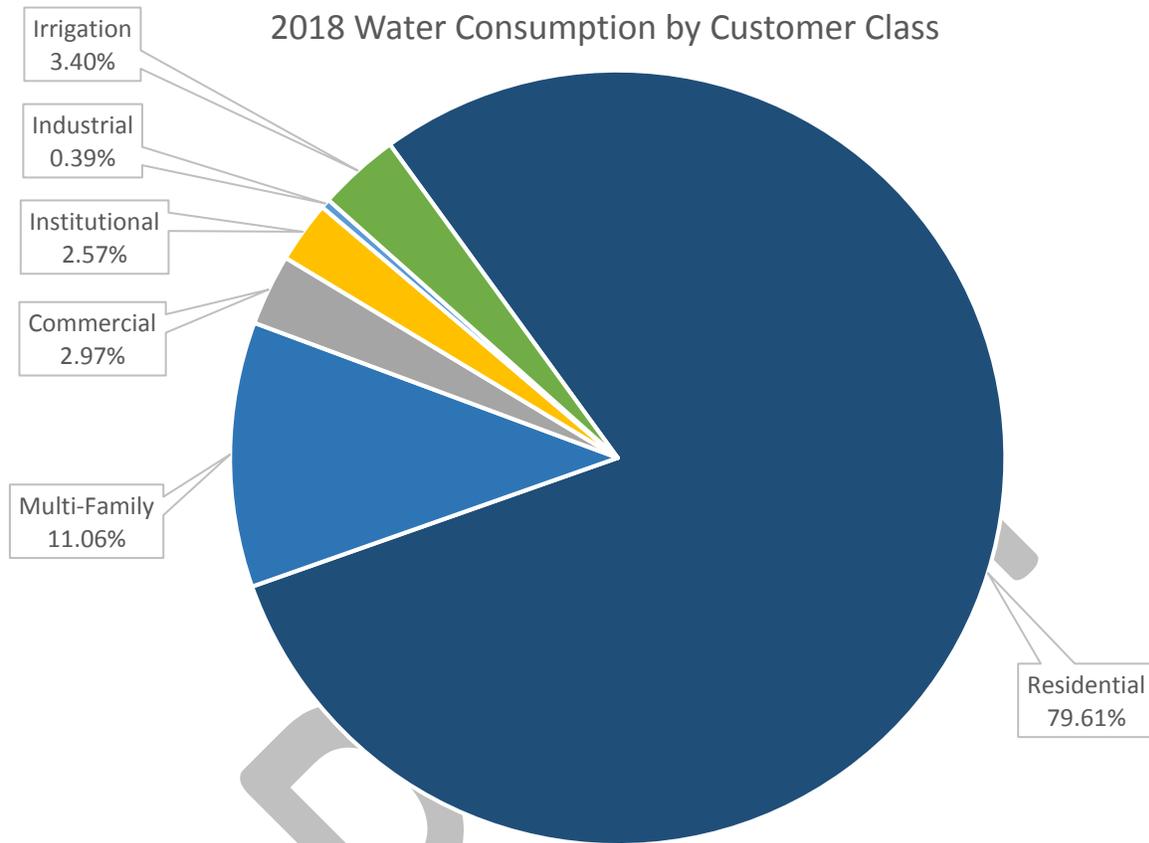
- Equitably allocate the revenue requirements among each customer class of service; and
- Derive average unit costs for subsequent rate designs

The objectives of the cost of service analysis are different from determining a revenue requirement. As noted in the previous section, a revenue requirement analysis determines the utility’s overall financial needs, while the cost of service study determines the fair and equitable manner to collect the revenue requirement.



The cost of service analysis demonstrated that there is uniformity across the District’s customer classes which is primarily due to the large majority of residential (single family and multi-family) customers. The operation of the drinking water and recycled water systems are base-loaded with supplemental water, and water sources are located at different elevations which negates the use of elevation charges and supports the use of a single-tiered rate structure. For the sewer

enterprise, there is a justifiable distinction with the quality of sewer that allows for a rate-based distinction between residential, commercial, industrial, and institutional customers.



California's Proposition 218 requires utility rates to be set such that revenues do not exceed the funds required to provide the service, and the fee or charge imposed on any ratepayer must not exceed the proportional cost of the service attributable to that ratepayer. Given that legal requirement, it is the conclusion that the Comprehensive Rate Study meets the legal requirements of Proposition 218.

Rate Design Analysis

As indicated in the revenue requirement analysis, the priority for the District was to adjust and transition the overall level of the rates to meet the District's financial and capital improvement requirements (i.e. funding of the asset management plan). Therefore, the results of the revenue requirement analysis were the primary basis for establishing the proposed overall level of rate adjustments.

On May 31, 2018, Governor Brown signed two bills which build on the ongoing efforts to "make water conservation a California way of life." Senate Bill No. 606 (Hertzberg) and Assembly Bill No. 1668 (Friedman) place a large emphasis on water use efficiency mandates that will be the responsibility of urban water providers like the Yucaipa Valley Water District. This Comprehensive Rate Study implements the statutory requirements of SB 606 and AB 1668 which

requires urban retail water agencies to calculate its own water conservation objective, based on the water needed in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters, and reasonable amounts of system water loss. Water agencies must meet their water use objective and those that don't may be subject to enforcement by the State Water Resources Control Board ("State Water Board"). The indoor water use standard will be 55 gallons per person per day (gallons per capita daily, or GPCD) by January 2025; after that the standard will become stronger over time, decreasing to 50 GPCD in January 2030. For the water use objective, the indoor use is aggregated across population in an urban water supplier's service area, not each household.

Proposition 218 and the Rate Setting Process

Proposition 218 is also known as the Right to Vote on Taxes Act. Proposition 218 places both procedural and substantive limitations on property-related fees or charges, including certain utility rates. Procedurally, this requires the District to adopt utility rates through a public hearing process to give customers the opportunity to formally protest. Under Proposition 218, utility rates must be set so that revenues do not exceed the funds required to provide the service, and the fee or charge imposed on any ratepayer must not exceed the proportional cost of the service attributable to that ratepayer. This Comprehensive Rate Study has been developed to meet the legal and technical costing requirements of Proposition 218.

Summary of the Comprehensive Rate Study

The results of this rate study indicated that rates are deficient for the projected time period reviewed. The implementation of proposed rate adjustments should generate the additional revenue needed to meet the District's increased operating and capital needs, along with the District's financial and rate setting policies. The water (drinking and recycled) and sewer rates, as proposed herein, are cost-based and were developed using generally accepted rate making methods and principles. As currently projected, the proposed rates should enable the District to operate in a financially sound and prudent manner.

This rate analysis is comprehensive due to the fact that it incorporates the implementation of numerous financial, environmental, regulatory, and long-term policies into one document that can be used as a tool to communicate with the public. Specifically, this document includes numerous policy discussions that are presented in such a manner that allows the public to understand the broad concepts and how each issue is intertwined with other issues in the general operation of the District. It is not the intent of this document to secure or promote full funding for all policies discussed. Rather, the intent is to show that the District is a complex and multifaceted business with the responsibility of protecting and enhancing the infrastructure that is required to promote the local and regional economy and overall quality of life of our customers. Throughout this document, the following policies will be addressed:

- Protection of the groundwater basins with respect to quality and quantity of available water resources;
- Development of a regional recycled water system with the capability to integrate additional water supplies that enhance the drought tolerance of the entire community;
- Implementation of reasonable depreciation planning consistent with the requirement of the Asset Management Program consistent with GASB 34;

- Implementation of methods for increasing the reliability and redundancy of local water resources;
- Achievement of full compliance with the Regional Water Quality Control Board and State Water Resources Control Board basin plan objectives and maximum benefit analyses;
- Ability to implement a wireless grid for interactive facility control and customer meter reading;
- Establishment of methods to improve communications to inform and educate customer about important issues;
- Implementation of alternative customer utility bill payment methods;
- Implementation of rate stabilizing alternatives;
- Construction of regional recycled water storage and recharge facilities designed to minimize the future cost impacts associated with environmental regulations;
- The establishment of benchmarking tools to continuously evaluate the financial health of the organization.

In summary, the goal of this Comprehensive Rate Study is to provide a fair and reasonable financial plan that invests in the community we serve. Located in the upper portion of the Santa Ana Watershed between the San Andres and San Jacinto fault lines, we are constantly reminded that the region we serve is both beautiful and unique. The challenges we face are not the same, or in some cases even remotely similar, to our neighboring agencies. Therefore, it is incumbent upon the leadership of the Board of Directors, management, and employees to remain committed to professionally manage the precious water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient, cost-effective, and sustainable manner in order to provide the finest service to our customers.

DRAFT

1.0 Introduction

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

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

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

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

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

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

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

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

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

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

This Comprehensive Water, Sewer and Recycled Water Rate Analysis has been prepared with the District's mission statement in mind to link the financial health of the District with our commitment to professionally manage the precious drinking water, sewer and recycled water resources of the Yucaipa Valley in a reliable, efficient and cost effective manner in order to provide the finest service to our customers, both present and future.

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

1.1 Overview of the Yucaipa Valley Water District

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

The District is located about 70 miles east of Los Angeles and 20 miles southeast of San Bernardino in the foothills of the San Bernardino Mountains and has a population of approximately 53,000. The District is situated in both San Bernardino County and Riverside County.

1.1.1 Land Use Within the District

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

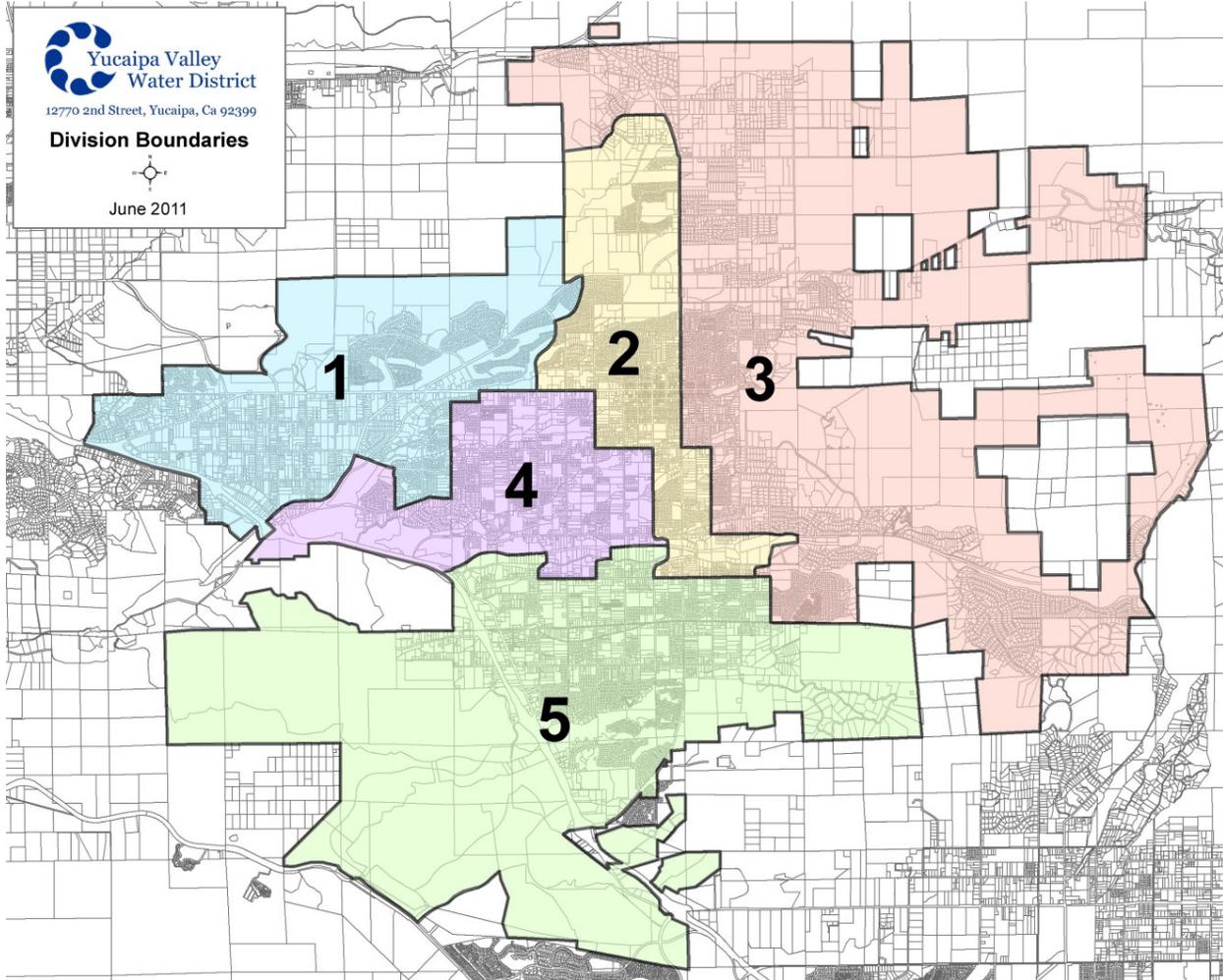
The District expects the undeveloped land within its boundaries will continue to be developed consistent with the general plans as provided by the City of Yucaipa and the City of Calimesa. The projected ultimate population of the District will be approximately 94,800 in 2090, which reflects build-out of the City of Calimesa and the City of Yucaipa. Although approximately 49.8% of the land within the boundaries of the District is currently undeveloped, less than 1% of District water sales are to agricultural water users.

1.1.2 Governance and Management

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

Yucaipa Valley Water District
 Drinking Water, Sewer, and Recycled Water Rate Analysis

Member of the Board of Directors	Division	Initial Date of Service	Expiration of Term	Occupation
Chris Mann, Director	One	12/2/2016	2020	Public Relations Firm President
Bruce Granlund, Vice President	Two	12/23/1998	2022	Retired Senior D.A. Investigator
Jay Bogh, President	Three	09/07/2005	2022	Building Firm Manager
Lonni Granlund, Director	Four	12/05/2008	2020	Property Manager/Real Estate Broker
Joyce McIntire, Director	Five	12/07/2018	2022	Retired School District Employee

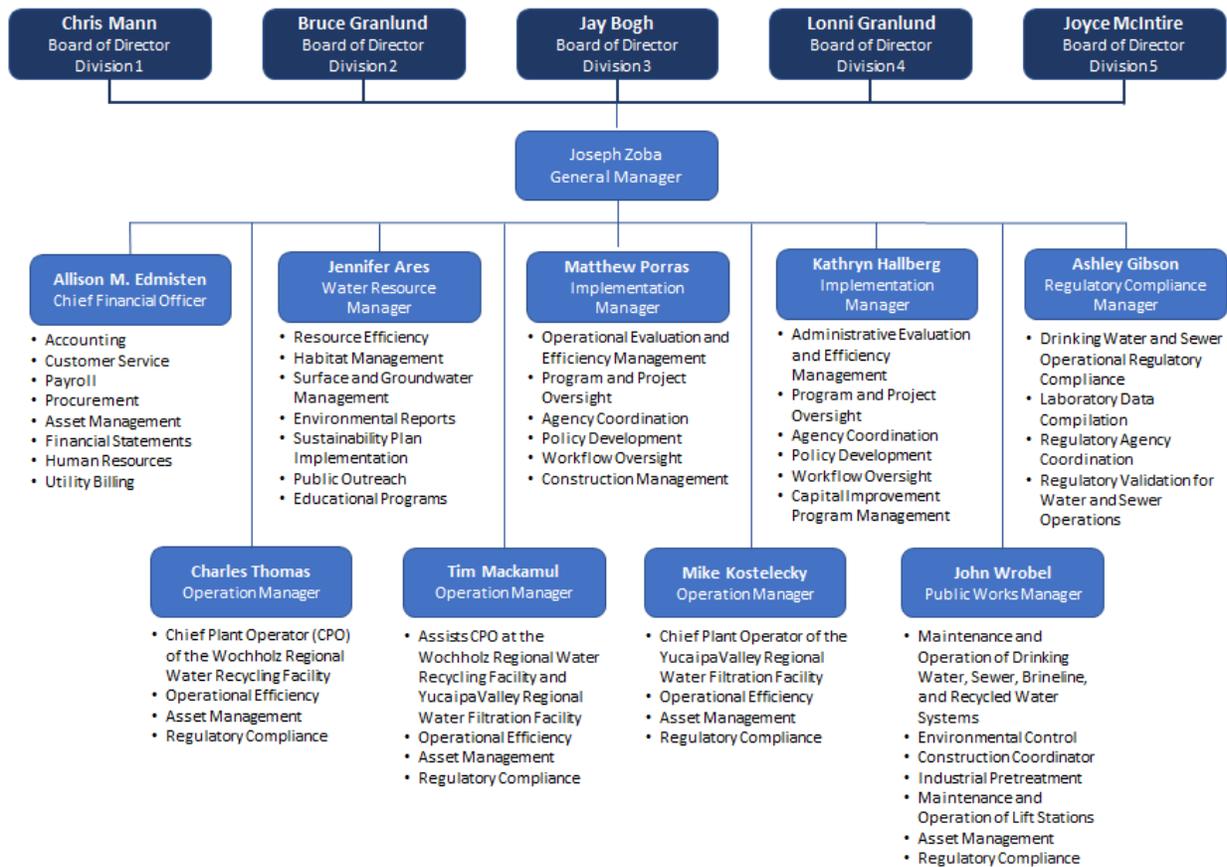


The following individuals have served as President of the Board since the District was created in 1971.

Yucaipa Valley Water District Presidents of the Board of Directors	
October 1971 to November 1973	Harold Lockwood
December 1973 to November 1975	Hank Wochholz
December 1975 to October 1977	Geno Gasponi
November 1977 to November 1979	Eve Kraft
December 1979 to December 1983	Pete Squires
January 1984 to December 1987	Fred Childs
January 1988 to November 1989	George Sardeson

November 1989 to December 1991	Hank Wochholz
January 1992 to November 1993	David Lesser
December 1993 to December 1995	Conrad Nelson
December 1995 to December 1998	Steve Copelan
January 1999 to November 2002	Conrad Nelson
December 2002 to December 2006	Bruce Granlund
December 2006 to December 2008	Tom Shalhoub
December 2008 to December 2012	Jay Bogh
January 2013 to December 2014	Bruce Granlund
December 2014 to December 2016	Lonni Granlund
December 2016 to January 2019	Jay Bogh
January 2019 to Present	Chris Mann

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



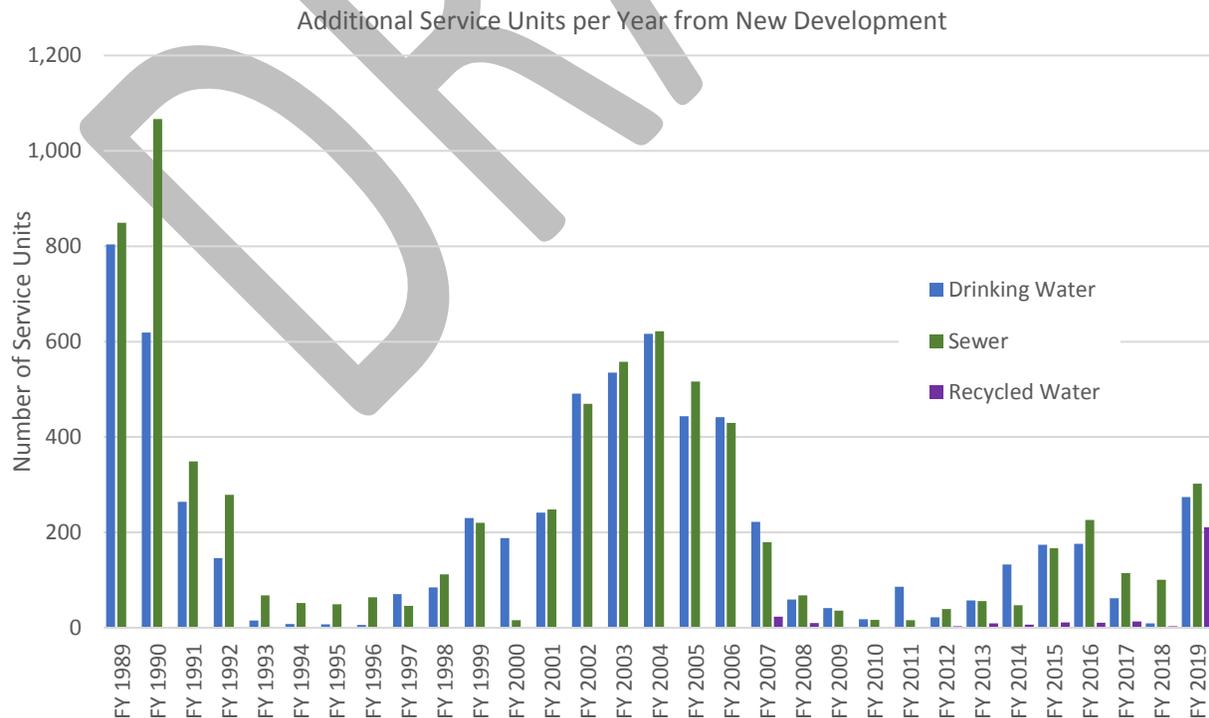
1.1.3 Number of Service Connections

As of June 30, 2019, the District provided service to 13,794 drinking water connections (19,243 water service units), 14,104 sewer connections (22,774 sewer service units) and 111 recycled water connections (460 recycled service units). The following table illustrates the various customer classification for each enterprise.

Customer Type	Drinking Water Enterprise		Sewer Enterprise		Recycled Water Enterprise	
	Number of Service Connections	Water Service Units (WSUs)	Number of Service Connections	Sewer Service Units (SSUs)	Number of Service Connections	Recycled Service Units (RSUs)
Single Family	11,876	12,602	10,358	10,315	--	--
Multiple Units	467	5,331	454	5,311	--	--
Commercial	225	626	216	1,011	--	--
Institutional	78	370	57	295	--	--
Industrial	6	17	3	3	--	--
Irrigation	111	297	7	18	--	--
Fire Detectors	1,013	--	--	--	--	--
Construction Water	18	--	--	--	7	--
Recycled Water	--	--	--	--	104	460
Sewer Only	--	--	3,009	5,822	--	--
Total	13,794	19,243	14,104	22,774	111	460

1.1.4 Development Overview

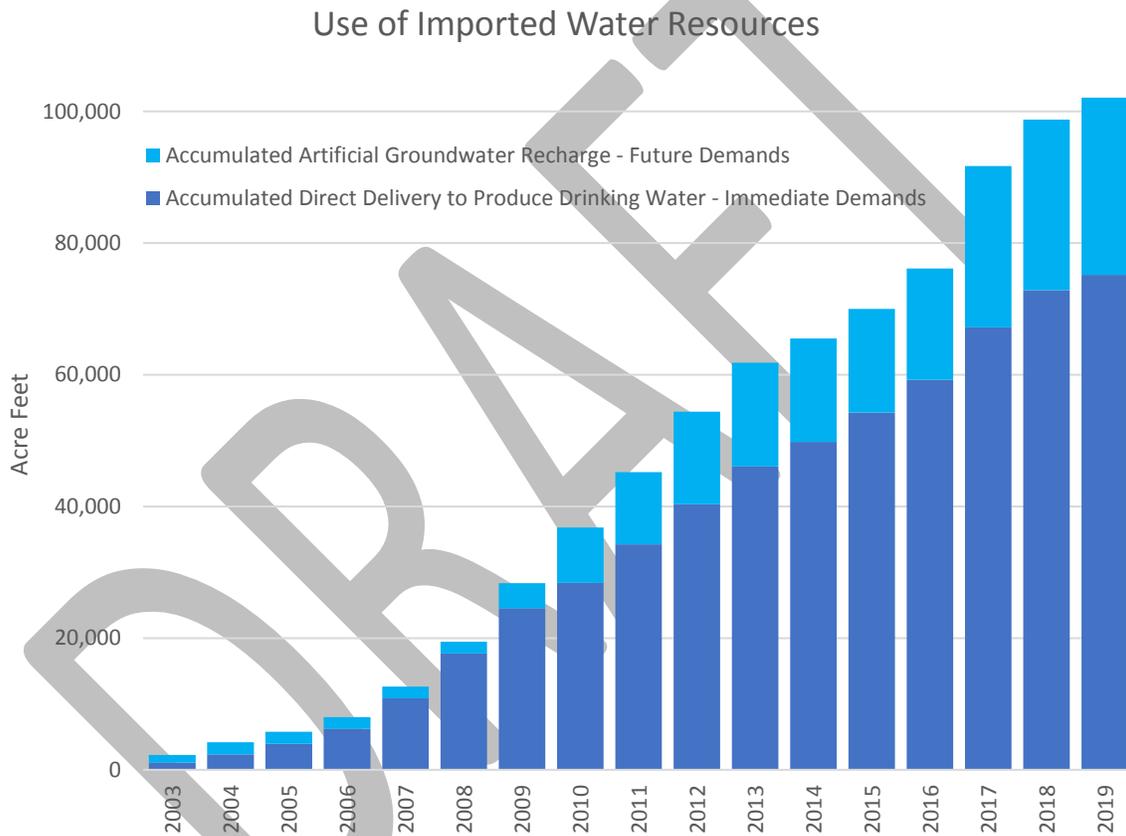
The District charges each new unit a facility capacity charge for drinking water, sewer, and recycled water service. This charge is used to offset the capital cost of the drinking water, sewer and recycled water facilities needed to provide service to new customers regardless of their classification - residential, schools, parks, or businesses. The facility capacity charge is calculated based on a residential unit; therefore it is common to see in this report references to service units, which takes all users and equates their demand on the infrastructure as a common dwelling unit equivalency.



1.1.5 Supplemental Water Purchases

In 2003, the Yucaipa Valley Water District started to purchase imported water from the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency.

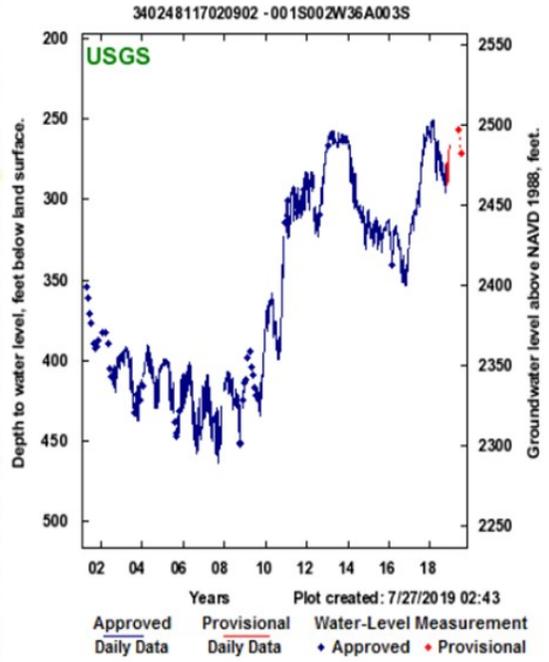
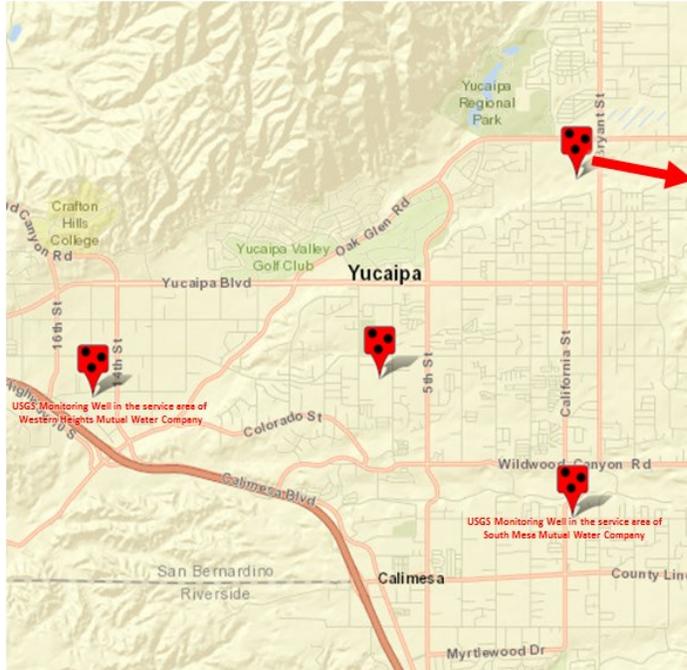
Over the past sixteen years, the District purchased 102,074 acre feet of imported water. Approximately 75% of the imported water has been used to produce drinking water at the Yucaipa Valley Regional Water Filtration Facility. The drinking water produced has reduced the amount of groundwater produced from the local groundwater basins as in-lieu recharge. The remaining 25% of imported water has been delivered to recharge basins to augment the local groundwater supplies for future use by the community.



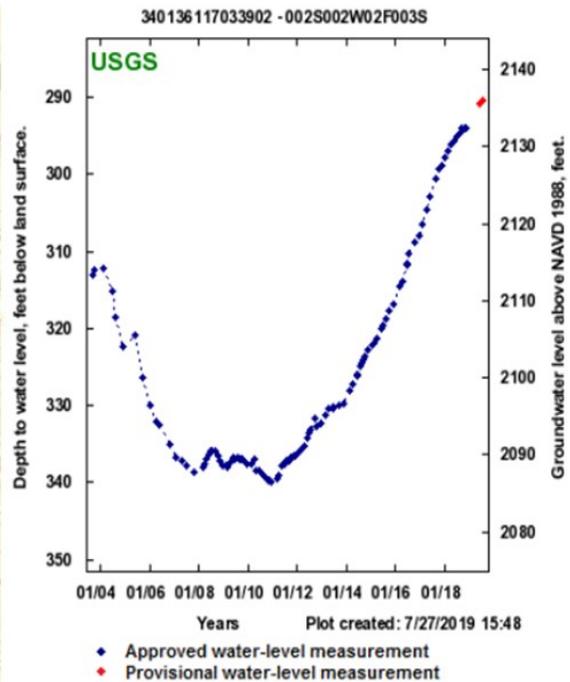
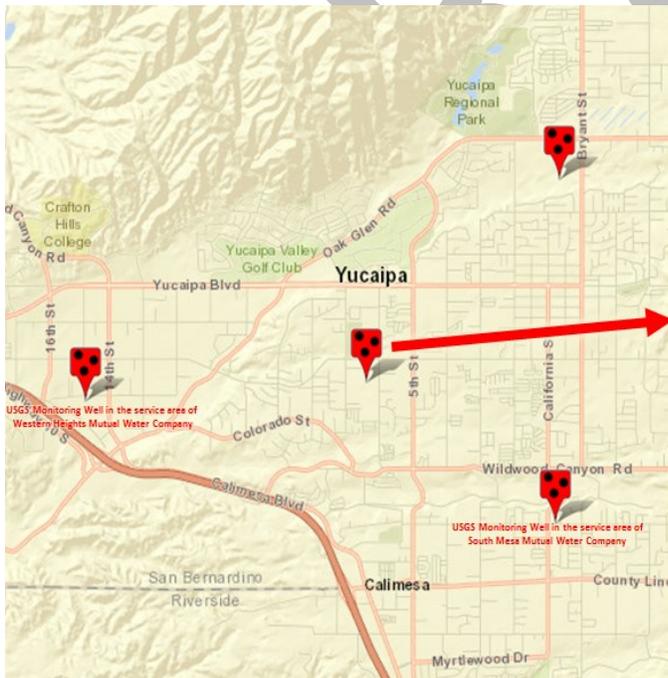
1.1.6 Groundwater Conditions and Resource Management

The United States Geological Survey (“USGS”) has created several programs to support the monitoring and tracking of groundwater levels throughout the nation. Locally, the USGS has coordinated their efforts with the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency to monitor groundwater levels in the region. Data from this effort is consolidated and provided online as part of the USGS Groundwater Watch (<https://groundwaterwatch.usgs.gov/>) and the National Water Information System - Web Interface (<https://waterdata.usgs.gov/nwis>).

Through the proactive management of our water resources, the Yucaipa Valley Water District has been able to implement a variety of programs that have significantly increased the quantity of drinking water in our local groundwater basins. In the primary groundwater basin used by the District, groundwater elevations have increased about 200 feet over the past ten years.



In another local basin used by the District, the amount of groundwater stored in the basin has increased about 50 feet.



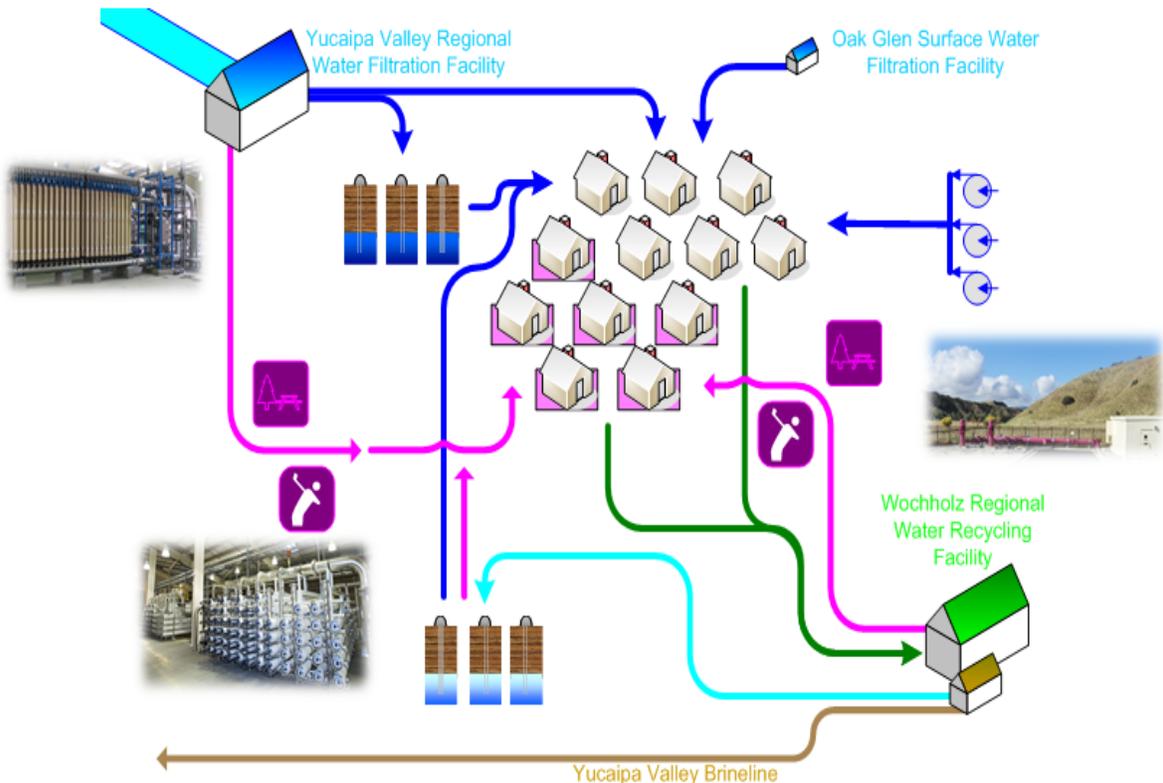
The Yucaipa Valley Water District is working closely with other partners to achieve similar success stories in the adjudicated Beaumont Basin (<http://www.beaumontbasinwatermaster.org/>) and groundwater basins governed by the Sustainable Groundwater Management Act, namely the Yucaipa Groundwater Basin (<https://yucaipasgma.org/>) and the San Timoteo Groundwater Basin (<http://www.santimoteosgma.org/>).

1.1.7 A Strategic Plan for a Sustainable Future

On August 20, 2008, the Board of Directors adopted [A Strategic Plan for a Sustainable Future - The Integration and Preservation of Resources](#). The development of this document was based upon policy direction by the Board of Directors and suggestions by staff members, public participants, and other interested stakeholders.

The purpose of creating a strategic plan for a sustainable future was to establish the policies and guidelines necessary to protect and preserve the natural resources entrusted to the District for our customers. It is our business to maximize the use of our limited natural resources for the long-term economic growth and expansion of the local economy. In the arid southwest, the basic fuel to create and maintain a local economy is water.

Water Resource Management Schematic for the Yucaipa Valley Water District



The Strategic Plan has been relied upon for the past decade to improve the social, economic, and environmental sustainability of our community. Actions have included the purchase of valuable watershed properties, protection of local water supplies, management of environmental corridors, recharge of groundwater supplies, and the extensive use of our local resources.

The specific steps taken by the District to protect and conserve our water resources have been based on the concepts that: (1) resources are not limitless and therefore need to be conserved, nurtured and renewed; and (2) resources that are used to generate short-term gains result in an inefficient and inequitable consumption of resources that are not beneficial for a long-term strategy. Both of these concepts help to guide the District to make decisions that are conservative, careful, and conscious of the role we currently play in a long-term strategy to protect the community.

1.2 Common Questions and Answers

This Comprehensive Drinking Water, Sewer, and Recycled Water Rate Analysis has been prepared to evaluate the overall rate structure and components for the services provided by the District. Specifically, the services of drinking water, sewer disposal and treatment, and recycled water were reviewed for all users in the residential, commercial, institutional and industrial sectors.

Funding for drinking water, sewer and recycled water service is recovered from those who use the service - that is, a "user pay" basis. Use is measured by water meters (both drinking water and recycled water) installed on the water supply to homes and businesses and on a fixed basis for those customers connected to the sanitary sewer.

The following questions and answers have been prepared to help explain how the future rates will need to address system growth, regulatory changes, and full cost accounting principles applied to the District and commonly used for governmental agencies even though the District is managed and operated more like a private business.

Why change the existing rate structure?

The District maintains a very cost effective rate structure designed with our customers in mind. Unfortunately, the District has recently encountered a series of issues that require the District to complete a comprehensive analysis of our current rate structure. Some of the issues pressuring the District's existing rate structure include:

- **Statewide Issues** – This Comprehensive Rate Study is unique in that it projects a declining drinking water use with an increasing population over the next thirty years. This rate scenario is designed to achieve compliance with Senate Bill No. 606 (Hertzberg) and Assembly Bill No. 1668 (Friedman) which mandates water efficiency standards in California. The new legislative mandates will create new efficiency standards for indoor use, outdoor use, and water lost to leaks, as well as any appropriate variances for unique local conditions. Beginning in November 2023, each urban retail water agency will calculate its own water use objective, based on the water needed in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters. The statewide goal is to achieve an

indoor water use standard of 55 gallons per person per day (gallons per capita daily, or GPCD); decreasing to 50 GPCD by January 2030.

- **Regional Issues** – In 2004, the State Water Resources Control Board approved the Basin Plan for the Santa Ana Region of the Water Quality Control Board. This regulation required the District to maintain groundwater quality similar to the quality that existed in the late 1960's and early 1970's. This regulation required the District to implement nitrogen and TDS reduction strategies on water supplies and sewer discharges. Additionally, the District constructed molecular salinity removal facilities (reverse osmosis) at the Wochholz Regional Water Recycling Facility. In the next decade, the District will expand the reverse osmosis system and construct facilities to recharge our local groundwater basins with exceptionally pure, drought-proof water supplies.
- **Local Issues** – The District continues to experience accelerated costs associated with the operation and maintenance of the drinking water, sewer and recycled water systems. Specifically, the District is now faced with infrastructure that is nearing the end of its useful life and needs to be replaced. The replacement of existing infrastructure is critical for the delivery of high-quality water supplies, reduced impacts from emergencies such as fires and earthquakes, and an overall improved efficiency of the systems.

As a result of legislative action, stringent regulatory requirements, and the need for infrastructure improvements, the District has determined that it is necessary to adjust the drinking water, sewer and recycled water rates.

Why are the Yucaipa Valley Water District's water rates different from other municipalities?

Water and sewer rates are a function of costs and how those costs are recovered. There are specific characteristics unique to each municipality's operations and differing regulatory requirements based on geographical location and service population. Yucaipa Valley District currently draws water from local groundwater wells, imports water from northern California, and receives surface water from the local mountains. The District continues to balance our diversified water resource portfolio and expand the use of recycled water while reducing the importation of water from northern California. This resource mix has been planned for over five decades and is now coming to fruition resulting in the highest quality water resources available in a cost effective and reliable manner.

Additionally, the District operates a drinking water and recycled water system over a very unique topographical area. Consider for a moment that the District office on Second Street is approximately 70 miles inland from the Pacific Ocean and at an elevation of 2,000 feet above sea



level. If you compress this 70 mile distance into a five mile distance keeping the 2,000 feet in elevation change the same, this would represent the working conditions of our water supply system. It takes a great deal of energy to move water up in elevation, and likewise, it takes a great capital investment to collect surface water from the upper elevations of the District (when available) and treat, then transport this local water supply to the area of water demand. Overall, the District operates a truly unique water delivery system that is more complex than most other water providers in the region.

Why are the Yucaipa Valley Water District's sewer rates different from other municipalities?

The Yucaipa Valley Water District delivers recycled water in the Yucaipa, San Timoteo, and Beaumont Management Zones as defined by the Basin Plan adopted in October 2004 by the State Water Resources Control Board and the maximum benefit analysis approved by the Regional Water Quality Control Board in April 2005. Located at the top of the Santa Ana Watershed, these management zones, or groundwater basins, are highly desired with superior groundwater quality that must remain pristine pursuant to the Porter-Cologne Act. This means our sewer treatment requirements are more stringent than most, if not all other municipalities in southern California. While some communities achieve an economy of scale by having fewer, larger sewer treatment plants, the District maintains a smaller, sub-regional facility that is more expensive to operate with the level of treatment required. There are many other variables included in the District's sewer costs, but the examples above highlight some unique aspects of the District's operations.



What factors does the District consider when setting water, sewer and recycled water rates?

Since the District strives to operate more like a business than a government bureaucracy, cost recovery is a key consideration in our rate review. Other factors in the proposed rate structure include revenue stability, conservation, equity, economic development, financial sufficiency, and cost recovery. As the focus or importance of these factors change, the rate structure will likely be changed as well.

When would the new rate structure take effect?

The proposed rate structure requires a public hearing and approval by the Board of Directors. To ease the impact on property owners, tenants, and businesses and allow customers time to plan for rate adjustments, the structure includes adjustments over a long period of time, starting on February 1, 2020.

How would the current and proposed rate structure compare for residential customers?

There are two components to the proposed drinking water and sewer rate structure.

Fixed Charges - A monthly fixed charge has been established to cover the fixed costs regardless of the amount of water consumed or sewer discharged. These fixed costs in the drinking water division represent a small percentage of the overall District's water revenues, currently 24%. The sewer monthly charge is a fixed fee since the operation of the biological, mechanical and filtering systems of the sewer treatment plant must continue to operate 24 hours per day 7 days per week regardless of whether a customer is home, at work or on vacation.

Consumption Based Charges - A consumption based charge on drinking water and recycled water service has been adopted to charge customers proportionally to the amount of water they use. This consumption charge is used to assist in conservation and fairly allocate the cost of water based on consumption with infrastructure requirements.

Will the District reevaluate the costs included in this proposal?

The District staff will be reviewing the information in this document at least twice per year. The first review begins in late winter/early spring and concludes with the adoption of the District's budget in June. The second review occurs with the completion of the financial audit report prepared during the summer with Board review and adoption in September.

How can I become more involved in the activities of the District?

As a consumer, resident, or business owner, the best way to become involved in the activities of the District is to subscribe to our regular meeting agendas. This can be done through our website at www.yvwd.dst.ca.us. Regular workshops and board meetings are public meetings and scheduled late in the day and evenings to encourage public participation. Also, local government is one of the most effective forms of government since your elected officials and the majority of District employees are also your neighbors. Please feel free to provide us with your questions, comments, or concerns.

2.0 Economic Assessment

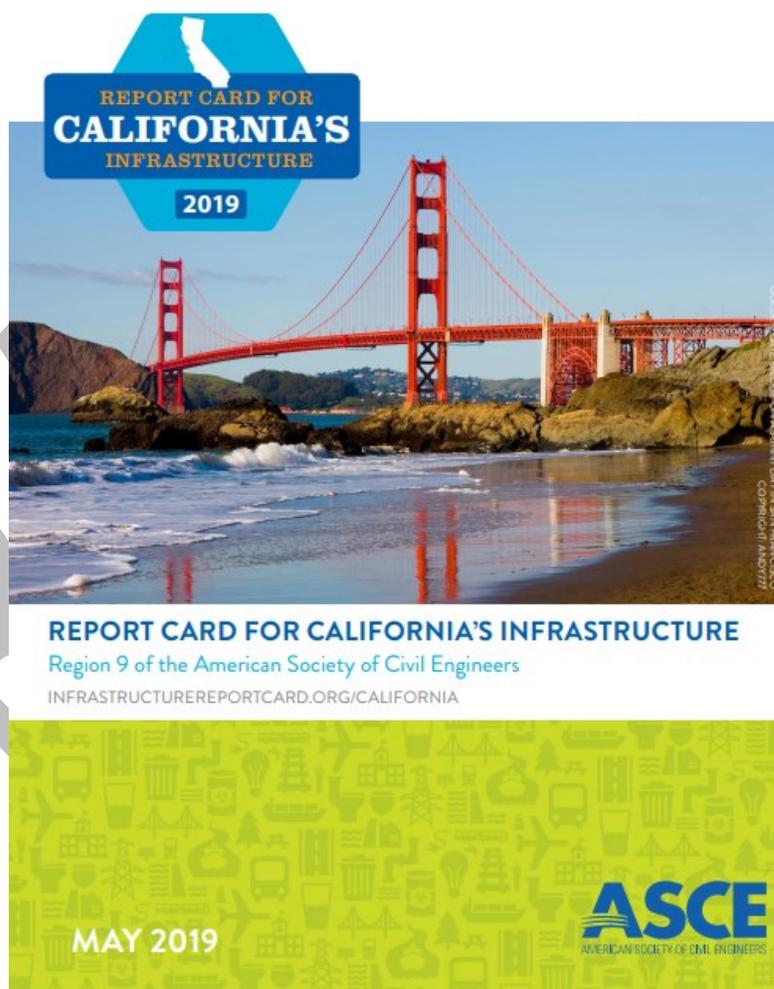
An important component in the economic evaluation of a utility service provider is to begin by understanding and evaluating the overall financial health of the District. This section briefly reviews and evaluates the historical and future economic assessment for providing service to the community.

2.1 The Economic Nature of Utility Operations

Public utility operations, such as the District's drinking water, sewer and recycled water operations, provide a service to the community which is essential to public health, protection of the environment, and the local economy. Public utility operations differ from most other types of business entities in that they are highly capital intensive; in capital construction; capital operation/maintenance; and capital replacement. This means that a large amount of capital investment is required to operate a utility compared to most other businesses.

The large amount of capital required to fund a utility, combined with operating labor and other costs of operation which do not vary with consumption of water consumed, means that a majority of the costs incurred by a utility (typically 70 to 85 percent) are fixed. Fixed costs are incurred whether or not customers consume water or dispose of sewer and are associated with providing the availability of service at the point of consumer use. A smaller proportion of a utility system's cost is variable and changes with the volume of water consumed or quantity of sewer treated (i.e. the cost of chemicals, power for treatment and pumping, etc.). Due to the large amount of capital required to build and operate a drinking water, sewer and recycled water utility, most public utilities are monopolies in their service areas.

Financing is often required to construct facilities; those providing the capital should receive a fair return on invested funds. Public policy has been established to provide a fair return on invested funds to customers of a public utility through relatively low water, sewer and recycled water rates. These lower rates generally result from the fact that: 1) public utilities do not pay federal income



taxes; 2) public utilities receive lower interest rates on financing through tax-exempt bonds; and 3) public utilities do not have to pay dividends to stockholders. Operating funds of a public utility in excess of operating expenses and debt service on financing can be re-invested in the infrastructure. This reduces the need to finance additional capital and, thus, allows utility rates to be set at a lower level.

2.2 Basis of Accounting in Utility Operations

Significant differences exist between the cash and accrual basis of accounting in utility operations. Many public utilities prefer to set rates on the basis of cash requirements. This helps to keep rates at lower levels in the short term. The cash basis includes only cash expenditures of a utility and does not include an allowance for depreciation expense.

Depreciation, however, is a significant means of developing cash reserves for future pay-as-you-go capital investment and replacement. Publicly owned utilities generally use the accrual basis of accounting for financial reporting. This method includes depreciation as an operating expense and identifies an appropriate rate of return which the utility can earn on its investment in the system assets. Under the accrual basis, depreciation expense (a non-cash item) is included as an operating expense.

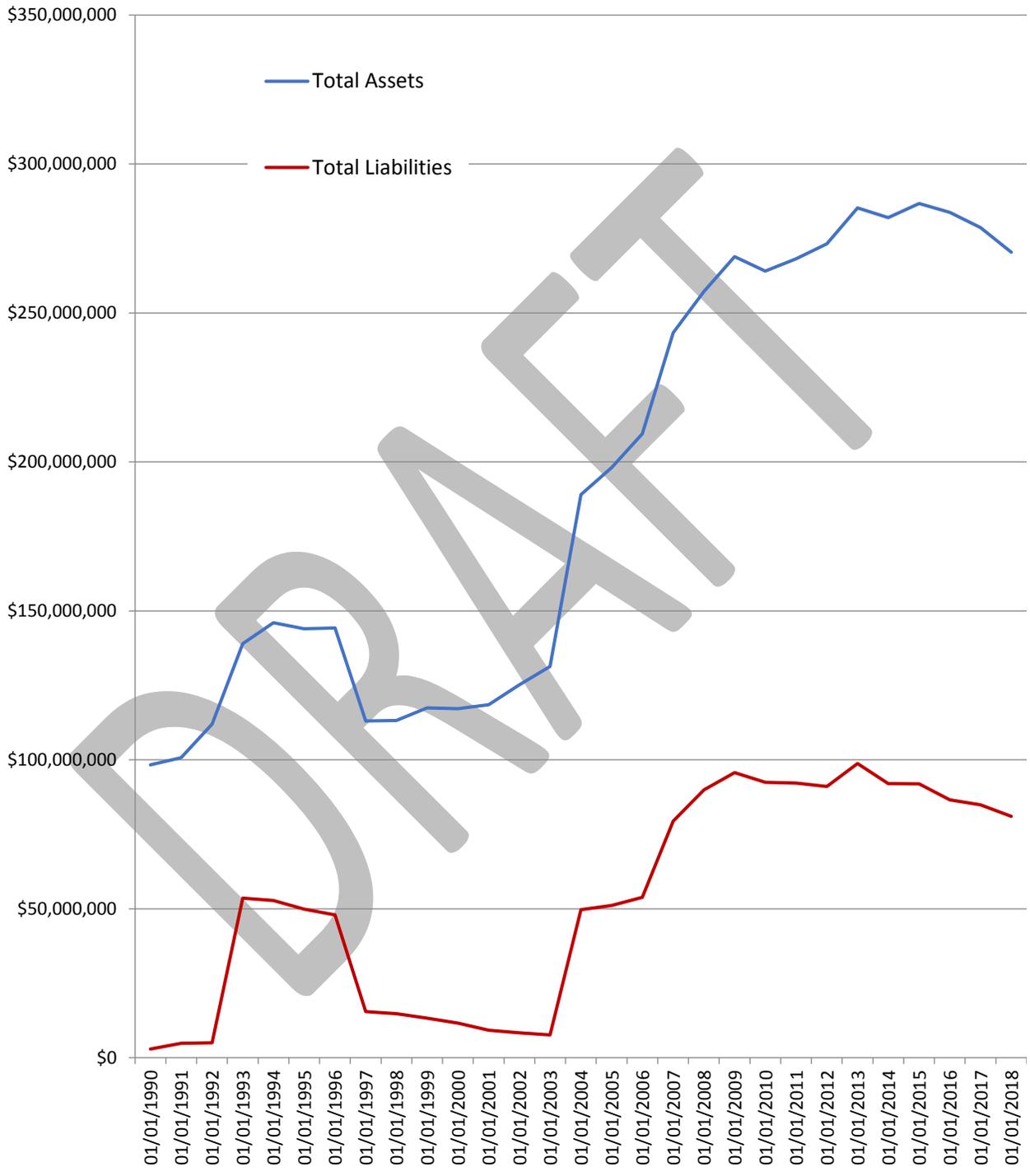
The District's Audited Financial Statement is conducted on an accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) and standards promulgated by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB). However, because the District prepares its budgets and long-range capital planning on a cash basis, a cash basis is utilized for this study.

2.3 Fiscal Year 2017-18 Audited Financial Statements

The Yucaipa Valley Water District is currently in the process of completing the audited financial statements for Fiscal Year 2018-19. Therefore, historical income and expense data for the District have been compiled from previously completed Audited Financial Statements. A couple of brief notes may help to explain this financial summary to customers not familiar with the District's operating statement.

- **Depreciation Expense** - The following financial statement is provided with depreciation listed as an operating expense, both funded and unfunded portions. Most utilities when they examine this type of information do not always list depreciation as an expense since it is a non-cash expense. However, it is important to convey the fact that not all of the appropriate depreciation is listed. This will result in higher costs in the future when the District will need to replace aged assets without appropriate funds set aside. A summary of the District's recent financial performance is provided in the following table.
- **Capital Contributions** - Capital contributions are appropriately listed in the District's audited financial statements as a non-operating revenue. For this analysis, the capital contributions are not included as part of net income.

Total District Assets vs. Total Liabilities - All Enterprise Funds



FISCAL YEAR 2017-2018				
Sources and Uses of Funds	Drinking Water	Sewer	Recycled Water	Total
Net Position, Beginning of Year	\$ 79,057,106	\$ 88,988,444	\$ 25,805,049	\$ 191,222,320
Operating Revenue:				
Charges for Current Services	9,922,660	11,522,679	530,374	21,975,713
Interfund Services Provided	189,000	--	--	189,000
Other Revenue	--	1,800	--	1,800
Total Operating Revenues	10,111,660	11,524,479	530,374	22,166,513
Operating Expense:				
Salaries and Employee Benefits	4,488,038	2,910,573	731,583	8,130,194
Electrical Power	1,483,846	1,005,828	104,909	2,594,583
Water Purchases	1,372,267	--	--	1,372,267
Administrative Services	547,698	516,553	42,151	1,106,402
Operating Supplies	252,520	753,879	8,855	1,015,254
Maintenance and Repairs	2,013,942	1,114,614	73,381	3,201,937
Crystal Creek Water Treatment	978,912	--	--	978,912
Brinline Charges	--	377,995	--	377,995
Depreciation	3,318,457	4,104,399	794,665	8,217,521
Insurance	95,653	94,461	20,991	211,105
Professional Fees	508,779	556,471	103,472	1,168,722
Other	49,500	336,728	31,898	418,126
Total Operating Expenses	15,109,612	11,771,501	1,911,905	28,793,018
Operating Income (Loss)	(4,997,952)	(247,022)	(1,381,531)	(6,626,505)
Non-Operating Revenue (Expense):				
Interest Income	91,780	85,394	18,977	196,151
Property Taxes	2,907,660	236,500	132,500	3,276,660
Other Income	64,322	1,643	--	65,965
Interest Expense	(1,044,348)	(977,041)	--	(2,021,389)
Total Non-Operating Revenue (Expense)	2,019,414	(653,504)	151,477	1,517,387
Net Income (Loss)	(2,978,538)	(900,526)	(1,230,054)	(5,109,118)
Capital Contributions	350,259	841,462	88,127	1,279,848
Change in Net Position	(2,628,279)	(59,064)	(1,141,927)	(3,829,270)
Net Assets – June 30, 2018	76,428,827	88,988,444	25,805,049	191,222,320

In addition to a significant reduction in drinking water sales over the past several years, the negative net operating income is also due to non-routine operating expenses and underfunding depreciation in all three enterprise funds. By increasing the funding for infrastructure reserve and replacement, the District will be able to increase available cash during the fiscal year and provide a funding stream for the replacement of infrastructure.

2.4 Evaluation of Current Financial Condition

The financial condition of the District can be evaluated by applying several of the economic parameters. Among these methods is the percentage of net-to-total operating revenues,

capitalization ratio, rate of return, and the funding/depreciation policy. Each of these parameters provides valuable information when assessing the District's financial adequacy.

2.4.1 Net Operating Revenue Analysis

Net operating revenues represent the amount of funds remaining after day-to-day operating expenses are subtracted from operating revenues. Net revenues provide for debt service payments and revenue-paid capital expenditures. Since a positive cash flow is required for debt payments, net operating revenues should always be positive, and should be 20 to 40 percent of total operating revenues. This range depends largely on the level of net non-operating revenues and expenses, such as interest earnings, debt service, and in-lieu taxes. If net operating revenues are negative, revenues collected are not providing for ongoing operating costs and are not contributing to payment of utility capital costs.

As indicated previously, while the District is appropriately covering the daily operating expenses, the District is not generating a sufficient level of operating revenues to fully fund depreciation.

2.4.2 Capitalization Ratio Analysis

The capitalization ratio is a measure of the amount of the utility plant in service which is owned and has been paid for by the ratepayers and the amount of the utility assets which has been financed. The capitalization ratio for a utility system relates the amount of debt outstanding relative to the present depreciated cost of the utility assets, and equals one minus the debt ratio, where the debt ratio is the total debt divided by the total value of the fixed assets. Under normal financial conditions, utility operations are considered financially sound if the capitalization ratio is at least 30 percent.

$$\text{Capitalization_Ratio} = 1 - \text{Debt_Ratio} \qquad \text{Debt_Ratio} = \frac{\text{Total_Outstanding_Debt}}{\text{Depreciated_Fixed_Assets}}$$

If net operating revenues are positive by an appropriate amount, a utility will have funds to pay for new capital projects and the capitalization ratio for the utility will remain at the same level or increase. If net operating revenues are less than sufficient to maintain the utility's capitalization ratio, the ratio will decline. A declining capitalization ratio indicates revenues are not providing for the same proportion of paid capital expenditures (equity) as had occurred in the past and that the debt ratio is increasing.

2.4.3 Rate of Return Analysis

Utilities that finance all capital requirements should have a computed rate of return which is equal to the interest cost on its debt. Normally, utilities which use financing to a large extent own 10 to 40 percent of the utility's assets. The rate of return for these utilities typically ranges from 5 to 8 percent. When 40 to 70 percent of the assets are owned, a rate of return allowance of 8 to 11 percent is generally common, if the utility desires to maintain a capitalization ratio in this range. For utilities which are 70 to 100 percent owned, rates of return ranging from 12 to 16 percent are required if the utility desires to continue to pay for all or most of additional capital expenditures from revenues.

From the proceeding, it is concluded that with greater ownership in the utility, a higher rate of return on investment is required to maintain or improve the equity position of the utility and to

maintain or improve its bond rating. Rate levels should be set so that the rate of return allowance is positive and adequate debt service coverage is provided.

The District's rate of return is indicated by the ratio of net operating revenues (total operating revenues minus total operating expenses) to the District's rate base (property, plants and equipment asset value). The District's property, plants and equipment totals \$120,315,329. A summary is provided below for each division for the purposes of calculating the rate of return.

Rate of Return	Water Division	Sewer Division	Recycled Water Division
Property, Plants and Equipment	\$112,627,078	\$131,595,444	\$26,127,548
Net Operating Revenue With Full Depreciation	(4,997,952)	(247,022)	(1,381,531)
Rate of Return	(4.44%)	(0.18%)	(5.29%)
Net Operating Revenue Without Depreciation	(1,679,495)	3,857,377	(586,866)
Rate of Return	(1.49%)	2.93%	(2.25%)

2.4.4 Depreciation Analysis

Depreciation is a source of internal cash, used for financing normal system replacements or increasing ratepayer's equity in a utility system. Depreciation expense is, in utility financial statements, an estimate of the annual cost of using an asset. Wear and tear, corrosion, action of the elements on a utility asset, and obsolescence are reasons why depreciation expense is recorded as a cost of utility operation. Depreciation is included as an operating expense to represent the cash outlay needed on a day-to-day basis to maintain the asset.

Cash generated by the recognition of depreciation allows the District to pay for and preserve its original investment. In other words, it pays for capital projects involving system renewals and replacements and funds the retirement of bond debt service. Cash retained should be used in such a manner as to minimize or reduce future capital costs.

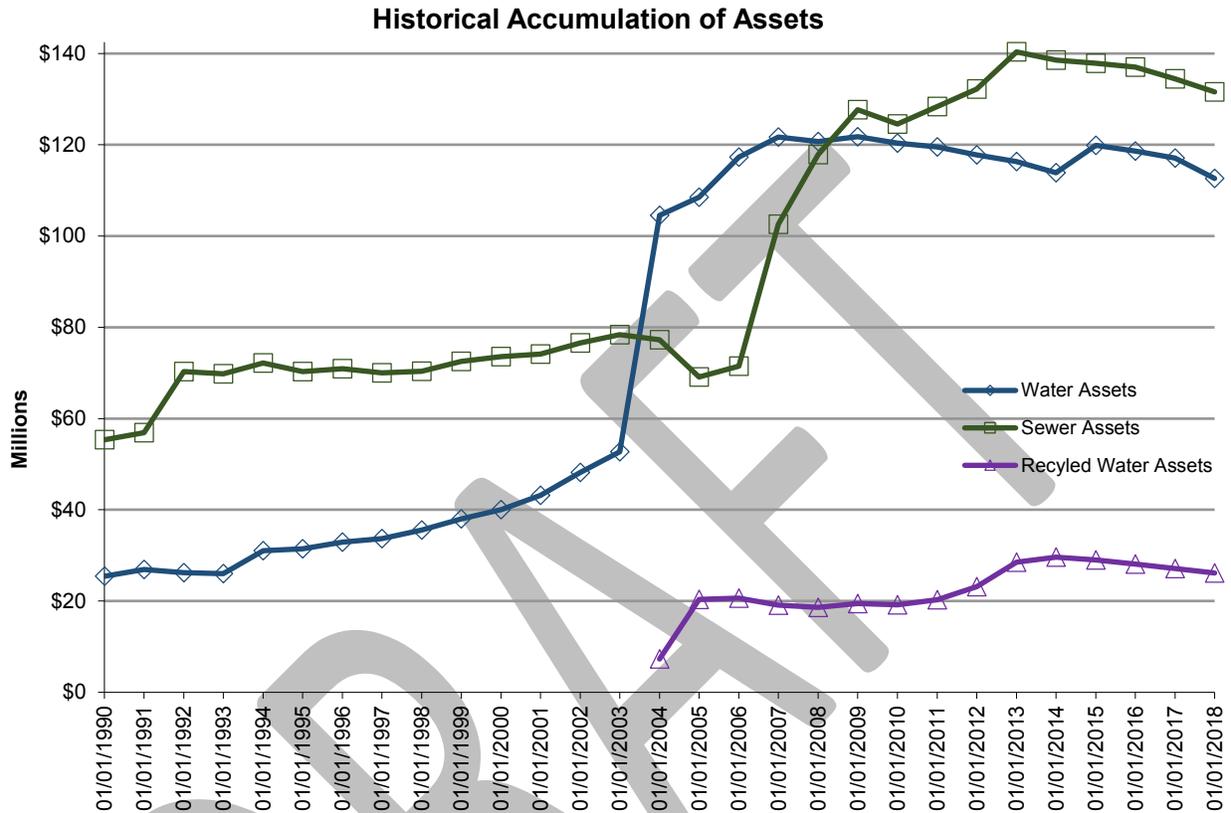
An example of depreciation funded projects includes the following examples:

- A. Water Service Line Replacement Program - Consider the 14,000 water service lines currently maintained by the District with a 40 year service line life would require replacement of 350 service lines per year. At a replacement cost of \$1,000 per service line, this program requires an annual budget of \$350,000.
- B. Water Meter Replacement Program - Consider 14,000 water meters with a 15 year life expectancy would require replacement of 900 water meters per year. At a replacement cost of \$325 per water meter, this program requires an annual budget of \$303,333.

These examples of asset replacement are required as part of the GASB 34 Asset Management requirements to ensure the District adequately maintains the extensive assets under our control.

2.4.5 Comparison of Capital Assets

Another useful financial measurement tool is a comparison of capital assets. As shown below, the capital assets of the District have increase steadily over the past fifteen years. Since 1989, the total capital assets have increased and now exceed \$120 million.



The amount of capital assets is a useful tool to quickly understand the complexity, responsibilities and obligations of an agency. The table below is provided to understand how the District compares to other local water and sewer providers.

Agency	Fiscal Year	Total Assets
San Bernardino Valley Water Conservation District	2019	\$19,050,000
Big Bear Area Regional Wastewater Agency	2019	\$21,598,435
Beaumont Cherry Valley Water District	2018	\$62,512,946
West Valley Water District	2018	\$162,845,397
Santa Ana Watershed Project Authority	2018	\$177,074,117
Palmdale Water District	2018	\$188,730,535
East Valley Water District	2019	\$216,882,673
Yucaipa Valley Water District	2018	\$270,350,070
Padre Dam Municipal Water District	2018	\$377,000,258
Cucamonga County Water District	2018	\$557,877,980
Western Municipal Water District	2018	\$603,078,343
Jurupa Community Services District	2017	\$630,211,886
San Bernardino Valley Municipal Water District	2018	\$827,194,952
Eastern Municipal Water District	2018	\$2,894,727,900

3.0 Drinking Water Enterprise

In order to properly assess the District’s future revenue requirements, one must first evaluate and understand trends within four specific areas. These areas are: 1) current customer base and projected changes; 2) evaluation of water demands, 3) significant changes in operating expenses including water filtration and sewer treatment costs, and 4) capital expenditures and debt service obligations. The following is a brief discussion on the impact of these factors on the District’s revenue requirements.

3.1 Current and Projected Customer Base

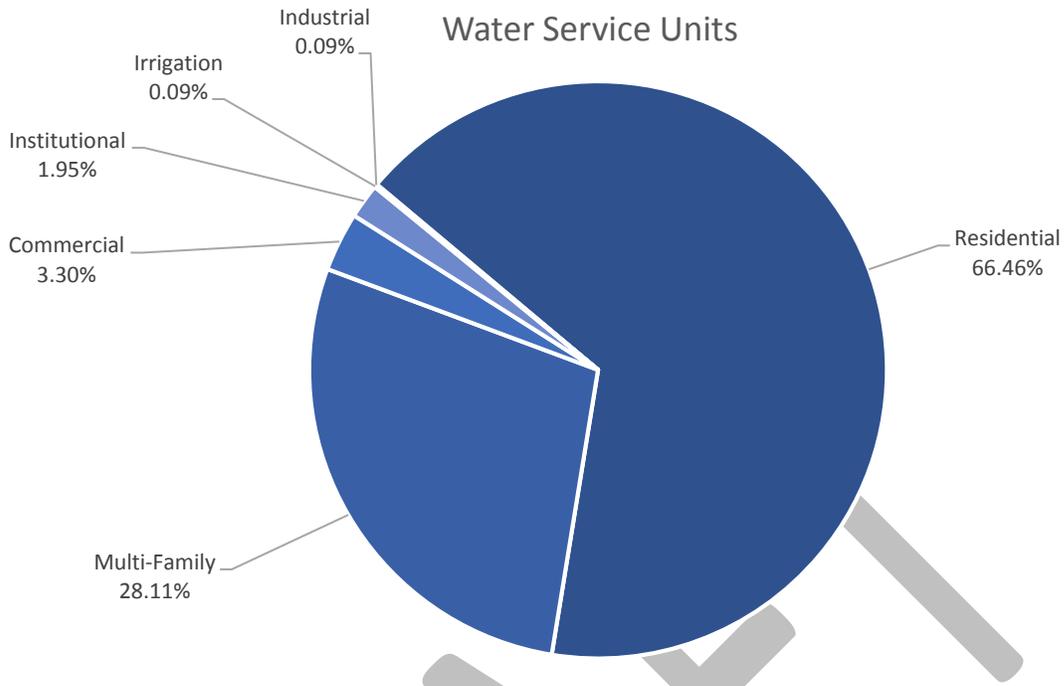
A fundamental element for developing service projections is the quantification of customer demand characteristics and the revenues derived from the current schedule of utility charges. This information provides the foundation for integrating projected changes in demands and customer unit rate adjustments.

As of June 30, 2019, the District’s customer base consisted of the following:

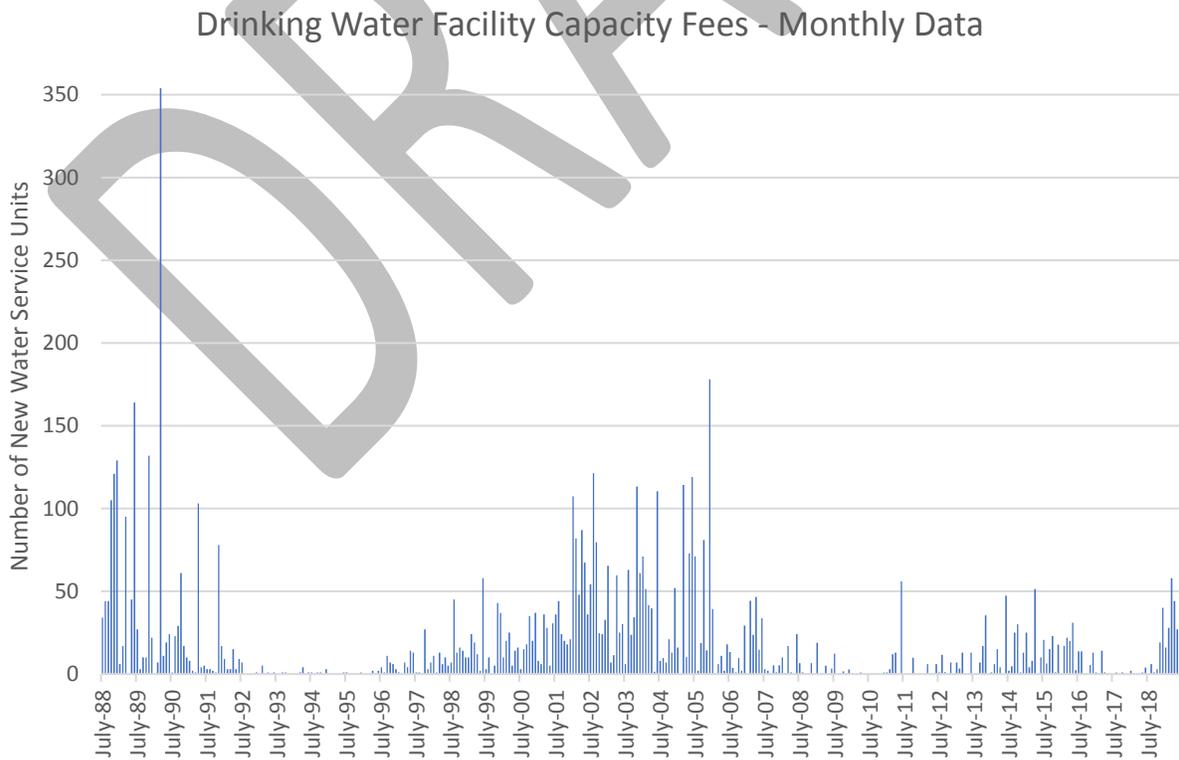
- Drinking water service was provided through 13,794 water service connections; and
- Drinking water was provided to 19,243 Water Service Units.

The table below illustrates a detailed breakdown of service connections by the type of customer. The difference between the number of service connections and the number of Water Service Units represents multiple units on a property and larger capacity water meters that are typically used for commercial, industrial and institutional customers. The Comprehensive Rate Study focuses on Water Service Units for allocation of Drinking Water Enterprise fixed costs.

Customer Type	Drinking Water Enterprise	
	Number of Service Connections	Water Service Units (WSUs)
Single Family	11,876	12,602
Multiple Units	467	5,331
Commercial	225	626
Institutional	78	370
Industrial	6	17
Irrigation	111	297
Fire Detectors	1,013	--
Construction Water	18	--
Recycled Water	--	--
Sewer Only	--	--
Total	13,794	19,243



The chart below illustrates the number of Water Service Units (WSUs) added to the District's drinking water system on a monthly basis over the past thirty years. During these three decades, the Yucaipa Valley Water District averaged 211 new drinking water services per year.

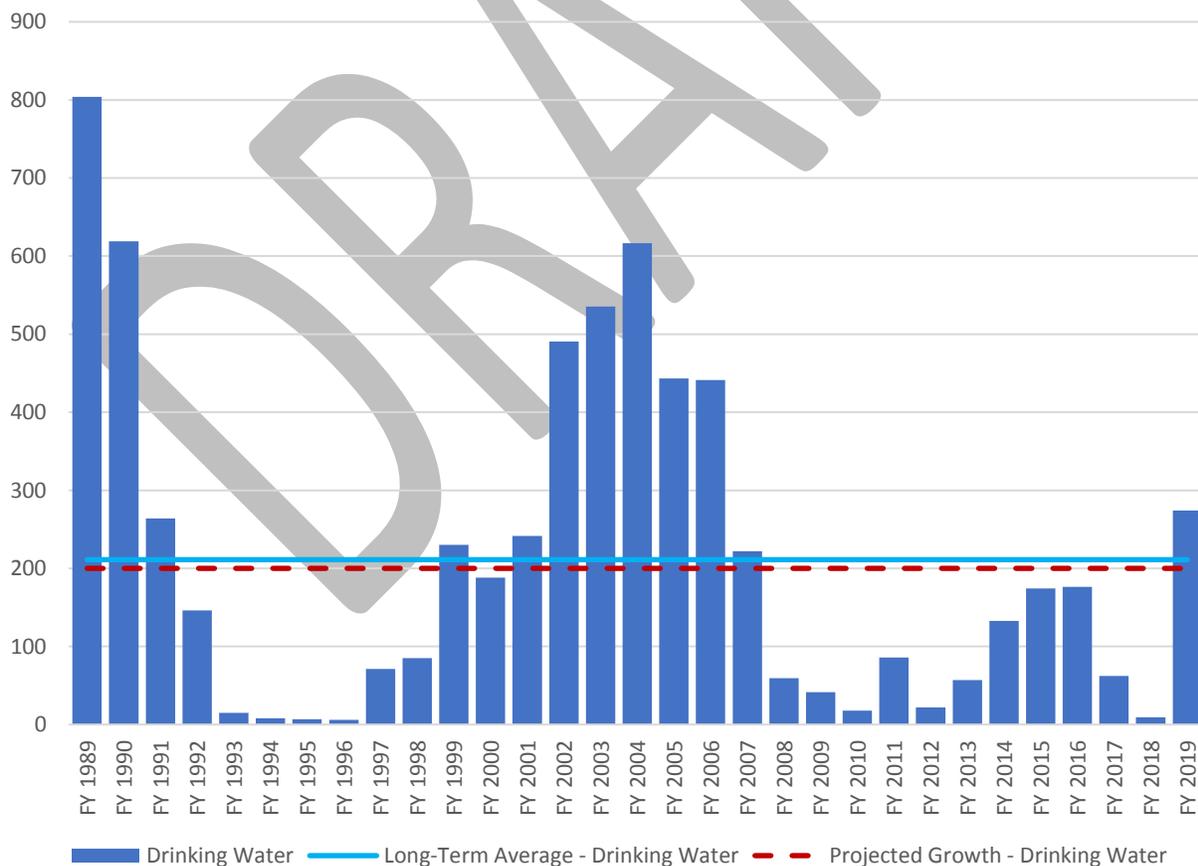


For the purposes of this Comprehensive Rate Study, the District recognizes that several large developments have started construction and will add thousands of Water Service Units in the near future. These fully entitled development projects will likely skew the relatively slow growth that has occurred over the past decade. Specifically, Summerwind Ranch, Mesa Verde Estates, JP Ranch, and the Oak Valley commercial center all have the ability to change the District's customer base, primarily within the City of Calimesa.

To reasonably project the future growth rate of the Yucaipa Valley Water District, an estimated growth rate of 200 Water Service Units per year will be added to the drinking water system. This projection is based on 50 homes per year will be constructed in the City of Yucaipa and 150 homes per year will be constructed in the City of Calimesa.

This projection represents a 5% annual decrease from the long-term average of 211 Water Service Units per year with an overall increase of about 1% per year. Over the 50 year projection of this rate study, this growth rate will add 10,000 more Water Service Units to the drinking water system. While this growth rate is more than recently experienced by the District, the projected rate of 200 additional drinking water services per year for the next 50 years will not exceed the projected buildout of either the City of Yucaipa or the City of Calimesa. Therefore, this may be a fairly conservative estimated growth rate when one looks back at this comprehensive rate study in the future.

Drinking Water Facility Capacity Charges - Annual Data



The projected customer growth rate affects the District's revenue requirements in two ways. First, it increases the customer base, which increases the property tax revenue, fixed charge revenue, and variable charge revenue. Secondly, it increases operating costs associated with the delivery and provision of drinking water services.

3.2 Drinking Water Enterprise Revenue Requirements

The Yucaipa Valley Water District analyzed the revenue requirements of drinking water service customers to test the financial health of the enterprise. The revenue requirement analysis uses FY 2019 as the baseline and extends the forecast period 50 years until FY 2070. With an extended forecast, the District can plan for debt repayment and schedule future capital improvements. However, most tables and graphs in the Study will typically focus on a ten year period of FY 2020 to FY 2030.

Based on the findings of this Study, the rate changes recommended for the Drinking Water Enterprise will consist of changes to the framework of the existing rate structure plus new revenue categories that will fund operational and capital needs and meet debt service obligations. The proposed findings support the Water Enterprises' ability to continue meeting its level of service objectives.

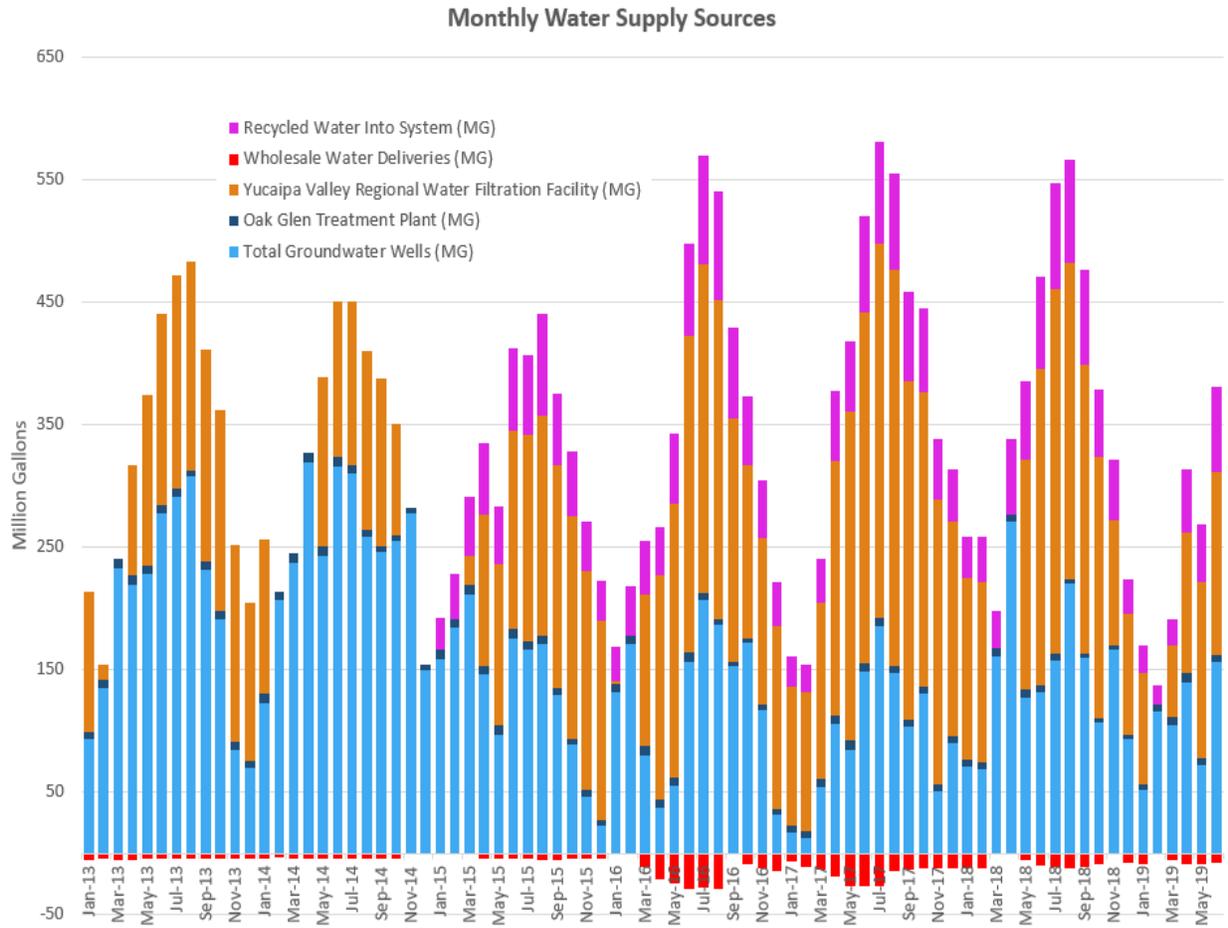
3.2.1 Evaluation of Drinking Water Demands

The Yucaipa Valley Water District maintains a highly diversified water resource portfolio that consists of groundwater, imported water, local surface water, and recycled water. The use of these resources varies each month depending on the regional and statewide climatic conditions and policies/goals set by the Board of Directors.

The two most significant policy decisions by the Yucaipa Valley Water District Board of Directors has been to maximize the use of recycled water and refill the local groundwater basins to enhance the availability of local resources for future use.

The Yucaipa Valley Water District implemented a recycled water system in 2002 to reduce the amount of groundwater used by the community. This recycled water system was connected to the Wochholz Regional Water Recycling Facility in 2015 and now the recycled water system receives source water from both the Yucaipa Valley Regional Water Filtration Facility and the Wochholz Regional Water Recycling Facility.

The following graph illustrates the monthly water demands and the various water supply sources used by the District to meet the irrigation demands.

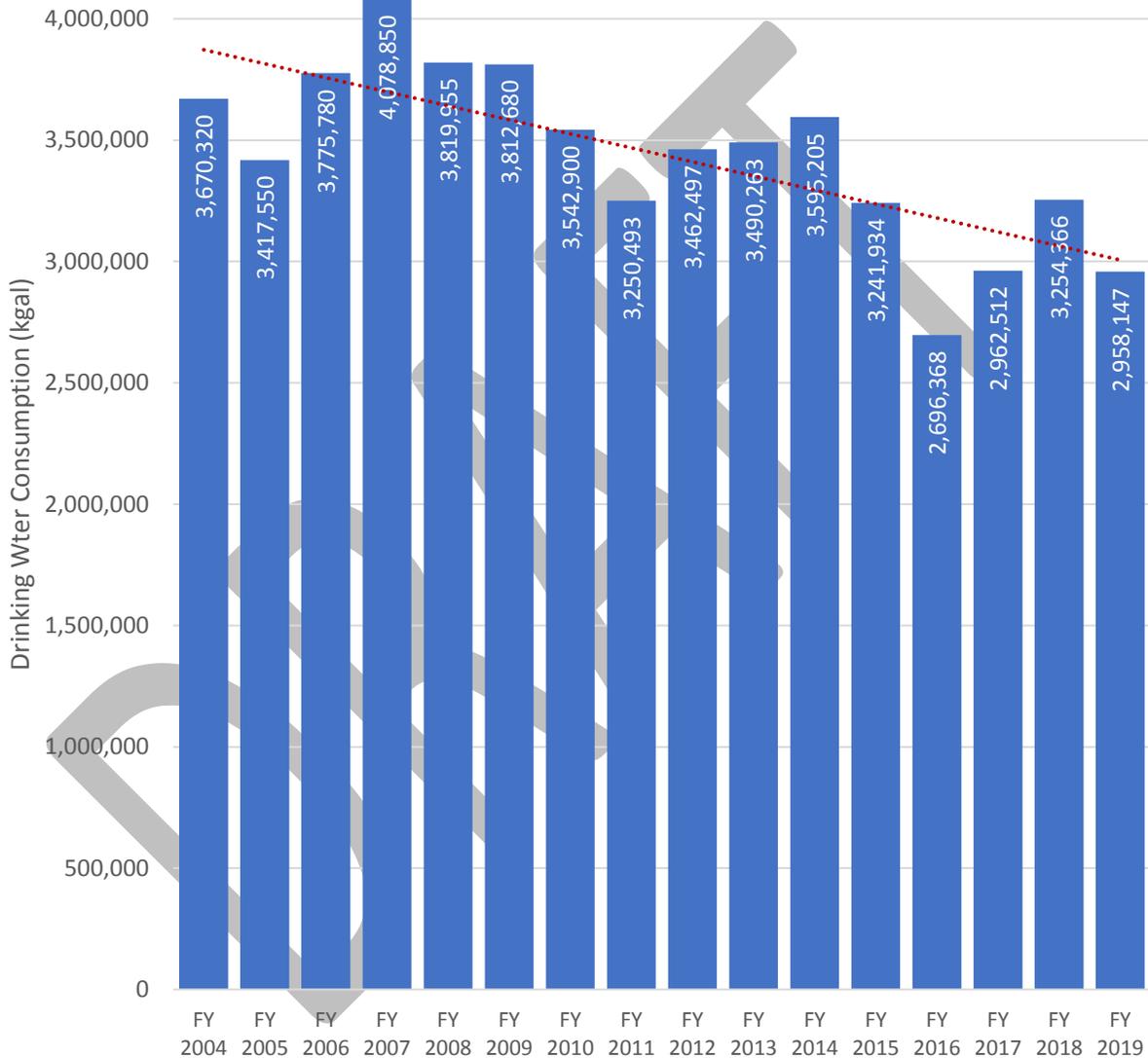


As a direct result of the management of our water resources, the Yucaipa Valley Water District has been able to significantly improve the groundwater conditions within our service area. While the District monitors groundwater conditions at our active and inactive well sites, the District relies upon the groundwater monitoring wells operated and maintained by the United States Geological Survey (USGS) to publicly share groundwater conditions with the community.



The Yucaipa Valley Water District has been experiencing a decline in drinking water consumption over the past decade. In FY 2007 the District delivered 4,078,850 kgal of drinking water (12,517 acre feet) compared to 2,958,147 kgal of drinking water (9,078 acre feet) in FY 2019. This represents a decrease of 27.5% over the past thirteen years.

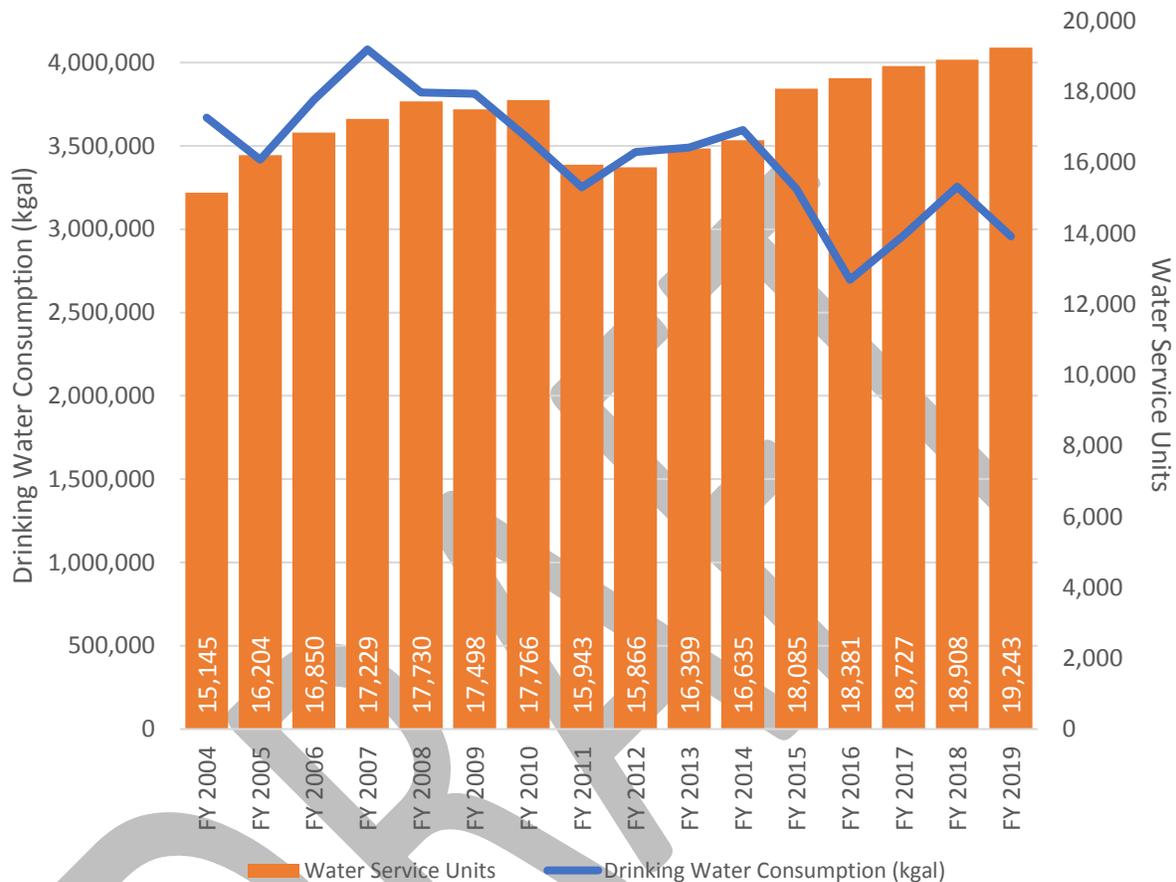
Annual Drinking Water Consumption (kgal)



The decrease in drinking water consumption is largely related to: (1) the implementation of recycled water service as discussed in Section 5 of this report; (2) drought and water conservation practices by customers; (3) improved water efficiency of new homes; and (4) variations in climatic conditions.

While water demand decreased 27.5% over the past thirteen years, the number of Water Service Units increased 10.8% from 17,229 WSUs in FY 2007 to 19,243 WSUs in FY 2019.

Drinking Water Consumption and Water Service Units



On May 31, 2018, Governor Brown signed two bills which build on the ongoing efforts to “make water conservation a California way of life.” Senate Bill No. 606 (Hertzberg) and Assembly Bill No. 1668 (Friedman) place a large emphasis on water use efficiency mandates that will be the responsibility of urban water providers like the Yucaipa Valley Water District. This comprehensive rate study implements the anticipated statutory requirements of SB 606 and AB 1668.

The new Legislative framework will create new efficiency standards for indoor use, outdoor use, and water lost to leaks, as well as any appropriate variances for unique local conditions. Beginning in November 2023, each urban retail water agency will calculate its own objective, based on the water



needed in its service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional (CII) irrigation with dedicated meters, and reasonable amounts of system water loss, along with consideration of other unique local uses (i.e., variances) and “bonus incentive,” or credit, for using recycled water based on the standards adopted by the State Water Resources Control Board.

Urban water agencies must meet their water use objective. Those that don't may be subject to enforcement by the State Water Resources Control Board (“State Water Board”). Starting in 2023, the State Water Board may issue informational orders to urban water suppliers that do not meet their water use objective and may issue conservation orders beginning in 2025.

The indoor water use standard will be 55 gallons per person per day (gallons per capita daily, or GPCD) until January 2025; the standard will become stronger over time, decreasing to 50 GPCD in January

2030. For the water use objective, the indoor use is aggregated across population in an urban water supplier's service area, not each household.

The outdoor water use standard will be based on land cover, climate, and other factors determined by the Department of Water Resources and the State Water Resources Control Board. The State Water Resources Control Board will adopt the outdoor standard by June 2022.

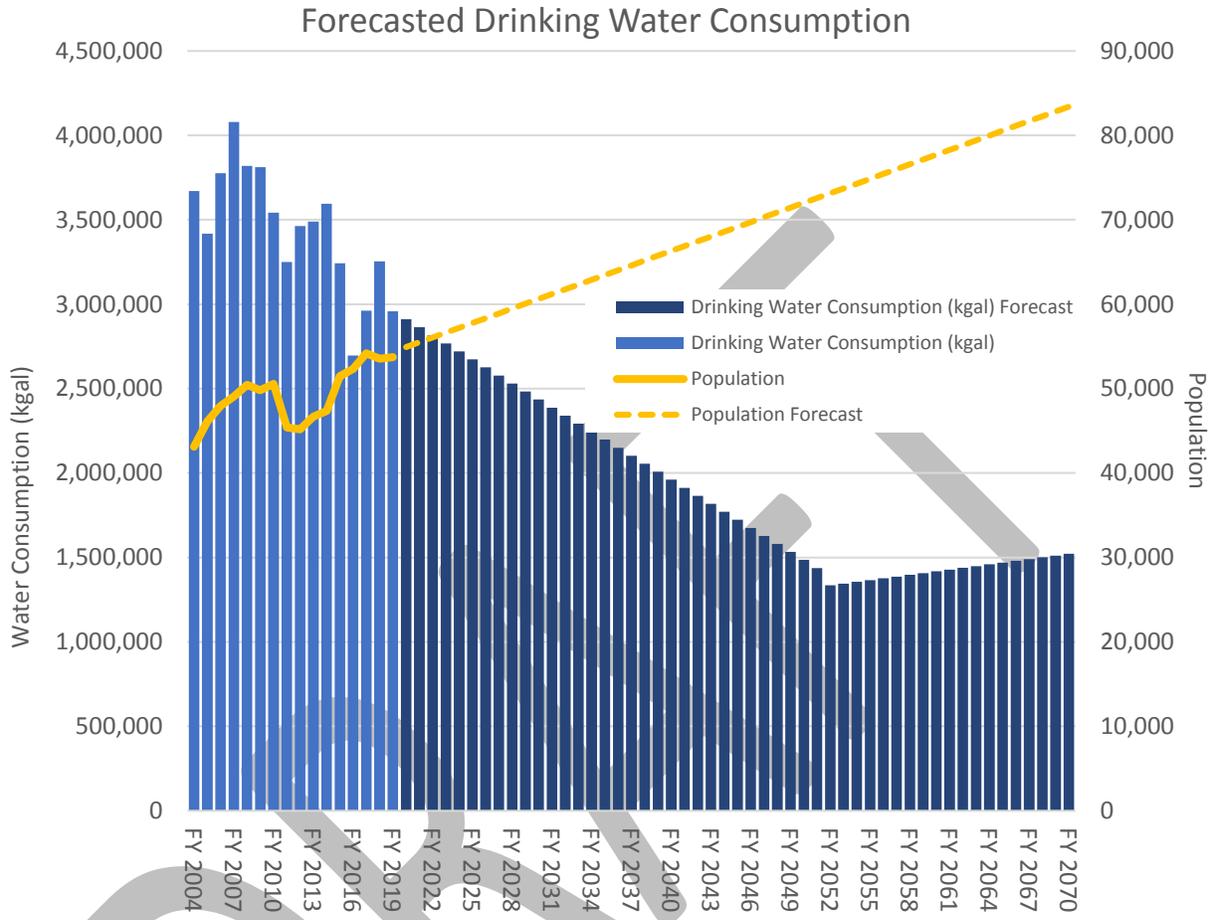
In addition, the Department of Water Resources and the State Water Resources Control Board will work collaboratively to define performance measures for Commercial, Institutional, and Industrial (CII) water use by October 2021. The State Water Board will adopt the CII performance measures by June 2022.

To enhance drought planning and preparedness, urban water agencies also will be required to update urban water management plans that specify reliability of water supply, define the agency's strategy for meeting its water needs, including conducting annual “stress tests” of supply versus demand to ensure water service continuity assuming the five worst or driest years in the supplier's historical record.

Based on (1) the growth projections identified above; (2) the actual reduction in water consumption over the past decade; and (3) the new water efficiency requirements set forth by the State of California, the District will be projecting an annual decrease in drinking water use of 47,500 kgal per year until 2052. At this point, the District should achieve the goal of 50 gallons



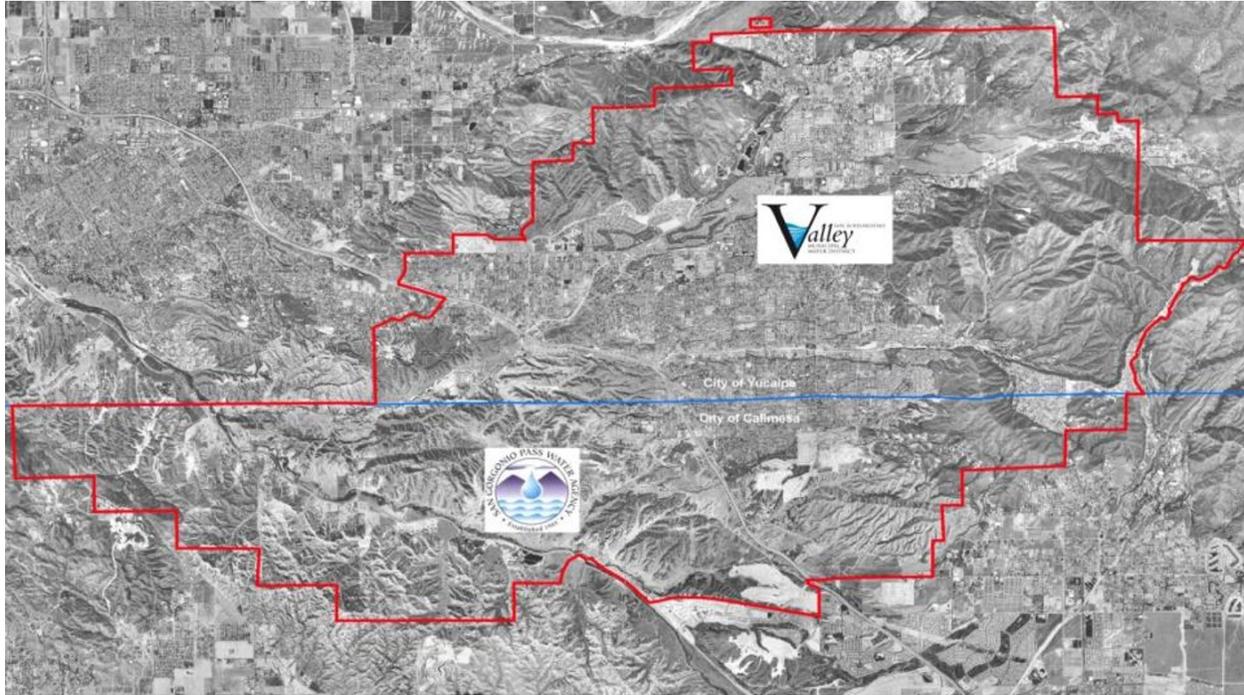
per capita daily (GPCD). Future water consumption will then increase at a rate of 50 gallons per capita daily as shown below.



3.2.2 Evaluation of Supplemental Water Demands

The Yucaipa Valley Water District receives imported water from the San Bernardino Valley Municipal Water District (SBVMWD) and the San Gorgonio Pass Water Agency (SGPWA). The San Bernardino Valley Municipal Water District provides imported water to the portion of the Yucaipa Valley Water District in San Bernardino County while the San Gorgonio Pass Water Agency provides imported water to the Riverside County portion.

	San Bernardino Valley Municipal Water District	San Gorgonio Pass Water Agency
Service Area Size	353 square miles	222 square miles
Table "A" Water Entitlement	102,600 acre feet	17,300 acre feet
Imported Water Rate	\$125.80 / acre foot	\$399 / acre foot
Tax Rates for FY 2019-20	\$0.1425	\$0.1825
Number of Board Members	Five (5)	Seven (7)
Operating Budget FY 2019-20	\$58,372,000	\$9,551,000



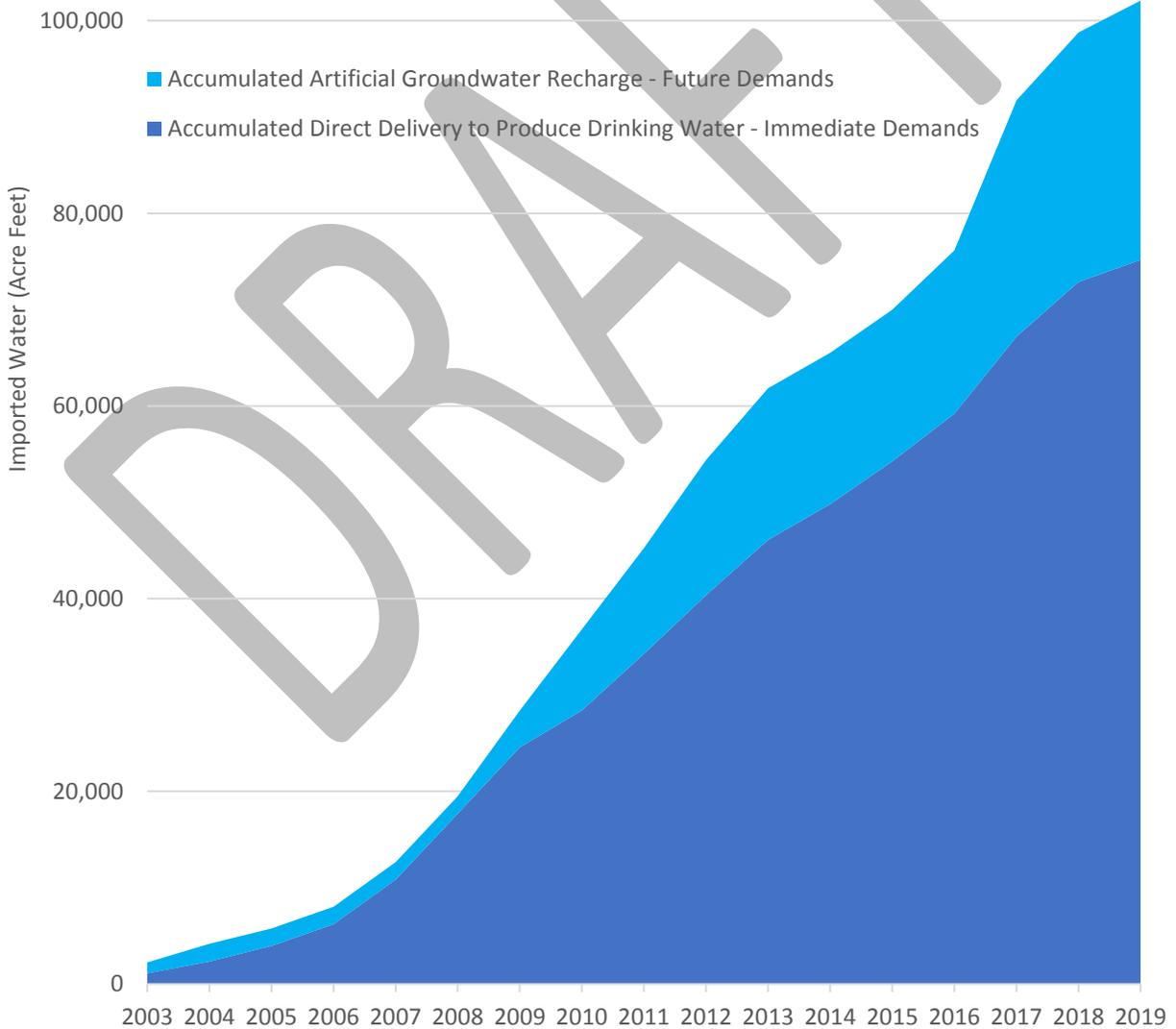
Imported water from the SBVMWD and SGPWA is delivered to the Yucaipa Valley Regional Water Filtration Facility for treatment to drinking water. The Yucaipa Valley Regional Water Filtration Facility is a technologically advanced drinking water facility that uses microfiltration and nanofiltration membranes to produce exceptionally pure drinking water for the customers of the Yucaipa Valley Water District. The amount of imported water purchased from each State Water Contractor is directly correlated to the amount of drinking water consumed within the service area of each agency. Currently, about 90% of the District's drinking water demand is located in the service area of the San Bernardino Valley Municipal Water District and 10% in the service area of the San Geronimo Pass Water Agency.



In addition to direct delivery of imported water to the Yucaipa Valley Regional Water Filtration Facility, the Yucaipa Valley Water District also receives imported water from the San Bernardino Valley Municipal Water District for surface water recharge at the Wilson Creek Spreading Basins. Future plans include the construction of injection wells in the City of Calimesa. Ultimately, the District plans to replace the use of imported water with highly purified recycled water to implement indirect potable reuse throughout the District's service area.



Accumulated Imported Water Deliveries



3.2.3 Revenue Requirements Overview

The revenue requirement analysis compares the forecasted revenues of the District to its forecasted operating and capital costs to determine the adequacy of the existing rates to recover the cost of providing service. Should any deficits be identified, additional funding through rates are reviewed and recommended based on strategic goals and available funding.

To fully analyze the revenue requirements, the District utilized the adopted FY 2020 budget expenses as the base year of operation and maintenance costs. Future expenses were forecasted for a 50 year period. Additional information was evaluated that consisted of a detailed review of costs, operations expenses, capital needs, and reserve requirements. The revenue requirements analysis determines the annual retail revenue necessary to be recovered through water rates and charges in order to meet the expected financial obligations of the Drinking Water Enterprise.

Two tests are utilized to determine whether the annual revenues are sufficient: cash flow test and debt coverage test. Should both tests “fail,” the test with the larger deficiency is determined to be the primary driver. Based on the results of the baseline revenue requirement analysis and the declining drinking water sales, both the debt coverage requirement and the cash flow analyses drive the need for additional revenue.

3.2.3.1 Cash Flow Test

The cash flow sufficiency test evaluates whether revenues exceed expenses for a net positive cash flow at the end of each fiscal year. When they do not, this test is not passed, and additional rate revenue is recommended. The cash flow test identifies the amount of annual revenues that must be generated in order to meet annual expenditure obligations. These obligations include O&M expenses, debt service payments, policy-driven minimum reserves, and rate-funded capital expenses. These expenses, less offsetting revenues from other sources, are compared to total annual projected retail rate revenues. Deficits are then used to estimate the need for rate revenue increases. The analysis also considers existing reserves and financial policies to help mitigate or smooth the need for rate adjustments in the short-term.

Excess reserve amounts will be considered for contingencies and rate stabilization. As such, the District has the ability to use unrestricted reserves, if available, to satisfy the annual cash flow test in order to minimize rate spikes.

3.2.3.2 Debt Coverage Test

The debt service coverage test measures the ability to meet both legal and policy-driven revenue obligations. The Yucaipa Valley Water District uses bond indebtedness to fairly share the cost of certain capital improvements with future customers.

Debt service coverage is dictated by specific bond covenants and establishes an amount that a borrower must raise in revenue in excess of operations and debt-related expenses.

The Rate Covenant for the Water System Refunding Revenue Bonds - Series 2015A requires the Net Water System Revenues to equal 110% of the Debt Service payable in each Fiscal Year and does not include any amount transferred from the Rate Stabilization

Fund to the Water System Revenue Fund in excess of 10% of Debt Service. This Rate Covenant provides that the District may make adjustments from time to time of the rates, fees, and charges as deemed necessary, but shall not reduce the rates in effect unless the District reasonably expects the Net Water System Revenues for the reduced rates to be sufficient to meet the foregoing requirements.

Coverage requirements to ensure payment and security of the bond issuance requires annual revenues to meet a minimum of 1.10x (times) the annual debt service.

$$\text{Debt Coverage Test} = \frac{(\text{Annual Revenues} - \text{Operating Expenses})}{\text{Annual Debt Service}}$$

3.2.3.3 Bond Coverage Guidelines

To ensure that the Yucaipa Valley Water District retains financial flexibility for contingencies, the Board of Directors has adopted and implemented Bond Coverage Guidelines that target higher metrics than the minimum debt service coverage requirements.

On February 18, 2015, the Board of Directors of the Yucaipa Valley Water District approved a policy related to debt management for the Drinking Water Enterprise. The Board of Directors set the following financial benchmark goals:

- A. Debt Ratio: The Debt Ratio is a financial ratio that indicates the percentage of the District's capital assets that are provided via debt financing. It is the District's goal to maintain a Debt Ratio between 30 to 40 percent.
- B. Credit Rating: The District's credit rating has a direct impact on the access to financial markets and the cost of incurring debt. It is the District's goal to obtain and maintain the following credit ratings: AA (Standard & Poors), Aa1 (Moody's) and/or AA (Fitch).
- C. Number of Day's Cash: The District's liquidity position has a large impact on the District's credit rating. It is the District's goal to maintain a level of Days Cash between 300 and 400 days.
- D. Debt Service Coverage: The District is required to maintain a minimum debt service coverage ratio as set forth in the outstanding bond documents. It is the District's goal to exceed the minimum coverage ratio with a goal of 1.6 times the annual debt service payments excluding development facility capacity charges and 2.0 times the annual debt service payments for gross revenues and unappropriated fund balance to cover all operations and maintenance including debt service.

This rate study provides for the implementation of the Board approved bond coverage guidelines.

3.2.4 Existing Water Rate Structure and Assumptions

The current water rates, adopted as Resolution No. 18-2011 includes the following components:

monthly water service charges by meter size and drinking water commodity charges. These rates were adopted on August 17, 2011 and reflect the current water service and commodity drinking water charges.

3.2.4.1 Drinking Water Service Charge

The monthly drinking water service charge is applied to the greater of (1) meter size or (2) number of Equivalent Dwelling Units / Water Service Units receiving service from the water meter. This charge shall be applicable to both drinking water and recycled water users.

Meter Size	Current Water Service Charge
Service Charge per EDU	\$14.00
Water Meter Based Charge:	
¾" Water Meter - 1.00 EDU	\$14.00
1" Water Meter - 1.67 EDU	\$23.38
1½" Water Meter - 3.33 EDU	\$46.62
2" Water Meter - 5.33 EDU	\$74.62
3" Water Meter - 10.00 EDU	\$140.00
4" Water Meter - 16.67 EDU	\$233.38
6" Water Meter - 33.33 EDU	\$466.62
8" Water Meter - 53.33 EDU	\$746.62

Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be calculated based on the methodology provided above multiplied by the Multiple Residential Water Service Charge Factor of 0.80 to calculate the Multiple Residential Water Service Charge.

3.2.4.2 Drinking Water Commodity Charge

The water commodity charge rate is the charge per one thousand gallons (kgal) for all water registered by the customer's water meter in a monthly billing cycle and is herein established as follows:

Potable Water Consumption (kgal)	Commodity Rate (\$/kgal)
1 – 15 Billing Units	\$1.429
16 – 60 Billing Units	\$1.919
61 – 100 Billing Units	\$2.099
101 and greater Billing Units	\$2.429

Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be calculated based on the methodology provided above, but the Commodity Charge is multiplied by the Multiple Residential Water Commodity Charge Factor of 0.80 to calculate the Multiple Residential Water Commodity Charge.

3.2.4.3 Supplemental Water Commodity Charge

The imported water commodity charge is applied to all drinking water consumption recorded at each individual water meter including, but not limited to, all residential, commercial,

industrial, institutional, irrigation, and construction users. Since imported water rates are set at the sole discretion of the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency, it will be necessary for the Imported Water Commodity Charge to be adjusted automatically following any change by either of those two Agencies.

The following calculation is used to adjust the Imported Water Commodity Charge when imported water rates are changed by either the San Bernardino Valley Municipal Water District or the San Gorgonio Pass Water Agency.

$$\text{Imported Water Commodity Charge} = (0.7) \times \left(\frac{\text{Imported}}{\text{Water Rate}} \right) \times (0.00307)$$

Definitions:

- *Imported Water Commodity Charge* (expressed in units of \$/kgal) represents the calculated charge implemented by the Yucaipa Valley Water District and applied to customer utility bills within the respective service area of the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency.
- *Imported Water Rate* (expressed in units of \$/acre-foot) represents the rate charged by the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency for water delivered to the Yucaipa Valley Regional Water Filtration Facility.

3.2.4.4 Capital Improvement Program – Drinking Water

A Capital Improvement Program (CIP) was prepared as part of the Fiscal Year 2020 Budget adopted on June 18, 2019. Some Projects associated with the Capital Improvement Program are constructed with Facility Capacity Charges paid by new development while other projects are paid by existing customers as part of the rate structure.

A copy of the current Capital Improvement Program for the Drinking Water, Sewer, and Recycled Enterprise is included as Appendix C.

3.2.4.5 Drinking Water Enterprise Revenue Assumptions

The total drinking water revenue generated each year from the customer rates should be approximately equal to the total water operation expenditures planned for that year. The revenue requirements include long-term financial objectives such as capital improvement and refurbishment/replacement projects in addition to regular operations and maintenance. With these basic principles, the required revenue can be projected and then rates can be designed to meet the revenues needed.

Based on prior year information, the following forecast factors were used to develop the Drinking Water Enterprise Revenue Forecast through 2070.

Drinking Water Enterprise Revenue Forecast		Forecast Factor
02-40010	Sales - Drinking Water	See Below
	Sales - Excess Consumption	See Below
02-40011	Sales - Construction Water	Static
02-40012/13	Sales - Supplemental Water	3.0%
02-40014	Sales - Discount (Multi Unit) Variable	0.0%
02-40015	Sales - Wholesale Water	3.0%
02-40016	Sales - Establish Service Fee	2.0%
02-41000	Sales - Service Demand Charges	See Below
02-41001	Sales - Fire Service Standby Fees	2.0%
02-41003	Sales - Construction Demand Charge	2.0%
02-41005	Sales - Discount (Multi Units) Fixed	(5.0%)
02-41010	Unauthorized Use of Water Charge	Static
02-41110	Meter/Lateral Installation	Static
02-41112	Fire Flow Test Fees	Static
02-41113	Disconnect & Reconnect Fees	3.0%
02-41121	Delinquent Payment Charges	3.0%
02-41124	Bad Debt Write-Off & Recovery	2.0%
02-42122	Revenue - Other Operating	2.0%
02-42123	Administration and Management	2.0%
02-43010	Interest Earned	2.0%
02-431xx	Property Taxes	See Below
02-43140	Taxes - Other	3.0%
02-49110	Rental Income	2.0%
02-49150	Miscellaneous Non-Operating	2.0%

Based on prior year information, the following forecast factors were used to develop the Drinking Water Enterprise Expense Forecast through 2070.

Drinking Water Enterprise Expense Forecast		Forecast Factor
Water Production Department		
02-5-01-50010	Labor - Water Resources	3.0%
02-5-01-50013	Benefits-FICA	7.7%
02-5-01-50014	Benefits-Life Insurance	\$480 + 1% \$19,692 +
02-5-01-50016	Benefits-Health & Dental	2%
02-5-01-50017	Benefits-Disability Insurance	0.9%
02-5-01-50019	Benefits-Workers Compensation	2.7%
02-5-01-50022	Benefits-PERS Employer	15.0%
02-5-01-50023	Benefits-Uniforms	\$500 + 1%
02-5-01-50024	Benefits-Vacation & Sick Pay	0.35%
02-5-01-50025	Benefits-Boots & Incentives	\$650 + 0.5%

Drinking Water Enterprise Expense Forecast		Forecast Factor
02-5-01-51003	R&M - Structures	2.0%
02-5-01-51011	R&M - Valves	2.0%
02-5-01-51115	Laboratory Supplies	2.0%
02-5-01-51140	General Supplies & Expenses	2.0%
02-5-01-51210	Utilities - Power Purchases	4.0%
02-5-01-51211	Utilities - Electricity	2.0%
02-5-01-51316	Supplemental Source of Supply	1.0%
02-5-01-54019	Licenses & Permits	2.0%
02-5-01-54110	Laboratory Services	2.0%
02-5-01-57040	YVRWFF-Crystal Creek Exp	2.0%

Public Works Department		
02-5-03-50010	Labor - Public Works	3.0%
02-5-03-50013	Benefits-FICA	7.7%
02-5-03-50014	Benefits-Life Insurance	\$480 + 1%
		\$19,692 +
02-5-03-50016	Benefits-Health & Dental	2%
02-5-03-50017	Benefits-Disability Insurance	0.9%
02-5-03-50019	Benefits-Workers Compensation	2.7%
02-5-03-50022	Benefits-PERS Employer	15.0%
02-5-03-50023	Benefits-Uniforms	\$500 + 1%
02-5-03-50024	Benefits-Vacation & Sick Pay	0.35%
02-5-03-50025	Benefits-Boots & Incentives	\$650 + 0.5%
02-5-03-51001	R&M - Vehicles & Equipment	2.0%
02-5-03-51011	R&M - Valves	2.0%
02-5-03-51020	R&M - Pipelines	2.0%
02-5-03-51021	R&M - Service Lines	2.0%
02-5-03-51022	R&M - Fire Hydrants	2.0%
02-5-03-51029	R&M - Backflow	2.0%
02-5-03-51030	R&M - Meters	2.0%
02-5-03-51031	Fire Flow Testing	2.0%
02-5-03-51140	General Supplies & Expenses	2.0%

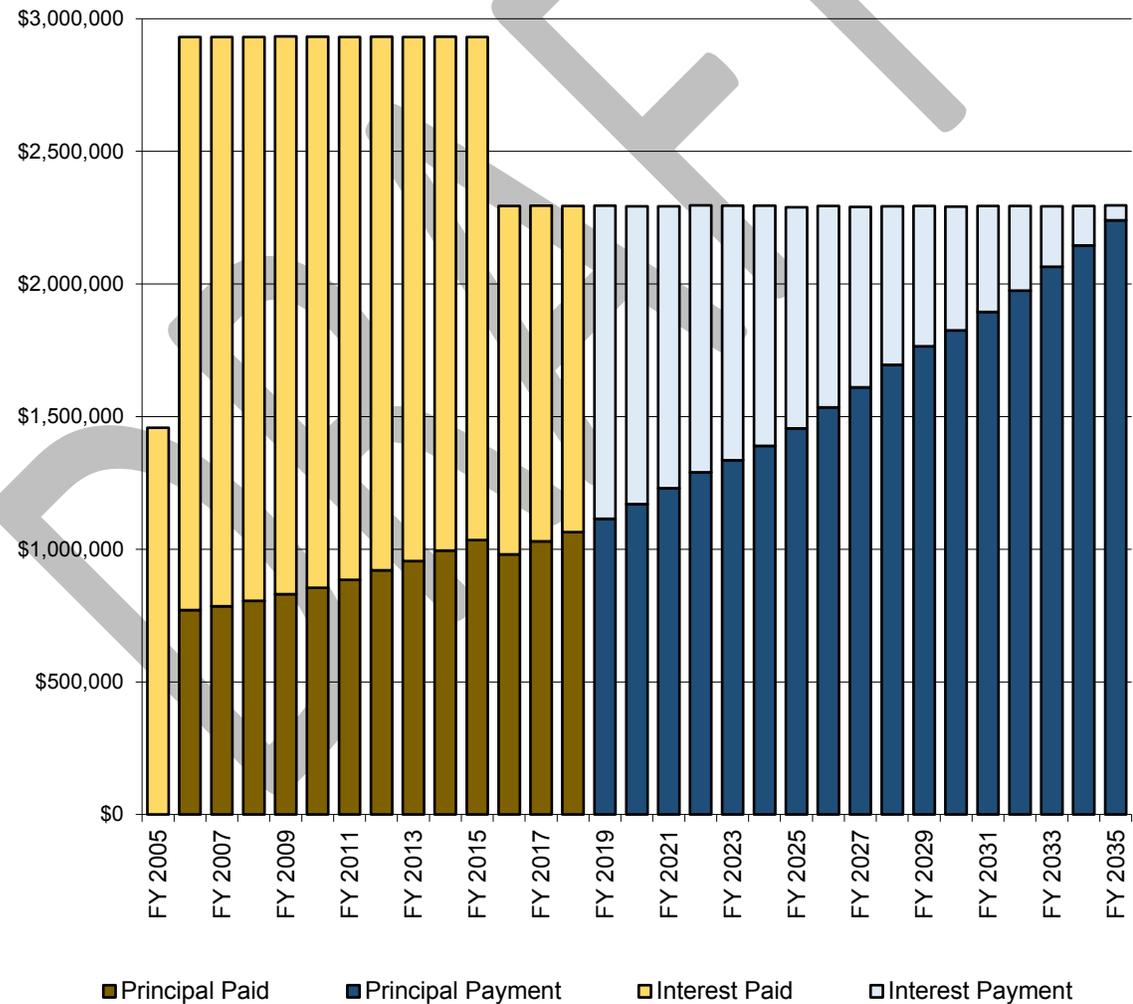
Administration Department		
02-5-06-50010	Labor	3.0%
02-5-06-50012	Director Fees	5.0%
02-5-06-50013	Benefits-FICA	7.7%
02-5-06-50014	Benefits-Life Insurance	\$480 + 1%
		\$19,692 +
02-5-06-50016	Benefits-Health & Def Comp	2%
02-5-06-50017	Benefits-Disability Insurance	0.9%
02-5-06-50019	Benefits-Workers Compensation	2.7%
02-5-06-50022	Benefits-PERS Employer	15.0%
02-5-06-50023	Benefits-Uniforms	\$500 + 1%
02-5-06-50024	Benefits-Vacation & Sick Pay	0.35%

Drinking Water Enterprise Expense Forecast		Forecast Factor
02-5-06-50025	Benefits-Boots	\$650 + 0.5%
02-5-06-51003	R&M - Structures	2.0%
02-5-06-51120	Safety Equipment & Supplies	2.0%
02-5-06-51125	Petroleum Products	2.0%
02-5-06-51130	Office Supplies & Expenses	2.0%
02-5-06-51140	General Supplies & Expenses	2.0%
02-5-06-51211	Utilities - Electricity	2.0%
02-5-06-51213	Utilities - Natural Gas	2.0%
02-5-06-54002	Dues & Subscriptions	2.0%
02-5-06-54005	Computer Expenses	2.0%
02-5-06-54010	Postage	2.0%
02-5-06-54011	Printing & Publications	2.0%
02-5-06-54012	Education & Training	2.0%
02-5-06-54013	Utility Billing Expenses	2.0%
02-5-06-54014	Public Relations	2.0%
02-5-06-54016	Travel Related Expenses	2.0%
02-5-06-54017	Certifications & Renewals	2.0%
02-5-06-54020	Meeting Related Expenses	2.0%
02-5-06-54022	Utilities - YVWD Services	2.0%
02-5-06-54024	Waste Disposal	2.0%
02-5-06-54025	Telephone & Internet	2.0%
02-5-06-54099	Conservation & Rebates	2.0%
02-5-06-54104	Contractual Services	2.0%
02-5-06-54107	Legal	2.0%
02-5-06-54108	Audit & Accounting	2.0%
02-5-06-54109	Professional Fees	2.0%
02-5-06-55500	Depreciation - use budget-prior years	2.0%
	<i>fund transfer Infrastructure replacement fund</i>	2.0%
02-5-06-56001	Insurance	2.0%
02-5-06-57030	Regulatory Compliance	2.0%
02-5-06-57090	Election Related Expenses	2.0%
02-506-57095	Yucaipa SGMA	2.0%
02-5-06-57096	Beaumont Basin Watermaster	2.0%
02-5-06-57097	San Timoteo SGMA	2.0%
02-5-06-57098	Bunker Hill GSC	2.0%
Long-Term Debt		
02-5-40-57201	Series 2004A Principal	
02-5-40-57402	Interest - Bond Repayment	

3.2.4.6 Long-Term Debt – Drinking Water Enterprise

The Yucaipa Valley Water District Financing Corporation was established on May, 24, 2004 as a nonprofit public benefit corporation organized for the sole purpose of acquiring, constructing, rehabilitating, financing and refinancing of, or providing for the sale or leasing of, facilities, land and equipment for the use, benefit and enjoyment of the public served by public agencies in the State of California and any other purpose incidental thereto. In June 2004, the Yucaipa Valley Water District Financing Corporation issued \$45,730,000 in revenue bonds for the construction of water related facilities related to the Yucaipa Valley Regional Water Filtration Facility. In early 2015, the outstanding debt was refinanced, resulting in lower principal and interest payment for the remaining term of the financing.

The following schedule provides the principal and interest payments through the full term of the financing.



3.2.5 Drinking Water Rate Design

The Yucaipa Valley Water District has developed drinking water rates that are sound and adhere to the industry best practices. In addition to achieving cost recovery, the rate analysis has been developed to continue to promote the efficient use of water resources.

In California, water rates must adhere to the cost of service requirements imposed by Proposition 218 of the State Constitution. Proposition 218 requires that property-related fees and charges, including water rates, do not exceed the proportional cost of providing the service.

Rate Structure Objectives

Provide revenue stability

Meet debt service obligations

Comply with legal and regulatory requirements

Be concise and understandable

Encourage the efficient use of resources

Maintain affordability

Follow cost of service principles

In determining the appropriate rate level and structure, the District analyzed various rate design alternatives and reviewed the corresponding implications. There is no single structure that meets all objectives equally, nor are all objectives valued the same by the District or its customers. The objectives were discussed, evaluated, and adjusted throughout the rate study process.

It is recommended that the current rate structure be adopted to conform to the latest guidelines and court interpretations on Proposition 218 and its implementation, as well as, the water conservation goals set forth by Senate Bill No. 606 (Hertzberg) and Assembly Bill No. 1668 (Friedman) and signed by Governor Brown on May 31, 2018. It is therefore recommended that changes to the rate structure occur based on the following rationale:

- **Increase the monthly fixed rate service charge to provide greater revenue stability during droughts.** It is estimated that only 18 percent (18%) of the water division expenses are variable. Variable costs include utilities, water purchases, and chemicals. Costs that are mostly independent of water usage include personnel cost, general and administrative cost, meter reading and billing, renewal and replacement cost, laboratory costs. In order to maintain an incentive for water conservation, there should be a reasonable balance between cost recovered under the monthly service charge and commodity charges and therefore not all fixed costs will be recovered in the service charge.
- **Make the monthly fixed rate service charge proportional to meter size and flow capability.** The amount of the fixed rate will be based on meter size and application of standard AWWA equivalent meter factors based on the flow that can be delivered through a standard ¾-inch residential meter. For example, a 2-inch meter can deliver 5.33 times as much water as a standard ¾-inch meter. Therefore, a customer with a 2-inch meter will be charged a monthly service charge that is 5.33 times that of the base charge for a ¾-inch meter. Additionally, residential customers are now required to install a 1-inch water meter to support fire sprinklers inside the homes. These larger meters have the ability to deliver more water and they are more expensive to repair/replace when compared to a ¾-inch water meter.

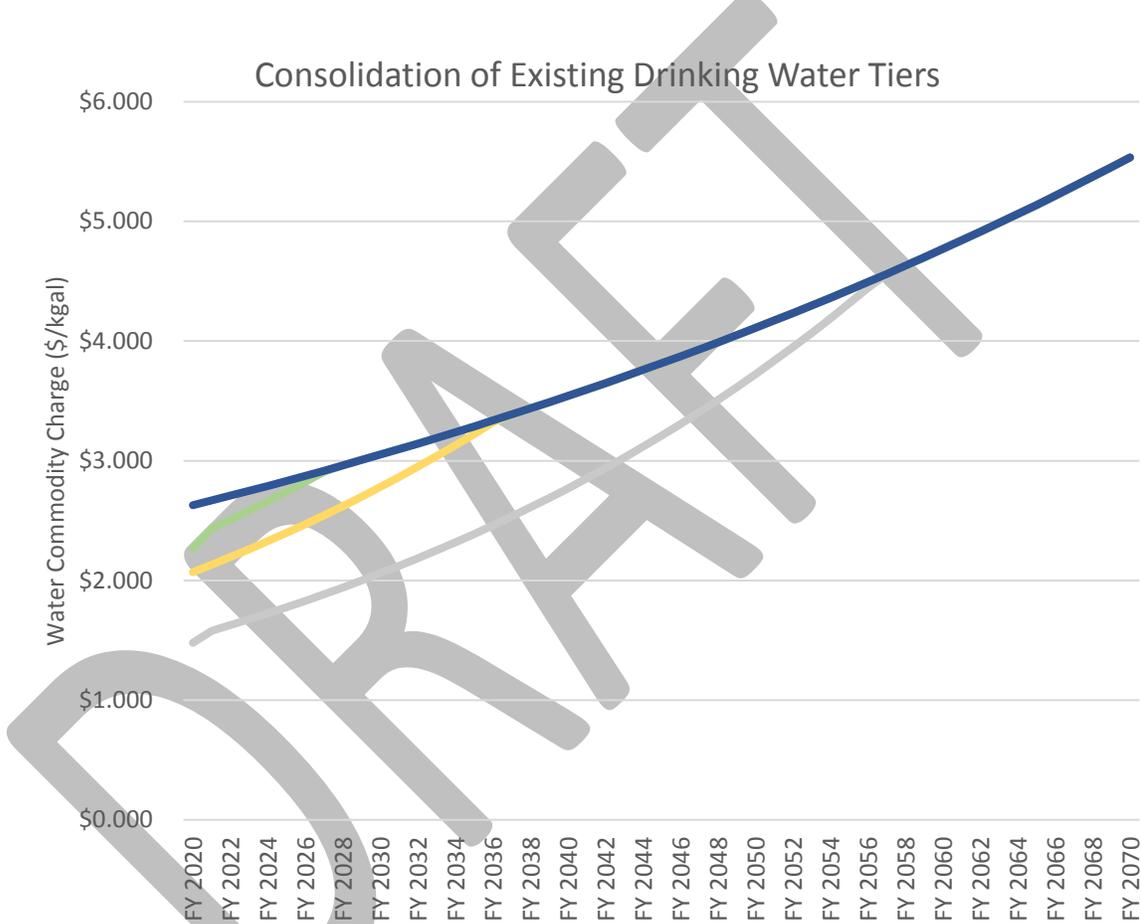
- **Establish an excess drinking water commodity charge for water usage that exceeds the amount of capacity purchased for the property.** Each parcel that receives drinking water service first secures capacity in the drinking water filtration facility, storage reservoirs, conveyance pipelines, booster facilities, and groundwater wells. This system is used to provide reliable and high-quality service to customers. When the amount of drinking water used in a month exceeds the quantity of purchased capacity in the system, there is an inequity that arises for the lack of funding for the variable cost of operation, repair cost, replacement cost, capacity cost, and other related charges. This inequity is resolved with the creation of the Excess Drinking Water Commodity Charge.
- **Residential, commercial, industrial, and institutional customers will pay the same service charge and commodity rates.**
- **Develop a rate structure that incorporates the California Statutes Making Conservation a California Way of Life.** Assembly Bill No. 1668 and Senate Bill No. 606 build on ongoing efforts to make water conservation a way of life in California and create a new foundation for long-term improvements in water conservation and drought planning. These Statutes establish guidelines for efficient water use and a framework for the implementation and oversight of the new standards, which must be in place by 2022. The legislation contains provisions that include:

- Establishing water use objectives and long-term standards for efficient water use that apply to urban retail water suppliers; comprised of indoor residential water use, outdoor residential water use, commercial, industrial, and institutional (CII) irrigation with dedicated meters, water loss, and other unique local uses.
- Providing incentives for water suppliers to recycle water.

Compliance and Enforcement Actions		
Description	Deadline	California Water Code Section
Provide progressive enforcement: May issue informational orders	On or after November 1, 2023	10609.26(a)(1) SB
Provide progressive enforcement: May issue written notices	On or after November 1, 2024	10609.26(b) SB
Provide progressive enforcement: May issue conservation orders	On or after November 1, 2025	10609.26(c)(1) SB
Provide progressive enforcement: May impose civil liability (fine) for a violation of regulation	After November 1, 2027	1846.5(b)(2) AB

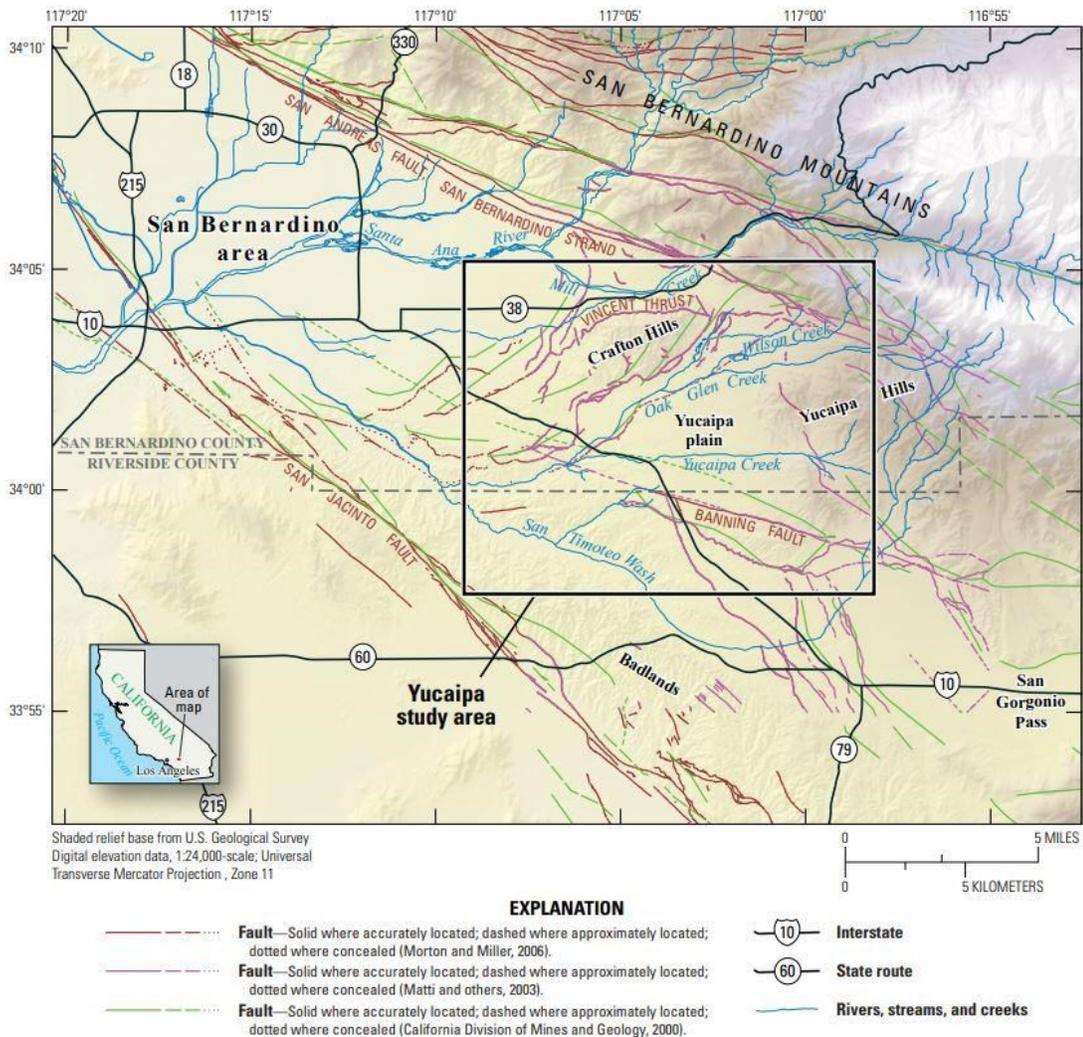
AB = Assembly Bill 1668; CWC = California Water Code; DWR = California Department of Water Resources Water Code; State Water Board = State Water Resources Control Board; SB = Senate Bill 606.

- Requiring urban water suppliers to set annual water budgets and prepare for future droughts.
- **Consolidate the existing four-tier water commodity rate structure into a single tier rate structure.** The Yucaipa Valley Water District baseloads supplemental water at the Yucaipa Valley Regional Water Filtration Facility to facilitate in-lieu groundwater recharge that protects the entire community from outages of the State Water Project. Since all customers proportionally rely upon the same drinking water supply sources, the use of tiers does not equitably represent the melded incremental costs of service. Therefore the existing four-tier system will be consolidated over time to a single tier.



- **Increase reserve funding for debt service coverage and infrastructure replacement.** The Yucaipa Valley Water District relies on a drinking water system that consists of eighteen water pressure zones that are interconnected and receive water from groundwater, imported water, and surface water. As this system continues to age, significant outages are likely to occur unless the District proactively establishes a funding program to replace pipelines, boosters, wells, and storage reservoirs. The funding for infrastructure replacement will be used to accomplish three goals: (1) provide sufficient revenues for existing debt service coverage; (2) improve the daily cash available for emergencies; and (3) fund a pay-go system for future drinking water system infrastructure replacement. This funding will maintain a stable and sustainable method to make sure each customer equitably contributes to the use of the drinking water system.

- The Yucaipa Valley Water District’s Asset Management Program provides the foundation for this use of this funding. The District’s Asset Management Program has been designed to:
 - Improve the efficiency and effectiveness of the District;
 - Justify infrastructure needs and decisions;
 - Meet service expectations and regulatory requirements;
 - Improve emergency response;
 - Plan and pay for future repairs and replacements;
 - Make informed decisions for the maintenance, repair, rehabilitation, and replacement of assets;
 - Make the best use of limited resources;
 - Prolong asset life;
 - Plan for capital improvement projects; and
 - Reduce vulnerability to hazards and become more resilient.



Source: <https://www.usgs.gov/media/images/yucaipa-area-california>

Additionally, the Yucaipa Valley Water District has received Federal funding for infrastructure in the Recycled Water and Sewer Enterprises and is planning to pursue funding for the Drinking Water Enterprise for potential groundwater remediation projects. Federal Water Pollution Control Act, section 603(d)(1)(E), requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a fiscal sustainability plan or certify that it has developed and implemented such a plan. The Financial Sustainability Plan is intended to be treated as “living documents” that are regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. This provision in the Comprehensive Rate Study forms an integral part of the Yucaipa Valley Water District Financial Sustainability Plan.

3.2.6 Drinking Water Rate Model Results

The proposed drinking water rates have been developed and tested using a financial model based on estimated expense and revenues developed from a proposed rate schedule that uses the premises outlined above. The objective of the financial model is to test rates to determine if they will provide sufficient revenue to meet all expenses and provide an adequate reserve for unforeseen conditions. The financial model considers reduced water use pursuant to Senate Bill 6060 and Assembly Bill 1668 which direct water agencies to limit customers’ indoor water use to an average of 55 gallons per person each day. The goal is reduced to 52.5 gallons by 2025 and 50 gallons by 2030. Outdoor water-use goals will also be established by the State of California and imposed as additional requirements on water agencies.

The proposed drinking water rates begin on February 1, 2020. The Board of Directors will have the option of skipping a year’s rate increase or adjusting the rates to any level at or below the adopted rate(s). The future year’s rate will be based on the financial performance of the drinking water system enterprise.

3.2.6.1 Drinking Water Service Charge

The Drinking Water Service Charge represents the fixed charges associated with the Drinking Water Enterprise and is associated with the number of Water Service Units purchased when a new service is secured from the District.

Proposed Drinking Water Service Charge		Forecasted Drinking Water Service Charge	
Current Rate	\$14.00	Effective 1/1/2026	\$19.00
Effective 1/1/2020	\$15.00	Effective 7/1/2027	\$19.50
Effective 7/1/2020	\$16.00	Effective 7/1/2028	\$20.00
Effective 7/1/2021	\$16.50	Effective 7/1/2029	\$20.50
Effective 7/1/2022	\$17.00	Effective 7/1/2030	\$21.00
Effective 7/1/2023	\$17.50	Effective 7/1/2031	\$21.50
Effective 7/1/2024	\$18.00	Effective 7/1/2032	\$22.00
Effective 7/1/2025	\$18.50	Effective 7/1/2033	\$22.50

The monthly Drinking Water Service Charge is applied to the greater of (1) meter size or (2) number of Water Service Units served. The minimum monthly charge for Water Service Units is 1.00 even if less than 1.00 of Water Service Units are purchased through the Facility Capacity Charges.

Yucaipa Valley Water District
 Drinking Water, Sewer, and Recycled Water Rate Analysis

Water Service Charge	Current Rate	Effective 1/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
Service Charge per EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
1" Water Meter - 1.67 EDU	\$23.38	\$25.05	\$26.72	\$27.56	\$28.39
1½" Water Meter - 3.33 EDU	\$46.62	\$49.95	\$53.28	\$54.95	\$56.61
2" Water Meter - 5.33 EDU	\$74.62	\$79.95	\$85.28	\$87.95	\$90.61
3" Water Meter - 10.00 EDU	\$140.00	\$150.00	\$160.00	\$165.00	\$170.00
4" Water Meter - 16.67 EDU	\$233.38	\$250.05	\$266.72	\$275.06	\$283.39
6" Water Meter - 33.33 EDU	\$466.62	\$499.95	\$533.28	\$549.95	\$566.61
8" Water Meter - 53.33 EDU	\$746.62	\$799.95	\$853.28	\$879.95	\$906.61

As discussed above, this comprehensive rate study includes a 50-year projection that forecasts the water revenues and expenses to fiscal year 2070. Based on these projections, the District is able to forecast the revenue needs for future years as provided below. The charges identified as "projected" will be reviewed and adopted in a future rate resolution.

Water Service Charge	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Projected 7/1/2026	Projected 7/1/2027
Service Charge per EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
1" Water Meter - 1.67 EDU	\$29.23	\$30.06	\$30.90	\$31.73	\$32.57
1½" Water Meter - 3.33 EDU	\$58.28	\$59.94	\$61.61	\$63.27	\$64.94
2" Water Meter - 5.33 EDU	\$93.28	\$95.94	\$98.61	\$101.27	\$103.94
3" Water Meter - 10.00 EDU	\$175.00	\$180.00	\$185.00	\$190.00	\$195.00
4" Water Meter - 16.67 EDU	\$291.73	\$300.06	\$308.40	\$316.73	\$325.07
6" Water Meter - 33.33 EDU	\$583.28	\$599.94	\$616.61	\$633.27	\$649.94
8" Water Meter - 53.33 EDU	\$933.28	\$959.94	\$986.61	\$1,013.27	\$1,039.94

Water Service Charge	Projected 7/1/2028	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032
Service Charge per EDU	\$20.00	\$20.50	\$21.00	\$21.50	\$22.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$20.00	\$20.50	\$21.00	\$21.50	\$22.00
1" Water Meter - 1.67 EDU	\$33.40	\$34.24	\$35.07	\$35.91	\$36.74
1½" Water Meter - 3.33 EDU	\$66.60	\$68.27	\$69.93	\$71.60	\$73.26
2" Water Meter - 5.33 EDU	\$106.60	\$109.27	\$111.93	\$114.60	\$117.26
3" Water Meter - 10.00 EDU	\$200.00	\$205.00	\$210.00	\$215.00	\$220.00
4" Water Meter - 16.67 EDU	\$333.40	\$341.74	\$350.07	\$358.41	\$366.74
6" Water Meter - 33.33 EDU	\$666.60	\$683.27	\$699.93	\$716.60	\$733.26
8" Water Meter - 53.33 EDU	\$1,066.60	\$1,093.27	\$1,119.93	\$1,146.60	\$1,173.26

Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be charged pursuant to the rates above, multiplied by the Multiple

Residential Water Service Charge Factor below to determine the Multiple Residential Water Service Charge.

Multiple Residential Water Charge Factor					
Effective 1/1/2020	Effective 1/1/2021	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025
0.80	0.81	0.82	0.83	0.84	0.85

Multiple Residential Water Charge Factor					
Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
0.86	0.87	0.88	0.89	0.90	0.91

Multiple Residential Water Charge Factor					
Effective 1/1/2032	Effective 1/1/2033	Effective 1/1/2034	Effective 1/1/2035	Effective 1/1/2036	Effective 7/1/2037
0.92	0.93	0.94	0.95	0.96	0.97

Multiple Residential Water Charge Factor		
Effective 1/1/2038	Effective 1/1/2039	Multiple Residential Water Charge Factor is Eliminated Effective 1/1/2040
0.98	0.99	1.00

3.2.6.2 *Drinking Water Commodity Charge*

The Drinking Water Commodity Charge represents the variable charges associated with the Drinking Water Enterprise. This commodity cost applies to each billing unit, or fraction thereof.

Drinking Water Commodity Charge (kgal)	Current Rate (\$/kgal)	Effective 1/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
1 – 15 Billing Units	\$1.429	\$1.479	\$1.579	\$1.626	\$1.675
16 – 60 Billing Units	\$1.919	\$2.069	\$2.131	\$2.195	\$2.261
61 – 100 Billing Units	\$2.099	\$2.269	\$2.435	\$2.508	\$2.583
101 and greater Billing Units	\$2.429	\$2.629	\$2.668	\$2.708	\$2.749

Yucaipa Valley Water District
 Drinking Water, Sewer, and Recycled Water Rate Analysis

Drinking Water Commodity Charge (kgal)	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Projected 7/1/2026	Projected 7/1/2027
1 – 15 Billing Units	\$1.725	\$1.777	\$1.830	\$1.885	\$1.942
16 – 60 Billing Units	\$2.329	\$2.399	\$2.470	\$2.545	\$2.621
61 – 100 Billing Units	\$2.661	\$2.741	\$2.823	\$2.908	\$2.962
101 and greater Billing Units	\$2.790	\$2.832	\$2.875	\$2.918	\$2.962

Drinking Water Commodity Charge (kgal)	Projected 7/1/2028	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032
1 – 15 Billing Units	\$2.000	\$2.060	\$2.122	2.186	2.251
16 – 60 Billing Units	\$2.700	\$2.781	\$2.864	2.950	3.038
61 – 100 Billing Units	\$3.006	\$3.051	\$3.097	3.143	3.190
101 and greater Billing Units	\$3.006	\$3.051	\$3.097	3.143	3.190

Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be charged pursuant to the rates above, multiplied by the Multiple Residential Water Service Charge Factor below to determine the Multiple Residential Water Service Charge.

Multiple Residential Water Charge Factor					
Effective 1/1/2020	Effective 1/1/2021	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025
0.80	0.81	0.82	0.83	0.84	0.85

Multiple Residential Water Charge Factor					
Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
0.86	0.87	0.88	0.89	0.90	0.91

Multiple Residential Water Charge Factor					
Effective 1/1/2032	Effective 1/1/2033	Effective 1/1/2034	Effective 1/1/2035	Effective 1/1/2036	Effective 7/1/2037
0.92	0.93	0.94	0.95	0.96	0.97

Multiple Residential Water Charge Factor		
Effective 1/1/2038	Effective 1/1/2039	Multiple Residential Water Charge Factor is Eliminated Effective 1/1/2040
0.98	0.99	1.00

3.2.6.3 Excess Drinking Water Commodity Charge

The number of Water Service Units on a property is directly related to the capacity purchased in the Yucaipa Valley Water District's drinking water system at the time the new service is originally established. Prior to the issuance of a building permit a property owner will secure capacity in the drinking water system through the payment of Facility Capacity Charges. Pursuant to the District design guidelines, one Water Service Unit provides capacity in the drinking water system for 700 gallons per day, or 21,000 gallons per month (21 kgal). However, with the implementation of dual-plumbed homes, some properties will be able to purchase a fraction of one Water Service Unit for indoor use and a fraction of a Recycled Service Unit for outdoor use.

For all non-residential users, the number of Water Service Units (WSU) will be determined by dividing the total number of fixture units by 35.

The minimum number of drinking water service units (WSU) will be equal to one for all non-dual plumbed accounts.

Monthly drinking water consumption that exceeds the Water Service Units (WSU) creates additional demand and costs for the operation, repair, maintenance, and replacement of drinking water filtration facilities, pipelines, reservoirs, boosters, and groundwater wells. The proportional operational, maintenance, and capital costs for the excessive drinking water demand has been calculated based on the need for additional operation and maintenance of the drinking water infrastructure.

The Excess Drinking Water Commodity Charge applies to the next Drinking Water Commodity unit (kgal) beyond the Water Service Unit allowance based on the formula below:

$$\text{If Drinking Water Commodity (kgal)} > \left[\left(\frac{\text{Water}}{\text{Service Units}} \right) \times (0.7 \text{ kgal}) \times (30 \text{ days}) \right],$$

then the following rate structure applies

Therefore, the Excess Drinking Water Commodity Charge would apply to a property with one (1) Water Service Unit (WSU) if more than 21 kgal of drinking water is used during a billing period. For a property with greater than one Water Service Unit (WSU), the Excess Drinking Water Commodity Charge will be calculated based on the proportionality of 1 WSU = 21 kgal of drinking water.

The Excess Drinking Water Commodity Charge is applied to a fractional unit of drinking water consumption to 1/1,000 of a kgal (i.e. gallons) where applicable.

The rate schedule for Excess Drinking Water Commodity Charge only applies to the commodity usage in excess of the Water Service Unit (WSU) allowance except for construction water where the Excess Drinking Water Commodity Charge applies to each commodity unit, or fraction thereof.

Excess Drinking Water Commodity Charge (kgal)	Effective 1/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Billing Units in Excess of Water Service Unit Allocation	\$0.240	\$0.242	\$0.245	\$0.247	\$0.250

Excess Drinking Water Commodity Charge (kgal)	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Billing Units in Excess of Water Service Unit Allocation	\$0.252	\$0.255	\$0.257	\$0.260	\$0.262

Excess Drinking Water Commodity Charge (kgal)	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032	Projected 7/1/2033
Billing Units in Excess of Water Service Unit Allocation	\$0.265	\$0.268	\$0.270	\$0.273	\$0.276

3.2.6.4 Infrastructure Replacement and Debt Service Coverage

In order to fund the replacement of infrastructure that supports the drinking water system, it is critical to manage and plan for the anticipated replacement of assets. As infrastructure continues to age, significant outages are likely to occur. The funding for infrastructure replacement will be used to accomplish four specific goals: (1) provide sufficient revenues for debt service coverage; (2) improve the daily cash available for emergencies and unforeseen events; (3) fund a pay-go system for drinking water system infrastructure replacement; and (4) fund a Financial Sustainability Plan pursuant to the Federal Water Pollution Control Act. This funding will maintain a stable and sustainable method to make sure each customer equitably contributes to the use of the drinking water system.

Additionally, the Yucaipa Valley Water District has received Federal funding for infrastructure in the Recycled Water and Sewer Enterprises and is planning to pursue funding for the Drinking Water Enterprise for potential groundwater remediation projects. Pursuant to the Federal Water Pollution Control Act, section 603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a fiscal sustainability plan or certify that it has developed and implemented such a plan. The Financial Sustainability Plan is intended to be treated as “living documents” that are regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. This provision in the Comprehensive Rate Study forms an integral part of the Yucaipa Valley Water District Financial Sustainability Plan.

The Infrastructure Replacement Commodity Charge applies to each billing unit, or fraction thereof.

Infrastructure Replacement Commodity Charge (kgal)	Effective 1/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
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Each billing unit (kgal) \$0.151 \$0.397 \$0.497 \$0.621 \$0.766

Excess Drinking Water Commodity Charge (kgal)	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
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Billing Units in Excess of Water Service Unit Allocation \$0.970 \$0.980 \$0.989 \$0.999 \$1.009

Excess Drinking Water Commodity Charge (kgal)	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032	Projected 7/1/2033
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Billing Units in Excess of Water Service Unit Allocation \$1.019 \$1.030 \$1.040 \$1.050 \$1.061

3.2.6.5 Supplemental Water Supply Commodity Charge

The Supplemental Water Commodity Charge applies to all drinking water consumption and is used to acquire, secure, operate, maintain, and obtain a variety of supplemental water sources to augment local water resources. This funding source may be used for drinking water or recycled water capital or operational costs that result in a reduction or replacement of imported water from the State Water Project.

The Supplemental Water Commodity Charge shall be applied to all Yucaipa Valley Water District drinking water consumption recorded at all individual drinking water meters including, but not limited to, residential, multi-family, commercial, industrial, institutional, and construction users.

This commodity charge is based on a pass-through cost of imported water rates set by the San Bernardino Valley Municipal Water District and the San Geronio Pass Water Agency. While it is essential for the Supplemental Water Commodity Charge to be adjusted automatically following any change by either State Water Contractor, the Yucaipa Valley Water District may take action by separate resolution to reduce this commodity charge if a less expensive supplemental water source, capital cost contribution, or operational cost is determined to be available as supplemental water, created, or established by the Yucaipa Valley Water District.

All available existing and future funds generated from the Supplemental Water Commodity Charge may be used to acquire, construct, secure, operate, maintain, and obtain, either temporarily or permanently, supplemental water to augment local water resources.

The calculation definitions and methodology are applicable to the Imported Water Rates charged by the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency as follows:

Supplemental Water Commodity Charge

$$= [\textit{Calculation Factor}] \times [\textit{SBVMWD or SGPWA Imported Water Rate}] \times [0.00307]$$

Definitions:

- *Supplemental Water Supply Commodity Charge* (expressed in units of \$/kgal) represents the supplemental water supply charge implemented by the Yucaipa Valley Water District and applied to customer utility bills based on total drinking water consumption each billing cycle.
 - The Supplemental Water Supply Commodity Charge is independently calculated and applied within the respective service area of the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency.
- *Calculation Factor* represents the proportion of water resources that originate from local groundwater and surface water resources as compared to supplemental water sources. A Calculation Factor of 0.70 signifies that 70% of the total drinking water demands will be augmented with supplemental water resources. As provided in the table below, the Calculation Factor for supplemental water will slowly increase over time to provide funding necessary to secure alternative supplemental water resources.

Supplemental Water Supply Commodity Charge	Current Factor	Effective 1/1/2023	Effective 7/1/2025	Effective 7/1/2027	Effective 7/1/2029
Calculation Factor	0.700	0.730	0.750	0.775	0.800

- *SBVMWD or SGPWA Imported Water Rate* (expressed in units of \$/acre-foot) represents the water rate charged by the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency for water delivered to the Yucaipa Valley Water District, or for other acquisition, construction, capital, operational, maintenance, or other related costs for creating, storing, producing, and serving supplemental water supplies.

3.2.6.6 *Fire Service Demand Charge*

The Fire Service Demand Charge shall be charged to any account that has a direct or indirect water service connection that supports a fire suppression system. The following Fire Service Demand Charge is based on the diameter inch of the main fire line detector check valve installed to the premises as provided below:

Fire Service Demand Charge	Current Charge	Effective 1/1/2022	Effective 7/1/2024	Effective 7/1/2026	Effective 7/1/2028
Monthly charge per diameter inch of main fire line detector check valve or meter, whichever is larger	\$2.555	\$2.683	\$2.817	\$2.958	\$3.106

Water usage through the bypass meter is billed at two times the highest drinking water tiered rate.

Residential homes with fire sprinklers are required to install a minimum one inch (1”) water meter for fire flow capacity but are only charged one Water Service Unit (WSU) for facility capacity charges. These customers will be charged a Water Service Charge for a 1” drinking water meter and receive one (1) Water Service Unit, or less if dual-plumbed, for calculating the Excess Recycled Water Commodity Charge.

3.2.7 Recommendations for the Drinking Water Enterprise

It is recommended that the Yucaipa Valley Water District adjust drinking water division rates as provided in this Comprehensive Rate Study. If adopted following Proposition 218 procedures, the total monthly water bill for a typical single family residential using 12 kgal with a ¾ inch meter will be \$34.56 based on the effective date of February 1, 2020. A monthly water bill under current rates would be \$32.96. With the implementation of rate adjustments on July 1, 2020, the 12 kgal with a ¾ inch meter will be \$39.71.

It is further recommended that the Board of Directors review the financial performance of the drinking water enterprise fund each year and, at their discretion, adjust rates as needed to meet increased expenses. The rates may not exceed those presented herein for each fiscal year. The Board may recapture rate increases in a subsequent year if the increase was not accounted for in the prior year.

Other miscellaneous drinking water fees, not subject to Proposition 218 majority protest proceedings, should be reviewed and adjusted annually based on a cost of service study.

The proposed rate increase is a property related fee and thus must be implemented in accordance with the requirements of Proposition 218. The general implementation plan is as follows:

- District Board of Directors (and legal counsel) reviews and accepts the report and recommendations.
- The Board sets a date for a public protest hearing not less than 45 days after notices to customers have been mailed.
- Mail customer notices with the proposed rate increase and time and date of the public protest hearing as well as any other required notice information as specified in Government Code Section 53753.

- Hold public majority protest hearing.
- Determine if there is majority protest, and if not, adopt revised rate structure. Rates will go into effect beginning February 2020.
- Review revenue versus expenditures annually to verify assumptions and projections in Comprehensive Rate Study.
- Conduct Comprehensive Water Rate Study update in Fiscal Year 2023-24.

DRAFT

4.0 Sewer Enterprise

In order to properly assess the District's future revenue requirements in the Sewer Enterprise, one must first evaluate and understand trends within three specific areas. These areas are: 1) current customer base and projected changes; 2) changes in operating expenses, and 3) capital expenditures and debt service obligations. The following is a brief discussion on the impact of these factors on the District's revenue requirements.

4.1 Current and Projected Customer Base

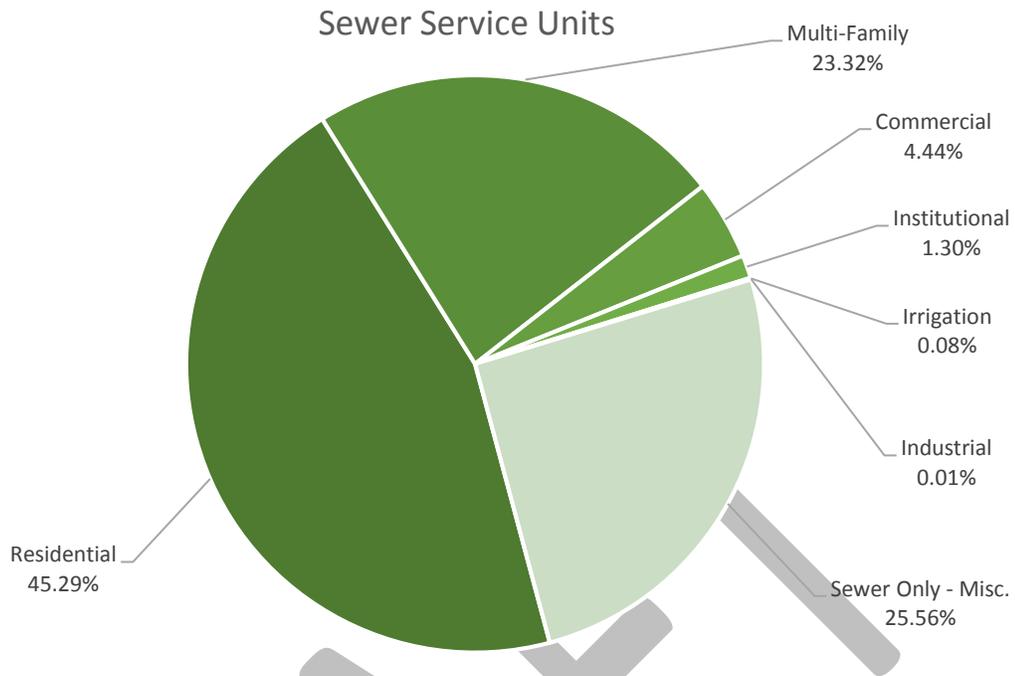
A fundamental element for developing service revenue and expense projections is the quantification of customer characteristics and the revenues derived from the current schedule of utility charges. This information provides the foundation for integrating projected changes in demands and customer unit rate adjustments.

As of June 30, 2019, the District's sewer enterprise customer base consisted of the following:

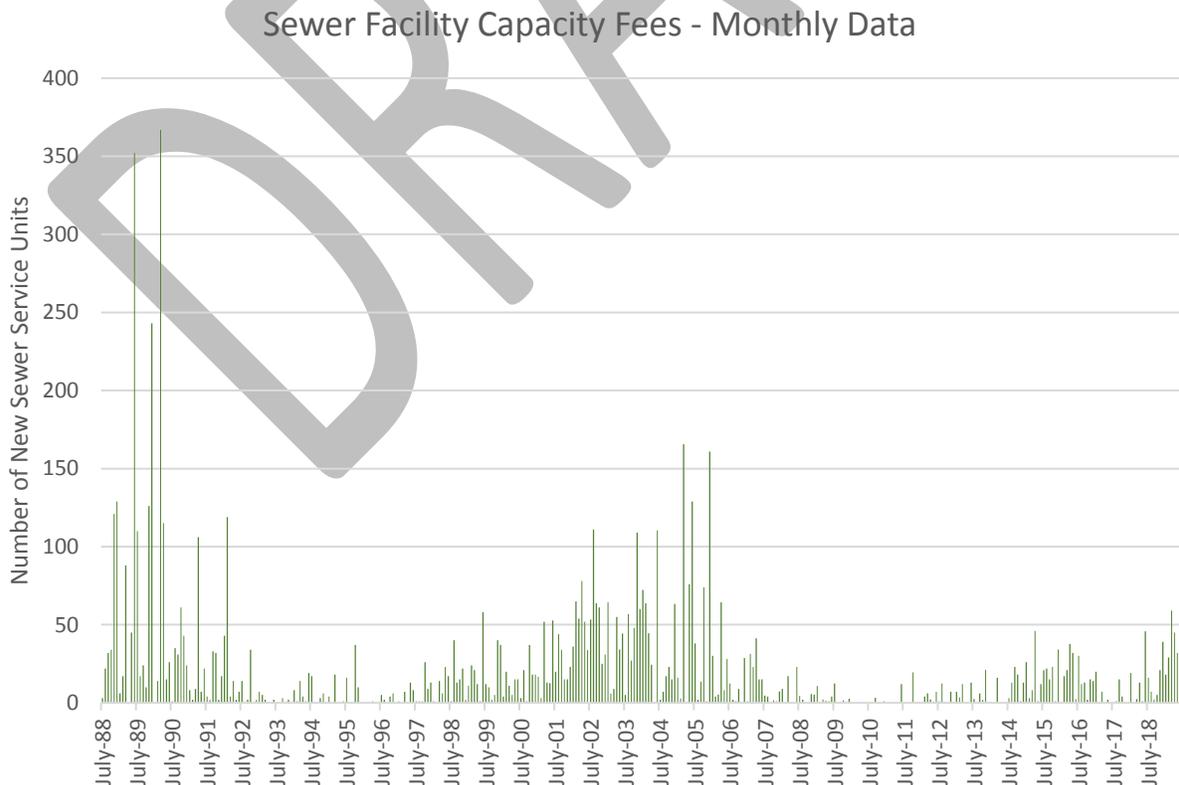
- Service was provided through 14,104 sewer connections; and
- Sewer collection and treatment was provided to 22,774 Sewer Service Units.

The table below illustrates a detailed breakdown of service connections by the type of customer. The difference between the number of service connections and the number of Sewer Service Units represents multiple units on a property or additional capacity needed to meet the demands of commercial, industrial and institutional customers. The comprehensive rate analysis focuses on Sewer Service Units for allocation of Sewer Enterprise fixed costs.

Customer Type	Sewer Enterprise	
	Number of Service Connections	Water Service Units (WSUs)
Single Family	10,358	10,315
Multiple Units	454	5,311
Commercial	216	1,011
Institutional	57	295
Industrial	3	3
Irrigation	7	18
Sewer Only	3,009	5,822
Total	14,104	22,774



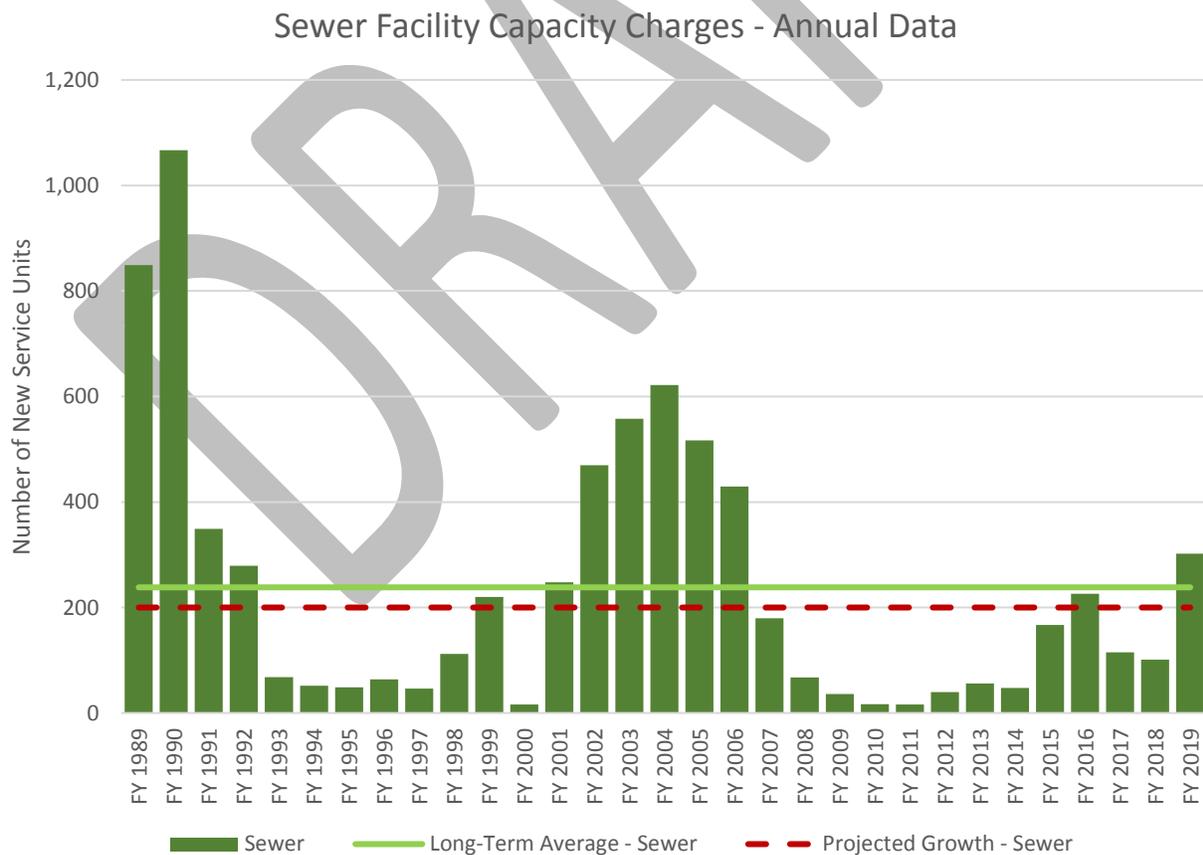
The chart below illustrates the number of Sewer Service Units (SSUs) added to the District's sewer collection system on a monthly basis over the past thirty years. During these three decades, the Yucaipa Valley Water District averaged 238 new sewer services per year.



For the purposes of this comprehensive rate study, the District recognizes that several large developments have started construction and will add thousands of Sewer Service Units in the near future. These fully entitled development projects will likely skew the relatively slow growth that has occurred over the past decade. Specifically, Summerwind Ranch, Mesa Verde Estates, JP Ranch, and the Oak Valley commercial center all have the ability to change the District’s customer base, primarily within the City of Calimesa.

To reasonably project the future growth rate of the Yucaipa Valley Water District, an estimated growth rate of 200 Sewer Service Units per year will be added to the drinking water system. This projection is based on 50 homes per year will be constructed in the City of Yucaipa and 150 homes per year will be constructed in the City of Calimesa.

While this projection represents a 15% annual increase over the long-term average of 174 Water Service Units per year, the overall increase will be about 1% per year. Over the 50 year projection of this rate study, this growth rate will add 10,000 more Water Service Units to the drinking water system. While this growth rate is more than recently experienced by the District, the projected rate of 200 additional drinking water services per year for the next 50 years will not exceed the projected buildout of either the City of Yucaipa or the City of Calimesa. Therefore, this may be a fairly conservative estimated growth rate when one looks back at this comprehensive rate study in the future.



The projected customer growth rate affects the District's revenue requirements in two ways. First, it increases the customer base, which increases the property tax revenue, fixed charge revenue, and variable charge revenue. Secondly, it increases operating costs associated with the sewer collection and treatment services.

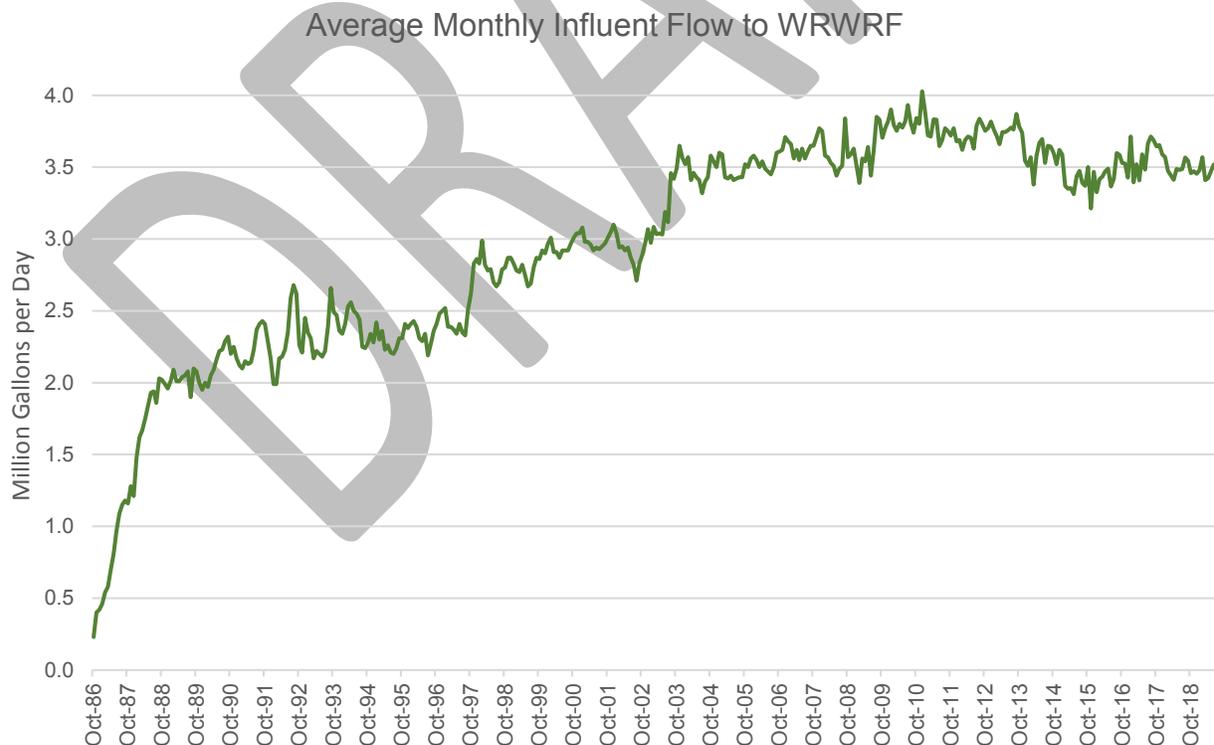
4.2 Sewer Enterprise Revenue Requirements

The Yucaipa Valley Water District analyzed the revenue requirements for sewer service customers to test the financial health of the enterprise. The revenue requirement analysis uses FY 2019 as the baseline and extends the forecast period 50 years until FY 2070. With an extended forecast, the District can plan for debt repayment and schedule future capital improvements. However the tables and graphs included in this rate study will typically focus on a ten year period of FY 2020 to FY 2030.

Based on the findings of this study, the rate changes recommended for the Sewer Enterprise will not require any changes to the framework of the existing rate structure. The proposed findings support the Sewer Enterprise's ability to continue meeting its level of service objectives.

4.2.1 Evaluation of Sewer Demands

The Yucaipa Valley Water District constructed the original sewer treatment plant in 1986. As the community grew, the wastewater treatment plant was expanded to its current capacity of 8.0 million gallons per day. This is sufficient treatment capacity for at least the next decade.

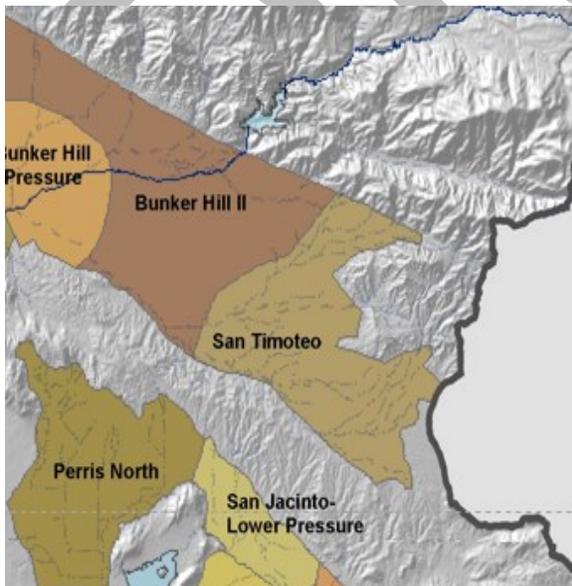


The Yucaipa Valley Water District operates one of the few wastewater treatment plants that utilizes reverse osmosis membranes for treatment. This system is able to produce exceptionally pure recycled water that can be used to augment irrigation demands instead of using drinking water and ultimately be used for groundwater replenishment.

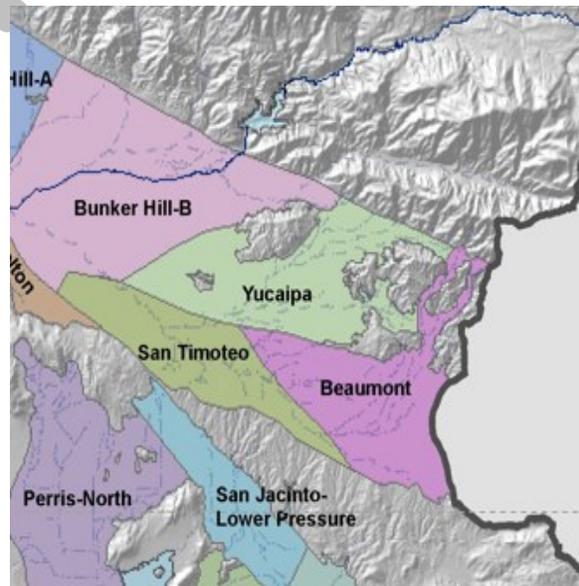


The need for installing the reverse osmosis treatment system is a direct result of the regulatory requirements contained within the Basin Plan adopted by the Santa Ana Regional Water Quality Control Board on January 22, 2004 as Resolution No. R8-2004-0001. For the Yucaipa Valley Water District, this regulatory action resulted in the modification of the existing groundwater basins and stringent requirements for total dissolved solids and nitrogen compounds.

1995 Regulatory Sub-Basins

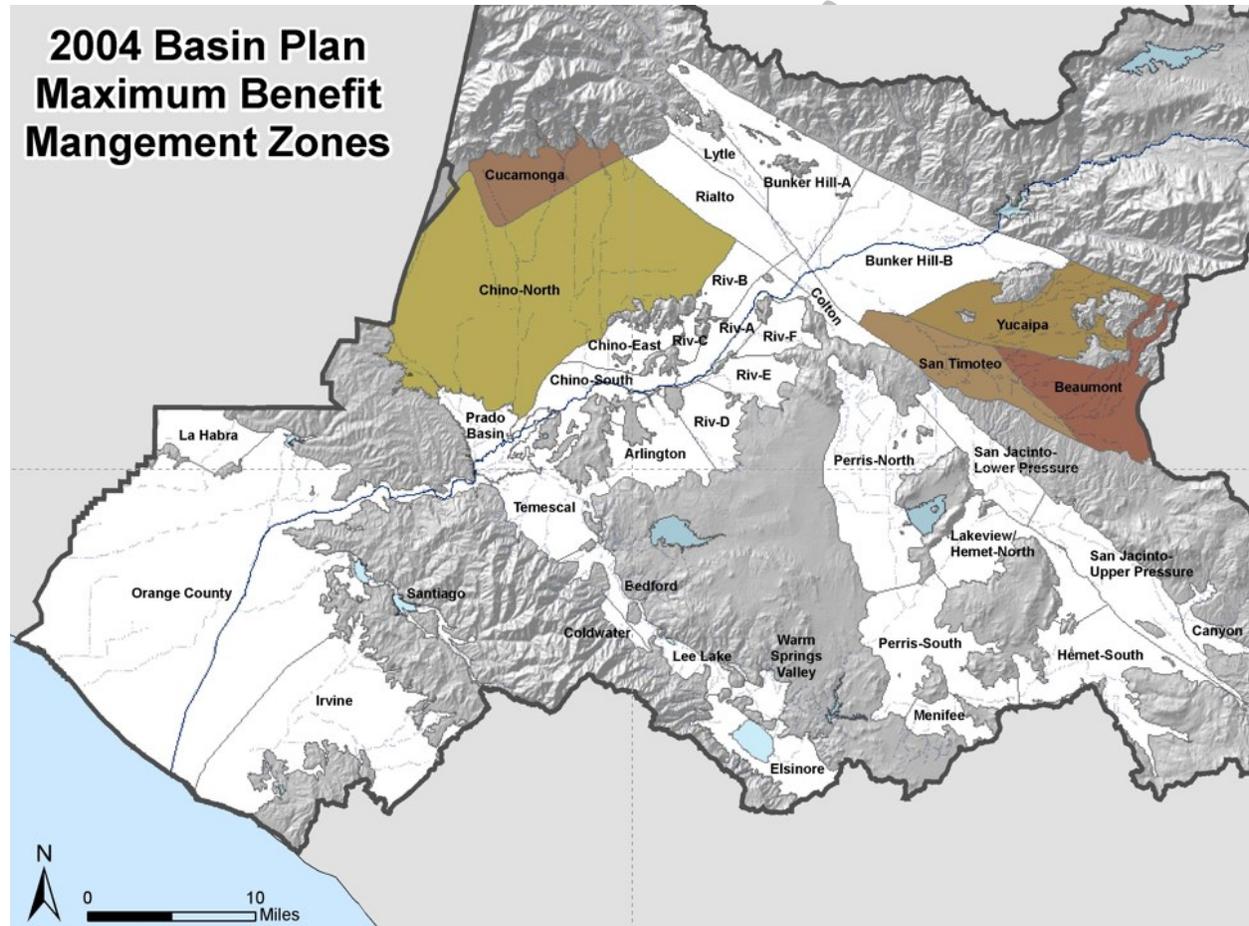


2004 Basin Plan Management Zones



The Yucaipa Valley Water District pursued regulatory relief by committing to mitigate the buildup of salinity and nitrogen compounds in the Yucaipa, San Timoteo and Beaumont Management Zones. These commitments raised the standard for treatment at the Wochholz Regional Water Recycling Facility and allowed the Yucaipa Valley Water District to continue imported water supplies and to pursue recycled water as an alternative water resource in the upper portion of the Santa Ana Watershed.

The first two areas in the region to complete a maximum benefit analysis with the Santa Ana Regional Water Quality Control Board was in the Yucaipa area and the Chino area.

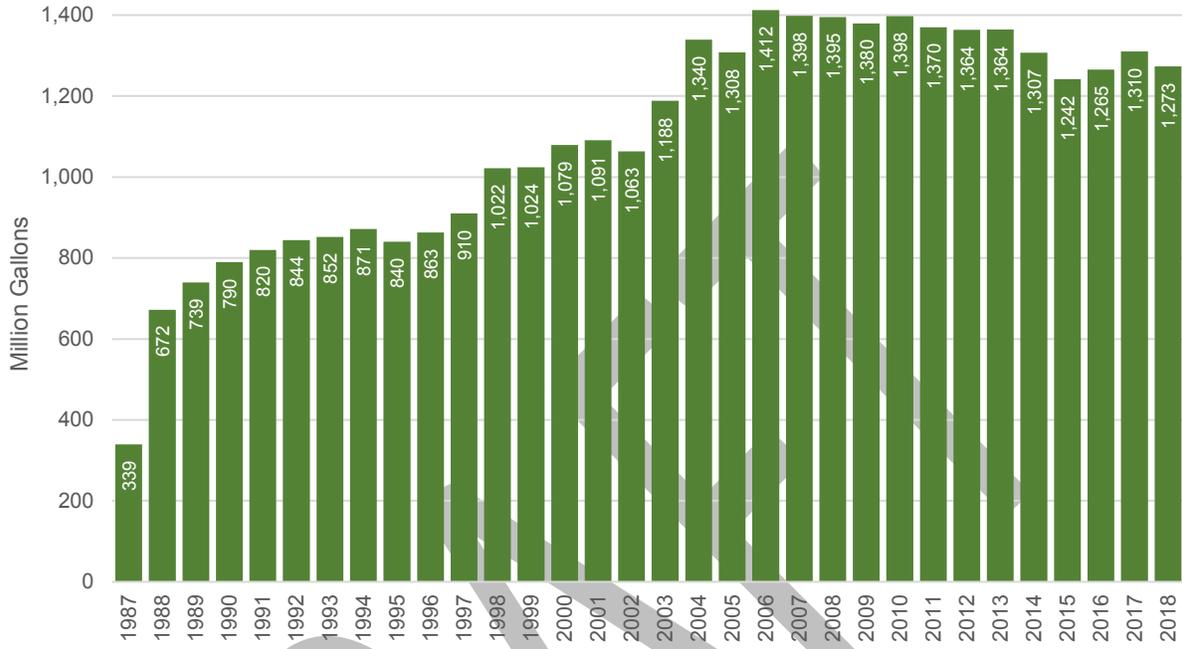


With the regulatory authority to develop a recycled water system so to not degrade downstream water quality, the Yucaipa Valley Water District Board of Directors has been committed to achieving high levels of treatment at the Wochholz Regional Water Recycling Facility and to maximize the use of recycled water and refill the local groundwater basins to increase and purify the local water resources.

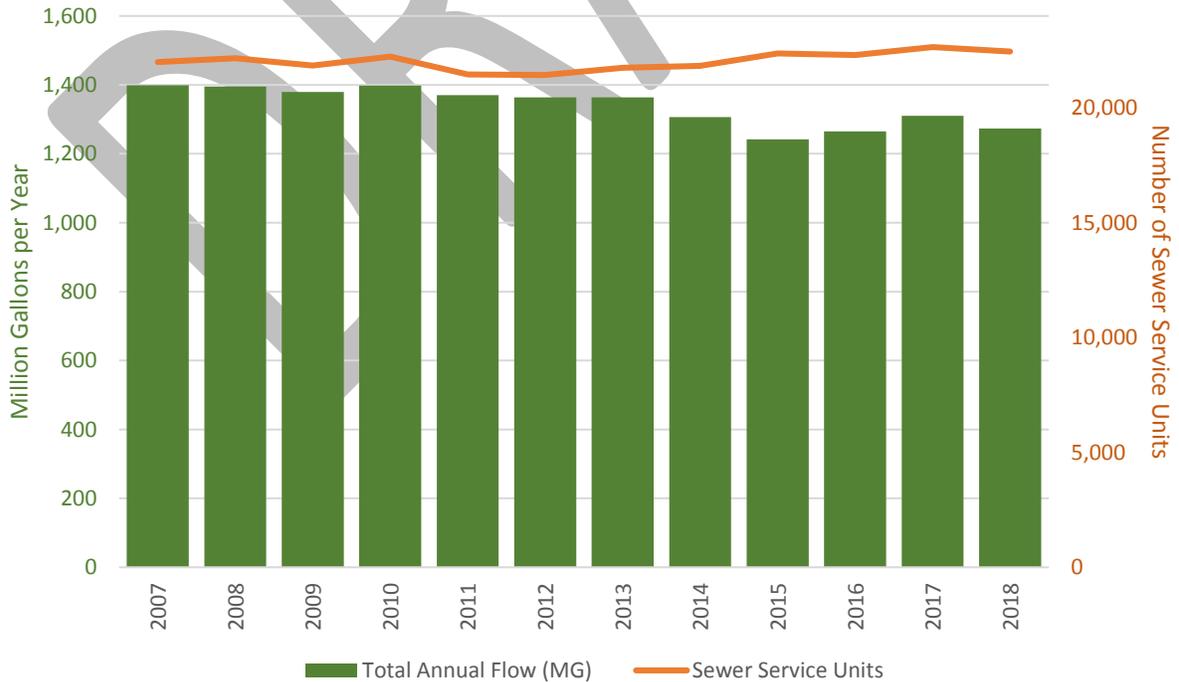
As illustrated below, the Yucaipa Valley Water District has been experiencing a decline in sewer influent flows, similar to the reductions in drinking water consumption over the past decade. In calendar year 2006, the District received 1,412 million gallons of sewage to the Wochholz Regional Water Recycling Facility compared to 1,273 million gallons in calendar year 2018. This

represents a decrease of 9.8% over the past twelve years. The decrease in drinking water demand for the past thirteen years was 27.5%.

Annual Influent Flow to the WRWRF



Annual Influent Flow and Sewer Service Units



4.2.2 Revenue Requirements Overview

The revenue requirement analysis compares the forecasted revenues of the District to its forecasted operating and capital costs to determine the adequacy of the existing rates to recover the cost of providing service. Should any deficits be identified, additional funding through rates are reviewed and recommended based on strategic goals and available funding.

To fully analyze the revenue requirements, the District utilized the adopted FY 2020 budget expenses as the base year of operation and maintenance costs. Future expenses were forecasted for a 50 year period. Additional information was evaluated that consisted of a detailed review of costs, operations expenses, capital needs, and reserve requirements. The revenue requirements analysis determines the annual retail revenue necessary to be recovered through water rates and charges in order to meet the expected financial obligations of the Sewer Enterprise.

Two tests are utilized to determine whether the annual revenues are sufficient: cash flow test and debt coverage test. Should both tests “fail,” the test with the larger deficiency is determined to be the primary driver. Based on the results of the baseline revenue requirement analysis, the main driver is the cash flow analysis.

4.2.2.1 Cash Flow Test

The cash flow sufficiency test evaluates whether revenues exceed expenses for a net positive cash flow at the end of each fiscal year. When they do not, this test is not passed, and additional rate revenue is recommended. The cash flow test identifies the amount of annual revenues that must be generated in order to meet annual expenditure obligations. These obligations include O&M expenses, debt service payments, policy-driven minimum reserves, and rate-funded capital expenses. These expenses, less offsetting revenues from other sources, are compared to total annual projected retail rate revenues. Deficits are then used to estimate the need for rate revenue increases. The analysis also considers existing reserves and financial policies to help mitigate or smooth the need for rate adjustments in the short-term.

Excess reserve amounts will be considered for contingencies and rate stabilization. As such, the District has the ability to use unrestricted reserves, if available, to satisfy the annual cash flow test in order to minimize rate spikes.

4.2.2.2 Debt Coverage Test

The debt service coverage test measures the ability to meet both legal and policy-driven revenue obligations. The Yucaipa Valley Water District uses bond indebtedness to fairly share the cost of certain capital improvements with future customers.

Debt service coverage is dictated by specific bond covenants and establishes an amount that a borrower must raise in revenue in excess of operations and debt-related expenses.

4.2.2.3 SRF Loan Coverage Guidelines

The Yucaipa Valley Water District has received loans from the State Water Resources Control Board, revolving fund loan program. Funding has been set aside in restricted

accounts to secure repayments for the loans as required by the State Water Resources Control Board.

At this time, the Yucaipa Valley Water District is planning to utilize grants and loans for the Salinity and Groundwater Enhancement (SAGE) project at the Wochholz Regional Water Recycling Facility. The SAGE project will increase the overall capacity of the reverse osmosis system at the wastewater facility.

4.2.3 Existing Sewer Rate Structure and Assumptions

The current sewer rates adopted as Resolution No. 18-2011 are based on a fixed sewer service charge that is the basis for most revenue received by the Sewer Enterprise.

4.2.3.1 Sewer Service Charge

The monthly sewer service charge is applied to the number of sewer service units for each property with a minimum Sewer Service Unit of 1.00.

Sewer Service Charge	Current Rate
Service Charge per EDU	\$42.43

Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be calculated based on the methodology provided above multiplied by the Multiple Residential Water Service Charge Factor of 0.80 to calculate the Multiple Residential Water Service Charge.

4.2.3.2 Capital Improvement Program – Sewer

A Capital Improvement Program (CIP) was prepared as part of the Fiscal Year 2020 Budget adopted on June 18, 2019. Some Projects associated with the Capital Improvement Program are constructed with Facility Capacity Charges paid by new development while other projects are paid by existing customers as part of the rate structure.

A copy of the current Capital Improvement Program for the Sewer Enterprise is included as Appendix C.

4.2.3.3 Sewer Enterprise Revenue Assumptions

The sewer revenue generated each year from the customer rates should be approximately equal to the total sewer operational expenditures planned for that year. The revenue requirements include long-term financial objectives such as capital improvement and refurbishment/replacement projects in addition to regular operations and maintenance. With these basic principles, the required revenue can be projected and then rates can be designed to meet the revenues needed.

Based on prior year information, the following forecast factors were used to develop the Sewer Enterprise Revenue forecast through calendar year 2070.

Sewer Enterprise Revenue Forecast		Forecast Factor
03-40016	Sales-Establish Service Fee	2.0%
03-41000	Sales-Sewer Charges	
03-41005	Sales-Disc (Multi Units)-SC	0.0%
03-41110	Meter/Lateral Installation	0.25%
03-41121	Penalty - Late Charges	1.0%
03-41124	Bad Debt Write-Off & Recovery	0.5%
03-41131	Front Footage Fees	1.0%
03-42122	Revenue - Other, Operating	1.0%
03-43010	Interest Earned	2.0%
03-43110	Property Tax - Unsecured	0.0%
03-43120	Property Tax - Secured	0.0%
03-43130	Tax Collection - Prior	0.0%
03-43140	Taxes - Other	0.0%
03-49150	Revenue - Misc. Non-Operating	2.0%

Based on prior year information, the following forecast factors were used to develop the Sewer Enterprise Expense Forecast through 2070.

Drinking Water Enterprise Expense Forecast		Forecast Factor
Sewer Treatment Department		
03-5-02-50010	Labor - Treatment	3.0%
03-5-02-50013	Benefits-FICA	7.7%
03-5-02-50014	Benefits-Life Insurance	\$480 + 1%
03-5-02-50016	Benefits-Health & Dental	\$19,692 + 2%
03-5-02-50017	Benefits-Disability Insurance	0.9%
03-5-02-50019	Benefits-Workers Compensation	2.7%
03-5-02-50022	Benefits-PERS Employer	15.0%
03-5-02-50023	Benefits-Uniforms	\$500 + 1%
03-5-02-50024	Benefits-Vacation & Sick Pay	0.35%
03-5-02-50025	Benefits-Boots & Incentive	\$650 + 1%
03-5-02-51003	R&M - Structures	2.0%
03-5-02-51010	R&M - Automation Control	2.0%
03-5-02-51106	Chemicals	2.0%
03-5-02-51111	Propane	2.0%
03-5-02-51115	Laboratory Supplies	2.0%
03-5-02-51140	General Supplies & Expenses	2.0%
03-5-02-51210	Utilities - Power Purchases	2.0%
03-5-02-54110	Laboratory Services	2.0%
03-5-02-57031	Sewage Waste Disposal-Solids	2.0%
03-5-02-57034	Brine Operating Expenses	2.0%
Sewer Administrative Department		
03-5-06-50010	Labor - Sewer Admin	3.0%

Drinking Water Enterprise Expense Forecast		Forecast Factor
03-5-06-50012	Director Fees	5.0%
03-5-06-50013	Benefits-FICA	7.7%
03-5-06-50014	Benefits-Life Insurance	\$480 + 1%
03-5-06-50016	Benefits-Health & Dental	\$19,692 + 2%
03-5-06-50017	Benefits Disability Insurance	0.9%
03-5-06-50019	Benefits-Workers Compensation	2.7%
03-5-06-50022	Benefits-PERS Employer	15.0%
03-5-06-50023	Benefits-Uniforms	\$500 + 1%
03-5-06-50024	Benefits-Vacation & Sick Pay	0.35%
03-5-06-50025	Benefits-Boots & Incentives	\$650 + 0.5%
03-5-06-51120	Safety Equipment & Supplies	2.0%
03-5-06-51125	Petroleum Products	2.0%
03-5-06-51130	Office Supplies & Expenses	2.0%
03-5-06-51140	General Supplies & Expenses	2.0%
03-506-51199	Disaster Repairs & Incidences	2.0%
03-5-06-54002	Dues & Subscriptions	2.0%
03-5-06-54003	Management & Admin Services	2.0%
03-5-06-54005	Computer Expenses	2.0%
03-5-06-54011	Printing & Publications	2.0%
03-5-06-54012	Education & Training	2.0%
03-5-06-54014	Public Relations	2.0%
03-5-06-54016	Travel Related Expenses	2.0%
03-5-06-54017	Certifications & Renewals	2.0%
03-5-06-54019	Licenses & Permits	2.0%
03-5-06-54020	Meeting Related Expenses	2.0%
03-5-06-54022	Utilities - YVWD Services	2.0%
03-5-06-54024	Waste Disposal	2.0%
03-5-06-54025	Telephone & Internet	2.0%
03-5-06-54030	Drinking Water	2.0%
03-5-06-54104	Contractual Services	2.0%
03-5-06-54107	Legal	2.0%
03-5-06-54108	Audit & Accounting	2.0%
03-5-06-54109	Professional Fees	2.0%
03-5-06-55500	Depreciation - use budget-prior years	2.0%
fund transfer	Infrastructure replacement fund	2.0%
03-5-06-56001	Insurance	2.0%
03-5-06-57030	Regulatory Compliance	2.0%
Environmental Control Department		
03-5-07-50010	Labor - Environmental Control	2.0%
03-5-07-50013	Benefits-FICA	7.7%
03-5-07-50014	Benefits-Life Insurance	\$480 + 1%
03-5-07-50016	Benefits-Health & Dental	\$19,692 + 2%
03-5-07-50017	Benefits-Disability Insurance	0.9%
03-5-07-50019	Benefits-Workers Compensation	2.7%
03-5-07-50022	Benefit-PERS Employer	15.0%
03-5-07-50023	Benefits-Uniforms	\$500 + 1%

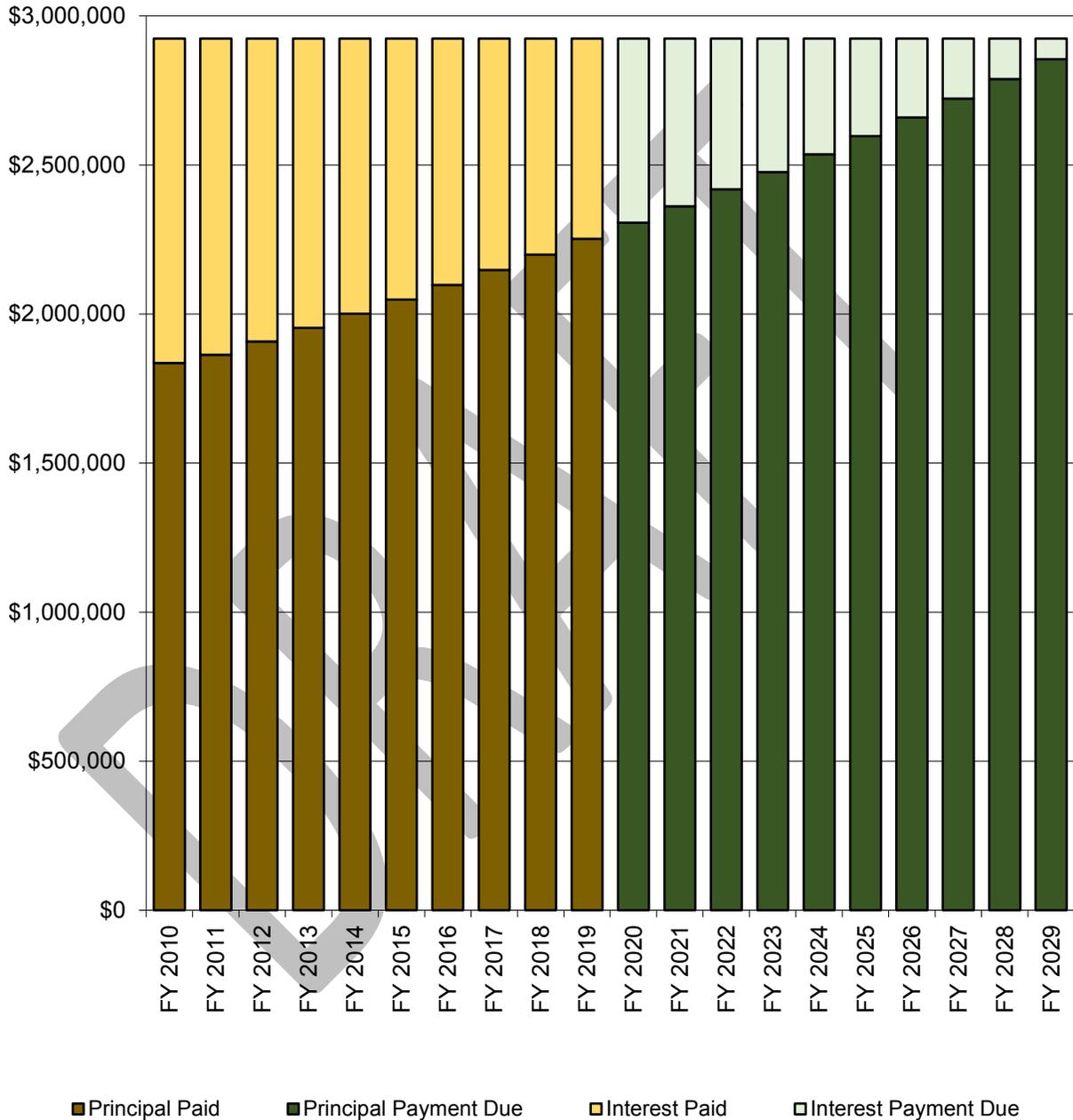
Drinking Water Enterprise Expense Forecast		Forecast Factor
03-5-07-50024	Benefits-Vacation & Sick Pay	0.35%
03-5-07-50025	Benefits-Boots & Incentives	\$650 + 0.5%
03-5-07-51003	R&M - Structures	2.0%
03-5-07-51140	General Supplies & Expenses	2.0%
03-5-07-51241	Lift Station #1	2.0%
03-5-07-51242	Lift Station #2	2.0%
03-5-07-51243	Lift Station #3	2.0%
03-5-07-51244	Lift Station #4	2.0%
03-5-07-51246	Lift Station #6	2.0%
03-5-07-51248	Lift Station #8	2.0%
03-5-07-54111	Pretreatment	2.0%
Sewer Debt Expenses		
03-5-40-57202	SRF Principal-WWTP	Fixed Loan
03-5-40-57203	SRF Principal-Brineline	Fixed Loan
03-5-40-57204	SRF Principal-Wise	Fixed Loan
03-5-40-57205	SRF Principal-R 10.3	Fixed Loan
03-5-40-57206	SRF Principal-Crow St	Fixed Loan
	Calimesa Recycled Water Pipeline	Fixed Loan
03-5-40-57403	Interest - Long Term Debt	Fixed Loan

4.2.3.4 Long-Term Debt – Sewer Enterprise

The Yucaipa Valley Water District has secured several loans from the State Water Resources Control Board for wastewater related projects.

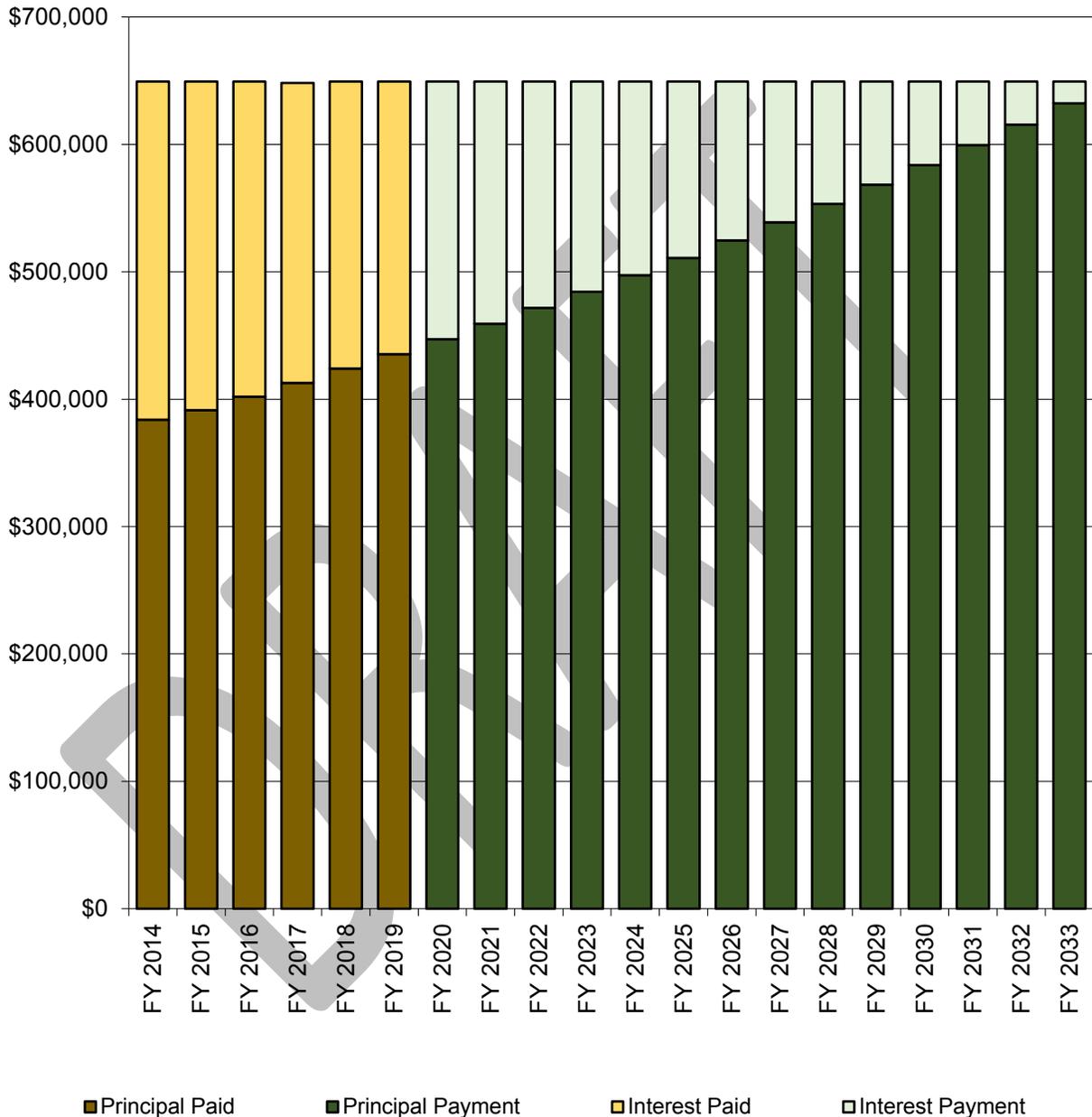
The following schedules provide the principal and interest payments through the full term of the financings.

Wochholz Regional Water Recycling Facility Expansion - The Yucaipa Valley Water District has secured a \$44,748,356 low interest loan (2.4% interest rate) for the expansion and upgrade of the Wochholz Regional Water Recycling Facility. The District received full disbursement of the loan fund in FY 2009 and annual repayment of \$2,923,669 started in FY 2010 based on the following schedule:



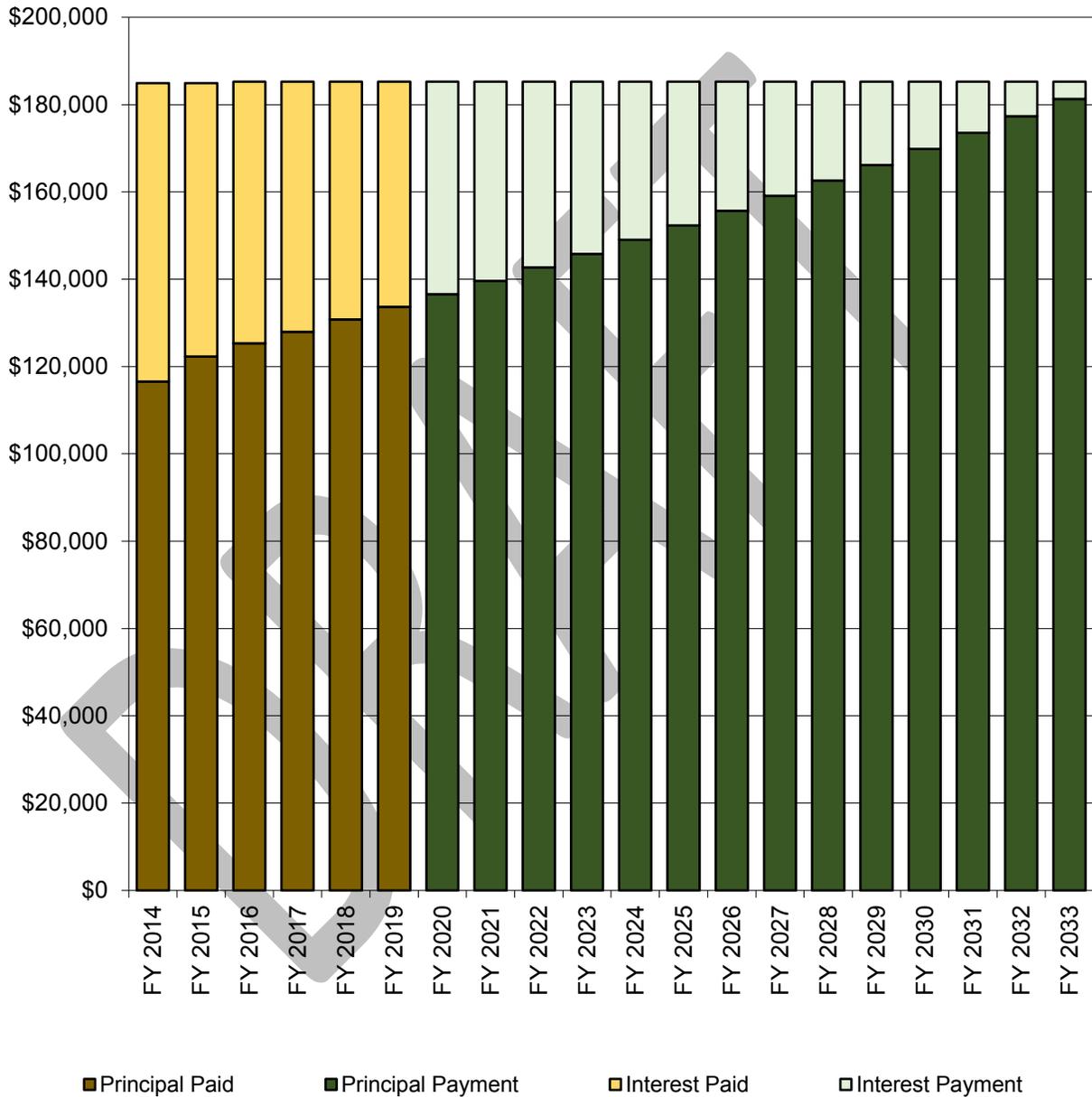
The annual loan payments are due on September 10th. The loan extends until September 10, 2028.

Yucaipa Valley Regional Brineline - The Yucaipa Valley Water District has secured a \$9,752,100 low interest loan (2.7% interest rate) for the construction of the Yucaipa Valley Regional Brineline. The construction cost for this facility was \$19,706,156 which was also funded by several grants and cash. The District received full disbursement of the loan fund in FY 2013 and annual repayment of \$649,274 started in FY 2014 based on the following schedule:



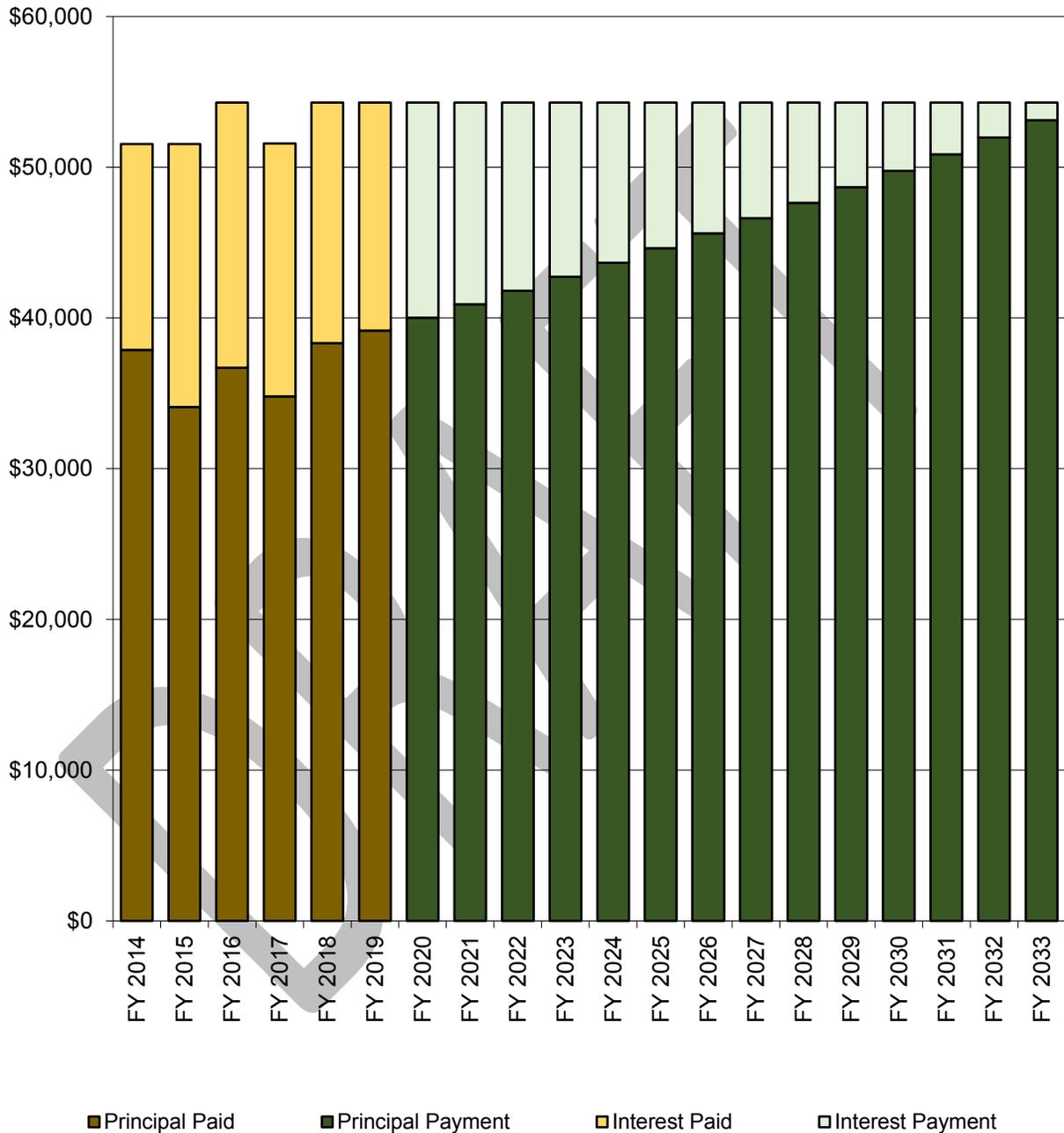
The annual loan payments are due on December 31st. The loan extends until December 31, 2032.

Wochholz Improved Salinity Effluent Project (W.I.S.E.) - The Yucaipa Valley Water District has secured a \$2,988,095 low interest loan (2.2% interest rate) for the construction of the reverse osmosis equipment at the Wochholz Regional Water Recycling Facility to achieve compliance with the Regional Water Quality Control Board Basin Plan objectives. The construction cost for this facility was \$5,003,170 which was also funded by grants and cash. The District received full disbursement of the loan fund in FY 2015 and annual repayment of \$185,251 started in FY 2014 based on the following schedule:



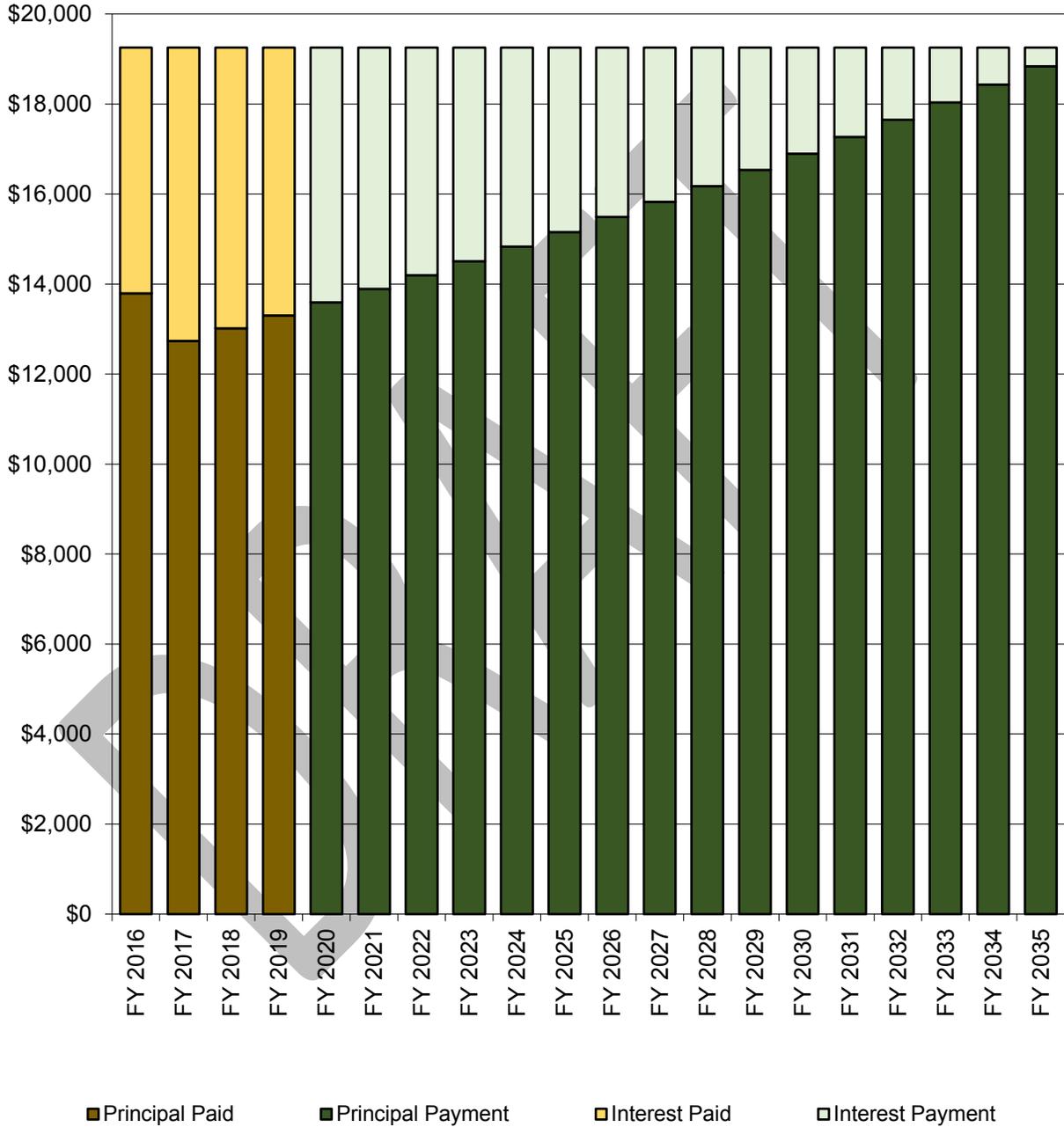
The annual loan payments are due on March 31st. The loan extends until March 31, 2033.

Recycled Water Reservoir R-10.3 - The Yucaipa Valley Water District has secured a \$871,570 low interest loan (2.2% interest rate) for the construction of the Recycled Water Reservoir Complex R-10.3. The construction cost for this facility was \$4,177,087 which was also funded by grants and cash. The District received full disbursement of the loan fund in FY 2014 and annual repayment of \$54,277 started in FY 2014 based on the following schedule:



The annual loan payments are due on March 31st. The loan extends until March 31, 2033.

Crow Street Recycled Water Pipeline and Booster B-12.1 - The Yucaipa Valley Water District has secured a \$310,179 low interest loan (2.2% interest rate) for the construction of the Crow Street Recycled Water Pipeline and Recycled Water Booster Station B-12.1. The construction cost for this facility was \$2,972,167 which was also funded by grants and cash. The District received full disbursement of the loan fund in FY 2015 and annual repayment of \$19,254 started in FY 2016 based on the following schedule:



The annual loan payments are due on March 31st. The loan extends until March 31, 2035.

4.2.4 Sewer Enterprise Rate Design

The Yucaipa Valley Water District has developed sewer rates that are sound and adhere to the industry best practices.

In California, water rates must adhere to the cost of service requirements imposed by Proposition 218 of the State Constitution. Proposition 218 requires that property-related fees and charges, including water rates, do not exceed the proportional cost of providing the service.

In determining the appropriate rate level and structure, the District analyzed various rate design alternatives and reviewed the corresponding implications. There is no single structure that meets all objectives equally, nor are all objectives valued the same by the District or its customers. The objectives were discussed, evaluated, and adjusted at throughout the rate study process.

It is recommended that the current rate structure be adopted to conform to the latest guidelines and court interpretations on Proposition 218 and its implementation. It is therefore recommended that no structural changes be made to the Sewer Enterprise.

The Yucaipa Valley Water District has received Federal funding for infrastructure in the Recycled Water and Sewer Enterprises. Federal Water Pollution Control Act, section 603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works develop and implement a fiscal sustainability plan or certify that it has developed and implemented such a plan. The Financial Sustainability Plan is intended to be treated as “living documents” that are regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. This provision in the Comprehensive Rate Study forms an integral part of the Yucaipa Valley Water District Financial Sustainability Plan.

4.2.5 Sewer Rate Model Results

The proposed sewer rates have been developed and tested using a financial model based on estimated expense and revenues developed from the proposed rate schedule. The objective of the financial model is to test rates to determine if they will provide sufficient revenue to meet all expenses and provide an adequate reserve for unforeseen conditions.

The proposed sewer rates begin on February 1, 2020. The Board of Directors will have the option of skipping a year’s rate increase or adjusting the rates to any level at or below the recommended rate. The future year’s rate will be based on the financial performance of the Sewer System Enterprise.

4.2.5.1 Sewer Service Charge

As discussed above, this comprehensive rate study includes a 50-year projection that forecasts the sewer revenues and expenses to fiscal year 2070. Based on these

Rate Structure Objectives

Provide revenue stability

Meet debt service obligations

Comply with legal and regulatory requirements

Be concise and understandable

Encourage the efficient use of resources

Maintain affordability

Follow cost of service principles

projections, the District is able to forecast the revenue needs for future years as provided below. The charges identified as “forecasted” will be reviewed and adopted in a future rate resolution.

The Sewer Service Charge represents the fixed charges associated with the Sewer Enterprise and is associated with the number of Sewer Service Units purchased when a new service is secured from the District.

Proposed Sewer Service Charge		Forecasted Sewer Service Charge	
Current Rate	\$42.43	Effective 1/1/2026	\$46.91
Effective 1/1/2020	\$43.43	Effective 7/1/2027	\$47.38
Effective 7/1/2020	\$44.19	Effective 7/1/2028	\$47.85
Effective 7/1/2021	\$44.63	Effective 7/1/2029	\$48.33
Effective 7/1/2022	\$45.08	Effective 7/1/2030	\$48.81
Effective 7/1/2023	\$45.53	Effective 7/1/2031	\$49.30
Effective 7/1/2024	\$45.98	Effective 7/1/2032	\$49.79
Effective 7/1/2025	\$46.44	Effective 7/1/2033	\$50.29

The minimum monthly charge for Sewer Service Units is a factor of 1.00 even if less than 1.00 of Sewer Service Units are purchased through the Facility Capacity Charges.

Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be charged pursuant to the rates above, multiplied by the Multiple Residential Water Service Charge Factor below to determine the Multiple Residential Water Service Charge.

Multiple Residential Water Charge Factor					
Effective 1/1/2020	Effective 1/1/2021	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025
0.80	0.81	0.82	0.83	0.84	0.85

Multiple Residential Water Charge Factor					
Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
0.86	0.87	0.88	0.89	0.90	0.91

Multiple Residential Water Charge Factor					
Effective 1/1/2032	Effective 1/1/2033	Effective 1/1/2034	Effective 1/1/2035	Effective 1/1/2036	Effective 7/1/2037
0.92	0.93	0.94	0.95	0.96	0.97

Multiple Residential Water Charge Factor		
Effective 1/1/2038	Effective 1/1/2039	Multiple Residential Water Charge Factor is Eliminated Effective 1/1/2040
0.98	0.99	1.00

4.2.6 Recommendations for the Sewer Enterprise

It is recommended that the Yucaipa Valley Water District adjust sewer enterprise rates as provided in this comprehensive rate study. If adopted following Proposition 218 procedures, the total monthly water bill for a typical single family residential unit will be adjusted to \$43.43 per month, an increase of \$1.00 effective February 1, 2020. Additional monthly adjustments to the Sewer Service Charge are provided in Section 4.2.6.1 above.

It is further recommended that the Board of Directors review the financial performance of the Sewer Enterprise each year and, at their discretion, adjust rates as needed to meet expenses and policy goals. The rates may not exceed those presented herein for each fiscal year. The Board may recapture rate increases in a subsequent year if the increase was not accounted for in the prior year.

Other miscellaneous sewer fees, not subject to Proposition 218 majority protest proceedings, should be reviewed and adjusted annually based on a cost of service study.

The proposed rate increase is a property related fee and thus must be implemented in accordance with the requirements of Proposition 218. The general implementation plan is as follows:

- District Board of Directors (and legal counsel) reviews and accepts the report and recommendations.
- The Board sets a date for a public protest hearing not less than 45 days after notices to customers have been mailed.
- Mail customer notices with the proposed rate increase and time and date of the public protest hearing as well as any other required notice information as specified in Government Code Section 53753.
- Hold public majority protest hearing.
- Determine if there is majority protest, and if not, adopt revised rate structure. Rates will go into effect beginning February 2020.
- Review revenue versus expenditures annually to verify assumptions and projections in Comprehensive Rate Study.
- Conduct Comprehensive Water Rate Study update in Fiscal Year 2023-24.

5.0 Recycled Water Enterprise

The Yucaipa Valley Water District started the construction of the recycled water system in 2002 to reduce the amount of groundwater used within the community. This recycled water system was connected to the Wochholz Regional Water Recycling Facility in 2015 and is now part of the District’s recycled water system.

A fundamental element for developing service projections is the quantification of customer demand characteristics and the revenues derived from the current schedule of utility charges. This information provides the foundation for integrating projected changes in demands and customer unit rate adjustments.

As of June 30, 2019, the District’s customer base consisted of the following:

- Recycled water service was provided through 111 water service connections; and
- Recycled water was provided to 460 Recycled Service Units.

The table below illustrates a detailed breakdown of service connections by the type of customer. The difference between the number of service connections and the number of Recycled Service Units represents multiple units on a property and larger capacity water meters. The comprehensive rate analysis focuses on Recycled Service Units for allocation of Recycled Water Enterprise fixed costs.

Customer Type	Recycled Water Enterprise	
	Number of Service Connections	Water Service Units (WSUs)
Single Family	--	--
Multiple Units	--	--
Commercial	--	--
Institutional	--	--
Industrial	--	--
Irrigation	--	--
Fire Detectors	--	--
Construction Water	7	--
Recycled Water	104	460
Total	111	460

In order to properly assess the District’s future revenue requirements, one must first evaluate and understand trends within four specific areas. These areas are: 1) current customer base and projected changes; 2) evaluation of recycled water demands, 3) significant changes in operating expenses, and 4) capital expenditures and debt service obligations. The following is a brief discussion on the impact of these factors on the District’s revenue requirements.

5.1 Current and Projected Customer Base

For the purposes of this comprehensive rate study, the District recognizes that several large developments have started construction and will add thousands of Water Service Units in the near future. These fully entitled development projects will likely skew the relatively slow growth that has occurred over the past decade. Specifically, Summerwind Ranch, Mesa Verde Estates, JP Ranch,

and the Oak Valley commercial center all have the ability to change the District's customer base, primarily within the City of Calimesa.

To reasonably project the future growth rate of the Yucaipa Valley Water District, an estimated growth rate of 150 Recycled Service Units per year will be added to the recycled water system. This projection is based on 30 homes per year will be constructed in the City of Yucaipa and 120 homes per year will be constructed in the City of Calimesa.

The projected customer growth rate affects the District's revenue requirements in two ways. First, it increases the customer base, which increases the property tax revenue, fixed charge revenue, and variable charge revenue. Secondly, it increases operating costs associated with the delivery and provision of recycled water services.

5.2 Recycled Water Enterprise Revenue Requirements

The Yucaipa Valley Water District analyzed the revenue requirements of recycled water service customers to test the financial health of the enterprise. The revenue requirement analysis uses FY 2019 as the baseline and extends the forecast period 50 years until FY 2070. With an extended forecast, the District can plan for debt repayment and schedule future capital improvements. However the tables and graphs will typically focus on a ten year period of FY 2020 to FY 2030.

Based on the findings of this study, the rate changes recommended for the Recycled Water Enterprise will consist of changes to the framework of the existing rate structure plus new revenue categories that will fund operational and capital needs and meet debt service obligations. The proposed findings support the Water Enterprise's ability to continue meeting its level of service objectives.

5.2.1 Evaluation of Recycled Water Demands

The Yucaipa Valley Water District implemented a recycled water system in 2002 to reduce the amount of groundwater used in the community. The recycled water system was expanded over the years and eventually connected to the Wochholz Regional Water Recycling Facility in 2015 and is now part of the District's recycled water system.

The following graph illustrates the annual recycled water demands since FY 2009.

Recycled Water Demands (kgal)



5.2.1 Revenue Requirements Overview

The revenue requirement analysis compares the forecasted revenues of the District to its forecasted operating and capital costs to determine the adequacy of the existing rates to recover the cost of providing service. Should any deficits be identified, additional funding through rates are reviewed and recommended based on strategic goals and available funding.

To fully analyze the revenue requirements, the District utilized the adopted FY 2020 budget expenses as the base year of operation and maintenance costs. Future expenses were forecasted for a 50 year period. Additional information was evaluated that consisted of a detailed review of costs, operations expenses, capital needs, and reserve requirements. The revenue requirements analysis determines the annual retail revenue necessary to be recovered through water rates and charges in order to meet the expected financial obligations of the Recycled Water Enterprise.

5.2.2 Existing Recycled Water Rate Structure and Assumptions

The current water rates, adopted as Resolution No. 18-2011 includes the following components: monthly water service charges by meter size and recycled water commodity charges. These rates were adopted on August 17, 2011 and reflect the current recycled water service and recycled water commodity charges.

5.2.2.1 Recycled Water Service Charge

The monthly recycled water service charge is applied to the greater of (1) meter size or (2) number of Equivalent Dwelling Units / Water Service Units receiving service from the water meter. This charge shall be applicable to drinking water and recycled water users.

Meter Size	Current Water Service Charge
Service Charge per EDU	\$14.00
Water Meter Based Charge:	
¾" Water Meter - 1.00 EDU	\$14.00
1" Water Meter - 1.67 EDU	\$23.38
1½" Water Meter - 3.33 EDU	\$46.62
2" Water Meter - 5.33 EDU	\$74.62
3" Water Meter - 10.00 EDU	\$140.00
4" Water Meter - 16.67 EDU	\$233.38
6" Water Meter - 33.33 EDU	\$466.62
8" Water Meter - 53.33 EDU	\$746.62

The Multiple Residential Water Service Charge does not apply to recycled water services.

5.2.2.2 Recycled Water Commodity Charge

The recycled water commodity charge rate is the charge per one thousand gallons (kgal) for all water registered by the customer's water meter in a monthly billing cycle and is herein established as follows:

Effective Date	Recycled Water Commodity Rate (\$/kgal)
Existing Rate	\$1.425

5.2.2.3 Capital Improvement Program – Recycled Water

A Capital Improvement Program (CIP) was prepared as part of the Fiscal Year 2020 Budget adopted on June 18, 2019. Some Projects associated with the Capital Improvement Program are constructed with Facility Capacity Charges paid by new development while other projects are paid by existing customers as part of the rate structure.

A copy of the current Capital Improvement Program for the Recycled Water Enterprise is included as Appendix C.

5.2.2.4 Recycled Water Enterprise Revenue Assumptions

The total recycled water revenue generated each year from the customer rates should be approximately equal to the total operational expenditures planned for that year. The revenue requirements include long-term financial objectives such as capital improvement and refurbishment/replacement projects in addition to regular operations and maintenance. With these basic principles, the required revenue can be projected and then rates can be designed to meet the revenues needed.

Based on prior year information, the following forecast factors were used to develop the Recycled Water Enterprise Revenue Forecast through 2070.

Recycled Water Enterprise Revenue Forecast		Forecast Factor
04-40010	Sales - Recycled Water	See Below
	Sales - Excess Consumption	See Below
04-40011	Sales - Construction Water	Static
04-41000	Sales - Service Demand Charges	See Below
04-41003	Sales - Construction Demand Charge	2.0%
04-41010	Unauthorized Use of Water Charge	Static
04-41110	Meter/Lateral Installation	Static
04-41113	Disconnect & Reconnect Fees	3.0%
04-41121	Delinquent Payment Charges	3.0%
04-41124	Bad Debt Write-Off & Recovery	2.0%
04-42122	Revenue - Other Operating	2.0%
04-42123	Administration and Management	2.0%
04-43010	Interest Earned	2.0%
04-431xx	Property Taxes	See Below
04-43140	Taxes - Other	3.0%
04-49110	Rental Income	2.0%
04-49150	Miscellaneous Non-Operating	2.0%

Based on prior year information, the following forecast factors were used to develop the Recycled Water Enterprise Expense Forecast through 2070.

Recycled Water Enterprise Expense Forecast		Forecast Factor
04-5-01-50010	Labor - Water Resources	3.0%
04-5-01-50013	Benefits-FICA	7.7%
04-5-01-50014	Benefits-Life Insurance	\$480 + 1% \$19,692 +
04-5-01-50016	Benefits-Health & Dental	2%
04-5-01-50017	Benefits-Disability Insurance	0.9%
04-5-01-50019	Benefits-Workers Compensation	2.7%
04-5-01-50022	Benefits-PERS Employer	15.0%
04-5-01-50023	Benefits-Uniforms	\$500 + 1%
04-5-01-50024	Benefits-Vacation & Sick Pay	0.35%
04-5-01-50025	Benefits-Boots & Incentives	\$650 + 0.5%

Recycled Water Enterprise Expense Forecast		Forecast Factor
04-5-06-51003	R&M - Structures	2.0%
04-5-06-51011	R&M - Valves	2.0%
04-5-06-51020	R&M - Pipelines	2.0%
04-5-06-51021	R&M - Service Lines	2.0%
04-5-06-51022	R&M - Fire Hydrants	2.0%
04-5-06-51030	R&M - Meters	2.0%
04-5-06-51140	General Supplies & Expenses	2.0%
04-5-06-51210	Utilities - Power Purchases	4.0%
04-5-06-54002	Dues & Subscriptions	2.0%
04-5-06-54005	Computer Expenses	2.0%
04-5-06-54012	Education & Training	2.0%
04-5-06-54014	Public Relations	2.0%
04-5-06-54016	Travel Related Expenses	2.0%
04-5-06-54017	Certifications & Renewals	2.0%
04-5-06-54019	Licenses & Permits	2.0%
04-5-06-54020	Meeting Related Expenses	2.0%
04-5-06-54022	Utilities - YVWD Services	2.0%
04-5-06-54025	Telephone & Internet	2.0%
04-5-06-54104	Contractual Services	2.0%
04-5-06-54107	Legal	2.0%
04-5-06-54108	Audit & Accounting	2.0%
04-5-06-54109	Professional Fees	2.0%
04-5-06-54110	Laboratory Services	2.0%
04-5-06-55500	Depreciation - use budget-prior years	2.0%
fund transfer	Infrastructure replacement fund	2.0%
04-5-06-56001	Insurance	2.0%
04-5-06-57030	Regulatory Compliance	2.0%
04-5-06-57040	Environmental Compliance	2.0%

5.2.3 Recycled Water Rate Design

The Yucaipa Valley Water District has developed recycled water rates that are sound and adhere to the industry best practices. In addition to achieving cost recovery, the rate analysis has been developed to continue to promote the efficient use of water resources.

In California, water rates must adhere to the cost of service requirements imposed by Proposition 218 of the State Constitution. Proposition 218 requires that property-related fees and charges, including water rates, do not exceed the proportional cost of providing the service.

Rate Structure Objectives
Provide revenue stability
Comply with legal and regulatory requirements
Be concise and understandable
Encourage the efficient use of resources
Maintain affordability
Follow cost of service principles

In determining the appropriate rate level and structure, the District analyzed various rate design alternatives and reviewed the corresponding implications. There is no single structure that meets all objectives equally, nor are all objectives valued the same by the District or its customers. The objectives were discussed, evaluated, and adjusted at throughout the rate study process.

It is recommended that the current rate structure be adopted to conform to the latest guidelines and court interpretations on Proposition 218 and its implementation, as well as, to augment the reduction in drinking water consumption anticipated by the water conservation goals set forth by Senate Bill No. 606 (Hertzberg) and Assembly Bill No. 1668 (Friedman) and signed by Governor Brown on May 31, 2018. It is therefore recommended that changes to the rate structure occur based on the following rationale:

- **Increase the monthly fixed rate service charge to provide greater revenue stability during droughts.** It is estimated that only ten percent (10%) of the recycled water division expenses are variable. Variable costs include primarily electrical power. Costs that are mostly independent of recycled water usage include personnel cost, general and administrative cost, meter reading and billing, renewal and replacement cost, laboratory costs. In order to maintain an incentive for water conservation, there should be a reasonable balance between cost recovered under the monthly service charge and commodity charges and therefore not all fixed costs will be recovered in the service charge.
- **Make the monthly fixed rate service charge proportional to meter size and flow capability.** The amount of the fixed rate will be based on meter size and application of standard AWWA equivalent meter factors based on the flow that can be delivered through a standard ¾-inch residential meter. For example, a 2-inch meter can deliver 5.33 times as much water as a standard ¾-inch meter. Therefore, a customer with a 2-inch meter will be charged a monthly service charge that is 5.33 times that of the base charge for a ¾-inch meter. Additionally, residential customers are now required to install a 1-inch water meter to support fire sprinklers inside the homes. These larger meters have the ability to deliver more water and they are more expensive to repair/replace when compared to a ¾-inch water meter.
- **Establish an excess recycled water commodity charge for recycled water usage that exceeds the amount of capacity purchased for the property.** Each parcel that receives recycled water service first secures capacity in the recycled water storage reservoirs, conveyance pipelines, and booster facilities. This system is used to provide reliable and high-quality recycled water service to customers. When the amount of recycled water used in a month exceeds the quantity of purchased capacity in the system, there is an inequity that arises for the lack of funding for the variable cost of operation, repair cost, replacement cost, capacity cost, and other related charges. This inequity is resolved with the creation of the Excess Recycled Water Commodity Charge.
- **Residential, commercial, industrial, and institutional customer will pay the same service charge and commodity rates.**
- **Develop a rate structure that incorporates the California Statutes Making Conservation a California Way of Life.** Assembly Bill No. 1668 and Senate Bill No. 606 build on ongoing efforts to make water conservation a way of life in California and create a new foundation for long-term improvements in water conservation and drought planning.

These Statutes establish guidelines for efficient water use and a framework for the implementation and oversight of the new standards, which must be in place by 2022. The legislation contains provisions that include:

- Establishing water use objectives and long-term standards for efficient water use that apply to urban retail water suppliers; comprised of indoor residential water use, outdoor residential water use, commercial, industrial, and institutional (CII) irrigation with dedicated meters, water loss, and other unique local uses.
 - Providing incentives for water suppliers to recycle water.
 - Requiring urban water suppliers to set annual water budgets and prepare for future droughts.
- **Increase reserve funding for infrastructure replacement.** The Yucaipa Valley Water District relies on a recycled water system that consists of multiple pressure zones that receive source water from both the Yucaipa Valley Regional Water Filtration Facility and the Wochholz Regional Water Recycling Facility. While this is a relatively new system, as this system continues to age, outages are likely to occur unless the District proactively establishes a funding program to replace pipelines, boosters, wells, and storage reservoirs. The funding for infrastructure replacement will be used to accomplish three goals: (1) provide sufficient revenues for future debt service coverage; (2) improve the daily cash available for emergencies; and (3) fund a pay-go system for future recycled water system infrastructure replacement. This funding will maintain a stable and sustainable method to make sure each customer equitably contributes to the use of the recycled water system.

The Yucaipa Valley Water District's asset management program provides the foundation for this use of this funding. The District's asset management program has been designed to:

- Improve the efficiency and effectiveness of the District;
- Justify infrastructure needs and decisions;
- Meet service expectations and regulatory requirements;
- Improve emergency response;
- Plan and pay for future repairs and replacements;
- Make informed decisions for the maintenance, repair, rehabilitation, and replacement of assets;
- Make the best use of limited resources;
- Prolong asset life;
- Plan for capital improvement projects; and
- Reduce vulnerability to hazards and become more resilient.

Additionally, the Yucaipa Valley Water District has received Federal funding for infrastructure in the Recycled Water and Sewer Enterprises. Pursuant to the Federal Water Pollution Control Act, section 603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a fiscal sustainability plan or certify that it has developed and implemented such a plan. The Financial Sustainability Plan is intended to be treated as "living documents" that are regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. This provision in the Comprehensive Rate Study forms an integral part of the Yucaipa Valley Water District Financial Sustainability Plan.

5.2.4 Recycled Water Rate Model Results

The proposed recycled water rates have been developed and tested using a financial model based on estimated expense and revenues developed from a proposed rate schedule that uses the premises outlined above. The objective of the financial model is to test rates to determine if they will provide sufficient revenue to meet all expenses and provide an adequate reserve for unforeseen conditions.

The proposed recycled water rates begin on February 1, 2020. The Board of Directors will have the option of skipping a year's rate increase or adjusting the rates to any level at or below the recommended rate. The future year's rate will be based on the financial performance of the recycled water system enterprise.

5.2.4.1 Recycled Water Service Charge

The Recycled Water Service Charge represents the fixed charges associated with the Recycled Water Enterprise and is associated with the number of Water Service Units purchased when a new service is secured from the District.

Proposed Recycled Water Service Charge		Forecasted Recycled Water Service Charge	
Current Rate	\$14.00	Effective 7/1/2027	\$19.50
Effective 2/1/2020	\$15.00	Effective 7/1/2028	\$20.00
Effective 7/1/2020	\$16.00	Effective 7/1/2029	\$20.50
Effective 7/1/2021	\$16.50	Effective 7/1/2030	\$21.00
Effective 7/1/2022	\$17.00	Effective 7/1/2031	\$21.50
Effective 7/1/2023	\$17.50	Effective 7/1/2032	\$22.00
Effective 7/1/2024	\$18.00	Effective 7/1/2033	\$22.50
Effective 7/1/2025	\$18.50	Effective 7/1/2034	\$23.00
Effective 1/1/2026	\$19.00	Effective 7/1/2035	\$23.50

The monthly Recycled Water Service Charge is applied to the greater of (1) meter size or (2) number of dwelling units served. The minimum monthly charge for Recycled Service Units is 1.00 even if less than 1.00 of Recycled Service Units are purchased through the Facility Capacity Charges. This charge shall be applicable to drinking water and recycled water users.

Recycled Water Service Charge	Current Rate	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
Service Charge per EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
1" Water Meter - 1.67 EDU	\$23.38	\$25.05	\$26.72	\$27.56	\$28.39
1½" Water Meter - 3.33 EDU	\$46.62	\$49.95	\$53.28	\$54.95	\$56.61
2" Water Meter - 5.33 EDU	\$74.62	\$79.95	\$85.28	\$87.95	\$90.61
3" Water Meter - 10.00 EDU	\$140.00	\$150.00	\$160.00	\$165.00	\$170.00
4" Water Meter - 16.67 EDU	\$233.38	\$250.05	\$266.72	\$275.06	\$283.39
6" Water Meter - 33.33 EDU	\$466.62	\$499.95	\$533.28	\$549.95	\$566.61
8" Water Meter - 53.33 EDU	\$746.62	\$799.95	\$853.28	\$879.95	\$906.61

As discussed above, this comprehensive rate study includes a 50-year projection that forecasts the water revenues and expenses to fiscal year 2070. Based on these projections, the District is able to forecast the revenue needs for future years as provided below. The charges identified as “projected” will be reviewed and adopted in a future rate resolution.

Recycled Water Service Charge	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Projected 7/1/2026	Projected 7/1/2027
Service Charge per EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
1" Water Meter - 1.67 EDU	\$29.23	\$30.06	\$30.90	\$31.73	\$32.57
1½" Water Meter - 3.33 EDU	\$58.28	\$59.94	\$61.61	\$63.27	\$64.94
2" Water Meter - 5.33 EDU	\$93.28	\$95.94	\$98.61	\$101.27	\$103.94
3" Water Meter - 10.00 EDU	\$175.00	\$180.00	\$185.00	\$190.00	\$195.00
4" Water Meter - 16.67 EDU	\$291.73	\$300.06	\$308.40	\$316.73	\$325.07
6" Water Meter - 33.33 EDU	\$583.28	\$599.94	\$616.61	\$633.27	\$649.94
8" Water Meter - 53.33 EDU	\$933.28	\$959.94	\$986.61	\$1,013.27	\$1,039.94

Recycled Water Service Charge	Projected 7/1/2028	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032
Service Charge per EDU	\$20.00	\$20.50	\$21.00	\$21.50	\$22.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$20.00	\$20.50	\$21.00	\$21.50	\$22.00
1" Water Meter - 1.67 EDU	\$33.40	\$34.24	\$35.07	\$35.91	\$36.74
1½" Water Meter - 3.33 EDU	\$66.60	\$68.27	\$69.93	\$71.60	\$73.26
2" Water Meter - 5.33 EDU	\$106.60	\$109.27	\$111.93	\$114.60	\$117.26
3" Water Meter - 10.00 EDU	\$200.00	\$205.00	\$210.00	\$215.00	\$220.00
4" Water Meter - 16.67 EDU	\$333.40	\$341.74	\$350.07	\$358.41	\$366.74
6" Water Meter - 33.33 EDU	\$666.60	\$683.27	\$699.93	\$716.60	\$733.26
8" Water Meter - 53.33 EDU	\$1,066.60	\$1,093.27	\$1,119.93	\$1,146.60	\$1,173.26

5.2.4.2 Recycled Water Commodity Charge

The Recycled Water Commodity Charge represents the variable charges associated with the Recycled Water Enterprise. This commodity cost applies to each billing unit, or fraction thereof.

Effective Date	Recycled Water Commodity Rate (\$/kgal)
Existing Rate	\$1.425
February 1, 2020	\$1.725
July 1, 2020	\$1.760
July 1, 2021	\$1.795
July 1, 2022	\$1.831
July 1, 2023	\$1.867

Effective Date	Recycled Water Commodity Rate (\$/kgal)
July 1, 2024	\$1.905
July 1, 2025	\$1.943
July 1, 2026	\$1.981
Projected - July 1, 2027	\$2.021
Projected - July 1, 2028	\$2.062
Projected - July 1, 2029	\$2.103
Projected - July 1, 2030	\$2.145
Projected - July 1, 2031	\$2.188
Projected - July 1, 2032	\$2.231

5.2.4.3 Excess Recycled Water Commodity Charge

The number of Recycled Service Units on a property is directly related to the capacity purchased in the Yucaipa Valley Water District’s recycled water system at the time the new service is originally established. Prior to the issuance of a building permit a property owner will secure capacity in the recycled water system through the payment of Facility Capacity Charges. Pursuant to the District design guidelines, one Recycled Service Unit provides capacity in the recycled water system for 700 gallons per day, or 21,000 gallons per month (21 kgal). However, with the implementation of dual-plumbed homes, some properties will be able to purchase a fraction of one Water Service Unit for indoor use and a fraction of a Recycled Service Unit for outdoor use.

The minimum number of recycled water service units will be equal to one for all non-dual plumbed accounts. For dual-plumbed residential units, the Excess Drinking Water Commodity Charge plus the Excess Recycled Water Commodity Charge will be fractional with a sum of 700 gallons per day, or 21,000 gallons per month (21 kgal) for both drinking water and recycled water.

Monthly recycled water consumption that exceeds the Recycled Service Units creates additional demand and costs for the operation, repair, maintenance, and replacement of recycled water filtration facilities, pipelines, reservoirs, boosters, and groundwater wells. This Comprehensive Rate Study incorporated the proportional operational, maintenance, and capital costs for the excessive use into the recycled water infrastructure.

The Excess Recycled Water Commodity Charge applies to the next Recycled Water Commodity unit (kgal) beyond the Recycled Service Unit (RSU) based on the formula below:

$$\text{If Recycled Water Commodity (kgal)} > \left[\left(\frac{\text{Recycled Service Units}}{\text{Units}} \right) \times (0.7 \text{ kgal}) \times (30 \text{ days}) \right],$$

then the following rate structure applies

Therefore, the Excess Recycled Water Commodity Charge would apply to a property with one (1) Recycled Service Unit (RSU) if more than the calculated Maximum Applied Water

Allowance (MAWA) is used during a billing period.

The Excess Recycled Water Commodity Charge will be calculated based on the proportionality of 1 RSU = 98.550 kgal of recycled water.

The rate schedule for Excess Recycled Water Commodity Charges is provided below and only applies to the commodity usage in excess of the Recycled Service Unit (RSU) allowance.

Excess Recycled Water Commodity Charge (kgal)	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Billing Units in Excess of Recycled Water Service Unit Allocation	\$0.072	\$0.073	\$0.074	\$0.099	\$0.100

Excess Recycled Water Commodity Charge (kgal)	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Billing Units in Excess of Recycled Water Service Unit Allocation	\$0.101	\$0.102	\$0.103	\$0.130	\$0.131

Excess Recycled Water Commodity Charge (kgal)	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032	Projected 7/1/2033
Billing Units in Excess of Recycled Water Service Unit Allocation	\$0.133	\$0.134	\$0.135	\$0.137	\$0.138

5.2.4.4 Recycled Water Infrastructure Replacement Commodity Charge

In order to fund the replacement of infrastructure that supports the recycled water system, it is critical to manage and plan for the anticipated replacement of assets. As infrastructure continues to age, significant outages are likely to occur. The funding for infrastructure replacement will be used to accomplish four specific goals: (1) provide sufficient revenues for debt service coverage; (2) improve the daily cash available for emergencies and unforeseen events; (3) fund a pay-go system for recycled water system infrastructure replacement; and (4) fund a Financial Sustainability Plan pursuant to the Federal Water Pollution Control Act. This funding will maintain a stable and sustainable method to make sure each customer equitably contributes to the use of the recycled water system.

Additionally, the Yucaipa Valley Water District has received Federal funding for infrastructure in the Recycled Water and Sewer Enterprises. Pursuant to the Federal Water Pollution Control Act, section 603(d)(1)(E) requires a recipient of a loan for a project

that involves the repair, replacement, or expansion of a publicly owned treatment works to develop and implement a fiscal sustainability plan or certify that it has developed and implemented such a plan. The Financial Sustainability Plan is intended to be treated as “living documents” that are regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. This provision in the Comprehensive Rate Study forms an integral part of the Yucaipa Valley Water District Financial Sustainability Plan.

The Recycled Water Infrastructure Replacement Commodity Charge applies to each billing unit, or fraction thereof.

Recycled Water Infrastructure Replacement Commodity Charge (kgal)	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Each Billing Unit (kgal)	\$0.151	\$0.153	\$0.154	\$0.156	\$0.157

Recycled Water Infrastructure Replacement Commodity Charge (kgal)	Effective 2/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Each Billing Unit (kgal)	\$0.159	\$0.160	\$0.162	\$0.164	\$0.165

Recycled Water Infrastructure Replacement Commodity Charge (kgal)	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032	Projected 7/1/2033
Each Billing Unit (kgal)	\$0.167	\$0.168	\$0.170	\$0.172	\$0.174

5.2.5 Recommendations for the Recycled Water Enterprise

It is recommended that the Yucaipa Valley Water District adjust recycled water division rates as provided in this comprehensive rate study. If adopted following Proposition 218 procedures, the total monthly water bill for a typical irrigation customer using 50 kgal with a ¾ inch meter will be \$110.89. The monthly water bill under current rates would be \$94.89.

It is further recommended that the Board of Directors review the financial performance of the recycled water enterprise fund each year and, at their discretion, adjust rates as needed to meet increased expenses. The rates may not exceed those presented herein for each fiscal year. The Board may recapture rate increases in a subsequent year if the increase was not accounted for in the prior year.

Other miscellaneous recycled water fees, not subject to Proposition 218 majority protest proceedings, should be reviewed and adjusted annually based on a cost of service study.

The proposed rate increase is a property related fee and thus must be implemented in accordance with the requirements of Proposition 218. The general implementation plan is as follows:

- District Board of Directors (and legal counsel) reviews and accepts the report and recommendations.
- The Board sets a date for a public protest hearing not less than 45 days after notices to customers have been mailed.
- Mail customer notices with the proposed rate increase and time and date of the public protest hearing as well as any other required notice information as specified in Government Code Section 53753.
- Hold public majority protest hearing.
- Determine if there is majority protest, and if not, adopt revised rate structure. Rates will go into effect beginning February 2020.
- Review revenue versus expenditures annually to verify assumptions and projections in Comprehensive Rate Study.
- Conduct Comprehensive Water Rate Study update in Fiscal Year 2023-24.

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6.0 Recommendations and Next Steps

6.1 Recommendations

Based on the Comprehensive Rate Model and analysis of the model results, it is recommended that the Board of Directors take the following actions:

- Approve and Accept this Comprehensive Rate Study: The Yucaipa Valley Water District Board of Directors should formally approve and adopt this Comprehensive Rate Study and its recommendations and proceed with the next steps outlined below to implement the proposed rates. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.
- Implement Recommended Levels of Rate Increases and Proposed Rates. Based on successfully meeting the Proposition 218 procedural requirements, the Yucaipa Valley Water District Board of Directors should proceed with implementing the schedule of proposed rates and future rate increases contained herein. This will help ensure the continued financial health of Yucaipa Valley Water District.

6.2 Next Steps

In preparing this report and the opinions and recommendations included herein, there were a number of principal assumptions and considerations with regard to financial matters, conditions, pace of new development, water consumption, and other events that may occur in the future. This information and associated assumptions, including District's budgets and capital improvement costs are reasonable for the purpose of this report and its recommendations. However, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that future conditions may be different from what is anticipated at this point in time. Therefore, it is recommended that the Board of Directors take the following actions:

- Annually Review Drinking Water, Sewer and Recycled Water Rates and Revenue. Any time new utility rates or rate structures are adopted, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements - particularly those related to regulations that can significantly affect capital improvements and repair and replacement costs. Several appendices have been included to document the drinking water, recycled water and sewer regulations enforced at the time this document was prepared.

Appendices

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Appendix A

Proposed Resolution No. 2020-xx

RESOLUTION NO. 2020-xx

RESOLUTION OF THE BOARD OF DIRECTORS OF THE YUCAIPA VALLEY WATER DISTRICT SETTING RATES FEES AND CHARGES FOR WATER, SEWER AND RECYCLED WATER SERVICE

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

WHEREAS, Section 21080(b)(8) of the Public Resources Code provides that the establishment, modification, structuring, restructuring or approval of rates, tolls, fares, or other charges by public agencies are exempt from the requirements of the California Environmental Quality Act (CEQA) provided that certain findings are made specifying the basis for the claim of exemption; and

WHEREAS, the actions taken herein are necessary for setting rates, fees, charges for the provision of water and sewer service within the boundaries of the District and are therefore exempt from the requirements of the California Environmental Quality Act as provided by Public Resources Code Section 21080(b)(8); and

WHEREAS, the amount of rates and charges hereby adopted do not exceed the reasonable anticipated costs for the corresponding services provided by the District, and therefore the fees imposed hereby do not qualify as a "tax" under Article XIII C, Section 1, of the California Constitution or Section 50076 of the California Government Code, and the actions taken herein are exempt from the additional notice and public meeting requirements of the Brown Act pursuant to Government Code Section 54954.6(a)(1)(A) and (B); and

WHEREAS, the District has satisfied all of the substantive and procedural prerequisites of Article XIID of the California Constitution in establishing the rates and charges set forth herein, including but not limited to, the identification of the parcels upon which the rates and charges will be imposed; the calculation of the rates and charges; the mailing of written notice to the record owners of each parcel upon which the rates and charges will be imposed describing the amount thereof, the basis upon which the rates and charges were calculated, the reason for the rates and charges, and the date, time, and location of the public hearing to be held thereon; and the conducting of a public hearing on the rates and charges not less than 45 days after mailing the notice during which all protests against the fee were considered. The potential reduction of fees by this Resolution requires no additional procedural prerequisites as no new or increased fees are being established.

WHEREAS, pursuant to the requirements of Article XIII D, Section 6 of the California Constitution and Section 53755 of the Government Code, on [REDACTED], 2019, the District provided mailed notice of the proposed rate adjustments to its customers who would be affected by said rates, advising them of a public hearing to be conducted by the Board of Directors, and the opportunity to protest the proposed rates in writing, which notice was mailed more than 45 days prior to the public hearing; and

WHEREAS, on **January 21**, 2020, the Board of Directors conducted a public hearing on the proposed rate adjustments as provided in the notice mailed to customers who would be affected by the rates, considered all written protests to the proposed rate adjustments filed with the District



prior to the conclusion of the public hearing, and has determined that the written protests filed with the District represent fewer than fifty percent (50%) of the number of parcels that would be affected by the proposed rate adjustment; and

WHEREAS, Assembly Bill 3030 went into effect as of January 1, 2009, adding Section 53756 to the Government Code. Pursuant to Government Code Section 53756, the District may adopt a schedule of fees or charges that authorizes automatic adjustments that pass through increases in wholesale charges for water or adjustments for inflation for a period not to exceed five (5) years

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

1. Purpose and Implementation:

1.01 Purpose of Resolution. The fees and charges set forth herein are for the purpose of meeting all of the District's water, sewer, and recycled water operating expenses, including but not limited to: distribution system maintenance; collection system maintenance; purchase of vehicles and equipment; pump maintenance; well maintenance; groundwater management; vehicle and equipment maintenance; facility maintenance; regulatory compliance; permitting compliance; staffing; purchase of imported water; water filtration and purification; sewer treatment; brine disposal; material costs; administrative costs; long-term debt repayment; and reserve fund needs.

1.02 Implementation of Rates, Fees and Charge. It is hereby determined that the proposed rates, fees and charges included herein are within the purposes set forth in Section 21080(b) of the Public Resources Code including but not by way of limitation, the purposes of: (A) meeting operating expenses; (B) purchasing or leasing supplies, equipment or materials; (C) meeting financial reserve needs and requirements; and (D) obtaining funds for capital projects necessary to maintain service within existing areas, and therefore, that such charges are exempt from CEQA.

The water, sewer and recycled water related rates, fees and charges shall be effective based on the specific date(s) provided herein. Implementation of all rate changes will occur on the effective date regardless of the service period.

Fees and charges identified as "Projected" will be further evaluated in a future rate study to validate the anticipated charges.

1.03 Updates to Prior Resolutions. Upon adoption of this Resolution, the effective date and implementation dates will supersede previously approved resolutions such as Resolution No. 18-2011 which previously set forth rates, fees and charges as contained herein.

1.04 Validity. If any section, subsection, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Resolution.

2. Construction Related Fees, Charges and Deposits

- 2.01 Sub-Regional / Project Specific Master Plan. The District shall collect a deposit for the purpose of conducting a sub-regional or project specific master plan to evaluate water, sewer and recycled water service requirements. This service shall be required of projects in areas with insufficient service capacity or within areas where water, sewer or recycled water services do not currently exist. If the actual cost of this service is greater than the deposit provided, then an additional deposit shall be required prior to completing the written evaluation. At the conclusion of the evaluation, the District will provide a refund equal to the amount of deposited funds which were not utilized by the District or apply the difference to plan check services. If at the conclusion of the evaluation, the District has exhausted all deposited funds and a balance due remains, then the property owner or developer shall remit that balance due immediately upon receipt of an invoice from the District.
- 2.02 Plan Check Services. The District shall collect a plan check deposit for the purpose of plan checking services by the District staff or a representative authorized by the District. If the actual cost of plan check services is greater than the deposit applied, the District will require an additional deposit be made prior to continuing plan checking services. At the conclusion of the plan check review process, the District will provide a refund equal to the amount of deposited funds which were not utilized by the District for plan checking services or apply the difference to future inspection services. If at the conclusion of the evaluation, the District has exhausted all deposited funds and a balance due remains, then the property owner or developer shall remit that balance due immediately upon receipt of an invoice from the District.
- 2.02.01 Residential, commercial, institutional, and industrial developments. For development related projects, the plan check deposit shall be 3% of the estimated drinking water, recycled water, and sewer construction value. The estimated construction value shall be reviewed and approved by the District prior to recordation.
- 2.02.02 Storage Reservoirs. For water storage reservoirs, the plan check deposit shall be 2% of the estimated construction cost or \$10,000.00 whichever is greater.
- 2.02.03 Wells, Pump Equipment and/or Boosters. For water and sewer related pumping equipment the plan check deposit shall be 2% of the estimated construction cost or \$10,000.00 whichever is greater.
- 2.02.04 Plan Rechecking. The District requires a resubmittal of all construction plans every year after being initially approved. Rechecking of plans shall be performed on a cost basis with a deposit paid prior to initiating this service. The District will not approve the plans until all unpaid plan checking service charges have been paid.
- 2.03 Inspection Services. The District requires an inspection deposit for the purpose of conducting inspection services by the District staff or a representative authorized by the District. If the actual cost of the inspection services provided by the District is greater than the deposit applied, the District will require an additional deposit be made prior to continuing inspection services. At the conclusion of the project, the District will provide a refund equal to the amount of deposited funds which were not utilized by the District for



inspection services. If at the conclusion of the evaluation, the District has exhausted all deposited funds and a balance due remains, then the property owner or developer shall remit that balance due immediately upon receipt of an invoice from the District.

- 2.03.01 Residential, Commercial, Institutional, and Industrial Water & Sewer Facilities. For installation of residential, commercial, institutional, and industrial drinking water, recycled water, and sewer facilities, a deposit in the amount equal to seven percent (7.0%) of the estimated construction cost shall be provided to the District prior to recordation.
- 2.03.02 New Water Service Lines and Sewer Laterals. For drinking water service lines, recycled water service lines, and sewer laterals constructed by contractors between the public water/sewer mainline and the property line, the owner shall provide a \$500.00 deposit and be responsible for the actual cost of inspection services.
- 2.03.03 Connecting to an Existing Sewer Lateral. For verifying a proper sewer lateral connection to an existing sewer lateral, the owner shall provide a \$195.00 flat fee for the cost of inspection services.
- 2.03.04 Water and Sewer Pump Stations. A deposit for the inspection of water and sewer pump stations shall be seven percent (7.0%) of the estimated construction cost.
- 2.03.05 Reinspection. Where reinspection is required due to test failures, damage, litigation or other causes beyond normal construction, the cost of reinspection will be paid by owner at the actual cost incurred.
- 2.03.06 Overtime Inspection Services. Any overtime inspection provided, including Saturday, holiday, evening, and night will be provided if inspectors are available and 72 hour advance notification is given to the District. All costs for overtime inspection shall be paid by owner.
- 2.04 Water and Sewer Mainline Extension Charges. When a drinking water, recycled water, or sewer mainlines are extended past or to properties not contributing toward the cost of the mainline, and those properties have not paid a direct assessment or its equivalent, the property owner or developer who paid for the mainline extension shall be reimbursed, pursuant to the active reimbursement agreement for a portion of the cost of such extension. The amount of reimbursement shall not exceed the cost of an equal length and depth of 8-inch diameter mainline, as determined by the General Manager, or designee. In the event an active reimbursement agreement does not exist, the District shall be paid the mainline extension charges.
- 2.05 Water Service Line and Sewer Lateral Installation Charges. The cost associated with the installation of a water service line (drinking and recycled), fire service line, and/or a sewer lateral shall be the actual cost of all labor, material, and equipment charges, plus employee benefits, overhead and administrative surcharges per District Resolution. A deposit shall be made with the District equal to the estimated cost of installation, as determined by the District, prior to initiating installation. Final job costs will be determined and the customer will be billed or refunded the difference in cost.

2.06 Fire Hydrant and Fire Service Installation Charge. The cost associated with the installation of a fire hydrant and/or fire service shall be the actual cost of all labor, material, and equipment charges, plus employee benefits, overhead and administrative surcharges per District Resolution. A deposit shall be made with the District equal to the estimated cost of installation, as determined by the District, prior to initiating installation. Final job costs will be determined and the customer will be billed or refunded the difference in cost.

2.07 Drinking Water & Recycled Water Meter Installation Charge. The cost associated with the installation of drinking water or recycled water meters shall be reviewed and updated on a regular basis to reflect the current cost of service. The installation fees for this service shall be adopted by separate resolution by the Board of Directors of the Yucaipa Valley Water District.

2.08 Construction Meter Deposit, Demand Charge and Consumption Charge. The District's construction, agriculture, and residential hydrant meters will be required to record water consumption for all water provided by the District. Construction and agriculture meters will be used for the sole purpose of construction and agriculture. The residential hydrant meter will be used for human activities and will be required to use drinking water only. Customers will be required to fill out a Fire Hydrant Use Application for Construction, Agriculture, and/or Residential Water Consumption form describing their water uses and requirements in regard to hauling drinking and recycled water. Any customer wanting to use drinking water instead of recycled for construction and/or agriculture purposes must have prior approval from District staff. All other typical and fixed meter charges shall apply as set forth by the Board of Directors.

2.08.01 Construction Meter Installation Charge, Daily Demand Charge and Recycled Water Consumption Charge.

A. Construction Meter Installation Location. The Yucaipa Valley Water District reserves the right to locate a construction meter to use recycled water instead of a drinking water. All applicable recycled water rules and regulations shall apply if recycled water is the source of construction water.

B. Construction Meter Installation/Removal Charge. A construction meter installation charge shall be paid prior to the District installing the construction meter. The installation charge will be \$72.72 and will be collected for the installation and removal of the construction meter when the service is started.

Current Charge	Effective 7/1/2022	Effective 7/1/2024	Effective 7/1/2026	Effective 7/1/2028	Effective 7/1/2030
\$72.72	\$74.90	\$77.15	\$79.46	\$81.85	\$84.30

C. Monthly Service Charge. A fixed service charge shall be charged per month. This charge includes depreciation costs of the hydrant meter and meter locks, plus a fee for meter reading and miscellaneous utility services.

Current Charge	Effective 7/1/2022	Effective 7/1/2024	Effective 7/1/2026	Effective 7/1/2028	Effective 7/1/2030
\$18.46	\$20.01	\$22.59	\$24.77	\$26.41	\$28.05

- D. Construction Water Commodity Charge. Customers are encouraged to utilize recycled water for construction water needs since it is more reliable and not subject to interruptions with water conservation efforts. Both drinking water and recycled water commodity charges include a facility capacity charge of \$1.055 per kgal as provided in the equations below. Additionally, the Excess Drinking Water Commodity Charge applies to all Drinking Water Consumption (kgal) used for construction water.

$$\text{Recycled Water Commodity Charge} = \left(\begin{array}{c} \text{Recycled} \\ \text{Water} \\ \text{Consumption} \\ \text{(kgal)} \end{array} \right) \times \left[\left(\begin{array}{c} \text{Recycled} \\ \text{Water} \\ \text{Commodity} \\ \text{Charge} \end{array} \right) + \left(\frac{\$1.055}{\text{kgal}} \right) \right]$$

$$\text{Drinking Water Commodity Charge} = \left(\begin{array}{c} \text{Drinking} \\ \text{Water} \\ \text{Consumption} \\ \text{(kgal)} \end{array} \right) \times \left[\left(\begin{array}{c} \text{Drinking} \\ \text{Water} \\ \text{Commodity} \\ \text{Charge at} \\ \text{Highest} \\ \text{Tier} \end{array} \right) + \left(\frac{\$1.055}{\text{kgal}} \right) + \left(\begin{array}{c} \text{Excess} \\ \text{Drinking} \\ \text{Water} \\ \text{Commodity} \\ \text{Charge} \end{array} \right) \right]$$

- E. Water Hauler's License. The State of California requires a Water Hauler's License to haul drinking water in bulk (250 gallons capacity or greater). This license is needed anytime water is transported for drinking, culinary or other purposes involving a likelihood of water being ingested by humans.

[End of Section 2]



3. Administrative Charges

- 3.01 Credit Card Payment Surcharge. A credit card payment surcharge will not be applied to utility bill payments for the payment of monthly utility bills. A credit card payment surcharge of 3.0% will apply to all other charges in excess of \$300 for transactions completed by credit card or check card.
- 3.02 Delinquent Payment Charge. The District shall charge a basic penalty of ten percent (10%) of the amount of each invoice not paid on time, plus an additional penalty of one-half of one percent (0.5%) per month on each late billing and its associated basic penalty.
- 3.03 Returned Check Charge. The charge for a returned check shall be \$35.00 per item.
- 3.04 Disconnection and Reconnection Charge. For drinking water and recycled water service, the disconnection charge is hereby established at a rate of \$35.00 per occurrence.

A drinking water and recycled water reconnection charge of \$40.00 will be charged per occurrence with the payment of all delinquent fees and charges if received by 4:00 p.m. on a regular business day. A reconnection charge of \$50.00 will be charged per occurrence when the payment of all delinquent fees and charges is made after 4:00 p.m. on a regular business day and the customer requests reconnection of water service between the hours of 4:00 p.m. and 8:00 a.m. or on weekends/holidays.

The disconnection and reconnection charge associated with sewer service is established at actual cost plus 15%.

- 3.05 Unauthorized Use of Water & Sewer Service. The unauthorized use of drinking water, recycled water, and/or sewer service shall be charged to any person, organization, corporation, or agency for each unauthorized use of District water or sewer infrastructure which includes tampering in any manner with any meter belonging to the District. The unauthorized use of water or sewer charge is hereby established at a rate of \$850.00, or \$95.00 per day, whichever is greater. Any repeated offense within twenty-four months by the same person, business, or entity shall include an additional \$350.00 charge for each subsequent infraction.
- 3.06 Property Liens. A delinquent utility account that results in a property tax lien shall be charged \$125.00 per lien per property for administrative and processing costs.

Effective 2/1/2020	Effective 1/1/2022	Effective 7/1/2024	Effective 7/1/2026	Effective 7/1/2028	Effective 7/1/2030	Effective 7/1/2030
\$125.00	\$131.25	\$137.81	\$144.70	\$151.94	\$159.54	\$167.51

- 3.07 Security Deposit. A security deposit charge of \$80.00 will be assessed on all accounts that have either of the following: (1) water service disconnected for non-payment; (2) a property lien for delinquent collections; or (3) a returned check for insufficient funds. The security deposit charge will be credited to the account after eighteen (18) months with no late charges or upon closing the account.



- 3.08 Employee Benefit, Administrative Overhead, and Surcharge Factors. The Yucaipa Valley Water District will routinely review and update the benefit, overhead, and surcharge factors for charging non-utility related expenses. The Employee Benefit, Administrative Overhead, and Surcharge Factors will be adopted by separate Resolution.
- 3.09 Delinquent Accounts and Collections. Delinquent accounts are hereafter identified as any account that remains unpaid (and without having made payment arrangements or established an alternative payment schedule) by close of business 21 calendar days after issuance of a utility bill. The following rules apply to the collection of delinquent accounts:
- 3.09.01 Small Balance Accounts. Any balance on a utility account of \$25.00 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.
- 3.09.02 Late Fee. If payment for a utility bill is not received by close of business on the 21st calendar day after the bill is issued, a late fee will be assessed pursuant to Section 3.2. The due date and late fee will be displayed prominently on the bill. The District will make a reasonable, good faith effort to notify the customer by phone of an impending late fee two (2) days before the due date identified on the bill. The District assumes no responsibility for contact information that has not been kept up-to-date by the customer
- 3.09.03 Waiver of Late Fee. At the request of the customer, the District will waive the late fee if there are extenuating circumstances and the customer has not been assessed a late fee for delinquent payment in the preceding six (6) months.
- 3.09.04 Alternative Payment Arrangements. Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. The District will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

Certification by Primary Care Provider Certification by a Primary Care Provider (General Practitioner, Obstetrician / Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) who certifies that the termination of service will be life-threatening or pose a serious threat to the health and safety of any resident of the premises where water service is provided will obligate the District to enter an amortized repayment plan.

Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will



result in the issuance of a written disconnection notice. The disconnection notice will be in the form of a door hanger delivered to the premises no less than 5 business days in advance of discontinuance of service.

3.09.05 Additional Notifications. As a courtesy, the District will make a reasonable, good faith effort to notify the customer that the account remains past due and further collection action will be forthcoming approximately 60 days after bill issuance. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. The District assumes no responsibility for contact information that has not been kept up-to-date by the customer.

3.09.06 Written Disconnection Notice. The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 7 business days before discontinuation of water service for non-payment. The written disconnection notice will be mailed to the mailing address designated on the utility account. If the mailing address and the address of the property to which service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The written disconnection notice will include:

- Customer's name and address;
- Amount that is past due;
- Date by which payment or payment arrangements are required to avoid discontinuation of service;
- Description of the process to apply for an amortization plan;
- Description of the process to dispute or appeal a bill; and
- District phone number and a web link to the District's written collection policy.

A. Notice to Residential Tenants/Occupants in an Individually Metered Residence. The District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

B. Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter. The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to

become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuance for non-payment.

- 3.09.07 Forty-eight (48) Hour Notice of Termination. The District will make a reasonable, good faith effort to notify the customer forty eight (48) hours in advance of disconnection of water service for non-payment. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If the District is unable to make contact by phone a good faith effort will be made to visit the residence and leave a notice of termination of service.
- 3.09.08 Disconnection Deadline. All delinquent water service charges and associated fees must be received by the District by 10:00 a.m. on the day specified in the written disconnection notice.
- 3.09.09 Disconnection of Water Service for Non-Payment. The District will disconnect water service by turning off, and in some cases locking off, the meter. Before service is disconnected, the customer will be notified by a written disconnection notice at least seven (7) business days prior to termination and a second notice forty eight (48) hours prior to termination of service. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within seven (7) days of initial termination.
- 3.09.10 Re-establishment of Service. In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee. The District will endeavor to reconnect service as soon as practicable, but at a minimum, will restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than District personnel or without District authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.
- 3.09.11 Re-establishment of Service After Business Hours. Service restored after 5:00 pm Monday through Friday, weekends, or holidays will be charged an after-hours re-establishment fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours re-establishment fee.



The after-hours re-establishment fee is in addition to the regular re-establishment fee and the late fee for a past due account. District staff responding to service calls are not permitted to collect payment but will instruct the customer to contact the billing department before noon the following business day.

Sometimes water service is discontinued because the service is a new account and the District has not received a request to establish service. If service is being restored after regular business hours because the customer has yet to establish service, the customer must agree to contact the billing department to establish service the next business day and the after-hours re-establishment will be waived. If service is discontinued for any reason not identified above, the service should be restored as quickly as possible and the customer advised to contact the billing department to resolve the issue. No after-hours re-establishment fee will be charged in this instance.

- 3.09.12 Notification of Disposition of Returned Check. Upon receipt of a returned check taken as payment of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good faith effort to notify the customer by phone or email of the returned check. A 48-hour notice of termination of service due to a returned check will be generated. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If the District is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

Water service will be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the notice of termination. All amounts paid to redeem a returned check and to pay the returned check charge must be in cash, credit card or certified funds.

- 3.09.13 Returned Checks for Previously Disconnected Service. In the event a customer tenders a non-negotiable check as payment to restore water service previously disconnected for non-payment and the District restores service, the District may promptly disconnect service without providing further notice. No 48-hour notice of termination will be given in the case of a non-negotiable check tendered for payment of water charges that were subject to discontinuance.

Any customer issuing a non-negotiable check as payment to restore service turned off for non-payment will be required to pay cash, credit card or certified funds to restore future service disconnections for a period of 12 months from the date of the returned payment.

- 3.09.14 Disputed Bills. If a customer disputes the water bill and exercises their right to appeal to the Board of Directors, the District will not disconnect water service for non-payment while the appeal is pending.

- 3.10 Utility Billing Adjustment for Leaks. A one-billing period leak adjustment is available once every three years for all customers who enter into the Excess Drinking Water Commodity Charge portion of the rate structure. Mechanical breakdown and broken pipes may be eligible for the adjustment provided the customer submits proof that the problem has been



corrected. The proof may take the form of a licensed plumber/contractor's invoice or repair parts receipts. Photo documentation of the repair is recommended but not required. A site visit by the District may be required.

Commodity charges for water use will be re-billed using the lowest tier cost without collecting charges for the Excess Drinking Water Commodity Charge. The difference credited to the utility account.

Recycled water services that are leaking will be shut off at the water meter until repairs are completed.

3.11 Accessory Dwelling Units.

3.11.01 For a parcel that adds an Accessory Dwelling Unit, the Yucaipa Valley Water District shall not charge a Facility Capacity Charge at the time of construction, but will charge an administrative processing fee and monthly drinking water, recycled water, and sewer charges as approved by the Board of Directors and set forth below:

- A. A non-refundable administrative processing fee of \$150 shall be due payable at the time application materials are submitted to the District.
- B. A single residential unit with an Accessory Dwelling Unit (up to 1,200 square feet) on the same parcel shall be charged additional monthly fixed fees for drinking water and sewer charges. The additional drinking water fixed fees shall be based on the number of EDUs or meter size, whichever is greater. Fixed fees for recycled water service will not be impacted. Water consumption charges are anticipated to increase based on the additional demand.
- C. The current variable, or consumptive rates for drinking water, recycled water, and/or sewer charges will be billed to the property owner each month. These charges include the Excess Usage Commodity Charges for drinking water and recycled water and other applicable fees.
- D. All monthly drinking water, recycled water, and sewer charges may be assigned by the owner to a tenant but shall remain the ultimate responsibility of the property owner as a single monthly utility bill.
- E. Utility billing for the fixed monthly drinking water and sewer charges associated with the Accessory Dwelling Unit shall commence to the property six months, or earlier if a certificate of occupancy is issued prior to the six-month period for the Accessory Dwelling Unit.
- F. Monthly fees associated with an Accessory Dwelling Unit shall be charged to the property regardless of occupancy status of the Accessory Dwelling Unit.
- G. Additions and modifications to the primary residence(s) and/or the Accessory Dwelling Unit may result in the collection of Facility Capacity Charges as provided below.

3.11.02 For a parcel with two or more residential units, the Yucaipa Valley Water District shall charge the applicable Facility Capacity Charges at the time of construction, and the following monthly drinking water, recycled water, and sewer charges:

- A. A non-refundable administrative processing fee of \$150 shall be due payable at the time application materials are submitted to the District.
- B. Multiple residential units shall be charged additional fixed fees for monthly drinking water and sewer charges. Fixed fees for recycled water service will not be impacted.
- C. The current variable, or consumptive rates for drinking water, recycled water, and/or sewer charges in effect will be billed to the property each month. These charges include the Excess Usage Commodity Charges for drinking water and recycled water and other applicable fees.
- D. The billing methodology identified above shall apply to any parcel with more than one water meter for service on the sample parcel, plus costs associated with the installation and maintenance of cross-connection prevention devices.
- E. All monthly drinking water, recycled water, and sewer charges may be assigned by the owner to a tenant but shall remain the ultimate responsibility of the property owner as a single monthly utility bill.

3.11.03 For apartments, condominiums, commercial, industrial, or institutional uses, the Yucaipa Valley Water District shall charge the applicable Facility Capacity Charges based on water and sewer fixture units and/or drainage units as calculated from the Uniform Plumbing Code. The fixed monthly drinking water, recycled water, and sewer charges shall be based on the fixture units and/or drainage units calculated. The current variable, or consumptive rates for drinking water, recycled water, and/or sewer charges in effect will be billed to the property each month.

- A. A non-refundable administrative processing fee of \$150 shall be due payable at the time application materials are submitted to the District.
- B. The fixed monthly drinking water, recycled water, and sewer charges shall be based on the calculated fixture units, drainage units, or Maximum Applied Water Allowance. The current variable, or consumptive rates for drinking water, recycled water, and/or sewer charges in effect will be billed to the property each month.
- C. All monthly drinking water, recycled water, and sewer charges may be assigned by the owner to a tenant but shall remain the ultimate responsibility of the property owner as a single monthly utility bill.

4. Drinking Water Charges

4.01 Drinking Water Service Charge. The monthly drinking water service charge shall be applied to the greater of: (1) meter size or (2) number of dwelling units.

Water Service Charge	Current Rate	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
Service Charge per Dwelling Unit	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
1" Water Meter - 1.67 EDU	\$23.38	\$25.05	\$26.72	\$27.56	\$28.39
1½" Water Meter - 3.33 EDU	\$46.62	\$49.95	\$53.28	\$54.95	\$56.61
2" Water Meter - 5.33 EDU	\$74.62	\$79.95	\$85.28	\$87.95	\$90.61
3" Water Meter - 10.00 EDU	\$140.00	\$150.00	\$160.00	\$165.00	\$170.00
4" Water Meter - 16.67 EDU	\$233.38	\$250.05	\$266.72	\$275.06	\$283.39
6" Water Meter - 33.33 EDU	\$466.62	\$499.95	\$533.28	\$549.95	\$566.61
8" Water Meter - 53.33 EDU	\$746.62	\$799.95	\$853.28	\$879.95	\$906.61

Water Service Charge	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027
Service Charge per EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
1" Water Meter - 1.67 EDU	\$29.23	\$30.06	\$30.90	\$31.73	\$32.57
1½" Water Meter - 3.33 EDU	\$58.28	\$59.94	\$61.61	\$63.27	\$64.94
2" Water Meter - 5.33 EDU	\$93.28	\$95.94	\$98.61	\$101.27	\$103.94
3" Water Meter - 10.00 EDU	\$175.00	\$180.00	\$185.00	\$190.00	\$195.00
4" Water Meter - 16.67 EDU	\$291.73	\$300.06	\$308.40	\$316.73	\$325.07
6" Water Meter - 33.33 EDU	\$583.28	\$599.94	\$616.61	\$633.27	\$649.94
8" Water Meter - 53.33 EDU	\$933.28	\$959.94	\$986.61	\$1,013.27	\$1,039.94

Water Service Charge	Projected 7/1/2028	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032
Service Charge per EDU	\$20.00	\$20.50	\$21.00	\$21.50	\$22.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$20.00	\$20.50	\$21.00	\$21.50	\$22.00
1" Water Meter - 1.67 EDU	\$33.40	\$34.24	\$35.07	\$35.91	\$36.74
1½" Water Meter - 3.33 EDU	\$66.60	\$68.27	\$69.93	\$71.60	\$73.26
2" Water Meter - 5.33 EDU	\$106.60	\$109.27	\$111.93	\$114.60	\$117.26
3" Water Meter - 10.00 EDU	\$200.00	\$205.00	\$210.00	\$215.00	\$220.00
4" Water Meter - 16.67 EDU	\$333.40	\$341.74	\$350.07	\$358.41	\$366.74
6" Water Meter - 33.33 EDU	\$666.60	\$683.27	\$699.93	\$716.60	\$733.26
8" Water Meter - 53.33 EDU	\$1,066.60	\$1,093.27	\$1,119.93	\$1,146.60	\$1,173.26

4.01.01 Multiple Residential Drinking Water Service Charge. Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be charged pursuant to the rates above, multiplied by the Multiple Residential Water Service Charge Factor below to determine the Multiple Residential Water Service Charge.

Multiple Residential Water Charge Factor					
Effective 2/1/2020	Effective 1/1/2021	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025
0.80	0.81	0.82	0.83	0.84	0.85

Multiple Residential Water Charge Factor					
Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
0.86	0.87	0.88	0.89	0.90	0.91

Multiple Residential Water Charge Factor					
Effective 1/1/2032	Effective 1/1/2033	Effective 1/1/2034	Effective 1/1/2035	Effective 1/1/2036	Effective 7/1/2037
0.92	0.93	0.94	0.95	0.96	0.97

Multiple Residential Water Charge Factor					
Effective 1/1/2038	Effective 1/1/2039	Multiple Residential Water Charge Factor is Eliminated Effective 1/1/2040			
0.98	0.99	1.00			

4.02 Drinking Water Commodity Charge. The water commodity charge rate is the charge per one thousand gallons (kgal) for all water registered by the customer's water meter in a monthly billing cycle. The Drinking Water Commodity Charge is applied to a fractional unit of drinking water consumption to 1/1,000 of a kgal (i.e. gallons) where applicable.

Drinking Water Commodity Charge (kgal)	Current Rate (\$/kgal)	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
1 – 15 Billing Units	\$1.429	\$1.479	\$1.579	\$1.626	\$1.675
16 – 60 Billing Units	\$1.919	\$2.069	\$2.131	\$2.195	\$2.261
61 – 100 Billing Units	\$2.099	\$2.269	\$2.435	\$2.508	\$2.583
101 and greater Billing Units	\$2.429	\$2.629	\$2.668	\$2.708	\$2.749

Drinking Water Commodity Charge (kgal)	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027
1 – 15 Billing Units	\$1.725	\$1.777	\$1.830	\$1.885	\$1.942
16 – 60 Billing Units	\$2.329	\$2.399	\$2.470	\$2.545	\$2.621
61 – 100 Billing Units	\$2.661	\$2.741	\$2.823	\$2.908	\$2.962
101 and greater Billing Units	\$2.790	\$2.832	\$2.875	\$2.918	\$2.962



Drinking Water Commodity Charge (kgal)	Projected 7/1/2028	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032
1 – 15 Billing Units	\$2.000	\$2.060	\$2.122	\$2.186	\$2.251
16 – 60 Billing Units	\$2.700	\$2.781	\$2.864	\$2.950	\$3.038
61 – 100 Billing Units	\$3.006	\$3.051	\$3.097	\$3.143	\$3.190
101 and greater Billing Units	\$3.006	\$3.051	\$3.097	\$3.143	\$3.190

4.02.01 **Multiple Residential Water Commodity Charge.** Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be charged pursuant to the rates above, multiplied by the Multiple Residential Water Service Charge Factor below to determine the Multiple Residential Water Service Charge.

Multiple Residential Water Charge Factor					
Effective 2/1/2020	Effective 1/1/2021	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025
0.80	0.81	0.82	0.83	0.84	0.85

Multiple Residential Water Charge Factor					
Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
0.86	0.87	0.88	0.89	0.90	0.91

Multiple Residential Water Charge Factor					
Effective 1/1/2032	Effective 1/1/2033	Effective 1/1/2034	Effective 1/1/2035	Effective 1/1/2036	Effective 7/1/2037
0.92	0.93	0.94	0.95	0.96	0.97

Multiple Residential Water Charge Factor		
Effective 1/1/2038	Effective 1/1/2039	Multiple Residential Water Charge Factor is Eliminated Effective 1/1/2040
0.98	0.99	1.00

4.03 **Excess Drinking Water Commodity Charge.** Pursuant to the District design guidelines, one Water Service Unit (WSU) provides capacity in the drinking water system for 700 gallons per day, or 21,000 gallons per month (21 kgal). However, with the implementation of dual-plumbed homes, some properties will be able to purchase a fraction of one Water Service Unit (WSU) for indoor use and a fraction of a Recycled Service Unit (RSU) for outdoor use.

For all non-residential users, the number of Water Service Units (WSU) will be determined by dividing the total number of fixture units by 35.



The minimum number of drinking water service units (WSU) will be equal to one for all non-dual plumbed accounts.

Monthly drinking water consumption that exceeds the Water Service Units (WSU) creates additional demand and costs for the operation, repair, maintenance, and replacement of drinking water filtration facilities, pipelines, reservoirs, boosters, and groundwater wells. The proportional operational, maintenance, and capital costs for the excessive drinking water demand has been calculated based on the need for additional operation and maintenance of the drinking water infrastructure.

The Excess Drinking Water Commodity Charge applies to the next Drinking Water Commodity unit (kgal) beyond the Water Service Unit allowance based on the formula below:

$$\text{If Drinking Water Commodity (kgal)} > \left[\left(\frac{\text{Water Service Units}}{\text{Units}} \right) \times (0.7 \text{ kgal}) \times (30 \text{ days}) \right],$$

then the following rate structure applies

Therefore, the Excess Drinking Water Commodity Charge would apply to a property with one (1) Water Service Unit (WSU) if more than 21 kgal of drinking water is used during a billing period. For a property with greater than one Water Service Unit (WSU), the Excess Drinking Water Commodity Charge will be calculated based on the proportionality of 1 WSU = 21 kgal of drinking water.

The Excess Drinking Water Commodity Charge is applied to a fractional unit of drinking water consumption to 1/1,000 of a kgal (i.e. gallons) where applicable.

The rate schedule for Excess Drinking Water Commodity Charge only applies to the commodity usage in excess of the Water Service Unit (WSU) allowance except for construction water where the Excess Drinking Water Commodity Charge applies to each commodity unit, or fraction thereof.

Excess Drinking Water Commodity Charge (kgal)	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Billing Units in Excess of Water Service Unit Allocation	\$0.240	\$0.242	\$0.245	\$0.247	\$0.250

Excess Drinking Water Commodity Charge (kgal)	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Billing Units in Excess of Water Service Unit Allocation	\$0.252	\$0.255	\$0.257	\$0.260	\$0.262

Excess Drinking Water Commodity Charge (kgal)	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032	Projected 7/1/2033
Billing Units in Excess of Water Service Unit Allocation	\$0.265	\$0.268	\$0.270	\$0.273	\$0.276

4.04 Drinking Water Infrastructure Replacement Commodity Charge. Reliable infrastructure is important to provide safe, high-quality drinking water to our community and to ensure the system works properly when emergencies arise. The Infrastructure Replacement Commodity Charge applies to each billing unit, or fraction thereof.

Infrastructure Replacement Commodity Charge (kgal)	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Each Billing Unit (kgal)	\$0.151	\$0.397	\$0.497	\$0.621	\$0.766

Infrastructure Replacement Commodity Charge (kgal)	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Each Billing Unit (kgal)	\$0.970	\$0.980	\$0.989	\$0.999	\$1.009

Infrastructure Replacement Commodity Charge (kgal)	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032	Projected 7/1/2033
Each Billing Unit (kgal)	\$1.019	\$1.030	\$1.040	\$1.050	\$1.061

4.05 Supplemental Water Commodity Charge. The Supplemental Water Commodity Charge applies to all drinking water consumption and is used to acquire, secure, operate, maintain, and obtain a variety of supplemental water sources to augment local water resources. This funding source may be used for drinking water or recycled water capital or operational costs that result in a reduction or replacement of imported water from the State Water Project.

The Supplemental Water Commodity Charge shall be applied to all Yucaipa Valley Water District drinking water consumption recorded at all individual drinking water meters including, but not limited to, residential, multi-family, commercial, industrial, institutional, and construction users.

This commodity charge is based on a pass-through cost of imported water rates set by the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency. While it is essential for the Supplemental Water Commodity Charge to be adjusted



automatically following any change by either State Water Contractor, the Yucaipa Valley Water District may take action by separate resolution to reduce this commodity charge if a less expensive supplemental water source, capital cost contribution, or operational cost is determined to be available as supplemental water, created, or established by the Yucaipa Valley Water District.

All available funds generated from the Supplemental Water Commodity Charge may be used to acquire, construct, secure, operate, maintain, and obtain, either temporarily or permanently, supplemental water to augment local water resources.

4.05.01 Frequency of Calculation. The frequency of the calculation in the following section will be applied automatically upon adoption of an imported water rate change by either the San Bernardino Valley Municipal Water District or the San Gorgonio Pass Water Agency. Any reduction of the Supplemental Water Commodity Charge by the Yucaipa Valley Water District shall not extend beyond twelve (12) months without re-authorization by the Yucaipa Valley Water District Board of Directors.

4.05.02 Calculation Methodology. The calculation definitions and methodology are applicable to the Imported Water Rates charged by the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency as follows:

Supplemental Water Commodity Charge

$$= [\textit{Calculation Factor}] \times [\textit{SBVMWD or SGPWA Imported Water Rate}] \times [0.00307]$$

Definitions:

- *Supplemental Water Supply Commodity Charge* (expressed in units of \$/kgal) represents the supplemental water supply charge implemented by the Yucaipa Valley Water District and applied to customer utility bills based on total drinking water consumption each billing cycle.
 - The Supplemental Water Supply Commodity Charge is independently calculated and applied within the respective service area of the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency.
- *Calculation Factor* represents the proportion of water resources that originate from local groundwater and surface water resources as compared to supplemental water sources. A Calculation Factor of 0.70 signifies that 70% of the total drinking water demands will be augmented with supplemental water resources. As provided in the table below, the Calculation Factor for supplemental water will slowly increase over time to provide funding necessary to secure alternative supplemental water resources.

Supplemental Water Supply Commodity Charge	Current Factor	Effective 1/1/2023	Effective 7/1/2025	Effective 7/1/2027	Effective 7/1/2029
Calculation Factor	0.700	0.730	0.750	0.775	0.800

- *SBVMWD or SGPWA Imported Water Rate* (expressed in units of \$/acre-foot) represents the water rate charged by the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency for water delivered to the Yucaipa Valley Water District, or for other acquisition, construction, capital, operational, maintenance, or other related costs for creating, storing, producing, and serving supplemental water supplies.

4.05.03 Implementation. The Supplemental Water Commodity Charge shall be effective based on the effective date the Imported Water Rate is set by the Board of Directors of either the San Bernardino Valley Municipal Water District or the San Gorgonio Pass Water Agency, unless otherwise reduced by Resolution set forth by the Yucaipa Valley Water District Board of Directors. The Yucaipa Valley Water District shall implement the Supplemental Water Supply Commodity Charge on the effective date regardless of the service period.

4.05.04 Notification by State Water Contractors. By this Resolution, the District requests that the San Bernardino Valley Municipal Water District and the San Gorgonio Pass Water Agency provide at least 120 days written notice to the Yucaipa Valley Water District of any increases to the wholesale imported water rates charged to the Yucaipa Valley Water District.

4.06 Meter Test Charge. The cost associated with testing water meters shall not be less than the actual cost incurred by the District. This actual cost will be reviewed and set forth by resolution adopted by the Yucaipa Valley Water District Board of Directors.

4.07 Fire Service Demand Charge. The fire service standby charge shall be a daily charge per inch diameter of the: (1) main fire line; (2) detector check valve; or (3) water meter for residential fire sprinklers installed to the premises.

Fire Service Demand Charge	Current Charge	Effective 1/1/2022	Effective 7/1/2024	Effective 7/1/2026	Effective 7/1/2028
Monthly charge per diameter inch of main fire line detector check valve or meter, whichever is larger	\$2.555	\$2.683	\$2.817	\$2.958	\$3.106

Water usage through a bypass meter is billed at two times the highest Drinking Water Commodity Charge.

Residential homes with fire sprinklers are required to install a minimum one inch (1") water meter for fire flow capacity but are only charged one Water Service Unit (WSU) for facility capacity charges. These customers will be charged a Water Service Charge for a 1" drinking



water meter and receive one (1) Water Service Unit, or less if dual-plumbed, for calculating the Excess Recycled Water Commodity Charge.

- 4.08 Fire Flow Measurements and Reports. The charge for providing results of each fire flow test shall be \$150.00. The charge must be paid prior to the District providing any fire flow data to the requesting party.
- 4.09 Water Meter Reactivation/Conversion Charge. Prior to reactivating or converting a water meter that has been locked off by the District for greater than twelve months within the previous five years, the customer requesting meter conversion to one or more smaller water meters shall be required to pay the current Drinking Water or Recycled Water Service Charge multiplied by the number of months (or fraction thereof) the meter was locked off. Water meters that have been out of service for more than 60 months are required to pay the difference between the Facility Capacity Charge when the water meter was locked off / deactivated and the current Facility Capacity Charge.

[End of Section 4]



5. Recycled Water Charges

5.01 Recycled Water Service Charge. The monthly recycled water service charge shall be applied to the greater of (1) meter size or (2) number of dwelling units.

Recycled Water Service Charge	Current Rate	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
Service Charge per EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$14.00	\$15.00	\$16.00	\$16.50	\$17.00
1" Water Meter - 1.67 EDU	\$23.38	\$25.05	\$26.72	\$27.56	\$28.39
1½" Water Meter - 3.33 EDU	\$46.62	\$49.95	\$53.28	\$54.95	\$56.61
2" Water Meter - 5.33 EDU	\$74.62	\$79.95	\$85.28	\$87.95	\$90.61
3" Water Meter - 10.00 EDU	\$140.00	\$150.00	\$160.00	\$165.00	\$170.00
4" Water Meter - 16.67 EDU	\$233.38	\$250.05	\$266.72	\$275.06	\$283.39
6" Water Meter - 33.33 EDU	\$466.62	\$499.95	\$533.28	\$549.95	\$566.61
8" Water Meter - 53.33 EDU	\$746.62	\$799.95	\$853.28	\$879.95	\$906.61

Recycled Water Service Charge	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027
Service Charge per EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50
1" Water Meter - 1.67 EDU	\$29.23	\$30.06	\$30.90	\$31.73	\$32.57
1½" Water Meter - 3.33 EDU	\$58.28	\$59.94	\$61.61	\$63.27	\$64.94
2" Water Meter - 5.33 EDU	\$93.28	\$95.94	\$98.61	\$101.27	\$103.94
3" Water Meter - 10.00 EDU	\$175.00	\$180.00	\$185.00	\$190.00	\$195.00
4" Water Meter - 16.67 EDU	\$291.73	\$300.06	\$308.40	\$316.73	\$325.07
6" Water Meter - 33.33 EDU	\$583.28	\$599.94	\$616.61	\$633.27	\$649.94
8" Water Meter - 53.33 EDU	\$933.28	\$959.94	\$986.61	\$1,013.27	\$1,039.94

Recycled Water Service Charge	Projected 7/1/2028	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032
Service Charge per EDU	\$20.00	\$20.50	\$21.00	\$21.50	\$22.00
Water Meter Based Charge:					
¾" Water Meter - 1.00 EDU	\$20.00	\$20.50	\$21.00	\$21.50	\$22.00
1" Water Meter - 1.67 EDU	\$33.40	\$34.24	\$35.07	\$35.91	\$36.74
1½" Water Meter - 3.33 EDU	\$66.60	\$68.27	\$69.93	\$71.60	\$73.26
2" Water Meter - 5.33 EDU	\$106.60	\$109.27	\$111.93	\$114.60	\$117.26
3" Water Meter - 10.00 EDU	\$200.00	\$205.00	\$210.00	\$215.00	\$220.00
4" Water Meter - 16.67 EDU	\$333.40	\$341.74	\$350.07	\$358.41	\$366.74
6" Water Meter - 33.33 EDU	\$666.60	\$683.27	\$699.93	\$716.60	\$733.26
8" Water Meter - 53.33 EDU	\$1,066.60	\$1,093.27	\$1,119.93	\$1,146.60	\$1,173.26

5.02 Recycled Water Commodity Charge. The recycled water commodity charge is the charge per one thousand gallons (kgal) for all recycled water registered by the customer's meter in a monthly billing cycle. The Recycled Water Commodity Charge is applied to a fractional unit of recycled water consumption to 1/1,000 of a kgal (i.e. gallons) where applicable.

Recycled Water Commodity Charge (kgal)	Current Rate (\$/kgal)	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
Billing Units (kgal)	\$1.425	\$1.725	\$1.760	\$1.795	\$1.831

Recycled Water Commodity Charge (kgal)	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027
Billing Units (kgal)	\$1.867	\$1.905	\$1.943	\$1.981	\$2.021

Recycled Water Commodity Charge (kgal)	Projected 7/1/2028	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032
Each Billing Units (kgal)	\$2.062	\$2.103	\$2.145	\$2.188	\$2.231

5.03 Excess Recycled Water Commodity Charge. Pursuant to the District design guidelines, one Recycled Service Unit (RSU) provides capacity in the recycled water system based on the Maximum Applied Water Allowance (MAWA) calculation used to establish service using the designed irrigation demand.

With the implementation of dual-plumbed homes, some residential properties will be able to purchase a fraction of one Recycled Service Unit (RSU) for outdoor irrigation. Typically, the sum of the Water Service Unit (WSU) and the Recycled Service Unit (RSU) will total 1.0 for single family dual-plumbed residential units.

The minimum sum of Water Service Units (WSU) and Recycled Service Units (RSU) will be equal to one for all non-dual plumbed accounts.

Monthly recycled water consumption that exceeds the Recycled Service Units (RSU) creates additional demand and costs for the operation, repair, maintenance, and replacement of recycled water facilities, pipelines, reservoirs, boosters, and injection wells. The proportional operational, maintenance, and capital costs for the excessive recycled water demand has been calculated based on the need for additional operation and maintenance of the recycled water infrastructure.

The Excess Recycled Water Commodity Charge applies to the next Recycled Water Commodity unit (kgal) beyond the Recycled Service Unit (RSU) based on the formula below:

$$\text{If Recycled Water Commodity (kgal)} > \left[\left(\begin{matrix} \text{Recycled} \\ \text{Service} \\ \text{Units} \end{matrix} \right) \times (0.7 \text{ kgal}) \times (30 \text{ days}) \right],$$

then the following rate structure applies

Therefore, the Excess Recycled Water Commodity Charge would apply to a property with

one (1) Recycled Service Unit (RSU) if more than the calculated Maximum Applied Water Allowance (MAWA) is used during a billing period.

The Excess Recycled Water Commodity Charge will be calculated based on the proportionality of 1 RSU = 98.550 kgal of recycled water.

The rate schedule for Excess Recycled Water Commodity Charges is provided below and only applies to the commodity usage in excess of the Recycled Service Unit (RSU) allowance.

Excess Recycled Water Commodity Charge (kgal)	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Billing Units in Excess of Recycled Water Service Unit Allocation	\$0.072	\$0.077	\$0.082	\$0.087	\$0.093

Excess Recycled Water Commodity Charge (kgal)	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
Billing Units in Excess of Recycled Water Service Unit Allocation	\$0.099	\$0.105	\$0.112	\$0.119	\$0.127

Excess Recycled Water Commodity Charge (kgal)	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032	Projected 7/1/2033
Billing Units in Excess of Recycled Water Service Unit Allocation	\$0.135	\$0.144	\$0.153	\$0.163	\$0.174

5.04 Recycled Water Infrastructure Replacement Commodity Charge. Reliable infrastructure is important to provide reliable recycled water to our community. The Infrastructure Recycled Water Replacement Commodity Charge applies to each billing unit of recycled water, or fraction thereof.

Recycled Water Infrastructure Replacement Commodity Charge (kgal)	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022	Effective 7/1/2023
Each Billing Unit (kgal)	\$0.151	\$0.153	\$0.154	\$0.156	\$0.157



Recycled Water Infrastructure Replacement Commodity Charge (kgal)	Effective 2/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027	Projected 7/1/2028
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Each Billing Unit (kgal) \$0.159 \$0.160 \$0.162 \$0.164 \$0.165

Recycled Water Infrastructure Replacement Commodity Charge (kgal)	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032	Projected 7/1/2033
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Each Billing Unit (kgal) \$0.167 \$0.168 \$0.170 \$0.172 \$0.174

- 5.05 Meter Test Charge. The cost associated with testing water meters shall be not less than the actual cost incurred by the District. This actual cost will be reviewed and set forth by resolution adopted by the Yucaipa Valley Water District Board of Directors.
- 5.06 Water Meter Reactivation/Conversion Charge. Prior to reactivating or converting a water meter that has been locked off by the District for greater than twelve months within the previous five years, the customer requesting meter conversion to one or more smaller water meters shall be required to pay the current Drinking Water or Recycled Water Service Charge multiplied by the number of months (or fraction thereof) the meter was locked off. Water meters that have been out of service for more than 60 months are required to pay the difference between the Facility Capacity Charge when the water meter was locked off / deactivated and the current Facility Capacity Charge.

[End of Section 5]

6. Sewer Charges

- 6.01 Sewer Service Charge. A sewer service charge shall apply to all customers based on the number of Sewer Service Units (SSU). For residential customers the number of Sewer Service Units (SSU) is one (1.00). For all non-residential users, the number of Sewer Service Units (SSU) will be determined by dividing the total number of drainage units (consistent with the Uniform Plumbing Code) by 35.

Monthly Sewer Service Charge	Existing Charge	Effective 2/1/2020	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
Sewer Service Charge per Sewer Service Unit	\$42.43	\$43.43	\$44.19	\$44.63	\$45.08

Monthly Sewer Service Charge	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025	Effective 7/1/2026	Projected 7/1/2027
Sewer Service Charge per Sewer Service Unit	\$45.53	\$45.98	\$46.44	\$46.91	\$47.38

Monthly Sewer Service Charge	Projected 7/1/2028	Projected 7/1/2029	Projected 7/1/2030	Projected 7/1/2031	Projected 7/1/2032
Sewer Service Charge per Sewer Service Unit	\$47.85	\$48.33	\$48.81	\$49.30	\$49.79

- 6.01.01 Multiple Residential Sewer Service Charge. Multiple Residential Dwellings of more than 30 dwelling units on the same parcel constructed prior to May 1, 2005 shall be charged pursuant to the rates above, multiplied by the Multiple Residential Sewer Service Charge Factor below to determine the Multiple Residential Sewer Service Charge.

Multiple Residential Sewer Charge Factor					
Effective 2/1/2020	Effective 1/1/2021	Effective 1/1/2022	Effective 1/1/2023	Effective 1/1/2024	Effective 1/1/2025
0.925	0.930	0.935	0.940	0.945	0.950

Multiple Residential Sewer Charge Factor					
Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029	Effective 1/1/2030	Effective 1/1/2031
0.955	0.960	0.965	0.970	0.975	0.980



Multiple Residential Sewer Charge Factor			
Effective 1/1/2032	Effective 1/1/2033	Effective 1/1/2034	Multiple Residential Sewer Charge Factor is Eliminated Effective 1/1/2035
0.985	0.990	0.995	1.000

6.02 Sewer Septage Receiving Charge. A sewer septage receiving of hauled waste is not included in this resolution since the Yucaipa Valley Water District does not accept hauled waste at the Wochholz Regional Water Recycling Facility.

6.03 Sewer Pretreatment Fees. The Yucaipa Valley Water District has adopted an ordinance which regulates the discharge of non-domestic sewer into the sewerage system of the District in accordance with General Pretreatment Regulations (40 CFR Part 403). In order to enforce the requirements of the District's Industrial Sewer Pretreatment Ordinance, it is necessary to issue five separate classes of Industrial User Permits and charges as follows:

Permit Class	Industrial User type	Pretreatment Fees
I	Federal Categorical	\$500.00 plus sampling costs
II	Significant User	\$500.00 plus sampling costs
III	Non-significant User	\$270.00 plus sampling costs
IV	Temporary User	\$200.00 plus sampling costs
V	Septage Waste Hauler	\$170.00 per vehicle

6.04 Commercial and Industrial Sewer Service Charge. The sewer service charge shall apply to all identified commercial and industrial customers based on the following formula using the sewer service charge identified in Section 6.01, the commercial rate factors and water consumption.

$$\text{Commercial / Industrial Sewer Service Charge} = \text{Sewer Service Charge (Section 6.01)} \times 0.0329 \times \text{Volumetric Sewer Rate Factor (see Table 1)} \times \text{Water Consumption (kgal)}$$

6.04.01 Commercial and Industrial Minimum Charge. Each commercial and industrial unit shall be charged a minimum amount based on the number of Sewer Service Units assigned to the facility.

6.05 School Sewer Service Charge. If a school or college is receiving drinking water service from the Yucaipa Valley Water District with a separate irrigation meter, then the sewer service charge will be based on the volumetric sewer rates and billing methodology in Table 1.

If a school does not receive drinking water service from Yucaipa Valley Water District or does not have a separate irrigation meter, then the sewer service charge shall be based on the number of student's enrolled and total staff members at each facility based on fall enrollment figures for the school year. Elementary and middle schools shall use a factor of 60 students



and staff members per Equivalent Dwelling Unit; and high schools shall use a factor of 30 students and staff members per Equivalent Dwelling Unit.

$$\begin{array}{l}
 \textit{Elementary /} \\
 \textit{Middle School} \\
 \textit{Sewer Service} \\
 \textit{Charge}
 \end{array}
 =
 \begin{array}{l}
 \textit{Total Number of} \\
 \textit{Students and} \\
 \textit{Staff Members}
 \end{array}
 \div 60 \times \begin{array}{l}
 \textit{Monthly Sewer} \\
 \textit{Service Charge} \\
 \textit{(Section 5.1)}
 \end{array}$$

$$\begin{array}{l}
 \textit{High School} \\
 \textit{Sewer Service} \\
 \textit{Charge}
 \end{array}
 =
 \begin{array}{l}
 \textit{Total Number of} \\
 \textit{Students and} \\
 \textit{Staff Members}
 \end{array}
 \div 30 \times \begin{array}{l}
 \textit{Monthly Sewer} \\
 \textit{Service Charge} \\
 \textit{(Section 5.1)}
 \end{array}$$

6.06 Other Discharges to the Sewer System. The Yucaipa Valley Water District reserves the sole right and discretion to calculate monthly sewer rates for other sewer rate discharges not included specifically herein. Examples of such discharges are not limited to the following: water treatment processes, sewer treatment processes, brine disposal, commercial/industrial customers and other discharges to the sewer system originating outside of the Yucaipa Valley Water District service area.

[End of Section 6]

Table 1 - Volumetric Sewer Rate Factors

Type of Business	BOD (mg/l)	SS (mg/l)	Commercial Rate Factors without a separate landscape meter	Commercial Rate Factors with a separate landscape meter
Automobile - Car Wash	20	150	2.06	2.74
Automobile - Repair Shop	180	280	3.67	4.89
Automobile - Gas Station	150	150	2.78	3.70
Automobile - Steam Cleaning	1150	1250	14.44	19.26
Bakery	1000	600	10.00	13.33
College	410	315	5.14	6.85
Commercial, Category A*	130	80	2.28	3.04
Commercial, Category B**	410	315	5.14	6.85
Department / Retail Store	150	150	2.78	3.70
School***	410	315	5.14	6.85
Fast Food	340	315	4.75	6.33
Hospital & Convalescent	250	100	3.06	4.07
Hotel with Dining Facility	500	600	7.22	9.63
Hotel without Dining Facility	310	120	3.50	4.67
Institutional	150	150	2.78	3.70
Laundromat - Commercial	670	680	8.61	11.48
Laundromat - Local	150	110	2.56	3.41
Mortuary	800	800	10.00	13.33
Professional Office	130	80	2.28	3.04
Restaurant	1,000	600	10.00	13.33
Rest Stop	200	200	3.33	4.44
Supermarket	800	800	10.00	13.33

- * Commercial - Category A rate factors apply to single unit or multiple unit commercial centers without a restaurant or supermarket on the water meter used to calculate the Commercial Sewer Service Charge.
- ** Commercial - Category B rate factors apply to multiple unit commercial centers with a restaurant or supermarket on the water meter used to calculate the Commercial Sewer Service Charge.
- *** School - The volumetric calculation for schools requires drinking water service to be provided by Yucaipa Valley Water District. If drinking water service is not provided by Yucaipa Valley Water District, then the service charge will be calculated based on the number of students and staff members.

PASSED, APPROVED and ADOPTED this __ day of January 2020.

YUCAIPA VALLEY WATER DISTRICT

Chris Mann, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

DRAFT



Appendix B

Citations and Resources

Resources & Citations Utilized in the Preparation of this Rate Analysis

1. Yucaipa Valley Water District, Audited Financial Statements, period ending, June 30, 2010 through period ending June 20, 2018.
2. Yucaipa Valley Water District, Operating and Capital Improvement Budget for Fiscal Year 2020.
3. Yucaipa Valley Water District, Management Discussion and Analysis, GASB 34 Compliance Document, June 30, 2018.
4. City of Oxnard Water Rate Study, Prepared by Kennedy/Jenks Consultants, December 2002.
5. [Water Conservation and Drought Planning](#), AB 1668 (Friedman, 2018) and SB 606 (Hertzberg, 2018)
6. [Landscape Water Use Efficiency](#), AB 2371 (Carrillo, 2018)
7. [Onsite Treated Non-Potable Water Systems](#) SB 966 (Wiener, 2018)
8. *Making Water Conservation a California Way of Life: Primer of 2018 Legislation of Water Conservation and Drought Planning*. [News Release](#) (Nov 13, 2018)
9. [Water Efficiency Legislation Fact Sheet](#) (June 7, 2018)
10. [AB 1668 and SB 606](#) (enrolled text of both bills), Legislative information: [AB1668 SB 606](#) (May 31, 2018)
11. [Governor's Press Release](#) (May 31, 2018)
12. [Making Water Conservation a California Way of Life – Primer of 2018 Legislation on Water Conservation and Drought Planning Senate Bill 606 \(Hertzberg\) and Assembly Bill 1668 \(Friedman\)](#)
13. [Making Water Conservation a California Way of Life](#) (April 2017), Implementing Governor's Executive Order B-37-16. Also known as the "framework" report.
14. [California Water Action Plan](#) (2016), the Administration's five-year blueprint for more reliable, resilient water systems to prepare for climate change and population growth
15. [A complete list of Governor Brown's Executive Orders](#)
16. [An overview of California's Emergency Drought Actions](#)
17. Disclosure Procedures for the Issuance of Municipal Debt by the Yucaipa Valley Water District, Director Memorandum No. 14-103, December 17, 2014.
18. Policy Related to Debt Management of the Yucaipa Valley Water District Water Division, Director Memorandum No. 15-017, February 18, 2015.
19. EPA Water Infrastructure Financial Leadership, Successful Financial Tools for Local Decision Makers, September 2017, https://www.epa.gov/sites/production/files/2017-09/documents/financial_leadership_practices_document_final_draft_9-25-17_0.pdf

Appendix C

Yucaipa Valley Water District Capital Improvement Program



Chapter Five

Fiscal Year 2020

Capital Improvement Budget

Capital Improvement Program

A systematic, organized approach to planning capital facilities provides several benefits:

Using taxpayers' dollars wisely. Advance planning and scheduling of infrastructure may avoid costly mistakes. The effort put into deliberate assessment of the need for repair, replacement or expansion of existing infrastructure, as well as careful evaluation of the need and timing of new facilities can provide savings. Project timing may be improved to better use available personnel, expensive equipment and construction labor by scheduling related major activities over a longer period. Coordination of construction of several projects may affect savings in construction costs (a newly paved street may not have to be torn up to replace utility lines). Overbuilding or underbuilding usually can be avoided. Needed land can be purchased at lower cost well in advance of construction.

Focusing on community needs and capabilities. District projects should reflect the community's needs, objectives, expected growth and financial capability. With limitations for funding capital facilities, planning ahead will help assure that high priority projects will be built first.

Obtaining community support. Citizens tend to be more receptive toward projects which are part of a community-wide analysis. A high priority project which is part of an overall plan is less suspect as being someone's "pet project". Where the public participates in the planning of community facilities the citizens are better informed about the community needs and the priorities. A capital improvement program reduces the pressure on elected officials to fund projects which may be of low priority.

Encouraging economic development. Typically, a firm considering expansion or relocation is attracted to a community which has well planned and well managed facilities in place. Also, a capital improvement program allows private investors to understand a community's tax loads and service costs and reflects the fact that the community has completed advance planning to minimize the costs of capital facilities.

More efficient administration. Coordination of capital improvements construction among city, county and special districts can reduce scheduling problems, conflicts and overlapping of projects. Also, work can be scheduled more effectively when it is known in advance what, where and when projects are to be undertaken. A capital improvements program allows a community to anticipate lead times necessary to conduct bond elections and bond sales, prepare design work and let contract bids.

Maintaining a stable financial program. Abrupt changes in the tax structure and bonded indebtedness may be avoided when construction projects are spaced over a number of years. Major expenditures can be anticipated, resulting in the maintenance of a sound financial standing through a more balance program of bonded indebtedness. Where there is ample time for planning, the most economical methods of financing each project can be selected in advance. Keeping planned projects within the financial capacity of the community helps to preserve its credit and bond rating and makes the area more attractive to business and industry.

Federal and state grant and loan programs. A capital improvements program places the community in a better position to take advantage of federal and state grant programs, because plans can be made far enough in advance to utilize matching funds, both anticipated and

unanticipated. Most federal and state grant/loan programs either require prior facilities planning, or favor, in ranking applications, applicants which have conducted such planning.

The Yucaipa Valley Water District Capital Improvement Program is a planning tool used to identify projects and their corresponding costs. This program is necessary to provide for the orderly replacement and expansion of existing facilities; the construction of new facilities; and the development of project revenue and financing sources.

The Yucaipa Valley Water District Capital Improvements Program is a blueprint for planning the capital expenditures by coordinating planning, financial capacity and physical infrastructure construction.

The Capital Improvement Program is composed of two parts -- a capital budget and a capital program. The capital budget is the upcoming year's spending plan for capital items. The capital program is a plan for capital expenditures that extends five years beyond the capital budget.

Capital Improvement Program Summary

The Yucaipa Valley Water District Capital Improvement Program identifies those proposed projects to be undertaken by the District to improve services, upgrade facilities and replace physical plants. This report contains a summary of those projects. It should be noted that the cost estimates should only be used as a general guide. Actual costs may vary greatly based on such factors as when the project is built, specific design considerations, environmental mitigation, and actual construction bids.

Substantial financial resources will be needed to carry out the Capital Improvement Program. Revenue and expenditures over the next five-year period need to be reviewed in order to determine the District's ability to implement the Capital Improvement Program.

Criteria for Prioritizing Capital Improvement Projects

Capital Improvement Projects will be evaluated and prioritized by being placed into one of three categories. The three categories are as follows:

- **Critical**
 - Reduce Dependency on Imported Water
 - Well Construction
 - Maximize Local Water
 - Recycled Water Development
 - Regulatory Requirements
 - Contractual Obligations
- **Important**
 - Community Needs
 - Minimization of Operational Costs
 - System Reliability
- **Necessary**
 - Future Growth

Capital Improvement Categories

The District currently maintains several separate categories to better define capital improvement projects. These categories are used primarily to identify internal funding sources, but such categories can also be useful for assessing the importance of a particular project.

The District uses the following categories:

- Contractual Obligation
- Drinking Water Source of Supply
- Drinking Water System Improvement
- Drinking Water Treatment Facility Construction/Improvement
- Drinking Water Well Improvement
- Groundwater Monitoring Improvement
- Groundwater Recharge Facility Improvement
- Land Acquisition
- Recycled Water Source of Supply
- Recycled Water System Improvement
- Regulatory Requirement
- Sewer Collection System Improvement
- Sewer Lift Station Improvement
- Sewer Treatment Facility Construction/Improvement
- Other

Purpose of Capital Improvement Program

By establishing the Capital Improvement Program, it becomes clear that the District must maximize revenue sources to support the construction of required facilities. The District's ability to obtain long-term financing for the Capital Improvement Program is largely dependent on the financial strength and revenue stream of the District. To keep this high investment grade rating for future projects, the District must maintain adequate fee structures and reserve funds.

Finally, it is imperative that the operating costs of the water, sewer and recycled water divisions remain fully self-supported by user fees in order to maximize other revenue sources for support of the Capital Improvement Program.

In the operating budget, the water, sewer and recycled water divisions receive property taxes that are used to fund depreciation/reserves. This is consistent with a fiduciary approach that invests heavily in the replacement of aged infrastructure instead of subsidizing water and sewer rates. This approach will continue to make the water, sewer and recycled water operating funds self-sufficient while investing in improving the efficiency of the District while providing for the orderly replacement and expansion of existing facilities. This fiduciary philosophy of investing in the replacement of old infrastructure greatly enhances the overall value of the District while improving the quality of life for our customers.

YVWD-Capital Improvement Projects			Proposed Capital Improvement Project Funding by Fiscal Year													2032 - 2042 10 Year Projected Cost	Estimated Project Cost	
			FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32			
1	YVRWFF	Automated Meter Infrastructure – Meter Replacement and Retrofit	New	\$1,000,000	\$1,000,000	\$1,000,000											\$0	\$ 3,000,000
2	YVRWFF	R-18.4 / Power Project	New	\$150,000													\$0	\$ 150,000
3	YVRWFF	Drain Line for the Existing R-14 Reservoir	New	\$70,000													\$0	\$ 70,000
4	YVRWFF	Surveillance System Upgrades - YVRWFF with Intrusion Notification	New	\$175,000													\$0	\$ 175,000
5	YVRWFF	Upgrade Fencing for YVRWFF for Intrusion Protection	Rehab	\$100,000													\$0	\$ 100,000
6	YVRWFF	Automatic Backwashable Strainers (3)	Replace/New	\$155,000													\$0	\$ 155,000
7	YVRWFF	Booster 20.2.1 Installation	New		\$200,000												\$0	\$ 200,000
8	YVRWFF	Surveillance System Upgrades - Production and Distribution Site	New		\$100,000												\$0	\$ 100,000
9	YVRWFF	Booster 13.2.2 Installation	New		Pending												\$0	\$ -
10	YVRWFF	Microfiltration Module Replacement Racks 1-5	Replace		\$1,140,000												\$0	\$ 1,140,000
11	YVRWFF	Oak Glen Filtration Facility Rehabilitation	Rehab		\$200,000												\$0	\$ 200,000
12	YVRWFF	Additional NaOCl Bulk Tank	New		\$20,000												\$0	\$ 20,000
13	YVRWFF	Colored Coating Paint for all Piping and Tank	Rehab		\$245,000												\$0	\$ 245,000
14	YVRWFF	Microfiltration EFM Heater Installation	New			\$100,000											\$0	\$ 100,000
15	YVRWFF	Rehab R-16.6	Rehab			\$350,000											\$0	\$ 350,000
16	YVRWFF	Booster 15.1.1 Installation	New			\$300,000											\$0	\$ 300,000
17	YVRWFF	Booster Facility at R-15.1 - Design and Construction	New			\$925,000											\$0	\$ 925,000
18	YVRWFF	Salinity/Concentrate Reduction and Minimization (SCRAM)	New				\$526,620	\$526,620	\$526,620	\$526,620	\$526,620	\$526,620	\$526,620	\$526,620	\$526,620	\$5,266,200	\$ 10,532,400	
19	YVRWFF	Rehab Well 12	Rehab				\$40,000										\$0	\$ 40,000
20	YVRWFF	Rehab R-16.2	Rehab				\$86,949										\$0	\$ 86,949
21	YVRWFF	Booster No. B-16.2	New				\$425,000										\$0	\$ 425,000
22	YVRWFF	Rehab Wells 72, 73, & 75	Rehab					\$100,000									\$0	\$ 100,000
23	YVRWFF	Booster 15.2.1 Replacement	Replace					\$30,000									\$0	\$ 30,000
24	YVRWFF	1.5 MG Reservoir R-17.2 - Design and Construction	New					\$250,000	\$1,620,000								\$0	\$ 1,870,000
25	YVRWFF	1.5 MG Reservoir R-16.2 - Design and Construction	New					\$640,000	\$4,560,000								\$0	\$ 5,200,000
26	YVRWFF	Booster B-13.2	New						\$1,975,000								\$0	\$ 1,975,000
27	YVRWFF	YVRWFF Chemical Trench Rehabilitation	Rehab							\$50,000							\$0	\$ 50,000
28	YVRWFF	Booster 16.2.1 Installation	New						\$300,000								\$0	\$ 300,000
29	YVRWFF	Booster 17.2.1 Replacement	Replace								\$30,000						\$0	\$ 30,000
30	YVRWFF	Booster 16.2.2 Installation	New								\$350,000						\$0	\$ 350,000
1	WRWRF	Primary Clarifier Chain and Sprocket Replacement	Replace	\$500,000													\$0	\$ 500,000
2	WRWRF	Primary Flights Refurbishing and Replacements	Replace	\$150,000													\$0	\$ 150,000
3	WRWRF	Digester Feed Valve and Actuator	Replace	\$21,500													\$0	\$ 21,500
4	WRWRF	Asphalt Rehabilitation	Rehab	\$75,000													\$0	\$ 75,000
5	WRWRF	Facility Lights Upgrade to LED	Replace	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000									\$0	\$ 50,000
6	WRWRF	In Plant Sewer Pump #4 Replacement (District Project)	Replace	\$10,000													\$0	\$ 10,000
7	WRWRF	Laboratory Rehabilitation	Rehab	\$125,000													\$0	\$ 125,000
8	WRWRF	Boiler Replacement at Digesters	Replace		Pending												\$0	\$ -
9	WRWRF	Belt Press Building Rehab	Rehab		\$50,000												\$0	\$ 50,000
10	WRWRF	Backwash Return Basin Pump Replacement and Relocation	Replace		Pending												\$0	\$ -
11	WRWRF	Methane Waste Gas Flare	New		\$1,300,000												\$0	\$ 1,300,000
12	WRWRF	Salinity and Groundwater Enhancement (SAGE)	Replace		\$1,811,004	\$1,811,004	\$1,811,004	\$1,811,004	\$1,811,004	\$1,811,004	\$1,811,004	\$1,811,004	\$1,811,004	\$1,811,004	\$1,811,004	\$14,488,032	\$ 36,220,080	
13	WRWRF	Clarifier Three Drain Valve Broken	Rehab			\$5,000											\$0	\$ 5,000
14	WRWRF	Belt Press Building Roof Replacement	Replace			\$60,000											\$0	\$ 60,000
15	WRWRF	Compactor Discharge Shoot Modification	Rehab			\$5,000											\$0	\$ 5,000
16	WRWRF	Retaining Wall Improvements	Rehab			\$5,000											\$0	\$ 5,000
17	WRWRF	Pressurized Pump into the DAFT Replacement	Replace			\$6,000											\$0	\$ 6,000
18	WRWRF	Daft Drive Sweep Assembly Replacement	Replace			Pending											\$0	\$ -
19	WRWRF	Thicken Sludge Pump (2) Replacements	Replace			\$10,000											\$0	\$ 10,000
20	WRWRF	Recirculation Pumps at Digesters (6)	Replace				\$30,000										\$0	\$ 30,000
21	WRWRF	Relocate and Replace Scum Pump	Replace				\$7,500										\$0	\$ 7,500
22	WRWRF	MPM Building Eve Replacement	Replace				\$5,000										\$0	\$ 5,000
23	WRWRF	North and South Pond Liner Replacement	Replace				Pending										\$0	\$ -
24	WRWRF	Primary Project Rehabilitation	Rehab				Pending										\$0	\$ -
25	WRWRF	Methanol Tank Replacement or Additional Tankage Added	Replace				Pending										\$0	\$ -
26	WRWRF	Primary Pond Liner Replacement	Replace					Pending									\$0	\$ -
27	WRWRF	Aeration Basins Air Control Valve Relocation	New					Pending									\$0	\$ -
28	WRWRF	Secondary Clarifier Stucco Repair and Repaint	Rehab					\$50,000									\$0	\$ 50,000
29	WRWRF	Channel Coating	Rehab					Pending									\$0	\$ -
30	WRWRF	Membrane Replacement	Replace						\$1,375,000								\$0	\$ 1,375,000
31	WRWRF	Surveillance System Upgrades - WRWRF w/ Intrusion	New						\$170,000								\$0	\$ 170,000
32	WRWRF	Oak Glen Road Booster Pipeline, 20.2-22.1	New						\$500,000								\$0	\$ 500,000
33	WRWRF	Surveillance System Upgrades - WRWRF Bridges	New							\$55,000							\$0	\$ 55,000
34	WRWRF	Hydro pneumatic Tank Removal	Remove							Pending							\$0	\$ -
35	WRWRF	Surveillance System Upgrades - Lift Station No. 1	New							\$30,000							\$0	\$ 30,000
36	WRWRF	Surveillance System Upgrades - Network Infrastructure	New							\$55,000							\$0	\$ 55,000
37	WRWRF	Lift Station No. 1 Relocation	Relocate									\$6,550,000					\$0	\$ 6,550,000
38	WRWRF	Brine Line Manhole Additions	New									\$738,000					\$0	\$ 738,000

YVWD-Capital Improvement Projects			Project Type	Proposed Capital Improvement Project Funding by Fiscal Year												2032 - 2042 10 Year Projected Cost	Estimated Project Cost	
				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31			FY 2031-32
39	RW	24" Calimesa Recycled Water Pipeline	New	\$5,025,000													\$0	\$ 5,025,000
40	RW	Wilson Creek Spreading	New	\$700,000													\$0	\$ 700,000
41	RW	Calimesa Lakes and Spreading Basins	New	\$6,000,000													\$0	\$ 6,000,000
1	PW	Gateway Plaza - Oak Glen Road x I-10 Freeway Sewer Expansion	New	\$1,000,000													\$0	\$ 1,000,000
2	PW	Acacia Lane East of Douglas Street; Water Main (District Project)	Replace	\$194,000													\$0	\$ 194,000
3	PW	Lincoln Drive; Water Main (District Project)	Replace	\$80,000													\$0	\$ 80,000
4	PW	Crestview Drive from Douglas Street to Sutter Avenue (District Project)	Replace	\$242,000													\$0	\$ 242,000
5	PW	Ruby Court; Water Main (District Project)	Replace	\$44,000													\$0	\$ 44,000
6	PW	Fencing at WRWRF Exit to Live Oak Canyon Rd.	New	\$100,000													\$0	\$ 100,000
7	PW	Nebraska Lane from 6th to Colorado Street (District Project)	Replace		\$155,000												\$0	\$ 155,000
8	PW	Bella Vista and Leith Way; Water Main (District Project)	Replace		\$450,000												\$0	\$ 450,000
9	PW	Bryant Street from Ivy Avenue North to Kadota Street, Ivy Avenue East to Juniper Avenue, Juniper Avenue North to Bryant Street; Water Main,	Replace			\$1,300,000											\$0	\$ 1,300,000
10	PW	Date Avenue from 2 nd Street to 3 rd Street, includes Oak Lane, Indio Court, Kent Lane, and Preston Lane; Water Main	Replace			\$497,000											\$0	\$ 497,000
11	PW	Additional Radio Tower and Base Station	New			\$35,000											\$0	\$ 35,000
12	PW	30" Cross-Town Drinking Water Transmission Main	New				\$1,750,000										\$0	\$ 1,750,000
13	PW	Peach Tree Circle / 4 th Street Pipeline	Replace				\$470,000										\$0	\$ 470,000
14	PW	Lift Station 2	New					\$1,200,000									\$0	\$ 1,200,000
15	PW	Pipeline 4th St. / Yucaipa Boulevard / 5th Street	New					\$938,000									\$0	\$ 938,000
16	PW	Calimesa Blvd. - Phase II - Design and Construction	New					\$440,000									\$0	\$ 440,000
17	PW	Bryant St. Upsizing	Replace						\$350,000								\$0	\$ 350,000
18	PW	Lift Station 3	New						\$1,200,000								\$0	\$ 1,200,000
19	PW	Wildwood Canyon Streets; Water Main, Services and Fire Hydrants	Replace						\$1,166,667	\$1,166,667	\$1,166,666						\$0	\$ 3,500,000
20	PW	Lift Station 4	New							\$1,200,000							\$0	\$ 1,200,000
21	PW	Pipeline Between R15.1 and R-16.2 - Design and Cost	New							\$1,200,000							\$0	\$ 1,200,000
22	PW	Oak Hills Estates Streets; Water Main, Services and Fire Hydrants	Replace							\$1,033,333	\$1,033,333	\$1,033,334					\$0	\$ 3,100,000
23	PW	Pressure Zone 13 - 30" Cross Town Conveyance	New								\$5,245,000						\$0	\$ 5,245,000
24	PW	Removal of District Out Buildings	Remove								\$150,000						\$0	\$ 150,000
25	PW	Pipeline Between R16.2 and R-17.2 - Design and Cost	New									\$1,350,000					\$0	\$ 1,350,000
26	WR	Well Rehab and Monitoring	New	\$105,000													\$0	\$ 105,000
1	Admin	Virtual Private Network Improvements	Rehab	\$50,000													\$0	\$ 50,000
2	Admin	Public Works Department Relocation	New		\$250,000	\$250,000	\$250,000	\$250,000									\$0	\$ 1,000,000
3	Admin	Surveillance System Upgrades - Network Infrastructure	New		\$135,000												\$0	\$ 135,000
4	Admin	Surveillance System Upgrades- District Office	New					\$130,000									\$0	\$ 130,000
		Total		\$16,081,500	\$ 7,066,004	\$ 6,669,004	\$ 5,412,073	\$ 6,375,624	\$15,254,291	\$ 7,342,624	\$10,397,623	\$ 4,720,958	\$ 9,625,624	\$ 2,337,624	\$ 2,337,624	\$ 2,337,624	\$ 19,754,232	\$ 115,712,429

YVWD-Capital Improvement Projects			Project Type	Proposed Capital Improvement Project Funding by Fiscal Year												2032 - 2042 10 Year Projected Cost	Estimated Project Cost	
				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31			FY 2031-32
CIP Funding Total by Division				FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	2032 - 2042 10 Year Projected Cost	Totals
Water Operations				\$1,650,000	\$2,905,000	\$2,675,000	\$1,078,569	\$1,546,620	\$8,681,620	\$876,620	\$906,620	\$526,620	\$526,620	\$526,620	\$526,620	\$526,620	\$5,266,200	\$28,219,349
Wastewater Operations				\$891,500	\$3,171,004	\$1,912,004	\$1,863,504	\$1,871,004	\$3,856,004	\$1,866,004	\$1,896,004	\$1,811,004	\$9,099,004	\$1,811,004	\$1,811,004	\$1,811,004	\$14,488,032	\$48,158,080
Recycle Water				\$11,725,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,725,000
Public Works				\$1,660,000	\$605,000	\$1,832,000	\$2,220,000	\$2,578,000	\$2,716,667	\$4,600,000	\$7,594,999	\$2,383,334	\$0	\$0	\$0	\$0	\$0	\$26,190,000
Water Resources				\$105,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,000
Administration				\$50,000	\$385,000	\$250,000	\$250,000	\$380,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,315,000
Totals				\$16,081,500	\$7,066,004	\$6,669,004	\$5,412,073	\$6,375,624	\$15,254,291	\$7,342,624	\$10,397,623	\$4,720,958	\$9,625,624	\$2,337,624	\$2,337,624	\$2,337,624	\$19,754,232	\$115,712,429

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	AMI – Meter Replacement and Retrofit		
Division	YVRWFF/Public Works	Project Priority	2019/2022 - 1
Category	System Improvements	Projected Start Date	
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 0
Environmental	\$ 0	Development Impact Fees	\$ 3,000,000
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 1,000,000
Labor, Equipment, Administration	\$ 4,000,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 4,000,000	Total	\$ 4,000,000

Project Description: The District has approximately 6,000 Automated Meter Infrastructure (AMI) capable consumption meters of the approximately 13,000 total consumption meters. The 6,000 AMI capable meters must be retrofitted with a radio transceiver and special meter box lid. The remaining 7,000 consumption meters will need to be replaced with AMI capable meters and receive the same radio and meter box lid as the retrofits.

This project will be allocated over the next three years by District staff.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	DWR 18.4/Power Project		
Division	Water	Project Priority	Important
Category	System Improvements	Projected Start Date	2019-2
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 0
Environmental	\$ 0	Development Impact Fees	\$ 150,000
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 0	State Participation	\$ 0
Contract Construction	\$ 150,000	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 150,000	Total	\$ 150,000

Project Description:

Drinking Water Reservoir 18.4 is currently a SCADA network solar site with the original panels. Power would also allow for possible site security additions.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Drain Line for the Existing R-14 Reservoir		
Division	Water	Project Priority	Important
Category	Asset Rehabilitation	Projected Start Date	2019-3
Phase	Quote	Design	Implementation
			Project Completion

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 70,000
Environmental	\$ 500	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 8,500	State Participation	\$ 0
Contract Construction	\$ 61,000	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 70,000	Total	\$ 70,000

Project Description:

This project involves the construction of a drain line to facilitate drainage at the existing R-14 Reservoir site. The drainage will greatly extend the life of the reservoir structure.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Surveillance Security System Upgrade - YVRWFF		
Division	Water	Project Priority	Important
Category	Security	Projected Start Date	2019-4
Phase	Quote	Design	Implementation
			Project Completion

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 0
Environmental	\$ 0	Development Impact Fees	\$ 175,000
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 175,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
	Total	Total	\$ 175,000
	\$ 175,000		\$ 175,000

Project Description:

The Yucaipa Valley Regional Water Filtration Facility (YVRWFF) is in need of a security system upgrade to ensure the safety of the District's drinking water customers. The current system is twelve years old and not working to the desired level of protection. This quote covers the full property and all processes.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	YVRWFF – Perimeter Fencing Upgrade for Intrusion Protection			
Division	Water		Project Priority	Important
Category	Facility Improvement		Projected Start Date	2019-6
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminary Engineering/Design	\$ 0
Environmental	\$ 0
Right-of-Way/Land Acquisition	\$ 0
Labor, Equipment, Administration	\$ 100,000
Contract Construction	\$ 0
Construction Engineering	\$ 0
Other: Environmental/Permitting/Misc	\$ 0
Total	\$ 100,000

FUNDING SOURCE	
Reserves/Depreciation	\$ 0
Development Impact Fees	\$ 100,000
Federal Participation	\$ 0
State Participation	\$ 0
Bond Financing	\$ 0
Local Matching	\$ 0
Other Funds	\$ 0
Total	\$ 100,000

Project Description:

The property line that is in conjunction with the Stater Bros. property directly adjacent to the YVRWFF has had multiple intrusions from the low block wall that belongs to Stater Bros. We've reached out to Stater Bros. to allow the District to heighten the block wall to 8 ft. Depending on the grade the addition of 2 to 4 ft. of block will need to be added.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	YVRWFF- Microfiltration Influent Strainer Upgrade		
Division	Water	Project Priority	Important
Category	Replace/New	Projected Start Date	2020-1
Phase	Quote	Design	Implementation
			Project Completion

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 155,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 155,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 155,000	Total	\$ 155,000

Project Description:

The Yucaipa Valley Regional Water Filtration Facility currently utilizes two manual strainers in the microfiltration influent. With the possible addition to plant capacity, an additional strainer would be necessary. To maximize efficiency, replacing the existing labor-intensive strainers to an automated option would be greatly beneficial.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Public Works – Wildwood Creek Sewer Replacement and Realignment		
Division	Wastewater	Project Priority	Important
Category	Rehabilitation and Realignment	Projected Start Date	2019-7
Phase	Planning	Design	Environmental Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 475,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 0	State Participation	\$ 0
Contract Construction	\$ 475,000	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 475,000	Total	\$ 475,000

Project Description:

The Wildwood Creek Sewer pipeline was damaged during a storm on February 16, 2019. The sewer mainline will be realigned into Wildwood Canyon Road. There are potential funding opportunities from the State Office of Emergency Services (OES).



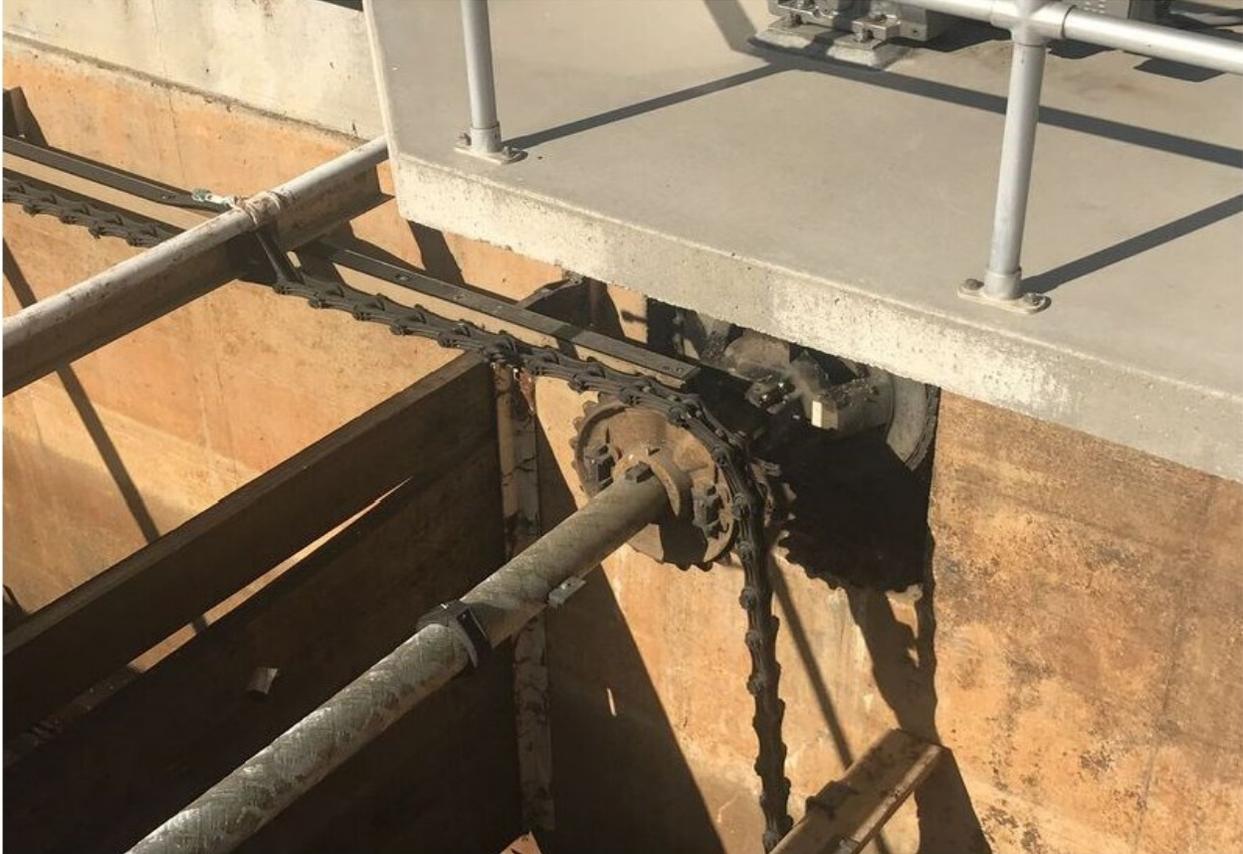
**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

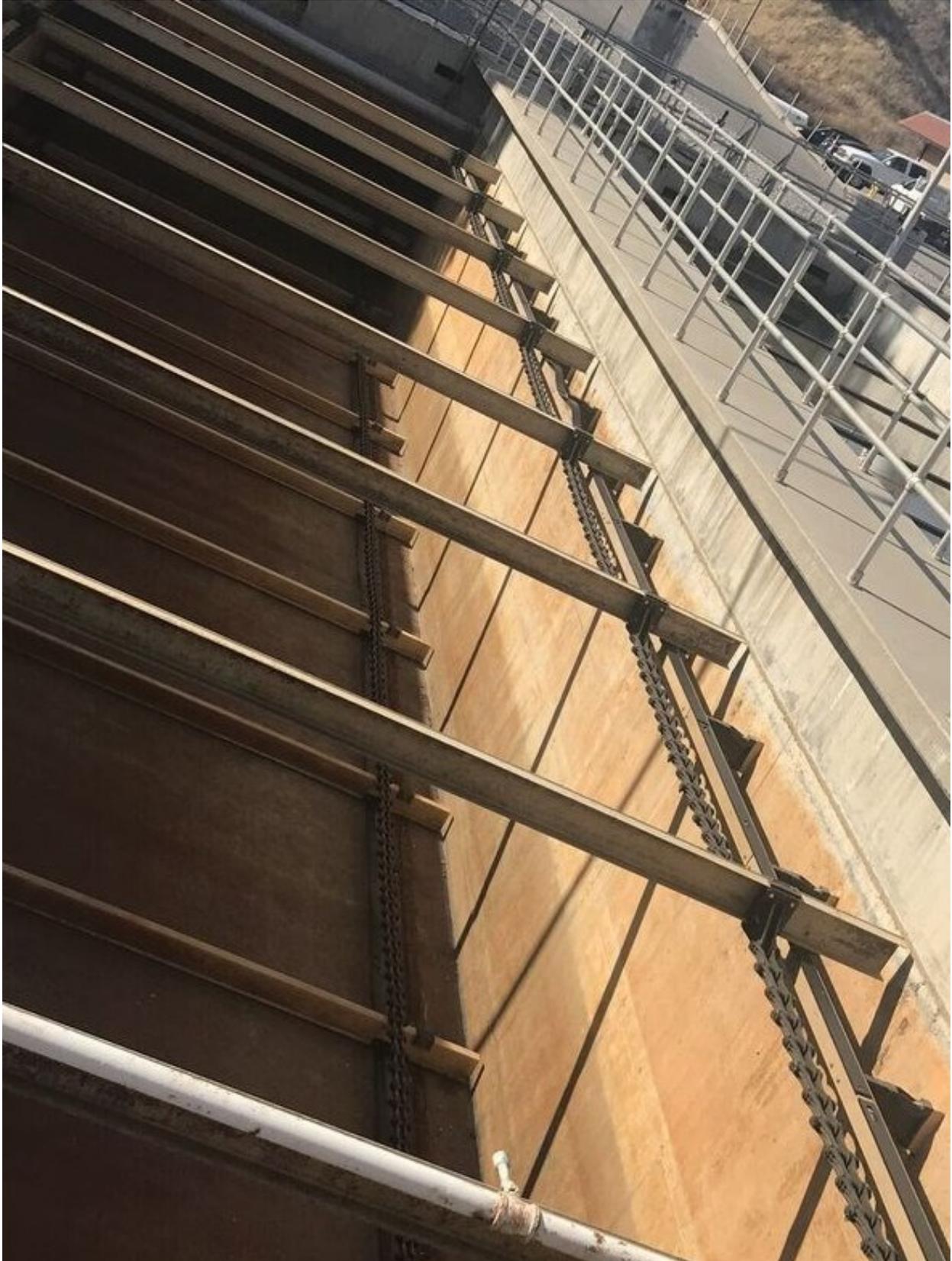
Project	WRWRF – Primary Clarifier Chain and Sprocket Replacement		
Division	Wastewater	Project Priority	Important
Category	Asset Rehabilitation	Projected Start Date	2019-1
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 500,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 500,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 500,000	Total	\$ 500,000

Project Description:

Replacement of clarifier chain and sprockets for the primary clarifier. These are becoming weathered and cracked.







**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	WRWRF – Primary Flights Refurbishing and Replacements		
Division	Wastewater	Project Priority	Important
Category	Asset Rehabilitation	Projected Start Date	2019-2
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 150,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 150,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 150,000	Total	\$ 150,000

Project Description:

Concrete refinishing and coating replacement of primary effluent launder. Primary metal launder needs to be replaced with fiberglass launder. Launderers need concrete coating replacement and door and hinge refurbishing. Metal doors need to be refurbished and hinges replaced due to rot.









**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	WRWRF – Digester Feed Valve and Actuator			
Division	Wastewater		Project Priority	Important
Category	Asset Rehabilitation		Projected Start Date	2019-3
Phase	Planning	Design	Environmental	Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 21,500
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 21,500	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total		Total	
\$ 21,500		\$ 21,500	

Project Description:

Eight in total, only seven total valve and actuators needing to be converted to Auma. This project will be completed by District staff.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	WRWRF – Asphalt Rehabilitation		
Division	Wastewater	Project Priority	Important
Category	Facility Maintenance	Projected Start Date	2019-4
Phase	Planning	Design	Environmental Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 75,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 75,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total		Total	
\$ 75,000		\$ 75,000	

Project Description:

Asphalt is 10 years old and small cracks have begun to appear. Asphalt needs be filled and sealed.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	WRWRF – Facility Lights Upgrade to LED		
Division	Wastewater	Project Priority	Important
Category	Facility Improvements	Projected Start Date	2019-5
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 50,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 50,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 50,000	Total	\$ 50,000

Project Description:

Current facility lighting is halogen with a mixture of different lighting structures. Numerous lights need replacement of bulbs. The last replacement was 8 years ago. The intent is to replace as needed per year with LED's. This project will be phased out over 5 years.





**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	WRWRF – In Plant Sewer Pump #4 Replacement		
Division	Wastewater	Project Priority	Important
Category	Asset Replacement	Projected Start Date	2019-6
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 10,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 10,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 10,000	Total	\$ 10,000

Project Description:

In plant sewer pump #4 is currently leaking and is in need of replacement. This project will be completed by District Staff.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	WRWRF – Laboratory Rehabilitation		
Division	Wastewater	Project Priority	Necessary
Category	System Improvement	Projected Start Date	2019-7
Phase	Planning	Design	Environmental Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 125,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 125,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 125,000	Total	\$ 125,000

Project Description:

Laboratory rehabilitation and upgrades.



Yucaipa Valley Water Dist

Cost Breakdown . Proposal #

May 2, 2019

Description	Cost \$
1 General Conditions & Supervision	1,541
2 Demolition	5,563
3 Concrete and Masonry	-
4 Rough & Finish Carpentry & Misc. Metals	2,163
5 Roofing, Flashing, Insulation & Caulking	-
6 Doors & Windows	-
7 Metal Stud Walls	-
8 Architectural Finishes (floor, clng, paint, etc.)	9,989
9 Laboratory Equipment & Casework	53,127
10 Spec Conditions	-
11 Fire Protection	-
12 Plumbing	6,022
13 Heating, Ventilating & Air Conditioning	8,012
14 Electrical	3,875
15 Controls	-
16 Allowances	-
17 Safety Training	1,840
CONSTRUCTION SUBTOTAL	92,132
10.0% Overhead & Profit	9,213
0.00% Liability Insurance	-
0% Contingency	-
TOTAL CONSTRUCTION COST	\$101,345
Architect & Engineering Services	21,000
Plan Check and Construction Permit Allowance	0
TOTAL PROJECT COST	\$122,345
ALTERNATES	
TOTAL ALTERNATES	-



PEACE OF MIND. PERFECTED.

PROPOSAL

To: Ashley Gibson
Company Name: Yucaipa Valley Water District
Address: 12770 2nd St Yucaipa CA 92399
Direct No: 909-790-3311
Email:

Submitted By: Jimmy Grimes
Proposal #: 41-07-158
Project Name: Chrstal Creek Facility
Address: 35477 Oak Glen RD Yucaipa , CA 92399
Date: 5/2/2019

SCOPE OF WORK

1. Remove hood and plumbing , electrical , ductwork make ready for new layout.
2. Remove flooring , ceiling and metal casework leave one Labconco fume hood.
3. Remove all storage room shelves and dispose of in the proper manner.
4. Provide one new 10ft VWR Kewaunee chemical fume hood .
5. Fume hood to consist of lights, plugs, alarm., gas, air, water, vac , drain, dished top.
6. Fume hood cabinets to have one new 2ft basic one door and one new 4ft acid.
7. Owner supplied flammable cabinet to complete 10ft hood elevation.
8. Provide plumbing, electrical, and mechanical to new 10ft fume hood POC within 10ft
9. Provide new casework and tops for one 10ft Island and two 6ft wall elevations.
10. Provide new vct floor tile for main lab , storage, small lab, office.
11. Provide new exhaust system for new 10ft fume hood using the remaining electrical.
12. Provide new standard latex paint for main lab, stoage, small lab, office.
13. Provide electrical relocation for plugs and dishwasher.
14. Provide exhaust for for new oven location.
 - Casework Island to have power pole for one single phase electrical curcuit
 - 10ft Hood to have a distalation rack and DI water
15. Provide one corrison resistant floor containment area.
16. Provide galvanized duct for new laboratory exhaust system.
17. Provide plumbing services with same type of material.

WE WILL PERFORM THIS SCOPE OF WORK FOR A COST OF : \$ 122,345.00

ACCEPTED

Upon Owner's acceptance, the below terms shall supersede any terms to the contrary incorporated into Owner's purchase orders

[Signature Line]

Accepted

[Signature Line]

Date

LCS Constructors, Inc.
License No: C-640058

15205 Alton Parkway, Irvine, California 92618
Tel: (949)870-4500 Fax: (949)870-4501

Page 1



PEACE OF MIND. PERFECTED.

Exclusions and Clarifications

1. This proposal is good for 30 days.
2. This proposal assumes access to the facility from 6:00 am – 4:30 pm business hours.
3. Temporary construction utilities (i.e. sanitary, water, power, telephone, etc.) are excluded.
4. All electrical circuits are existing and no new circuits are included.
5. There is no allowance in this proposal for engineering or permitting.
6. Dumpster by owner
7. LCS will conform with Owner's safety programs.
8. All plumbing final connections to be within 10 ft

Terms of Payment

For jobs less than thirty (30) days in duration, LCS will submit an invoice upon completion of the work, which shall be due and payable in twenty (20) days of the invoice date. For projects in excess of thirty (30) days in duration, LCS will invoice a 10% mobilization fee upon execution of the contract or issuance of a purchase order, which shall be payable within twenty (20) days of receipt. Upon commencement of the work, LCS will deliver an Application for Payment (Invoice) to the Owner on a monthly basis due and payable within twenty (20) days, with each such Invoice reflecting an amount equal to the percentage of completion for the work within the monthly billing period. Any remaining final payment shall be due within thirty (30) days after completion of the work or Owner's occupancy, whichever occurs first.

Upon Owner's acknowledgment, the above terms shall supersede any terms to the contrary incorporated into Owner's purchase orders or other agreements that may be issued for the performance of the work.

Thank you for selecting LCS Constructors, Inc. for your construction and maintenance needs.



NATIONAL BUSINESS FURNITURE

Quote # QL230562 (v2)
 National Business Furniture, LLC
 770 South 70th Street Milwaukee, WI 53214
 Phone (888) 634-9764 x3558 Fax (800) 329-9349

Quote # QL230562 (v2)
 National Business Furniture, LLC
 770 South 70th Street Milwaukee, WI 53214
 Phone (888) 634-9764 x3558 Fax (800) 329-9349

Ship-To Address agibson@yvwd.us

ASHLEY GIBSON
 RC MANAGER
 YUCAIPA VALLEY WATER DISTRICT
 880 W COUNTY LINE RD
 YUCAIPA, CA 92399
 (909) 795-2491 ext. 4

Source: 99
 Cat: 46
 Cust#: AV7172

Bill-To Address agibson@yvwd.us

SAME

Item #	Qty	Description	Options	Lead Time	Catalog Price	Discount Price	Total Merch
14517	1	U-Desk with File & Bookcase	Dark Chocolate & White Chocolate Laminat	1-2 Wks	\$1,070.00	\$1,016.50	\$1,016.50
56848	1	High Back Mesh Chair	Black Pro-grd Back/Black Fabric Seat/Black Base	Ships Today	\$249.00	\$236.55	\$236.55
91495	1	Height Adj Desktop Riser	Black PVC	1-2 Wks	\$387.00	\$367.65	\$367.65
	1	LIFETIME GUARANTEE			FREE		

Important Information:
 DELIVERY LEVEL - TAILGATE DELIVERY, YOU WILL NEED PERSONNEL OR EQUIPMENT TO LOWER THE ITEMS FROM THE TRUCK AND BRING THEM INSIDE. PLEASE CONTACT US IF INSIDE DELIVERY IS REQUIRED

Price reflects quoted discount, valid for 30 days from 4/24/2019, exceptions may apply with pending US tariffs.

Sales Tax will be included only for shipments into locations where we are registered to collect sales tax. Customer may be liable for self-assessment if shipment is into a location where we are not registered to collect tax. If you feel any taxes are charged in error, please make sure we have received the proper exemption documentation. All documentation will be reviewed to ensure it meets state & local requirements prior to removing any taxes.

Merchandise	\$1,706.00
Total Discount	85.30
Merchandise Subtotal	1,620.70
Shipping & Handling	285.56
Subtotal	1,906.26
Total Tax	147.73
Order Total	\$2,053.99

Customer PO#:

Quoted By: STEVE STEPHENS Ext: 3658 On: 04/24/19 Page 1

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Recycled Water – Calimesa Recycled Water Pipeline Extension		
Division	Recycled Water	Project Priority	Important
Category	Recycled Water Conveyance	Projected Start Date	2019-1
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE	
Preliminary Engineering/Design	\$ 150,000
Environmental	\$ 50,000
Right-of-Way/Land Acquisition	\$ 0
Labor, Equipment, Administration	\$ 200,000
Contract Construction	\$ 6,100,000
Construction Engineering	\$ 400,000
Other: Environmental/Permitting/Misc	\$ 0
Total	\$ 6,900,000

FUNDING SOURCE	
Reserves/Depreciation	\$ 3,450,000
Development Impact Fees	\$ 0
Federal Participation	\$ 0
State Participation	\$ 0
Bond Financing	\$ 0
Local Matching	\$ 0
Other Funds	\$ 3,450,000
Total	\$ 6,900,000

Project Description:

The Calimesa Recycled Water Conveyance Pipeline Project that will consist of approximately 18,500 linear feet of 24" recycled water pipeline that will provide recycled water to the Summerwind Development.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Recycled Water – Wilson Creek Spreading Basin		
Division	Recycled Water	Project Priority	Important
Category	Pipeline Expansion	Projected Start Date	2019-2
Phase	Planning	Design	Environmental Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 700,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 360,000	State Participation	\$ 0
Contract Construction	\$ 300,000	Bond Financing	\$ 0
Construction Engineering	\$ 40,000	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 700,000	Total	\$ 700,000

Project Description:

The Wilson Creek Basin Water Recharge project will enable the District to recharge Recycled Water at the Wilson Creek Basin facility.

The project would provide additional recharge of the Yucaipa groundwater sub basin by surface application of highly treated recycled water from the Wochholz Regional Water Recycling Facility (WRWRF) at the Wilson Creek Basins (Basins), as well as surface application of surplus water from the State Water Project (SWP) delivered via the SWP East Branch Extension. The Yucaipa sub basin is located within the Upper Santa Ana Valley groundwater basin, and currently serves as a local source of drinking water that is recharged by natural underflow from upgradient groundwater sub basins, as well as by deep percolation of precipitation and streambed infiltration. The Wilson Creek Basins are currently used to recharge SWP water and have a 7,000 AF/year recharge capacity. If SWP water is unavailable, additional diluent may be provided by applying potable water to the Wilson Creek Basins from the Yucaipa Valley Regional Water Filtration Facility (YVRWFF), located adjacent to the spreading basins. A new pipeline will be constructed to convey recycled water from the District's existing recycled water distribution system to the Wilson Creek Basins, as well as a new booster pump station and up to two monitoring wells.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

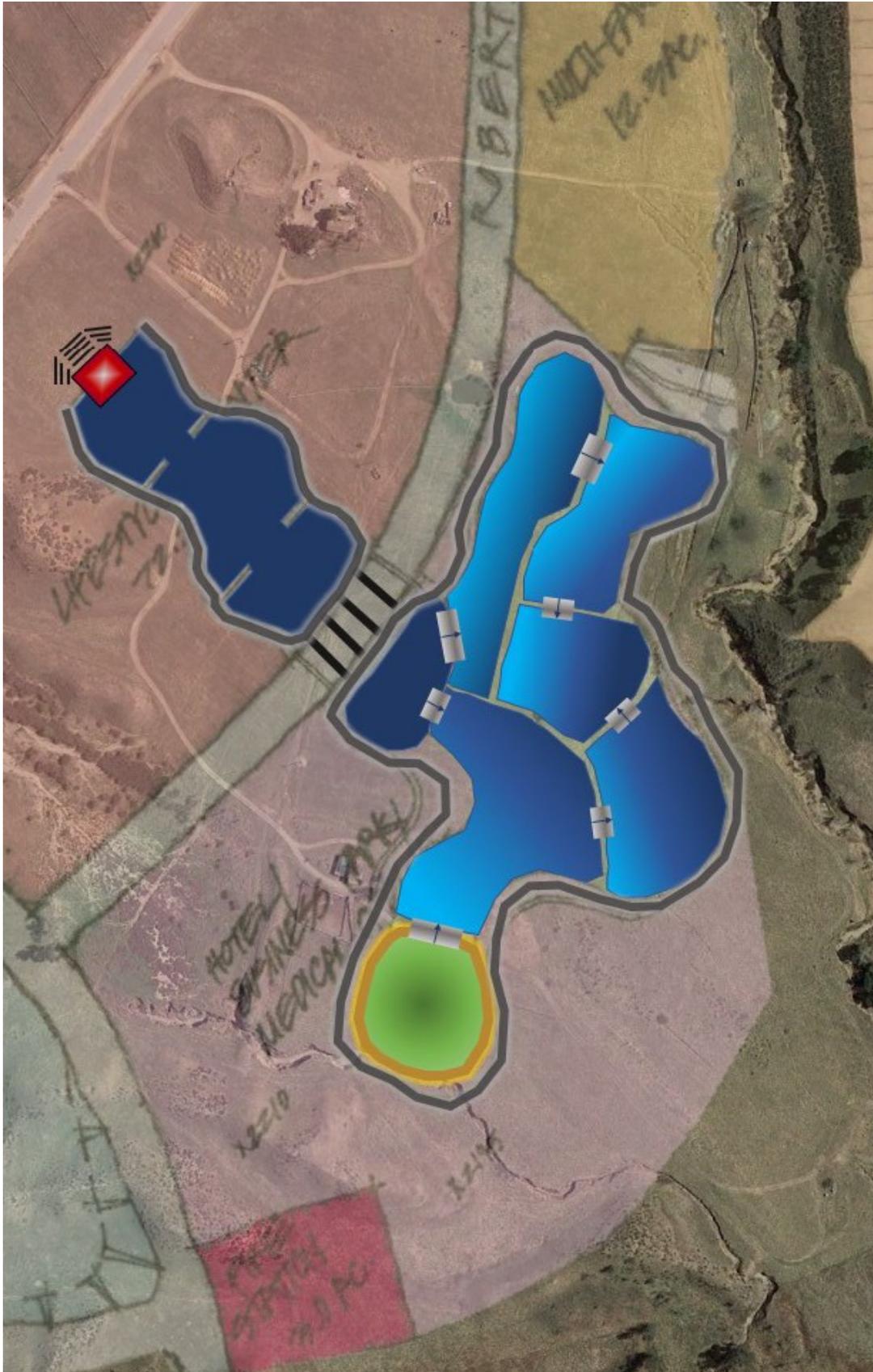
Project	Recycled Water – Calimesa Lake		
Division	Recycled Water	Project Priority	Important
Category	Water Storage	Projected Start Date	2019-3
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 6,000,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 0	State Participation	\$ 0
Contract Construction	\$ 6,000,000	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 6,000,000	Total	\$ 6,000,000

Project Description:

The District staff has been studying the creation of the Calimesa Lake and Spreading Basin Project. This project will utilize recycled water for groundwater recharge with provisions for augmentation with imported water when available.

This project will be located in the Oak Valley Commercial Development and will consist of a lined pond with adjacent spreading basins and storm water capture basin.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

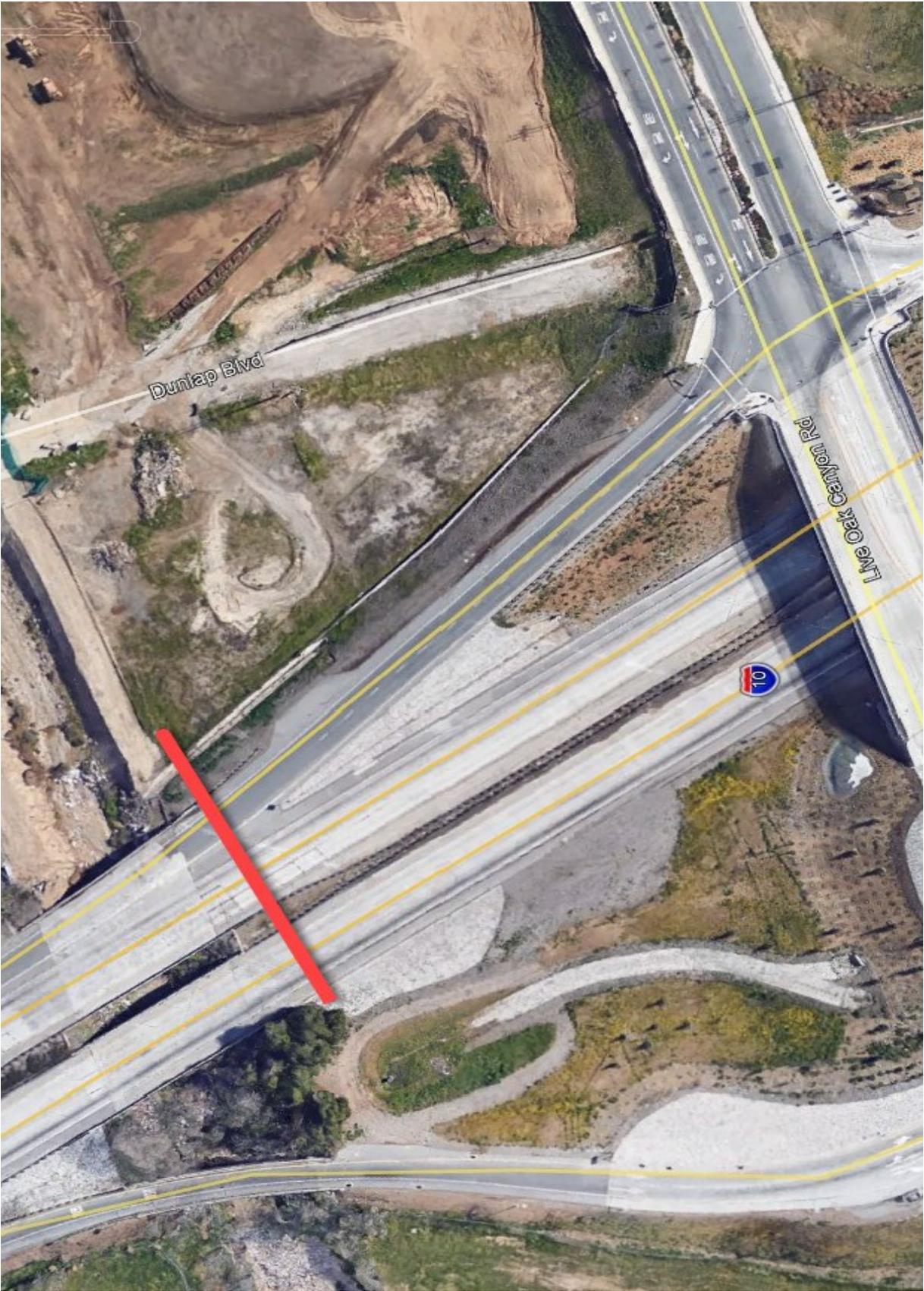
Project	Public Works - Gateway Plaza - Oak Glen Rd x 1-10 Fwy. Sewer Expansion			
Division	Wastewater		Project Priority	Important
Category	Wastewater Collection		Projected Start Date	2019-1
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminary Engineering/Design	\$ 0
Environmental	\$ 0
Right-of-Way/Land Acquisition	\$ 0
Labor, Equipment, Administration	\$ 1,000,000
Contract Construction	\$ 0
Construction Engineering	\$ 0
Other: Environmental/Permitting/Misc	\$ 0
Total	\$ 1,000,000

FUNDING SOURCE	
Reserves/Depreciation	\$ 0
Development Impact Fees	\$ 1,000,000
Federal Participation	\$ 0
State Participation	\$ 0
Bond Financing	\$ 0
Local Matching	\$ 0
Other Funds	\$ 0
Total	\$ 1,000,000

Project Description:

Gateway plaza regional sewer expansion, jack and bore under the I-10 freeway.



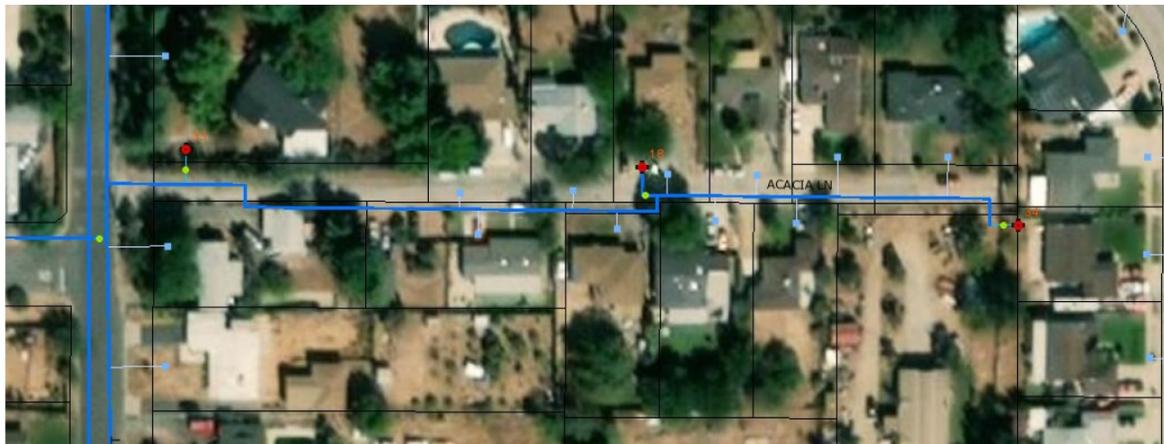
**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Public Works – Acacia Lane, East of Douglas		
Division	Public Works	Project Priority	Important
Category	Pipeline Improvements	Projected Start Date	2019-2
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 194,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 0	State Participation	\$ 0
Contract Construction	\$ 194,000	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 194,000	Total	\$ 194,000

Project Description:

This project consists of replacing 970 linear feet of water main, 20 services and 3 fire hydrants on Acacia Lane. District staff to complete.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Public Works – Lincoln Drive		
Division	Public Works	Project Priority	Important
Category	Pipeline Improvements	Projected Start Date	2019-3
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 80,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 0	State Participation	\$ 0
Contract Construction	\$ 80,000	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 80,000	Total	\$ 80,000

Project Description:

This project consists of replacing 400 linear feet of drinking water main, 10 water services and 1 fire hydrant. This will be completed by District staff.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Public Works – Crestview Drive from Douglas Street to Sutter Avenue		
Division	Public Works	Project Priority	Important
Category	Pipeline Improvements	Projected Start Date	2019-4
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 242,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 0	State Participation	\$ 0
Contract Construction	\$ 242,000	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 242,000	Total	\$ 242,000

Project Description:

This project consists of replacing 690 linear feet of water main, 14 services and 2 fire hydrants on Crestview Drive, 260 linear feet of water main, 7 water services and 1 fire hydrant on Crestview Court, and 260 linear feet of water main, 5 water services, and 1 fire hydrant on Sutter Avenue. This will be completed by District staff.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Public Works – Ruby Court		
Division	Public Works	Project Priority	Important
Category	Pipeline Improvements	Projected Start Date	2019-5
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 44,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 0	State Participation	\$ 0
Contract Construction	\$ 44,000	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
	Total	Total	\$ 44,000
	\$ 44,000		

Project Description:

This project consists of replacing 220 linear feet of water main, 4 services and 1 fire hydrant. This will be completed by District staff.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	WRWRF – Perimeter Fencing Upgrade for Intrusion Protection			
Division	Wastewater		Project Priority	Important
Category	Facility Improvement		Projected Start Date	2019-6
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminary Engineering/Design	\$ 0
Environmental	\$ 0
Right-of-Way/Land Acquisition	\$ 0
Labor, Equipment, Administration	\$ 100,000
Contract Construction	\$ 0
Construction Engineering	\$ 0
Other: Environmental/Permitting/Misc	\$ 0
Total	\$ 100,000

FUNDING SOURCE	
Reserves/Depreciation	\$ 0
Development Impact Fees	\$ 100,000
Federal Participation	\$ 0
State Participation	\$ 0
Bond Financing	\$ 0
Local Matching	\$ 0
Other Funds	\$ 0
Total	\$ 100,000

Project Description:

Fencing for the exit of the WRWRF to Live Oak Canyon Road.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Public Works – Oak Grove and Oak View Pipelines		
Division	Public Works	Project Priority	Necessary
Category	Pipeline Replacement	Projected Start Date	2019-11
Phase	Planning	Design	Environmental
			Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 670,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 670,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
	Total	Total	\$ 670,000
	\$ 670,000		

Project Description:

This project will be phased from 2019 to 2020. Replacement of the drinking water pipeline.



**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Water Quality – Well Rehab and Monitoring			
Division	Water Quality		Project Priority	Important
Category	System Improvement		Projected Start Date	2019-1
Phase	Planning	Design	Environmental	Construction

COST BY TYPE	
Preliminary Engineering/Design	\$ 0
Environmental	\$ 70,000
Right-of-Way/Land Acquisition	\$ 0
Labor, Equipment, Administration	\$ 0
Contract Construction	\$ 0
Construction Engineering	\$ 0
Other: Environmental/Permitting/Misc	\$ 0
Total	\$ 70,000

FUNDING SOURCE	
Reserves/Depreciation	\$ 70,000
Development Impact Fees	\$ 0
Federal Participation	\$ 0
State Participation	\$ 0
Bond Financing	\$ 0
Local Matching	\$ 0
Other Funds	\$ 0
Total	\$ 70,000

Project Description:

Rehabilitation of monitoring wells.

**YUCAIPA VALLEY WATER DISTRICT
 CAPITAL IMPROVEMENT PROGRAM**

Project	Administration – Virtual Private Network Improvements			
Division	Administration		Project Priority	Important
Category	Rehabilitation		Projected Start Date	2019-7
Phase	Planning	Design	Environmental	Construction

COST BY TYPE		FUNDING SOURCE	
Preliminary Engineering/Design	\$ 0	Reserves/Depreciation	\$ 50,000
Environmental	\$ 0	Development Impact Fees	\$ 0
Right-of-Way/Land Acquisition	\$ 0	Federal Participation	\$ 0
Labor, Equipment, Administration	\$ 50,000	State Participation	\$ 0
Contract Construction	\$ 0	Bond Financing	\$ 0
Construction Engineering	\$ 0	Local Matching	\$ 0
Other: Environmental/Permitting/Misc	\$ 0	Other Funds	\$ 0
Total	\$ 50,000	Total	\$ 50,000

Project Description:

Upgrade the District Virtual Private Network.

Appendix D

Drinking Water Related Statutes Updated on December 28, 2018

https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/lawbook/dwstatutes20190101.pdf

NOTE: This publication includes a variety of California statutes related to the subject of drinking water, which may not be complete and should not be relied upon as the State of California's representation of the law. The published codes are the only official representation of the law. Refer to the actual published codes whenever specific citations are required. Drinking water-related regulations are in Titles 22 and 17 of the California Code of Regulations.

California Statutes Related to Drinking Water

JANUARY 1, 2019

Important note:

Before citing any statute, the text of the statute should be confirmed by visiting California's Legislative Information website at: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>. Please report any discrepancies between this document and the content of that website to Michael.McKibben@waterboards.ca.gov.

About this update of Drinking Water-Related Statutes:

- Sections that have been revised or added since the last version of **this** document are typically highlighted in **yellow**. Revisions or additions may not necessarily be due to recent legislative actions.
- Section headings have been added to ease finding a subject. Section headings are **not** typically included in official codes. Those depicted in this document may not be a true representation of the subject of the statutory section.
- There may be statutes related to drinking water that are not included in this document.
- For information pertaining to drinking water-related **regulations**, as well as graywater and recycled water-related statutes and regulations, please visit: http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Lawbook.shtml

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Appendix E

Drinking Water Related Regulations Updated on April 16, 2019

https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/lawbook/dw_regulations_2019_04_16.pdf

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Sections amended, adopted, repealed, or not included in the previous version are highlighted in yellow. In general, if the text in a section, subsection, or paragraph is highlighted, it is new. If only the section/paragraph number is highlighted, it was amended or repealed. Nonsubstantive revisions may not be shown. Please note that the water recycling criteria have been removed from this document, but may still be viewed in the "Recycled Water-Related Regulations" document here: http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Lawbook.shtml

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Appendix F

Recycled Water Related Statues Updated on December 28, 2018

https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/lawbook/rwstatutes20190101.pdf

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California Statutes Related to Recycled Water & the State Board's Division of Drinking Water

January 2019

Important note:

Before citing any statute, the text of the statute should be confirmed by visiting California's Legislative Information website at: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>. Please report any discrepancies between this document and the content of that website to Michael.McKibben@waterboards.ca.gov.

About this update of Recycled Water-Related Statutes:

- Sections that have been revised or added since the last version of this document are typically highlighted in yellow. Revisions or additions may not necessarily be due to recent legislative actions.
- Section headings have been added to ease finding a subject. Section headings are **not** typically included in official codes. Those depicted in this document may not be a true representation of the subject of the statutory section.
- There may be statutes related to recycled water that are not included in this document.
- For information pertaining to recycled water-related **regulations**, as well as drinking water statutes and regulations, please visit: http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Lawbook.shtml

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Appendix G

Recycled Water Related Regulations Updated on December 7, 2018

https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/lawbook/rwregulations.pdf

NOTE: This publication is meant to be an aid to the staff of the State Board's Division of Drinking Water (DDW) and cannot be relied upon by the regulated community as the State of California's representation of the law. The published codes are the only official representation of the law. Refer to the published codes—in this case, Title 17 and 22 CCR—whenever specific citations are required.

State Water Resources Control Board

Regulations Related to Recycled Water

October 1, 2018

Sections amended, adopted, repealed, or not included in the previous version are highlighted in yellow. This revision includes adoption of the Surface Water Augmentation regulations, effective on October 1, 2018. If the text in a section, subsection, or paragraph is highlighted, it is new. If only the section/paragraph number is highlighted, it was amended or repealed. Some nonsubstantive revisions may not be shown.

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Appendix H

Porter-Cologne Water Quality Control Act January 2019

https://www.waterboards.ca.gov/laws_regulations/docs/portercologne.pdf



CALIFORNIA

Water Boards

STATE WATER RESOURCES CONTROL BOARD
REGIONAL WATER QUALITY CONTROL BOARDS

Porter-Cologne Water Quality Control Act

Water Code Division 7 and Related Sections
(As amended, including Statutes 2018)



JANUARY 2019

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STATE WATER RESOURCES CONTROL BOARD AND CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARDS

The State Water Resources Control Board was established in 1967 by the Legislature. The Board succeeded to the functions of the former State Water Rights Board and the State Water Quality Control Board. The nine California Regional Water Quality Control Boards were originally established in the Dickey Water Pollution Control Act of 1949. Together the ten water boards have primarily responsibility for implementing and enforcing the Porter-Cologne Water Quality Control Act (Porter-Cologne Act).

This pamphlet contains excerpts of the Porter-Cologne Act and other related Water Code sections. The State Water Resources Control Board publishes this collection as part of its public information program. This booklet is provided as a public service. Bracketed headings in Division 7 are not part of the code, but are editorial insertions for the benefit of the reader. While every effort is made to assure accuracy, persons should consult the official version of the California Code when making legal decisions. The California Legislative Counsel maintains the official code, which is accessible on the Internet at:

<http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

California State Water Resources Control Board

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Board Reports



Yucaipa Valley Water District

Director Comments



Yucaipa Valley Water District



FACTS ABOUT THE YUCAIPA VALLEY WATER DISTRICT

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

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

Number of Employees: 5 elected board members
72 full time employees

FY 2019-20 Operating Budget: Water Division - \$14,455,500
Sewer Division - \$12,217,712
Recycled Water Division - \$1,301,447

Number of Services: 13,794 drinking water connections serving 19,243 units
14,104 sewer connections serving 22,774 units
111 recycled water connections serving 460 units

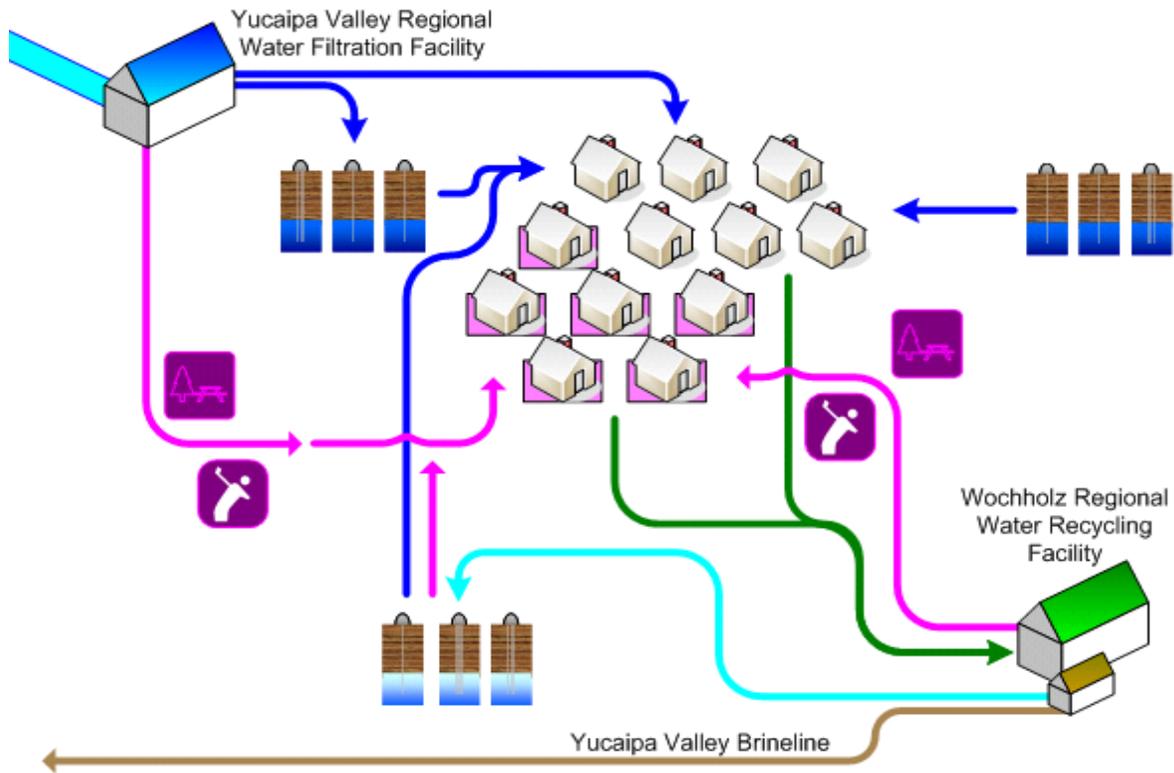
Water System: 223 miles of drinking water pipelines
2,033 fire hydrants
27 reservoirs - 34 million gallons of storage capacity
18 pressure zones
2.958 billion gallon annual drinking water demand
Two water filtration facilities:
- 1 mgd at Oak Glen Surface Water Filtration Facility
- 12 mgd at Yucaipa Valley Regional Water Filtration Facility

Sewer System: 8.0 million gallon treatment capacity - current flow at 3.5 mgd
213 miles of sewer mainlines
4,504 sewer manholes
5 sewer lift stations
1.27 billion gallons of recycled water produced per year

Recycled Water: 22 miles of recycled water pipelines
5 reservoirs - 12 million gallons of storage
0.681 billion gallon annual recycled water demand

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

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



Typical Rates, Fees and Charges:

- Drinking Water Commodity Charge:

1,000 gallons to 15,000 gallons	\$1.429 per each 1,000 gallons
16,000 gallons to 60,000 gallons	\$1.919 per each 1,000 gallons
61,000 gallons to 100,000 gallons	\$2.099 per each 1,000 gallons
101,000 gallons or more	\$2.429 per each 1,000 gallons

- Recycled Water Commodity Charge:

1,000 gallons or more	\$1.425 per each 1,000 gallons
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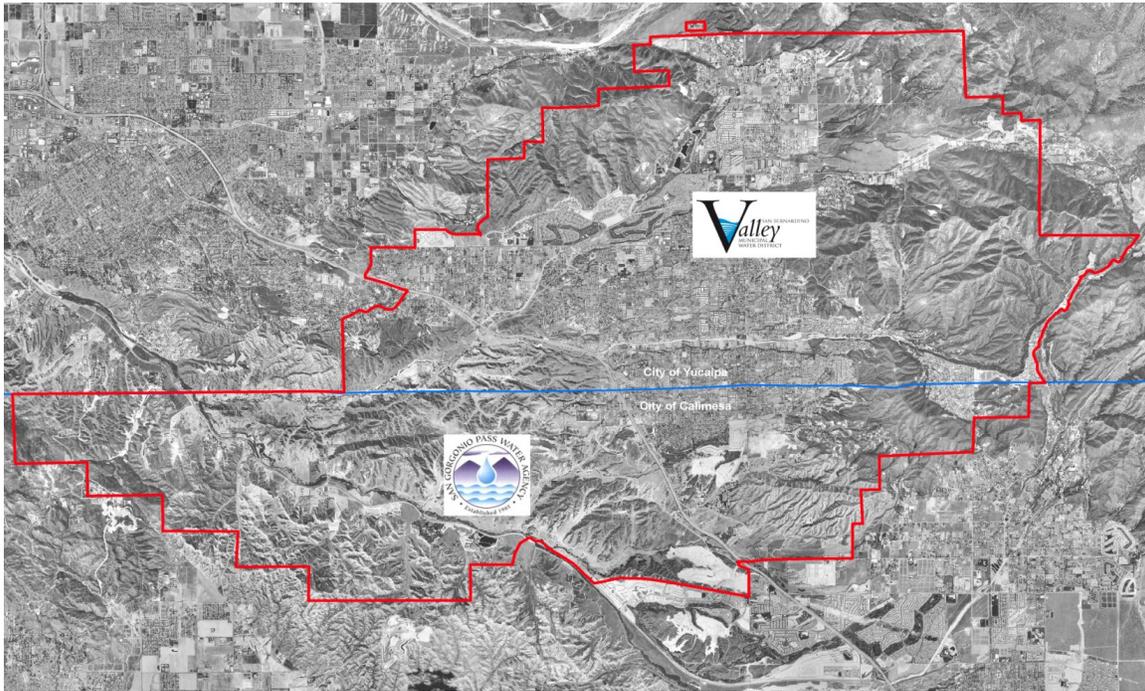
- Water Meter Service Charge (Drinking Water or Recycled Water):

5/8" x 3/4" Water Meter	\$14.00 per month
1" Water Meter	\$23.38 per month
1-1/2" Water Meter	\$46.62 per month

- Sewer Collection and Treatment Charge:

Typical Residential Charge	\$42.43 per month
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State Water Contractors: San Bernardino Valley Municipal Water District
San Gorgonio Pass Water Agency



	San Bernardino Valley Municipal Water District	San Gorgonio Pass Water Agency
Service Area Size	353 square miles	222 square miles
Table "A" Water Entitlement	102,600 acre feet	17,300 acre feet
Imported Water Rate	\$125.80 / acre foot	\$399 / acre foot
Tax Rates for FY 2019-20	\$0.1425 per \$100	\$0.1775 per \$100
Number of Board Members	Five (5)	Seven (7)
Operating Budget FY 2019-20	\$58,372,000	\$9,551,000

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

- San Bernardino Valley Municipal Water District - Customers in San Bernardino County or City of Yucaipa pay a pass-through amount of \$0.270 per 1,000 gallons.
- San Gorgonio Pass Water Agency - Customers in Riverside County or City of Calimesa pay a pass-through amount of \$0.660 per 1,000 gallons. A proposed rate change to \$0.857 per 1,000 gallons is pending future consideration by YVWD.





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 farmland or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

Capital Improvement Program (CIP) - Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

Certificate of Participation (COP) – A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

Coliform Bacteria - A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere used as indicators of sewage pollution. E. coli are the most common bacteria in wastewater.

Collections System - In wastewater, it is the system of typically underground pipes that receive and convey sanitary wastewater or storm water.

Conjunctive Use - The coordinated management of surface water and groundwater supplies to maximize the yield of the overall water resource. Active conjunctive use uses artificial recharge, where surface water is intentionally percolated or injected into aquifers for later use. Passive conjunctive use is to simply rely on surface water in wet years and use groundwater in dry years.

Consumer Confidence Report (CCR) - see Annual Water Quality Report.

Contaminants of Potential Concern (CPC) - Pharmaceuticals, hormones, and other organic wastewater contaminants.

Cross-Connection - The actual or potential connection between a potable water supply and a non-potable source, where it is possible for a contaminant to enter the drinking water supply.

Disinfection by-Products (DBPs) - The category of compounds formed when disinfectants in water systems react with natural organic matter present in the source water supplies. Different disinfectants produce different types or amounts of disinfection byproducts. Disinfection byproducts for which regulations have been established have been identified in drinking water, including trihalomethanes, haloacetic acids, bromate, and chlorite

Drought - a period of below average rainfall causing water supply shortages.

Fire Flow - The ability to have a sufficient quantity of water available to the distribution system to be delivered through fire hydrants or private fire sprinkler systems.

Gallons per Capita per Day (GPCD) - A measurement of the average number of gallons of water use by the number of people served each day in a water system. The calculation is made by dividing the total gallons of water used each day by the total number of people using the water system.

Groundwater Basin - An underground body of water or aquifer defined by physical boundaries.

Groundwater Recharge - The process of placing water in an aquifer. Can be a naturally occurring process or artificially enhanced.

Hard Water - Water having a high concentration of minerals, typically calcium and magnesium ions.

Hydrologic Cycle - The process of evaporation of water into the air and its return to earth in the form of precipitation (rain or snow). This process also includes transpiration from plants, percolation into the ground, groundwater movement, and runoff into rivers, streams, and the ocean; see Water cycle.

Levels of Service (LOS) - Goals to support environmental and public expectations for performance.

Mains, Distribution - A network of pipelines that delivers water (drinking water or recycled water) from transmission mains to residential and commercial properties, usually pipe diameters of 4" to 16".

Mains, Transmission - A system of pipelines that deliver water (drinking water or recycled water) from a source of supply to the distribution mains, usually pipe diameters of greater than 16".

Meter - A device capable of measuring, in either gallons or cubic feet, a quantity of water delivered by the District to a service connection.

Overdraft - The pumping of water from a groundwater basin or aquifer in excess of the supply flowing into the basin. This pumping results in a depletion of the groundwater in the basin which has a net effect of lowering the levels of water in the aquifer.

Pipeline - Connected piping that carries water, oil, or other liquids. See Mains, Distribution and Mains, Transmission.

Point of Responsibility, Metered Service - The connection point at the outlet side of a water meter where a landowner's responsibility for all conditions, maintenance, repairs, use and replacement of water service facilities begins, and the District's responsibility ends.

Potable Water - Water that is used for human consumption and regulated by the California Department of Public Health.

Pressure Reducing Valve - A device used to reduce the pressure in a domestic water system when the water pressure exceeds desirable levels.

Pump Station - A drinking water or recycled water facility where pumps are used to push water up to a higher elevation or different location.

Reservoir - A water storage facility where water is stored to be used at a later time for peak demands or emergencies such as fire suppression. Drinking water and recycled water systems will typically use concrete or

steel reservoirs. The State Water Project system considers lakes, such as Shasta Lake and Folsom Lake to be water storage reservoirs.

Runoff - Water that travels downward over the earth's surface due to the force of gravity. It includes water running in streams as well as over land.

Santa Ana River Interceptor (SARI) Line - A regional brine line designed to convey 30 million gallons per day (MGD) of non-reclaimable wastewater from the upper Santa Ana River basin to Orange County Sanitation District for treatment, use and/or disposal.

Secondary treatment - Biological wastewater treatment, particularly the activated-sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

Service Connection - The water piping system connecting a customer's system with a District water main beginning at the outlet side of the point of responsibility, including all plumbing and equipment located on a parcel required for the District's provision of water service to that parcel.

Sludge - Untreated solid material created by the treatment of wastewater.

Smart Irrigation Controller - A device that automatically adjusts the time and frequency which water is applied to landscaping based on real-time weather such as rainfall, wind, temperature, and humidity.

South Coast Air Quality Management District (SCAQMD) - Regional regulatory agency that develops plans and regulations designed to achieve public health standards by reducing emissions from business and industry.

Special district - A form of local government created by a local community to meet a specific need. Yucaipa Valley Water District is a County Water District formed pursuant to Section 30000 of the California Water Code

Supervisory Control and Data Acquisition (SCADA) - A computerized system which provides the ability to remotely monitor and control water system facilities such as reservoirs, pumps, and other elements of water delivery.

Surface Water - Water found in lakes, streams, rivers, oceans, or reservoirs behind dams. In addition to using groundwater, Yucaipa Valley Water District receives surface water from the Oak Glen area.

Sustainable Groundwater Management Act (SGMA) - Pursuant to legislation signed by Governor Jerry Brown in 2014, the Sustainable Groundwater Management Act requires water agencies to manage groundwater extractions to not cause undesirable results from over production.

Transpiration - The process by which water vapor is released into the atmosphere by living plants.

Trickling filter - A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in wastewater as it trickles over them.

Underground Service Alert (USA) - A free service (<https://www.digalert.org>) that notifies utilities such as water, telephone, cable and sewer companies of pending excavations within the area (dial 8-1-1 at least 2 working days before you dig).

Urban runoff - Water from city streets and domestic properties that carry pollutants into the storm drains, rivers, lakes, and oceans.

Valve - A device that regulates, directs, or controls the flow of water by opening, closing, or partially obstructing various passageways.

Wastewater - Any water that enters the sanitary sewer.

Water Banking - The practice of actively storing or exchanging in-lieu surface water supplies in available groundwater basin storage space for later extraction and use by the storing party or for sale or exchange to a third party. Water may be banked as an independent operation or as part of a conjunctive use program.

Water Cycle - The continuous movement water from the earth's surface to the atmosphere and back again.

Water Pressure - Water pressure is created by the weight and elevation of water and/or generated by pumps that deliver water to customers.

Water Service Line - A water service line is used to deliver water from the Yucaipa Valley Water District's mainline distribution system.

Water table - the upper surface of the zone of saturation of groundwater in an unconfined aquifer.

Water transfer - a transaction, in which a holder of a water right or entitlement voluntarily sells/exchanges to a willing buyer the right to use all or a portion of the water under that water right or entitlement.

Watershed - A watershed is the region or land area that contributes to the drainage or catchment area above a specific point on a stream or river.

Water-Wise House Call - a service which provides a custom evaluation of a customer's indoor and outdoor water use and landscape watering requirements.

Well - a hole drilled into the ground to tap an underground aquifer.

Wetlands - lands which are fully saturated or under water at least part of the year, like seasonal vernal pools or swamps.





COMMONLY USED ABBREVIATIONS

AQMD	Air Quality Management District
BOD	Biochemical Oxygen Demand
CARB	California Air Resources Board
CCTV	Closed Circuit Television
CWA	Clean Water Act
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
FOG	Fats, Oils, and Grease
GPD	Gallons per day
MGD	Million gallons per day
O & M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
POTW	Publicly Owned Treatment Works
PPM	Parts per million
RWQCB	Regional Water Quality Control Board
SARI	Santa Ana River Inceptor
SAWPA	Santa Ana Watershed Project Authority
SBVMWD	San Bernardino Valley Municipal Water District
SCADA	Supervisory Control and Data Acquisition system
SGMA	Sustainable Groundwater Management Act
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