



Yucaipa Valley Water District

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

Notice and Agenda of a Meeting of the Board of Directors

Tuesday, March 2, 2021 at 4:00 p.m.

Due to the spread of COVID-19 and in accordance with the Governor's Executive Order N-29-20 (a copy of which is attached to this agenda), the Yucaipa Valley Water District will be conducting this meeting by teleconference only. Public comments on matters listed on the agenda or on any matter within the District's jurisdiction will be received during Public Comments, Agenda Item No. III.

**This meeting is available by calling (888) 475-4499
Meeting ID: 676-950-731#**

**Participate in the meeting online at
<https://zoom.us/j/676950731>
Passcode: 765589**

There will be no public physical location for attending this meeting in person. The District's Board meeting room will be closed to the public until further notice.

If you are unable to participate by telephone, you may submit comments and/or questions in writing for the Board's consideration by sending them to inquiry@yvwd.us. Submit your written inquiry prior to the start of the meeting. All public comments received prior to the start of the meeting will be provided to the Board and may be read into the record or compiled as part of the record.

- I. CALL TO ORDER**
 - II. ROLL CALL**
 - III. PUBLIC COMMENTS** - At this time, members of the public may briefly address the Board of Directors on matters within its jurisdiction or on any matter listed on this agenda.
-

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

- 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. Board Meeting - February 23, 2021
- V. STAFF REPORT**
- VI. DISCUSSION ITEMS**
- A. Status Update - Replacement Drinking Water Pipeline in Wildwood Canyon Road, Yucaipa [[Director Memorandum No. 21-034 - Page 16 of 93](#)]
 RECOMMENDED ACTION: Staff Presentation - No Action Required.
- B. Request for an Amendment to the Existing Development Agreement No. 2018-05 for Parcel Map 19822 for Parcel No. 4 [[Director Memorandum No. 21-035 - Page 19 of 93](#)]
 RECOMMENDED ACTION: That the Board provide direction to District staff to address specific issues related to Lot 4 of Parcel Map 19822 by Cindy Mccuiston.
- C. Request for an Amendment to Development Agreement No. 2018-08 for Portions of Tract No. 26925 (80 lots), Tract No. 30386 (34 lots), and Tract No. 30386-1 (7 lots) in Calimesa [[Director Memorandum No. 21-036 - Page 26 of 93](#)]
 RECOMMENDED ACTION: That the Board provide direction to District staff to address specific issues and the request by DR Horton for an amendment to Development Agreement No. 2018-08.
- D. Authorization to Issue a Request for Proposals for Financial Advisory Services [[Director Memorandum No. 21-037 - Page 53 of 93](#)]
 RECOMMENDED ACTION: That the Board direct the General Manager to release a Request for Proposals for Financial Advisory Services to refinance existing sewer related debt and secure funding sewer and recycled water Capital Improvement Projects.
- E. Adoption of Resolution No. 2021-12 Declaring the Official Intent to Reimburse Project Expenditures with Bond Proceeds and Related Actions [[Director Memorandum No. 21-038 - Page 76 of 93](#)]
 RECOMMENDED ACTION: That the Board adopt Resolution No. 2021-12.
- F. Transfer from Reserve Funds for Specialized Legal and Consulting Services Related to Various Water, Sewer, and Recycled Water Projects [[Director Memorandum No. 21-039 - Page 81 of 93](#)]
 RECOMMENDED ACTION: That the Board adopt Resolution No. 2021-13.
- G. Transfer from Drinking Water Reserve Funds for the Installation of a Secondary Bulk Storage Chemical Tank at the Yucaipa Valley Regional Water Filtration Facility [[Director Memorandum No. 21-040 - Page 83 of 93](#)]
 RECOMMENDED ACTION: That the Board adopt Resolution No. 2021-14.
- VII. BOARD REPORTS & DIRECTOR COMMENTS**
- VIII. ANNOUNCEMENTS**
- A. March 9, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**
- B. March 16, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**
- C. March 23, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**
- D. March 30, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**
- E. April 6, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**
- F. April 13, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**

- G. April 20, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**
- H. April 27, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**
- I. May 4, 2021 at 4:00 p.m. - Board Meeting - **Teleconference Only**

IX. ADJOURNMENT

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-29-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

WHEREAS time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

WHEREAS social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

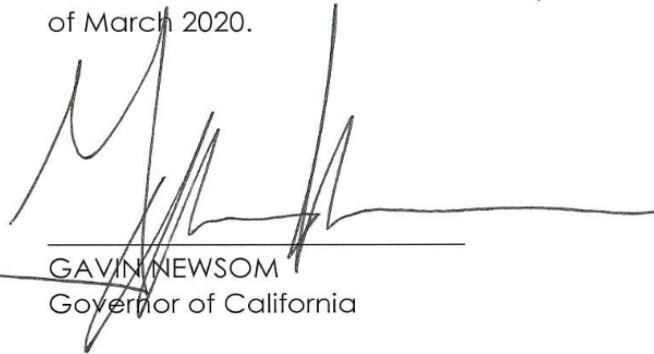
All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March 2020.



GAVIN NEWSOM
Governor of California

Consent Calendar



Yucaipa Valley Water District

MINUTES OF A BOARD MEETING - TELECONFERENCE

February 23, 2021 at 4:00 pm

Directors Present:

Lonni Granlund, Vice President
Jay Bogh, Director
Joyce McIntire, Director
Dennis Miller, Director

Staff Present:

Wade Allsup, Information Systems Specialist
Jennifer Ares, Water Resource Manager
Madeline Blua, Water Resource Specialist
Allison Edmisten, Chief Financial Officer
Chelsie Fogus, Administrative Assistant I
Ashley Gibson, Regulatory Compliance Manager
Dustin Hochreiter, Senior Engineering Technician
Mike Kostelecky, Operations Manager
Tim Mackamul, Operations Manager
Steve Molina, Public Works Supervisor
Matt Porras, Implementation Manager
Mike Rivera, Public Works Supervisor
John Wrobel, Operations Manager
Joseph Zoba, General Manager

Directors Absent:

Chris Mann, President

Consulting Staff Present:

David Wysocki, Legal Counsel

Registered Guests and Others Present:

Madeline Chen, Ortega Strategies Group

Due to the spread of COVID-19 and in accordance with the Governor's Executive Order N-29-20 (a copy of which was attached to the meeting agenda), the Yucaipa Valley Water District conducted this meeting by teleconference.

The meeting was available to the public by calling (888) 475-4499 using passcode 676-950-731 and live presentation material was available at <https://zoom.us/j/676950731> using 765589.

CALL TO ORDER

The regular meeting of the Board of Directors of the Yucaipa Valley Water District was called to order by Vice President Lonni Granlund at 4:00 p.m.

ROLL CALL

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

Director Chris Mann was absent.

PUBLIC COMMENTS

None.

CONSENT CALENDAR

Director Dennis Miller moved to approve the consent calendar and Director Jay Bogh seconded the motion.

A. Minutes of Meetings

1. Board Meeting - February 16, 2021

B. Payment of Bills

1. Approve/Ratify Invoices for Board Awarded Contracts
2. Ratify General Expenses for January 2020

The motion was approved by the following vote:

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

STAFF REPORT

General Manager Joseph Zoba provided information about the following items:

- The currently levels of water storage reservoirs for the State Water Project are below historical levels for this time of year. This is likely an indication that the allocation of water from the State Water Project will be less than 50% this year.
- The District staff is studying the possibility of allowing electronic signatures for the Fair Political Practices Commission Form 700. All Form 700 documents submitted this year will need to have a wet signature.

DISCUSSION ITEMS:

DM 21-029

ADOPTION OF THE
2021 STRATEGIC
PRIORITIES, GOALS
AND OBJECTIVES

General Manager Joseph Zoba presented the 2021 Strategic Plan to allow the Board of Directors an opportunity to add or delete projects and goals for District staff.

Director Joyce McIntire moved that the Board, by minute order, adopt the 2021 strategic planning priorities.

Director Dennis Miller seconded the motion.

The motion was approved by the following vote:

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

Director Dennis Miller - Yes

DM 21-030

DISCUSSION
REGARDING THE
PREPARATION OF A
REQUEST FOR
PROPOSALS TO
PROVIDE FINANCIAL
ADVISORY SERVICES

General Manager Joseph Zoba discussed a series of Capital Improvement Projects that might be able to be funded by refinancing the existing debt in the sewer enterprise fund. During this time of low interest rates and manageable inflation, it might be in the District's best interest to have a financial advisor evaluate the possibility of refinancing the existing debt.

Director Dennis Miller moved that the Board, by minute order, direct the General Manager to prepare a Request for Proposals for Financial Advisory Services for funding sewer and recycled water Capital Improvement Projects.

Director Joyce McIntire seconded the motion.

The motion was approved by the following vote:

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

DM 21-031

CONSIDERATION OF
INJECTION WELL
DESIGN,
CONSTRUCTION
MANAGEMENT, AND
INSPECTION
SERVICES FROM
GEOSCIENCE
SUPPORT SERVICES

General Manager Joseph Zoba provided a detailed overview of the proposal from Geoscience for the design, construction management, and inspection related to a new injection well and associated monitoring well.

Director Joyce McIntire moved that the Board: (1) authorize the General Manager to issue a Notice to Proceed with Geoscience to perform professional hydrogeological services for the design, construction management, and inspection services for injection and monitoring wells for the Aquifer Storage and Recovery Project for a sum not to exceed \$450,818, and (2) adopt Resolution No. 2021-11.

Director Dennis Miller seconded the motion.

The motion was approved by the following vote:

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

DM 21-032

CONSIDERATION OF PARTICIPATING IN THE PREPARATION OF A SALT AND NUTRIENT PLAN FOR THE BUNKER HILL GROUNDWATER BASIN

General Manager Joseph Zoba provided an overview of the proposed salt and nutrient plan for the Bunker Hill Basin.

Director Jay Bogh moved that the Board authorize the participation in the Salt and Nutrient Plan for a sum not to exceed \$23,654.

Director Dennis Miller seconded the motion.

The motion was approved by the following vote:

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

DM 21-033

CONSIDERATION OF DEVELOPMENT AGREEMENT NO. 2021-01 FOR A SEWER SERVICE AT 32690 YUCAIPA BOULEVARD, YUCAIPA (ASSESSOR PARCEL NUMBER 0299-321-84)

Senior Engineering Technician Dustin Hochreiter provided an overview of Development Agreement No. 2021-01 for sewer service at 32690 Yucaipa Boulevard, Yucaipa.

Director Joyce McIntire moved that the Board authorize the Board President to execute Development Agreement No. 2021-01.

Director Jay Bogh seconded the motion.

The motion was approved by the following vote:

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

BOARD REPORTS AND DIRECTOR COMMENTS

Director Joyce McIntire reported on the San Gorgonio Pass Water Agency Finance and Budget meeting held on February 22, 2021.

ANNOUNCEMENTS

Director Lonni Granlund called attention to the announcements listed on the agenda.

ADJOURNMENT

The meeting was adjourned at 5:05 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(Seal)

Staff Report



Yucaipa Valley Water District

Discussion Items





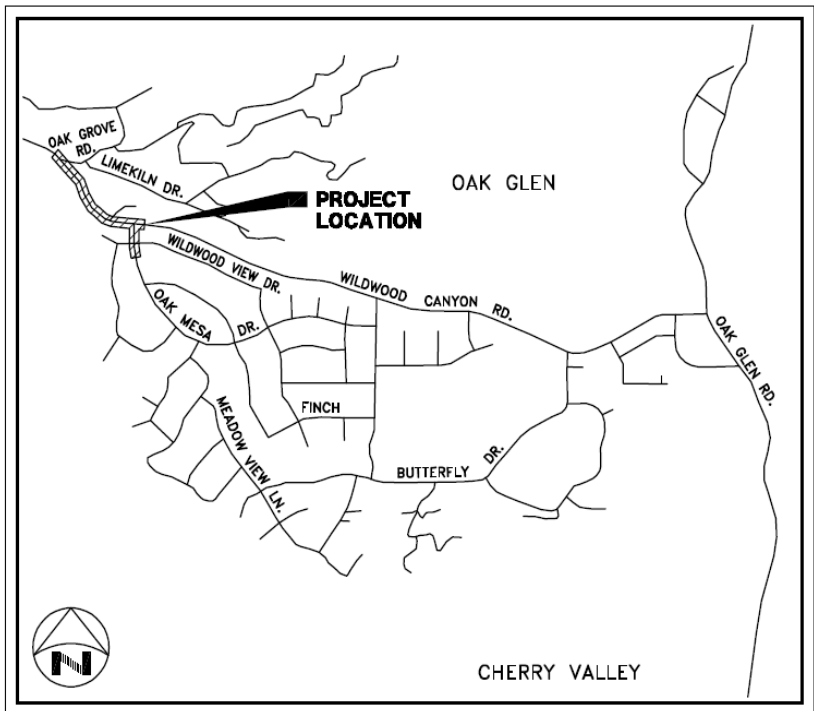
Date: March 2, 2021

From: Dustin Hochreiter, Senior Engineering Technician
Matthew Porras, Implementation Manager

Subject: Status Update - Replacement Drinking Water Pipeline in Wildwood Canyon Road, Yucaipa

Recommendation Staff Presentation - No Action Required.

As discussed at the board workshop held on February 25, 2020 [Workshop Memorandum 20-053], the existing 12-inch PVC water mainline installed in 1985 to serve the Wildwood area is prone to severe failure that could impact a large number of residences in the upper Wildwood Canyon area. The District staff recommends the replacement of approximately 1,660 linear feet of existing PVC pipeline with a 16-Inch ductile iron pipe, four residential services, and four fire hydrants.



The District staff received authorization to solicit bids for this project at the October 27, 2020 board meeting [Director Memorandum 20-160]. The project was advertised in multiple newspapers on November 11, 2020, as well as posted on the District website. The advertised Notice Inviting Bids provided the deadline for submittal of 11:00 am on December 9, 2020. The District received 13 bids for the project. The Board awarded a construction contract to Borden Excavating Inc. on December 15, 2020 [Director Memorandum 20-181] for the replacement project.

Borden Excavating Inc. has completed all mainline tie-ins to the existing distribution system which includes 5 water services, 4 hydrants, 1 air-vac, and mainline testing. The final paving schedule is being finalized and should be completed by Friday, March 5, 2021. Job site cleanup along with a final punch list walk will need to be performed before the notice of completion can be executed.







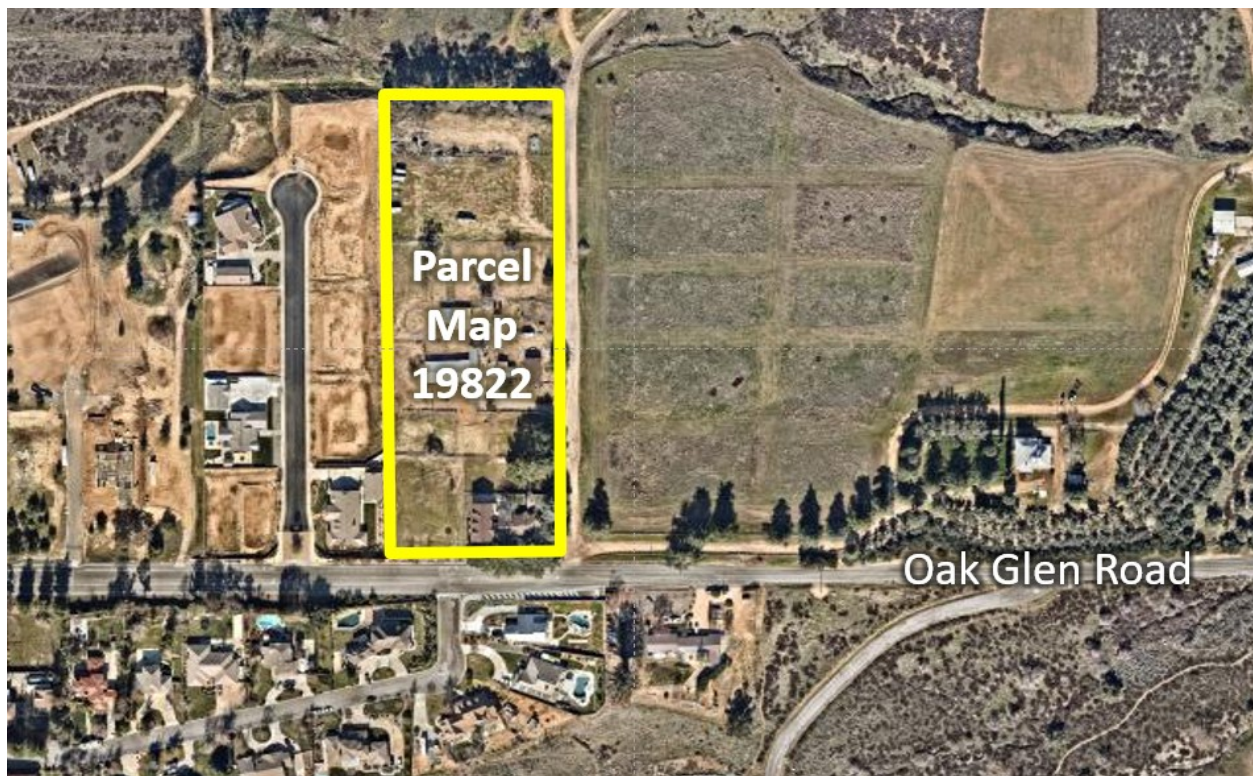
Date: March 2, 2021

Prepared By: Joseph B. Zoba, General Manager

Subject: Request for an Amendment to the Existing Development Agreement No. 2018-05 for Parcel Map 19822 for Parcel No. 4

Recommendation: That the Board provide direction to District staff to address specific issues related to Lot 4 of Parcel Map 19822 by Cindy Mccuiston.

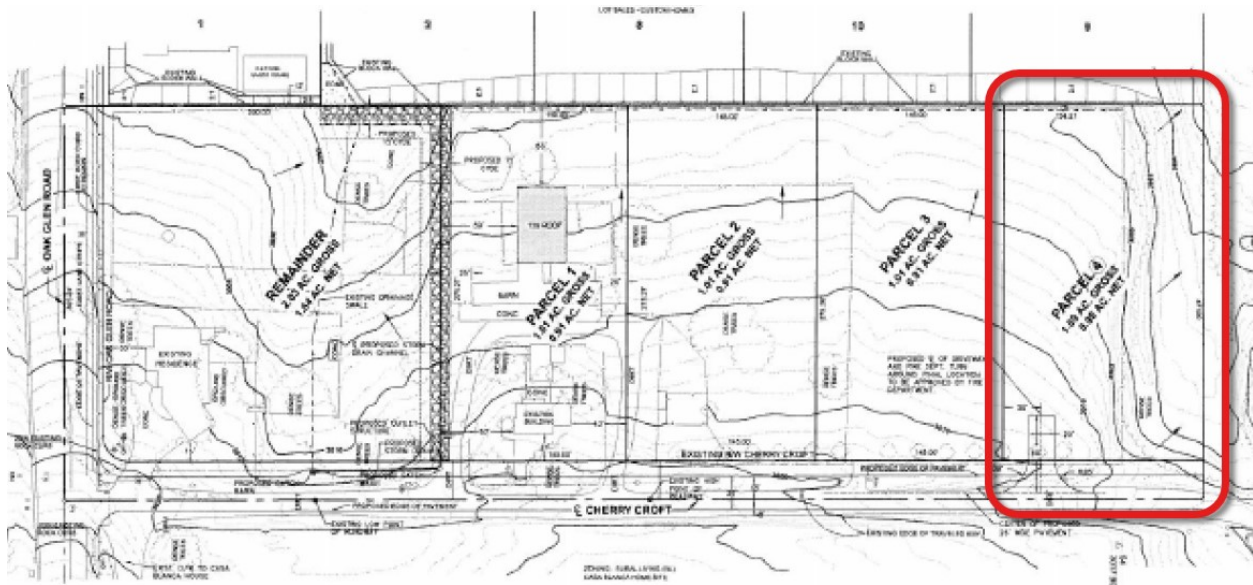
On March 6, 2018, the Yucaipa Valley Water District approved Development Agreement No. 2018-05 [Director Memorandum 18-043] with Michael Moran to provide sewer service to Tentative Parcel Map Number 19822 located on the northwest corner of Oak Glen Road and Cherry Croft Drive, in the City of Yucaipa.



In 2020, the Board of Directors approved Amendment No. 1 to allow septic systems for the four residential lots and to require dual-meters be installed for each lot but removed the requirement to install a recycled water mainline. The recycled water mainline will be installed as part of the Casa Blanca project to the east of Parcel Map No. 19822. By installing a separate irrigation system, each lot will be prepared to receive recycled water when it is available.

Parcel 4 - Cindy Mccuiston

The District staff has received correspondence from a potential buyer of the northerly parcel - Parcel 4. The buyer has requested approval to construct a groundwater well to provide irrigation water for the lot and for the District to relinquish water rights on the parcel. The District will not relinquish water rights (see attached letter) and the development agreement requires the installation of a separate irrigation meter. Even with these requirements, the property owner still has the ability to drill a groundwater well for the parcel by abiding to the requirements set forth by the County of San Bernardino.



The issue for the Board of Directors to decide is whether they would consider amending the existing development agreement for Parcel 4 which would remove the requirement for an irrigation meter for the parcel. This would make it more difficult to provide recycled water to this property in the future.

As a separate issue, the District staff will be preparing a separate resolution formalizing the applicable fees and cross-connection requirements for any parcel that is connected to the drinking water system that also has a groundwater well. For these circumstances, the property owner should be responsible for the inspection, operation, and regular replacement of cross-connection devices to protect the community water supply.

To: Joe Zoba YVWD

February 1, 2021

From: Cindy Mccuiston
35672 Katona Ct
Yucaipa, CA 92399
(909) 5575683

Water Well:

1. What are the situations or property conditions to be able to drill a water well on property in the YVWD?

2. You wanted to know my purpose for my own water well:

I am looking for land in Yucaipa to have a family home and mini farm.

My desire in drilling a water well is for growing organic fruit and nut trees as well as an organic vegetable garden for personal and family needs. Also for possible hydroponic vegetable and fish systems. All of this will require a specialized filtration system on a water well after determining the quality of the water. I realize that City water must include chlorine and sometimes fluoride. I would be filtering out unhealthy components and not adding chemicals to kill bacteria for public use.

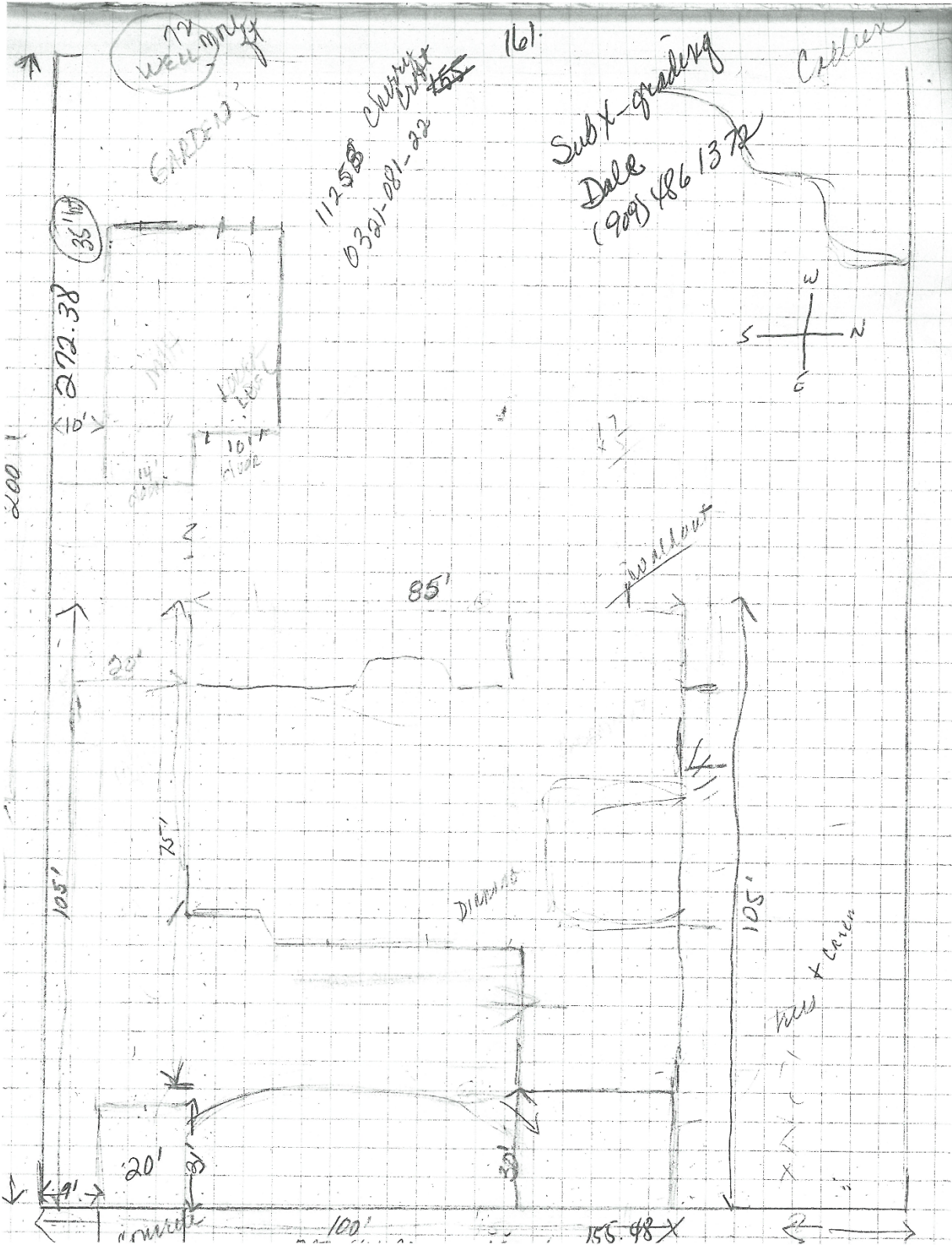
Also I would like to supplement watering for a milk cow and my own beef, chicken, and turkey production for personal use.

3. Can I drill a water well on my current property?

4. If I were to find property that could be divided with a parcel/ track map question:

Is all new parcel / track map conditions from the YVWD require the extra main and laterals for irrigation (recycled) water or is there a special area of Yucaipa that this condition is mandatory?

I don't mind paying for the capacity or acquisition fees for both drinking and irrigation water system. I would like to plumb my house and land for the both sources and realize I would probably need backflow devices on both systems if I did so. I realize that I may still need to pay a monthly minimum on both lines.



To: YVWD Board


From: Cindy McCuiston

Date: 2/18/21

The McCuiston's would like your permission to drill for a water well on a lot they are interested in purchasing in Yucaipa at 11258 Cherry Croft (parcel # 0321-081-22). The lot is almost an acre and the water well would serve primarily to give water to organic food producing nut and fruit trees and a garden and possibly some small animals (like a mini farm). We would look to build our personal residence on the lot as well.

We were told by the Director that this would probably need board approval. So, we would like to be on the board agenda for Tuesday March 2 to entertain your questions and seek your approval. We would like the Director or Board President, Mr. Chris Mann, or Mrs. Lonni Granlund to please contact us by Tues 3/23 and confirm for us this agenda item. I am a licensed contractor and nutritional therapist and can be reached at 909) 557-5683.

Thank you,

A handwritten signature in cursive script that reads "Cindy McCuiston". The signature is written in black ink and is positioned below the "Thank you," text.

Cindy McCuiston



Yucaipa Valley Water District

12770 Second Street • Post Office Box 730 • Yucaipa, California 92399-0730
(909) 797-5117 • Fax: (909) 797-6381 • www.yvwd.us

February 26, 2021

Cindy Mccuiston
35672 Katona Court
Yucaipa, California 92399

Subject: Parcel Map No. 19822 - Denial of Relinquishment of Water Rights/Claims

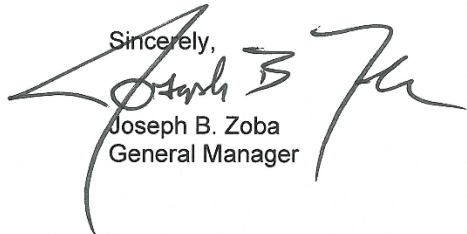
Dear Ms. Mccuiston:

I have received your request for the relinquishment of "water rights, claims or title to water, whether or not disclosed by the public records" identified on page 4 of the preliminary title report for Parcel 4 of Parcel Map No. 19822.

In order to protect the interests of the community, the Yucaipa Valley Water District does not release or relinquish any form of water rights.

Should you have any further questions, please do not hesitate to contact me at (909) 797-5119.

Sincerely,



Joseph B. Zoba
General Manager

Chris Mann
Division 1

Dennis Miller
Division 2

Jay Bogh
Division 3

Lonni Granlund
Division 4

Joyce McIntire
Division 5

PRELIMINARY REPORT
YOUR REFERENCE:

Chicago Title
ORDER NO.: 00094682-1

EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2020-2021.
- B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

→ 1A. Water rights, claims or title to water, whether or not disclosed by the public records.

2. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document,

Reserved by: William H. Patton and Mary J. Patton
 Purpose: Pipelines
 Recording Date: February 17, 1916
 Recording No: Book 553, Page 229 of Deeds
 Affects: A portion of said land as more particularly described in said document

3. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$250,000.00
 Dated: August 2, 2016
 Trustor Grantor: Michael T. Moran and Marilee Moran, Husband and Wife as Joint Tenants
 Trustee: RESS Financial Corp
 Beneficiary: \$25,000 or 10% interest to Timothy Cloughesy, Trustee of the Cloughesy Family Trust of 1996; \$25,000 or 10% interest to Michael John Rybak, a Married man as his Sole and Separate Property; \$25,000 or 10% interest to Sunwest Trust FBO Garry Edelman; \$25,000 or 10% interest to Randall B. Haberman, Trustee of the Randall B. Haberman Revocable Trust U/A Dated 1/22/2013; \$25,000 or 10% interest to Sunwest Trust FBO Michael Getz; \$25,000 or 10% interest to Jack Soll and Sandra Soll, Trustees of the Soll Family Trust U/A Dated 10/10/84; \$25,000 or 10% interest to Sunwest Trust FBO Richard Eggener; \$25,000 or 10% interest to Steven Heller and Deborah Heller, Trustees of The Heller Trust U/D T dated 8/27/13; \$25,000 or 10% interest to Pamela R. Kushner, Trustee of the Pamela R. Kushner Living Trust; \$25,000 or 10% interest to Richard L. Fahrney, Trustee of the Fingal Fahrney & Clark 401k Profit Sharing Plan, FBO Richard L. Fahrney
 Recording Date: August 9, 2016
 Recording No: 2016-0321549 of Official Records

3. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$138,000.00
 Dated: August 30, 2018
 Trustor Grantor: Michael T. Moran and Marilee Moran, Husband and Wife as Joint Tenants
 Trustee: RESS Financial Corp



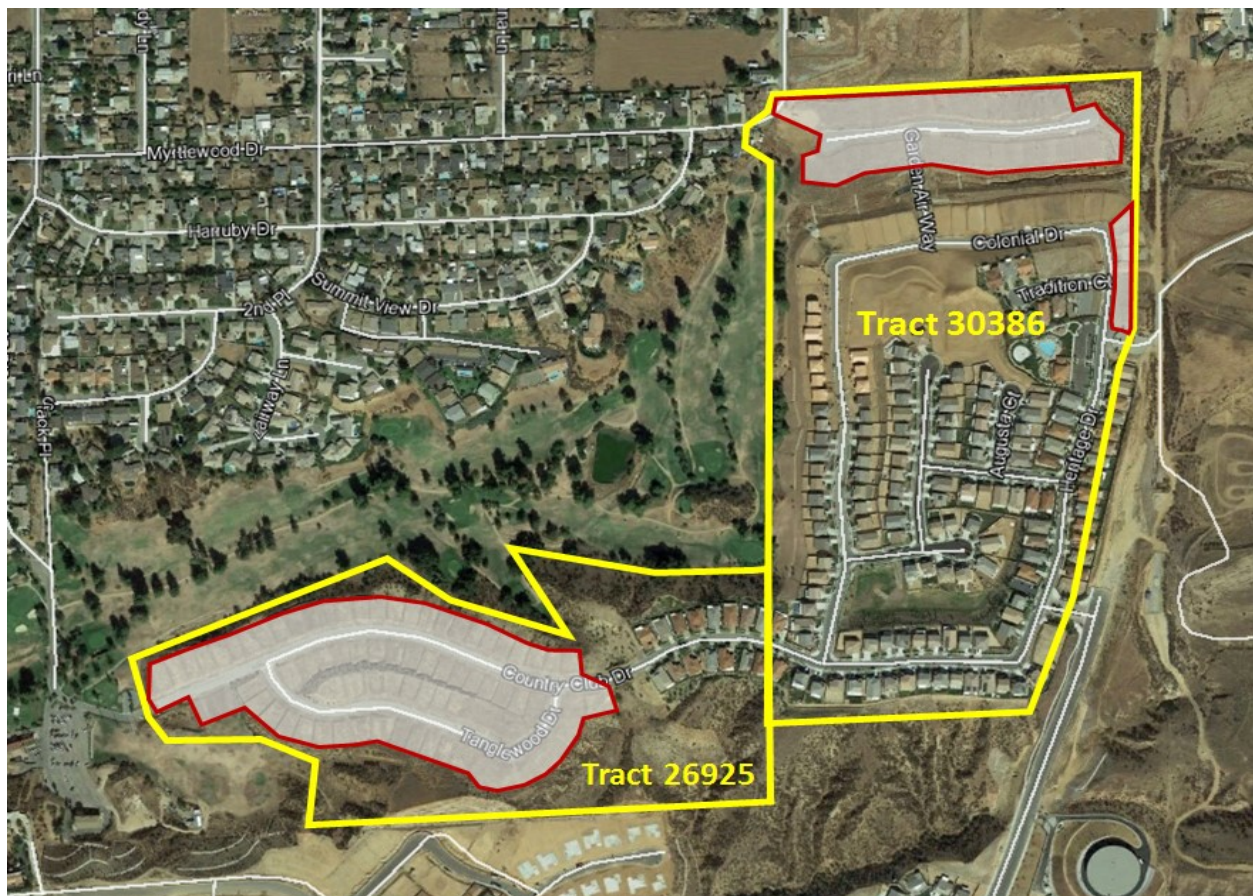
Date: March 2, 2021

Prepared By: Joseph B. Zoba, General Manager

Subject: Request for an Amendment to Development Agreement No. 2018-08 for Portions of Tract No. 26925 (80 lots), Tract No. 30386 (34 lots), and Tract No. 30386-1 (7 lots) in Calimesa

Recommendation: That the Board provide direction to District staff to address specific issues and the request by DR Horton for an amendment to Development Agreement No. 2018-08.

At the board workshop meetings on April 10, 2018, and May 22, 2018, the District staff discussed the implementation of the San Gorgonio Pass Water Agency Supplemental Water Resource Fee for Tract No. 26925 and Tract No. 30386. Based on this discussion, the District staff prepared a development agreement that outlined the conditions of this fee for Western Pacific Housing / DR Horton. Development Agreement No. 2018-08 (attached) was approved on June 5, 2018.



During the construction of the homes, the District staff recognized that fees were paid to the District but building permits were not issued by the City of Calimesa. The District's standard requirement is that fees are due at the time a building permit is issued. This allows the District staff to set forth specific conditions that are time and progress dependent for projects.

In this specific case, fees were paid prior to the issuance of building permits which resulted in a \$4,683 decrease in fees for ten lots.

The District staff provided notice to the developer and the developer has requested additional consideration that would require an amendment to the development agreement.

List of Attachments

- Development Agreement No. 2018-08 - June 5, 2018 3 of 27
- Correspondence from Yucaipa Valley Water District - October 28, 2019 19 of 27
- Acceptance of 24" Pipeline - November 12, 2019 21 of 27
- Invoice No. D-100 - December 5, 2019 22 of 27
- DR Horton Request for Consideration - January 31, 2020 23 of 27
- DR Horton Request for Agenda Item - February 16, 2021 25 of 27
- Summary of Building Activity - YVWD 26 of 27

**AGREEMENT TO PROVIDE DRINKING WATER, RECYCLED WATER,
 AND SEWER SERVICE PORTIONS OF: TRACT NUMBER 26925 (80
 LOTS); TRACT 30386 (34 LOTS): AND TRACT 30386-1 (7 LOTS) IN
 THE CITY OF CALIMESA, COUNTY OF RIVERSIDE**

This Agreement is made and effective this 5th day of June 2018, by and between the Yucaipa Valley Water District, a public agency ("District") and Western Pacific Housing, Inc., a Delaware Corporation ("Developer"). Each is sometimes referred to herein as a "Party" and jointly as the "Parties".

Project File(s)	Work Order(s)
P-65-038	#65-01063
P-65-268	#65-16122

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

District	Developer
Yucaipa Valley Water District 12770 Second Street Post Office Box 730 Yucaipa, California 92399 Attention: Joseph Zoba, General Manager Telephone: (909) 797-5119 x2	Western Pacific Housing, Inc. 2280 Wardlow Circle, #100 Corona, California 92880 Attention: Barbara Murakami, Vice President Telephone: (951) 739-5443

The Developer is anticipated to acquire fee title to and be the owner of the following parcel(s) by August 1, 2018, which is/are the subject of this Agreement and described herein as the "Property":

Tract Number and Lot Numbers	City / County
Tract No. 26925 - Lots 1-27, 45-97 (80 lots) Tract No. 30386 - Lots 1-34 (34 lots) Tract No. 30386-1 - Lots 16-22 (7 lots)	City of Calimesa / Riverside County

RECITALS

WHEREAS, the Developer desires to develop its Property situated within the service area of the District as shown on Exhibit A attached hereto and consists of the development of 121 lots; and

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

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

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

AGREEMENT

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

- A. Project Overview.** The proposed Project consists of one hundred twenty-one (121) lots within Tract Nos. 26925, 30386, and 30386-1. The Project is located west of Bryant Street, in Calimesa, California. The Project will receive drinking water service, recycled water service, and sewer service from the District.
- B. Special Conditions.** The following conditions, being contained herein, will be required by the District for the Developer to receive service for the Project.
1. **Project Specific Drinking Water Conditions:** The Project will receive drinking water service from the District. The Developer will design and construct on-site and off-site drinking water infrastructure ("Facilities") pursuant to District approved plans and requirements.
 - a. A 24-inch water conveyance pipeline located in Singleton Road/Bryant Street is required to be completed, tested, made operational, and accepted by the District prior to the issuance of the 61st building permit issued pursuant to this Agreement or by May 15, 2019 (See Section B.6.b.ii).
 2. **Project Specific Recycled Water Conditions:** The Project will receive recycled water service from District. The Developer will design and construct on-site and off-site recycled water infrastructure ("Facilities") pursuant to District approved plans and requirements.
 - a. Recycled water service for this project is limited to common areas around the Project site. The residential lots within the Project will not be dual-plumbed.
 3. **Project Specific Sewer Conditions:** The Project will receive sewer service from the District. The Developer will design and construct on-site and off-site sewer infrastructure ("Facilities") pursuant to District approved plans and requirements.
 - a. The District has identified sewer mainline deficiencies downstream of the Project within the City of Calimesa. To secure the appropriate funding for the upgrade of these sewer mainline facilities, the Developer shall pay to the District a fee of \$1,500 per Equivalent Dwelling Unit for the construction of upgraded sewer mainline facilities. This fee shall be paid prior to the issuance of building permits.
 4. **Project Specific Stormwater Conditions.** The City of Calimesa and/or the County of Riverside will retain responsibility and authority for stormwater related to the Project. The Developer will provide approved plans, specifications, and construction drawings to the District for review and identification of onsite stormwater collection facilities and retention basins and the District will review such

Yucaipa Valley Water District
Development Agreement No. 2018-08
Page 3 of 18

plans, specifications and drawings to ensure that the Facilities will not interfere with existing District infrastructure and/or the stormwater facilities.

5. **Project Specific Conditions.** The Developer shall design and construct all Facilities and related appurtenances pursuant to the District approved plans and construction drawings to serve the Project.
 - a. The Developer shall provide written confirmation that Western Pacific Housing is the owner of the Property identified on page 1 of this Agreement by August 1, 2018.
 - b. The District will not provide drinking water, recycled water, or sewer service to the Project until the necessary infrastructure is completed and accepted by the District to provide service to each lot.
 - c. Project phases will be coordinated with the District staff.
 - d. The Developer shall provide electronic design drawings of parcels and infrastructure in native file formats consistent with existing District enterprise systems.

6. **Rates, Fees and Charges.** The most current rates, fees and charges will be payable pursuant to the Resolution/Ordinance in effect at the time building permits are issued or renewed for each lot.
 - a. The Developer shall pay the sustainability fees based on the rates, fees and charges in effect by the San Geronio Pass Water Agency for seven acre-feet (7 acre-feet) of imported water prior to the issuance of building permits.
 - b. On September 19, 2017, the Board of Directors adopted Resolution No. 2017-23, *"A Resolution of the Yucaipa Valley Water District Establishing the Methodology to Calculate and Collect Facility Capacity Charges Related to the Purchase of Permanent Water Resources for New Development within the Boundary of the San Geronio Pass Water Agency and the City of Calimesa"* ("SGPWA Water Fee"). This resolution is designed to be amended from time to time with the most recent calculation of the SGPWA Water Fee (superseding Resolution No. 2017-23) paid by the Developer pursuant to the following conditions:
 - i. When applicable, the implementation of the latest calculation of the SGPWA Water Fee shall be based on the consumption of 120 kgal (120,000 gallons) of drinking water per year.
 - ii. The 24-inch water conveyance pipeline to be constructed in Bryant Street / Singleton Road is expected to be made operational by May 15, 2019. In the event the 24-inch water conveyance pipeline is not operational by May 15, 2019, and the Developer seeks to obtain issuance of building permits pursuant to this Agreement, the Developer agrees to pay the SGPWA Water Fee identified in

Yucaipa Valley Water District
Development Agreement No. 2018-08
Page 4 of 16

Section B.6.b. of this Agreement (prior to the issuance of building permits) until the 24-inch water conveyance pipeline is completed, operational and accepted by the District. This paragraph (Section B.6.b.ii.) shall not apply if the 24-inch water conveyance pipeline is completed and accepted by the District prior to May 16, 2019.

- iii. The Developer shall pay to the District the SGPWA Water Fee calculated in Section B.6.b. of this Agreement prior to the issuance of any building permit(s) issued by the City of Calimesa after July 1, 2020.
7. **Project Related Invoices.** The Developer agrees to deposit funds with the District, as required herein, within 10 business days following the District's approval of this Agreement. The Developer acknowledges and hereby agrees that the District is authorized, from time-to-time, to reimburse itself from the funds on deposit for Project costs incurred and that the District will not release any structure for occupancy unless there is a minimum balance in the Project Cash Account.
8. **Ownership: Operation and Maintenance.** Once constructed and accepted by the District, title to the Facilities (excluding private, on-site Facilities) will be conveyed by the Developer to the District, and the District will operate and maintain the Facilities and provide service to the Developer's Property in accordance with the District's Rules, Regulations and Policies and the provisions of this Agreement.
9. **Easements, Dedications, and Recorded Documentation:** All easements, dedications, and recorded documentation required by the District shall be provided by the Developer to the District in a timely manner as required by the District.
10. **Annexation.** This Project is located within the service area of the District, so an annexation is not required.
11. **Annual Review of Construction Drawings.** The District requires an annual review of approved construction drawings related to this Project. The District will not charge the Developer for the annual construction drawing review. However, the Developer will be required to update and resubmit construction drawings based on comments provided by the District at the sole cost and expense of the Developer prior to the start of construction.
12. **Amendment.** This Agreement may be amended, from time-to-time, by mutual agreement, in writing signed by both Parties. The District and the Developer further agree that to the extent this Agreement does not address all aspects of the Developer's Property and/or Project, the Parties will meet and confer and negotiate in good faith and execute a written amendment or supplement to this Agreement.
13. **Assignment.** This Agreement will not be assigned, whether in whole or in part by either Party.
14. **Term and Termination of Agreement.** Unless extended by mutual agreement of the parties in writing, this Agreement shall terminate at 5:00 p.m., on the day before the sixth (6th) anniversary date of this Agreement; provided, however, that this

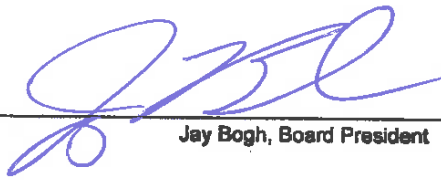
Yucaipa Valley Water District
Development Agreement No. 2018-08
Page 5 of 16

Agreement shall automatically terminate, without further liability to either party, as follows:

- a. Immediately, upon receiving written notice that Western Pacific Housing did not purchase of the Property as identified on page 1;
- b. Immediately, upon abandonment by the Developer of the Developer's Property and/or the work hereunder. "Abandonment" is defined as the act of bankruptcy or Developer's failure to improve the Property in a manner consistent with the proposed development plan within twelve months of the effective date of this Agreement; and/or
- c. Within 45 days of the date of the issuance of a Notice of Default by the District to the Developer in the event the Developer fails or refuses to perform, keep or observe any of the terms, conditions or covenants set forth in this Agreement.

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

YUCAIPA VALLEY WATER DISTRICT

Dated: 6/26/2018 By:  _____
 Jay Bogh, Board President

DEVELOPER


Dated: JUNE 6, 2018 By:  _____
 Print Name: Jennifer L. O'Leary _____
 Print Title: Assistant Secretary _____

Exhibit A - Project Location



Yucaipa Valley Water District
Development Agreement No. 2018-08
Page 7 of 16

Exhibit B - Proposed Development Concept

2/22/18

MESA POINT 3 CONSTRUCTION PHASING

JP RANCH

TRACTS 28825 & 30396

MAINTENANCE AREAS BY ENTITY

LEGEND

- CED No. 1553 MAINTENANCE AREA
- CED MAINTENANCE AREA
- CED MAINTENANCE AREA

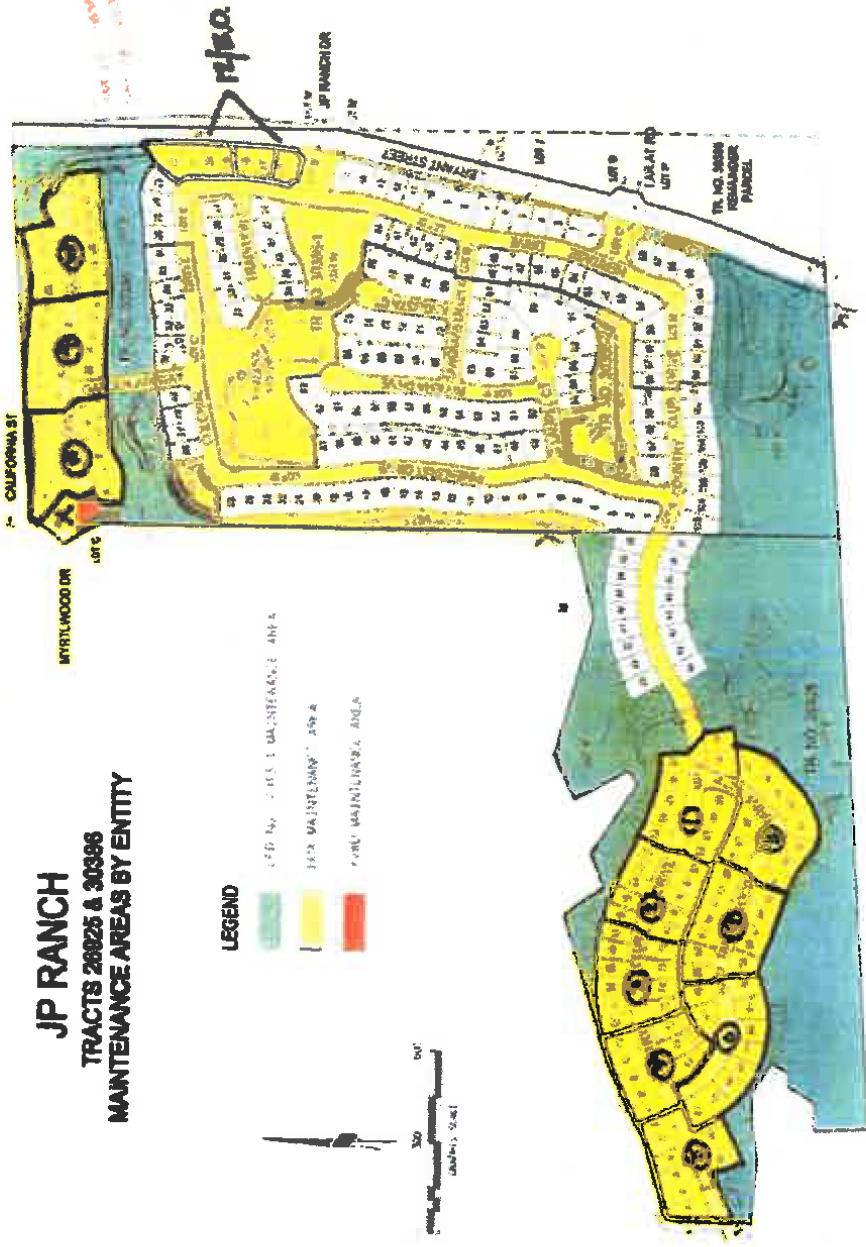
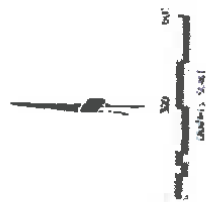


Exhibit C - General Construction Conditions**DESIGN AND CONSTRUCTION**

- A. **Licensed Professionals.** All work, labor and services performed and provided in connection with, for example, the preparation of surveys and descriptions of real property and rights-of-way, the preparation of construction specifications, plans and drawings, and the construction of all Facilities shall be performed by or under the direction of professionals appropriately licensed by the State of California and in good standing.
- B. **Plan Acceptance; Facility Acceptance.** Upon its final review and approval of the plans and specifications ("Plans"), the District shall sign the construction drawings ("Approved Plans") indicating such approval ("Plan Acceptance"). Plans are subject to an annual review by the District and modifications will be required by the District to conform to revised construction standards and policies as part of the Plan Acceptance. The Developer shall update and resubmit the Plans for final approval by the District.
1. The Developer shall not permit, or suffer to permit, the construction of any Facility without having first obtained Plan Acceptance or completed modifications required by annual updates. In the event the Developer fails or refuses to obtain the District's Plan Acceptance, the District may refuse, in its sole discretion and without liability to the Developer, to issue its Facility Acceptance (as that term is defined below) as to such Facility when completed.
 2. The Developer shall not deviate from any Approved Plans and/or specifications without the District's prior written approval.
- C. **Facility Inspection.** All construction work shall be inspected on a timely basis by District personnel and/or by District's consultants at the sole cost of the Developer. The Developer acknowledges that the inspector(s) shall have the authority to require that any and all unacceptable materials, workmanship, construction and/or installation not in conformance with either (i) the Approved Plans, or (ii) standard practices, qualities and standards in the industry, as reasonably determined by the District, shall be replaced, repaired or corrected at Developer's sole cost and expense.
1. In the event the Developer's contractor proposes to work overtime and beyond normal business hours, the Developer shall obtain the District's approval at least 24 hours in advance so that inspection services may be appropriately scheduled. The Developer shall be solely responsible for paying all costs and expenses associated with such inspection services.
 2. The District shall promptly upon request of Developer cause the final inspection of a Facility which Developer indicates is completed. If the District finds such Facilities to have been completed in conformance with the Approved Plans for which a Plan Acceptance has been issued, then District shall issue to Developer its letter ("Facility Acceptance") indicating satisfactory completion of the Facility and District's acceptance thereof. Neither inspection nor issuance of the Facility Acceptance shall constitute a waiver by District of any claims it might have against

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

- D. **Project Coordination and Designation of Developer's Representative.** The Developer shall be solely responsible for coordinating the provision of all work, labor, material and services associated with the planning, design and construction of the Facilities required for the Project.
1. The Developer shall be solely responsible for compliance with all applicable federal, state and local safety rules and regulations, and shall conduct periodic safety conferences as required by law and common sense.
 2. Prior to proceeding with any Facility construction, the Developer shall schedule and conduct a preconstruction conference with the District. In the event the Developer fails or refuses to conduct any such conference, the District may refuse, in its sole discretion, to accept the Facilities constructed by the Developer.
 3. The District and the Developer hereby designate the individual identified on page 1 of this Agreement as the person who shall have the authority to represent the District and Developer in matters concerning this Agreement. In order to ensure maximum continuity and coordination, the District and Developer agree not to arbitrarily remove or replace the authorized representative, but in the event of a substitution, the substituting Party shall promptly advise the other Party of such substitution, in writing.
- E. **District's Right to Complete Facilities.** The District is hereby granted the unqualified right to complete, construct or repair all or any portion of the water and/or sewer Facilities, at Developer's sole cost and expense in the event there is a threat to the public's health, safety or welfare.
- F. **Construction of Connections to District Facilities.** Unless otherwise agreed to in writing by the District, the District shall furnish all labor, materials and equipment necessary to construct and install connections between the Developer's Facilities and the District's water, recycled water, and sewer systems. All costs and expenses associated therewith shall be paid by the Developer.
- G. **Compliance with Law and District Regulations.** The Developer hereby agrees that all Facilities shall be planned, designed and constructed in accordance with all applicable laws, and the District's Rules, Regulations and Policies in effect at the time of construction. The Developer shall keep fully informed of and obey all laws, rules and regulations, and shall indemnify the District against any liability arising from Developer's violation of any such law, rule or regulation.
- H. **Developer's Warranties.** The Developer shall unconditionally guaranty, for a period of one year following the District's Facility Acceptance thereof, any and all materials and workmanship, at the Developer's sole cost and expense. The provision of temporary water service through any of the Developer's Facilities, prior to District's acceptance of same, shall not nullify nor diminish the Developer's warranty obligation, nor shall the Developer's warranty obligation be voided if the District determines, in its sole discretion, to make any emergency repairs necessary to protect the public's health, safety or welfare or to ensure

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

- I. **Testing and Disinfection.** Upon approval by the District, the Developer, at its sole cost and expense, shall undertake and satisfactorily complete a testing program, including without limitation, compaction, cleaning, video and air testing, and pressurized and disinfection testing (drinking water Facilities), for all Facilities prior to acceptance by the District.
- J. **Bond Requirements.** The Developer shall provide to the District, in a form satisfactory to the District, the following bonds:
 1. **Performance and Warranty Bond.** A performance bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount representing not less than one hundred percent (100%) of any and all construction work to be conducted or performed under this Agreement. A warranty bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount representing not less than fifty percent (50%) of the total cost of any and all construction performed hereunder, insuring against any and all defects in the Facilities constructed hereunder, for a period of not less than one full year after the date of acceptance thereof by the District.
 2. **Labor and Materials Payment Bond.** A labor and materials payment bond issued by a corporate surety or sureties licensed and permitted to do business by and within the State of California in an amount representing not less than one hundred percent (100%) of the total cost of any and all construction performed hereunder per California Civil Code Sections 9550 and following.
 3. **Miscellaneous Bond Requirements.** All bonds required by this section are subject to the approval as to form and content by the General Manager and District's Legal Counsel. All bonds required by this section shall be provided by a surety that is an "admitted" surety insurer authorized to transact surety insurance in California, with assets exceeding its liabilities in the amount equal to or in excess of the amount of the bonds, and each bond shall not be in excess of ten percent (10%) of the surety insurer's assets. The bond shall be duly executed and shall meet all of the requirements of Section 995.660 of the Code of Civil Procedure.
- K. **Title to Facilities and Right-of-Way.** Provided that the Developer's Facilities are designed and constructed as required hereunder and the District proposes to issue its Facility Acceptance, the Developer shall, concurrently with the District's Facility Acceptance, convey ownership title to all Facilities (and right-of-way, if applicable) to the District, free and clear of any and all liens and encumbrances except those that are expressly agreed to by the District. The District may require fee title or an easement, depending upon the location of the Facility through action by the Board of Directors. Upon conveyance of title, the District shall assume the responsibility of operating and maintaining the Facilities, subject to the Developer's warranty as provided herein. The Developer acknowledges and agrees that the District shall not be obligated to operate and maintain the Facilities and to provide service to and through them until all applicable conditions imposed by this

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

- L. **Risk of Loss.** Until such time as acceptance thereof by the District, and until good and marketable title to the easements, rights-of-way and Facilities are conveyed and delivered to the District in recordable form, the Developer shall be solely and completely responsible for any and all losses and/or damage of every kind or nature to the easements, rights-of-way and Facilities. In the event Developer believes the loss and/or damages arose from or are related to acts performed by the District, this provision does not preclude Developer's insurance carrier from seeking indemnity and/or reimbursement from the District.
- M. **Conditions Precedent to the Provision of Water and Sewer Service.** Unless the District otherwise agrees in writing, the District shall not be obligated to provide any water and/or sewer service to the Developer's Property or any part thereof, including model homes, until Facility Acceptance by the District and Developer conveys to the District the right-of-way and Facilities associated with the requested service. Upon acceptance of the right-of-way and appurtenant Facilities, the District shall provide the service requested and assume the responsibility for operating and maintaining the affected Facilities. Service provided by the District shall be in accordance with its Rules, Regulations and Policies and shall be comparable in quality of service to that provided all similarly situated customers.

FEES AND CREDITS

- N. **Developer Fees, Charges, Costs and Expenses.** The Developer shall be solely responsible for the payment to the District of all fees, charges, costs and expenses related to this Project.
- O. **Developer Cash Account Deposit.** The Developer acknowledges and hereby agrees that the District is authorized, from time-to-time, to reimburse itself from the funds on deposit for Project costs incurred.
1. The Developer shall provide the initial deposit to the District, and maintain the minimum balance in the Cash Account for the Project as provided below:
 - a. An initial deposit of \$2,500 and a minimum balance of \$1,000 for a Project that involves the construction of 1 to 2 proposed structures;
 - b. An initial deposit of \$5,000 and a minimum balance of \$2,000 for a Project that involves the construction of 3 to 5 proposed structures;
 - c. An initial deposit of \$10,000 and a minimum balance of \$3,000 for a Project that involves the construction of 6 to 20 proposed structures;
 - d. An initial deposit of \$25,000 and a minimum balance of \$5,000 for all other Projects.

Yucaipa Valley Water District
Development Agreement No. 2018-08
Page 12 of 16

2. The initial deposit shall be received by the District within 10 business days following the District's approval of this Agreement.
 3. The District shall provide a monthly accounting of how funds were disbursed.
 4. The Developer agrees to deposit funds with the District within 30 calendar days upon the date an invoice is issued by the District or a Notice of Default will be issued by the District.
 5. The District will not release any structure for occupancy unless the minimum balance is available to the District in the Project Cash Account.
 6. Should any unexpended funds remain in the Cash Account upon completion of the Project or termination of this Agreement, then such funds shall be reimbursed to the Developer within 60 days.
- P. Current Fees and Charges. In the event of a change in the District's schedule of fees and charges, such change shall automatically be incorporated into this Agreement as though set forth in full. Unless otherwise agreed to in writing by the District, the Developer shall pay, when due, the then-current amount of the applicable fee or charge.
- Q. Sustainability Water. The Developer shall pay for the purchase of a quantity of imported water pursuant to the Sustainability Policy adopted by the Board of Directors as a Resolution No. 11-2008 on August 20, 2008, or the latest version with a revised quantity or fee structure. The imported water rate shall be the rate in effect at the time water is secured from the San Bernardino Valley Municipal Water District. Imported water for compliance with the Yucaipa Valley Water District's Sustainability Policy may be pre-paid to lock in the Development Sustainability fee or purchased prior to the issuance of building permits and pay the fee in effect at that time.
- R. San Gorgonio Pass Water Agency Facility Capacity Charges. If the Project is within the service area of the San Gorgonio Pass Water Agency, the Developer will be required to pay the latest San Gorgonio Pass Water Agency Facility Capacity Charge as set forth by District resolution.
- S. District Financial Participation; Credits. The District may agree to participate in certain Facilities for this Project. Any participation or financial contribution to construct the water and/or sewer infrastructure associated with this Project is identified in the Special Conditions at the beginning of the Agreement.

PERMITS AND DOCUMENTATION

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

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

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

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

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

INSURANCE AND INDEMNIFICATION

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

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

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

- W. Insurance.** The Developer agrees to provide insurance in accordance with the requirements set forth here throughout the term of this Agreement. If the Developer uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, the Developer agrees to amend, supplement or endorse the existing coverage to do so. The following coverages will be provided by the Developer and maintained on behalf of the District and in accordance with the requirements set forth herein.
1. **Commercial General Liability Insurance (Primary)** shall be provided on ISO-CGL Form No. CG 00 01 10 93. Policy limits shall be no less than \$1,000,000 per occurrence for all coverages and \$2,000,000 general aggregate. The District and its officials, employees and agents shall be added as additional insureds using ISO Form CG 20 10 10 93. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the District or any employee or agent of the District. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.
 2. **Umbrella Liability Insurance (over Primary)** shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion and no contractor's limitation endorsement. Policy limits shall be not less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate, above any limits required in the underlying policies. The policy shall have starting and ending dates concurrent with the underlying coverages.
 3. **Workers' Compensation/Employer's Liability** shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than \$1,000,000 per accident or disease. Employer's liability coverage shall be scheduled under any umbrella policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects the District, its employees or agents.
 4. **The Developer and the District further agree as follows:**
 - a. All insurance coverage provided pursuant to this Agreement shall not prohibit the Developer, and the Developer's employees or agents, from waiving the right of subrogation prior to a loss. The Developer waives its right of subrogation against the District.

- b. Unless otherwise approved by the District in writing, the Developer's insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of "A:VII". Self-insurance will not be considered to comply with these insurance specifications.
- c. The Developer agrees to provide evidence of the insurance required herein, satisfactory to the District, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to the Developer's general liability and umbrella liability policies. Certificate(s) are to reflect that the insurer will provide 30 days' notice of any cancellation of coverage. The Developer agrees to require its insurer to modify such certificate(s) to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions. The Developer agrees to provide complete certified copies of policies to the District within 10 days of the District's request for such copies.
- d. In the event of any loss that is not insured due to the failure of the Developer to comply with these requirements, the Developer agrees to be responsible for any all losses, claims, suits, damages, defense obligations and liability of any kind attributed to the District, or the District's officials, employees and agents as a result of such failure.
- e. The Developer agrees not to attempt to avoid its defense and indemnity obligations to the District and its employees, agents and officials by using as defense the Developer's statutory immunity under workers' compensation and similar statutes.

MISCELLANEOUS PROVISIONS

- X. Status of the Parties. This Agreement is not intended to create, and nothing herein contained shall be construed to create, an association, a trust, a joint venture, a partnership or other entity of any kind, or to constitute either party as the agent, employee or partner of the other.
- Y. Force Majeure. If either the District or the Developer is delayed, hindered or prevented from performing any term of this Agreement by any cause beyond either party's control including, without limitation, any strike, walkout, prohibitions imposed by law, rules or regulations, riot, war, act of God or the default of the other party, then such performance may be excused or the time of performance tolled during the period of delay.
- Z. Incorporation of Prior Agreements. This Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned in this Agreement, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

- AA. **Waiver.** No waiver by either Party of any provisions of this Agreement shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either Party of the same or any other provisions.
- BB. **Severance.** If any provision of this Agreement is determined to be void by any court of competent jurisdiction then such determination shall not affect any other provision of this Agreement provided that the purpose of this Agreement is not frustrated.
- CC. **Disclaimer.** Utilizing fees and Facilities provided to the District by the Developer, the District will supply sewer collection and treatment services to the Developer's Property and Project, however, the District shall not be obligated to utilize public funds to subsidize the Project.
- DD. **Water Supply Availability.** The District does not guarantee water supply availability and shall not be required to authorize the issuance of grading, building, or occupancy permits during the period of time that the State of California and/or the Board of Directors have declared a water supply reduction of 20% or greater for a specific portion or all of the District's service area.
- EE. **Preparation of This Agreement.** This Agreement shall not be construed against the Party preparing it, but shall be construed as if both Parties prepared it.
- FF. **Alternative Dispute Resolution.** Any dispute as to the construction, interpretation or implementation of this Agreement, or any rights or obligations hereunder, shall be submitted to mediation. Unless the Parties enter into a written stipulation to the contrary, prior to the filing of any complaint to initiate legal action, all disputes shall first be submitted to non-binding mediation, conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, or its successor, or any other neutral, impartial mediation service that the Parties mutually agree upon in accordance with its rules for such mediation. Mediation fees shall be shared equally by the DEVELOPER and the DISTRICT.

END OF SECTION



Yucaipa Valley Water District

12770 Second Street • Post Office Box 730 • Yucaipa, California 92399-0730
 (909) 797-5117 • Fax: (909) 797-6381 • www.yvwd.dst.ca.us

October 28, 2019

D.R. Horton
 Attn: Rudy Provoost
 2280 Wardlow Circle, Suite 100
 Corona, California 92880

Subject: Status of Fees and Building Permits for Tract NOs 26925 and 30386-1

Rudy,

After our meeting on October 9, 2019 with you, Dustin Hochreiter, and myself here at our office, we reviewed Development Agreement No. 2018-08 for clarification of when fees are due and building permits are pulled in relation to the completion of the 24-inch water conveyance pipeline in Singleton Road/Bryant Street. Please refer to Development Agreement No. 2018-08, page 2 section B, 1a:

- B. Special Conditions.** The following conditions, being contained herein, will be required by the District for the Developer to receive service for the Project.
1. **Project Specific Drinking Water Conditions:** The Project will receive drinking water service from the District. The Developer will design and construct on-site and off-site drinking water infrastructure ("Facilities") pursuant to District approved plans and requirements.
 - a. A 24-inch water conveyance pipeline located in Singleton Road/Bryant Street is required to be completed, tested, made operational, and accepted by the District prior to the issuance of the 61st building permit issued pursuant to this Agreement or by May 15, 2019 (See Section B.6.b.ii).

Our records indicate that you have paid Developer Impact Fees for the following lots:

Tract 26925

Lots 23-27, 45, 46 & 82-85 (11 Lots) – Paid 2/26/2019 (pulled permits 5/2/19)
 Lots 12-17 & 73-76 (10 Lots) – Paid 4/26/2019 (pulled permits 7/8/19)
 Lots 7-11 & 70-72 (8 Lots) – Paid 4/26/2019
 Lots 18-22 & 77-81 (10Lots) – Paid 4-26-2019

Tract 30386-1

Lots 17 & 18 (2 Lots) – Paid 2/13/2019 (pulled permits 2/20/19)

Chris Mann
 Division 1

Bruce Granlund
 Division 2

Jay Bogh
 Division 3

Lonni Granlund
 Division 4

Joyce McIntire
 Division 5

Fees are due at time of building permit, and even though you paid your fees prior to the May 15, 2019 date stated in the Development Agreement, permits for Lots 12-17, 73-76 (10 lots) were not pulled until July 8, 2019 as shown on the attached City of Calimesa building permit spreadsheet. These lots owe the San Geronio Pass Water Agency Supplemental Supply fee of \$4,683.00.

Please see the attached Developer Invoice with a total amount due of \$46,830.00.

If you have any questions, please feel free to call me at 909-797-5118.

Thank you.



Chelsie Fogus
Engineering Technician I

Attachments:

- Agreement No. 2018-08
- City of Calimesa Building Permit Spreadsheet for JP Ranch 2019
- YVWD Developer Invoice

CC: City of Calimesa – Building and Safety



Yucaipa Valley Water District

12770 Second Street • Post Office Box 730 • Yucaipa, California 92399-0730
(909) 797-5117 • Fax: (909) 797-6381 • www.yvwd.dst.ca.us

November 12, 2019

Subject: Yucaipa Valley Water District acceptance of the 24-inch water conveyance pipeline in Bryant Street/Singelton Road

To: D R Horton

Attention: Rudy R. Provoost

Rudy,

The new 24-inch potable water pipeline consisting of 2,154 linear feet of DIP, 3 fire hydrant, 1 air vac, 1 blowoff, and 1 temporary blowoff has been accepted as of Friday, November 8, 2019, by the Yucaipa Valley Water District.

Thank you,

Dustin Hochreiter
Senior Engineering Technician

Chris Mann
Division 1

Bruce Granlund
Division 2

Jay Bogh
Division 3

Lonni Granlund
Division 4

Joyce McIntire
Division 5



Yucaipa Valley Water District

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

Invoice Sent To: D.R. Horton
 Attention: Rudy Provoost
 8501 Fallbrook Ave, Ste 270
 West Hills, CA 91304

INVOICE

Invoice Number: D-100
 Invoice Date: December 5, 2019
 Project Reference: Tract 26925
 Project Location: Lot #'s 12-17 & 73-76

Message/Notes: Yucaipa Valley Water District requires that the fees due, are the fees that are in effect at the time a building permit is pulled. It has come to our attention that although fees for Tract 26925 lots 12-17 & 73-76 were paid on April 26, 2019, building permits were not pulled until July 8, 2019. Additional fees for these lots are now due and listed below.

Invoice Details:	San Gorgonio Pass Water Agency Supplemental Supply Fee	<u>Amount</u> \$46,830.00
		\$46,830.00

GL Account #:

Invoice due upon receipt and will be considered delinquent within 30 days of the invoice date. A late charge will be applied on delinquent accounts of 10% for the first month and 0.5% monthly thereafter. To avoid any delay with your project please pay promptly



January 31, 2020

Joseph Zoba
General Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92339

Subject: JP Ranch / San Gorgonio Pass Water Agency Supplemental Supply Fee / TR 26925
and TR 30386

Dear Mr. Zoba:

This letter is in response to the attached invoice which indicates payment is due from DR Horton for the San Gorgonio Pass Water Agency Supplemental Supply Fee related to permits that were pulled after May 16, 2019, per the terms of the June 26, 2018 Development Agreement (DA) between DR Horton (Horton) and the Yucaipa Valley Water District (YVWD).

We respectfully request that you schedule us to meet with you and your board members at the next available workshop for the consideration by the Board of YVWD to waive said fees and instruct YVWD staff to void the attached invoice.

This request is not being made lightly and we understand the importance of including specific terms and timelines within this or any other Development Agreement. However, we do not believe that imposing this fee at this time is appropriate based on the intent of the agreement and the events that have occurred since entering the DA, including completion and acceptance of the water conveyance pipeline in question.

The intent of this specific term was to ensure timely completion of a much needed regional improvement, namely a 24" water conveyance pipeline within Bryant/Singleton Road. Horton, despite challenges outside of the scope or control of Horton, the City of Calimesa (City) and YVWD, has accomplished the goals set forth in the DA and believes that imposing the fee, although technically called for per the terms of the DA, would be punitive and not in the spirit of the cooperation exhibited to date between YVWD, the City and Horton.

D.R. HORTON • EXPRESS • EMERALD • FREEDOM
2280 Wardlow Circle, Suite 100 • Corona, CA 92880 • ☎ 951.272.9000 • www.drhorton.com



The best efforts of Horton staff and contractors, working hand in hand with the City and YVWD, have resulted in completion of a significant regional water service improvement. The delays incurred and imposed by site conditions and outside agencies were not known, and could not have been known, by Horton at the time the DA was entered into. Had these issues been identified or contemplated, timelines included in the DA would have been adjusted.

Despite these delays, which included permitting delays from federal regulatory agencies as well as site specific conditions that required months of preparatory work in advance of making regional flood control improvements, the installation of the regional improvement was completed in late September, 2019, only a short time after the date estimated in the DA.


The threat of imposing this fee within the DA was included only to ensure completion of the prescribed improvements. The specific fee, however, has no bearing on this project and was never intended to be collected by YVWD. This project was entitled more than fifteen years ago. At that time, the YVWD staff and Board confirmed there was already in place an adequate source of water supply. There was no need then and there is no need today to collect a pass through fee to be paid to the San Geronimo Pass Water Agency for developing additional water sources.

In summary, although we understand that YVWD staff is acting in good faith and in accordance with the DA in preparing and presenting the invoice for payment, we hope that staff and the Board will join us in recognizing that there is no justification for charging or collecting this fee at this time. The Horton team truly appreciates the working relationship with YVWD staff and remains committed to fulfilling our remaining commitments as we strive to timely complete the development of this previously abandoned and defunct project.

We appreciate the Board's consideration of this request and look forward to your favorable reply.

Thank you for your time and consideration.

Sincerely,



Rudy Provoost
Project Manager



February 16, 2021

Joseph Zoba, General Manager
Yucaipa Valley Water District
12770 Second Street
Yucaipa, CA 92399

Subject: Board Meeting Agenda Request

Dear Mr. Zoba:

As we have previously discussed we are formally requesting that we be placed on the agenda for the next available board meeting to discuss the assesment of the San Gorgonio Pass Water Agency Supplemental Supply Fee ("SGPWASF") on lots/homes within our JP Ranch community. While we acknowledge the specific terms of the June 26, 2018 Development Agreement ("Agreement") related to Tracts 26925 and 30386 within the City of Calimesa between D.R. Horton ("Horton") and Yucaipa Valley Water District (YVWD), we would appreciate consideration of an amednment to the terms based on circumstances experianced outside of the control of Horton.

Specifically, we request waiver of the assesment of the SGPWASF for homes where the building permits were pulled after May 16, 2019.

Please see attached correspondance dated January 31, 2020 for a more full explanation and justification of the request.

We fully acknowledge YVWD's right to assess the SGPWASF based on the terms of the Agreement. Our request is for consideration of a waiver based on Horton's ongoing efforts to meet the spirit of the Agreement, which we belive we have done. As indicated in the attached letter, assessing this fee on a project that experianced so many delays and cost overruns that were outside of the control or influence of Horton appears more punative than an operational necessity.

Thank you for your assistance in this matter.

Sincerely,

Rudy Provoost

D.R. HORTON • EXPRESS • EMERALD • FREEDOM
2280 Wardlow Circle, Suite 100 • Corona, CA 92880 • ☎ 951.272.9000 • www.drhorton.com



J P Ranch						
Tract 26925						
Lot #	Address	Street Name	APN	Paid	Date Paid	Pulled Permit
1	304	Tanglewood Drive	410300028	X	12/31/2019	1/9/2020
2	300	Country Club Drive	410300001	X	12/31/2019	1/9/2020
3	296	Country Club Drive	410300002	X	12/31/2019	1/9/2020
4	292	Country Club Drive	410300034	X	12/31/2019	1/9/2020
5	288	Country Club Drive	410300033	X	12/31/2019	1/9/2020
6	284	Country Club Drive	410300005	X	12/31/2019	1/9/2020
7	280	Country Club Drive	410300006	X	4/25/2019	11/13/2019
8	276	Country Club Drive	410300007	X	4/25/2019	11/13/2019
9	272	Country Club Drive	410300008	X	4/25/2019	11/13/2019
10	268	Country Club Drive	410300035	X	4/25/2019	11/13/2019
11	264	Country Club Drive	410300036	X	4/25/2019	11/13/2019
12	260	Country Club Drive	410300037	X	4/25/2019	7/8/2019
13	256	Country Club Drive	410300038	X	4/25/2019	7/8/2019
14	252	Country Club Drive	410300039	X	4/25/2019	7/8/2019
15	248	Country Club Drive	410300040	X	4/25/2019	7/8/2019
16	244	Country Club Drive	410300041	X	4/25/2019	7/8/2019
17	240	Country Club Drive	410300042	X	4/25/2019	7/8/2019
18	236	Country Club Drive	410300043	X	4/25/2019	
19	232	Country Club Drive	410300044	X	4/25/2019	
20	228	Country Club Drive	410310036	X	4/25/2019	
21	224	Country Club Drive	410310037	X	4/25/2019	
22	220	Country Club Drive	410310038	X	4/25/2019	
23	216	Country Club Drive	410310039	X	2/26/2019	2/28/2019
24	212	Country Club Drive	410310040	X	2/26/2019	2/28/2019
25	208	Country Club Drive	410310041	X	2/26/2019	2/28/2019
26	204	Country Club Drive	410310008	X	2/26/2019	2/28/2019
27	200	Country Club Drive	410310026	X	2/26/2019	2/28/2019
45	201	Country Club Drive	410310007	X	2/26/2019	2/28/2019
46	205	Country Club Drive	410310006	X	2/26/2019	2/28/2019
47	207	Tanglewood Drive	410300049		8/11/2020	
48	211	Tanglewood Drive	410300050		8/11/2020	
49	215	Tanglewood Drive	410300051		8/11/2020	
50	219	Tanglewood Drive	410300042		8/11/2020	
51	223	Tanglewood Drive	410300053		8/11/2020	
52	227	Tanglewood Drive	410310033		7/28/2020	
53	231	Tanglewood Drive	410310034		7/28/2020	
54	235	Tanglewood Drive	410310035		7/28/2020	
55	239	Tanglewood Drive	410300020		7/15/2020	

56	243	Tanglewood Drive	410300021		7/15/2020	
57	247	Tanglewood Drive	410300022		7/15/2020	
58	251	Tanglewood Drive	410300023	X	6/9/2020	6/15/2020
59	255	Tanglewood Drive	410300024	X	6/9/2020	6/15/2020
60	259	Tanglewood Drive	410300025	X	3/19/2020	3/26/2020
61	263	Tanglewood Drive	410300026	X	3/19/2020	3/26/2020
62	267	Tanglewood Drive	410300027	X	3/19/2020	3/26/2020
63	271	Tanglewood Drive	410300028	X	2/27/2020	3/4/2020
64	275	Tanglewood Drive	410300029	X	2/27/2020	3/4/2020
65	279	Tanglewood Drive	410300030	X	2/27/2020	3/4/2020
66	283	Tanglewood Drive	410300031	X	2/27/2020	3/4/2020
67	287	Tanglewood Drive	410300032	X	2/27/2020	3/4/2020
68	289	Country Club Drive	410300004	X	12/31/2019	1/9/2020
69	293	Country Club Drive	410300003	X	12/31/2019	1/9/2020
70	269	Country Club Drive	410300009	X	4/25/2019	11/13/2019
71	265	Country Club Drive	410300010	X	4/25/2019	11/13/2019
72	261	Country Club Drive	410300011	X	4/25/2019	11/13/2019
73	257	Country Club Drive	410300012	X	4/25/2019	7/8/2019
74	253	Country Club Drive	410300013	X	4/25/2019	7/8/2019
75	249	Country Club Drive	410300014	X	4/25/2019	7/8/2019
76	245	Country Club Drive	410300015	X	4/25/2019	7/8/2019
77	241	Country Club Drive	410300016	X	4/25/2019	
78	237	Country Club Drive	410300017	X	4/25/2019	
79	233	Country Club Drive	410300018	X	4/25/2019	
80	229	Country Club Drive	410300019	X	4/25/2019	
81	225	Country Club Drive	410310001	X	4/25/2019	
82	221	Country Club Drive	410310002	X	2/26/2019	2/28/2019
83	217	Country Club Drive	410310003	X	2/26/2019	2/28/2019
84	213	Country Club Drive	410310004	X	2/26/2019	2/28/2019
85	209	Country Club Drive	410310005	X	2/26/2019	2/28/2019
86		Tanglewood Drive			7/28/2020	
87	226	Tanglewood Drive	410310053		7/28/2020	
88	230	Tanglewood Drive	410310054		7/28/2020	
89	234	Tanglewood Drive	410310045		7/15/2020	
90	240	Tanglewood Drive	410300045		7/15/2020	
91	244	Tanglewood Drive	410300046		7/15/2020	
92	248	Tanglewood Drive	410300047	X	6/9/2020	6/15/2020
93	252	Tanglewood Drive	410300048	X	6/9/2020	6/15/2020
94	256	Tanglewood Drive	410300049	X	6/9/2020	6/15/2020
95	260	Tanglewood Drive	410300050	X	6/9/2020	6/15/2020
96	264	Tanglewood Drive	410300051	X	3/19/2020	3/26/2020
97	268	Tanglewood Drive	410300052	X	3/19/2020	3/26/2020



Date: March 2, 2021

Prepared By: Joseph B. Zoba, General Manager
Allison Edmisten, Chief Financial Officer

Subject: Authorization to Issue a Request for Proposals for Financial Advisory Services

Recommendation: That the Board direct the General Manager to release a Request for Proposals for Financial Advisory Services to refinance existing sewer related debt and secure funding sewer and recycled water Capital Improvement Projects.

The District typically uses a pay-as-you-go funding for most routine capital improvement projects. These projects require sufficient funds in reserve in order to proceed with the projects. Other large scale, multi-generational projects utilize debt financing to fairly spread the capital cost of the project to future customers.

Yucaipa Valley Water District - Existing Debt

Due Date	Fund	Description	Balance as of 2/1/2021	Interest Rate	Term of Obligation	Amount
09/01/2020	Water	2015A Bond Payment - YVRWFF	\$ 24,220,000.00	3%-5%	2015-2034	\$ 2,292,612.50
09/10/2020	Sewer	SRF Payment - WRWRF	\$ 21,052,776.66	2.40%	2009-2028	\$ 2,923,668.75
12/31/2020	Sewer	SRF Payment - Yucaipa Regional Brineline	\$ 6,580,155.83	2.70%	2013-2032	\$ 649,273.50
03/31/2021	Sewer	SRF Payment - Recycled Reservoir R-10.3	\$ 607,916.79	2.20%	2014-2033	\$ 54,277.31
03/31/2021	Sewer	SRF Payment - Desalinization at WRWRF	\$ 2,074,851.64	2.20%	2014-2033	\$ 185,251.30
03/31/2021	Sewer	SRF Payment - Crow Street/Recycled Booster B-12.1	\$ 237,704.80	2.20%	2016-2035	\$ 21,223.27
			\$ 54,773,405.72			\$ 6,126,306.63

With low interest rates and manageable inflation, it might be a good time to refinance the existing sewer related debt and evaluate the possibility of financing new capital improvement projects within the sewer enterprise fund. The proposed projects include:

- **Salinity and Groundwater Enhancement (SAGE) Project** - The SAGE Project involves the relocation and expansion of the existing reverse osmosis membrane treatment system at the Wochholz Regional Water Recycling Facility. The related facilities for this equipment will also include a tertiary clarifier, reverse osmosis flush tank, decarbonator, and clean in place systems. The purpose of the SAGE Project is to purify the recycled

water produced by the Wochholz Regional Water Recycling Facility to allow for groundwater injection and recharge.

Estimated Project Cost: \$21,500,000

- **Calimesa Aquifer Storage and Recovery (ASR) Project** - The Calimesa ASR Project involves the construction of several injection and extraction wells to fully utilize the recycled water produced from the Salinity and Groundwater Enhancement (SAGE) Project. These wells will allow for the storage of recycled water and extraction of drinking water in the Calimesa area.

Estimated Project Cost: \$6,250,000

- **Calimesa Regional Recycled Water Pipeline Project** - The Calimesa Regional Recycled Water Pipeline Project involves the construction of a recycled water transmission pipeline that will provide recycled water to dual-plumbed homes in Calimesa and supply recycled water to the Calimesa ASR Project.

Estimated Project Cost \$5,500,000

- **R-12.5 Recycled Water Reservoir** - The R-12.5 Recycled Water Reservoir is a proposed recycled water reservoir that will support the dual-plumbed communities currently under construction in the Calimesa area.

Estimated Project Cost \$2,250,000

- **County Line Sewer Mainline Improvements** - Developments within the Calimesa area will require a new 15" sewer mainline in County Line Road to the Wochholz Regional Water Recycling Facility. The District will be oversizing this sewer mainline to divert existing sewer flows to the Wochholz Regional Recycled Water Filtration Facility.

Estimated Project Cost \$2,000,000

- **WRWRF Energy Resiliency Project** - The District is preparing to add energy resiliency equipment at the Wochholz Regional Water Recycling Facility that will include solar panels, battery storage equipment, and a natural gas generator. In order to construction this microgrid facility, the District will extend natural gas service to the Wochholz Regional Water Recycling Facility.

Estimated Project Cost \$1,500,000

Summary of Existing Debt and Proposed Capital Projects

Existing Sewer Division Debt Balance	\$30,553,405
Salinity and Groundwater Enhancement (SAGE) Project	\$21,500,000
Calimesa Aquifer Storage and Recovery Project Wells	\$6,250,000
Calimesa Regional Recycled Water Pipeline Project	\$5,500,000
R-12.5 Recycled Water Reservoir	\$2,250,000
County Line Sewer Mainline Improvements	\$2,000,000
WRWRF Energy Resiliency Project	<u>\$1,500,000</u>
Total	~\$70,000,000

At the board meeting on February 23, 2021, the District staff was asked about the anticipated costs for the creation and issuance of a bond obligation. In 2015 the District refinanced the 2004 Certificates of Participation. The associated cost for this bond refinancing is provided below.

COSTS OF ISSUANCE FUND DISBURSEMENTS

<u>Payee Name and Address</u>	<u>Obligation</u>	<u>Amount</u>
Standard & Poor's 2542 Collection Center Drive Chicago, IL 60693	Rating Agency	\$ 21,000.00
Fitch Ratings, Inc. General Post Office P.O. Box 26858 New York, NY 10087-6858	Rating Agency	27,000.00
Wells Fargo Bank, National Association 333 S. Grand Avenue, 5 th Floor Los Angeles, CA 90071	Trustee Fees & Expenses Escrow Agent Fees & Expenses	11,500.00 1,500.00
Fieldman, Rolapp & Associates 1990 MacArthur Boulevard Suite 1100 Irvine, CA 92612	Financial Advisor Fee & Expenses	44,265.60
Stradling Yocca Carlson & Rauth 660 Newport Center Drive, Suite 1600 Newport Beach, CA 92660	Bond Counsel Fee & Expenses	65,000.00



Yucaipa Valley Water District

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

Request for Proposals to Provide Financial Advisory Services

March 8, 2021

Responses to this Request for Proposals (RFP) must be submitted to:

Yucaipa Valley Water District
12770 Second Street
Post Office Box 730
Yucaipa, California 92399-0730
Telephone: (909) 797-5117

Responses shall be received no later than Monday, March 29, 2021 at 4:00 p.m. One (1) electronic PDF document of the proposal shall be received by Allison Edmisten at aedmisten@yvwd.us by the date and time provided above.

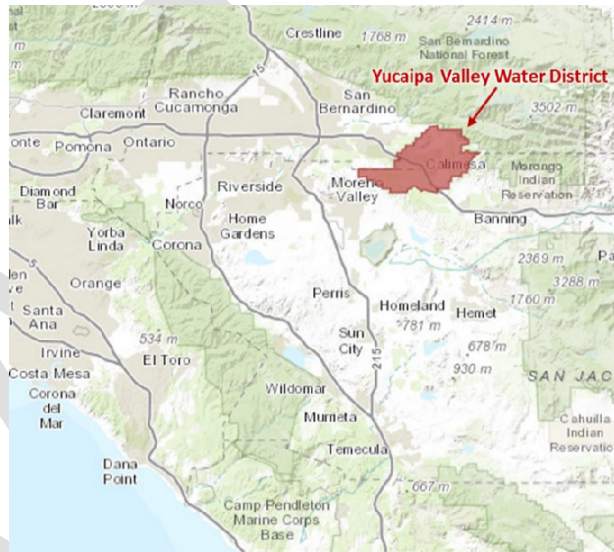
Interviews will be scheduled with a short list of desired firms.

I. INTRODUCTION

The Yucaipa Valley Water District (“District”) is soliciting proposals from qualified companies to provide financial advisory services to evaluate the refinancing of existing debt in the Sewer Division plus financing for proposed capital improvement projects. The firm selected as Financial Advisor will be expected to be available as needed to provide financial advice from inception of the proposed financing until its completion as well as provide other finance-related advice as appropriate.

II. BACKGROUND

The Yucaipa Valley Water 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. The District operates under the County Water District Law, being Division 12 of the State of California Water Code, Section 30000 et. seq.



While the District was originally formed to provide water service, the needs of the community have grown over the past several decades to require sewer service, recycled water service, and brine disposal services. All of these activities are now fully integrated and managed by the District for residential and business customers located in Yucaipa and Calimesa.

As of December 31, 2020, the District provided water service to xxxxxxxx connections serving 20,246 units; sewer service with xxxxxx connections serving 23,178 units; and xxxxx recycled water connections serving 1,015 units.

Customer Type	Water Enterprise		Sewer Enterprise		Recycled Water Enterprise	
	Number of Connections	Number of Units	Number of Connections	Number of Units	Number of Connections	Number of Units
Single Family		13,566		10,796		517
Multiple Units		5,320		5,446		
Commercial		648		1,245		7
Institutional		402		169		
Industrial		17		5		33
Irrigation		260		4		458
Construction		33	--	--		
Sewer Only				5,513		
Total		20,246		23,178		1,015

III. PROJECT OVERVIEW

Long-term financing has been used by the Yucaipa Valley Water District to fund the construction of numerous water and sewer infrastructure projects essential for providing service to our community. Spreading the cost of infrastructure over several years acknowledges that the users of a water/sewer infrastructure project will change over its useful life and fairness requires those costs to be spread to those who will use the infrastructure over time. From this perspective long-term financing is often more equitable than using currently available funds (collected from current and prior residents who may not enjoy the future improvement).

The following summary provides an overview of the existing debt for the water, sewer, and recycled water enterprise funds.

*Yucaipa Valley Regional Drinking Water Filtration Facility
2015A Series Water System Refunding Revenue Bonds*

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. On February 12, 2015, the District refinanced this debt obligation as Water System Funding Revenue Bonds for \$30,810,000.

The 2015A principal amount outstanding is \$24,220,000 as of February 1, 2021. The term of the bonds extends until 2034.

*Wochholz Regional Water Recycling Facility Expansion
State Water Resources Control Board - State Revolving Fund Loan*

The Yucaipa Valley Water District secured a \$44,748,356 low interest loan (2.40% interest rate) for the expansion and upgrade of the Wochholz Regional Water Recycling Facility. This funding provided an opportunity for the District to expand the existing wastewater treatment plant from 4.0 million gallons per day to 8.0 million gallons per day of treatment capacity. In addition to expanding the wastewater treatment plant, the District also upgraded the nutrient removal facilities and added membrane microfiltration treatment to produce exceptionally pure recycled water for use throughout the District's service area.

The annual State Revolving Fund loan payment is about \$2.9 million from the sewer enterprise fund. The term of the loan extends until 2028.

*Yucaipa Valley Regional Brineline
State Water Resources Control Board - State Revolving Fund Loan*

The Yucaipa Valley Water District secured a \$9,752,100 low interest loan (2.7% interest rate) for the construction of the Yucaipa Valley Regional Brineline. This facility was required by the Santa

Ana Regional Water Quality Control Board to eliminate the buildup of salt and minerals in the upper portion of the Santa Ana Watershed. The construction cost for this brine disposal pipeline was \$19,706,156 which was also funded by several grants and cash.

The annual State Revolving Fund loan payment is about \$650,000 from the sewer enterprise fund. The term of the loan extends until 2032.

*Recycled Water Reservoir R-10.3
State Water Resources Control Board - State Revolving Fund Loan*

The Yucaipa Valley Water District secured a secured a \$871,570 low interest loan (2.2% interest rate) for the construction of the Recycled Water Reservoir Complex R-10.3. This recycled water facility is a main hub in the distribution of recycled water from the Wochholz Regional Water Recycling Facility.

The annual State Revolving Fund loan payment of about \$55,000 is from the sewer enterprise fund. The term of the loan extends until 2033.

*Wochholz Improved Salinity Effluent (WISE) Project
State Water Resources Control Board - State Revolving Fund Loan*

The Yucaipa Valley Water District secured a \$2,988,364 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 annual State Revolving Fund loan payment of about \$185,000 is from the sewer enterprise fund. The term of the loan extends until 2033.

*Crow Street Recycled Water Pipeline and Recycled Water Booster B-12.1
State Water Resources Control Board - State Revolving Fund Loan*

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 annual State Revolving Fund loan payment is about \$22,000 from the sewer enterprise fund. The term of the loan extends until 2033.

Proposed Capital Improvement Projects

In addition to refinancing the existing sewer enterprise debt, the District is interested in evaluating the possibility of financing several new capital improvement projects within the sewer enterprise fund. The proposed project include:

- **Salinity and Groundwater Enhancement (SAGE) Project** - The SAGE Project involves the relocation and expansion of the existing reverse osmosis membrane treatment system at the Wochholz Regional Water Recycling Facility. The related facilities for this equipment will also include a tertiary clarifier, reverse osmosis flush tank, decarbonator, and clean in place systems. The purpose of the SAGE Project is to purify the recycled water produced by the Wochholz Regional Water Recycling Facility to allow for groundwater injection and recharge.

Estimated Project Cost: \$21,500,000

- **Calimesa Aquifer Storage and Recovery (ASR) Project** - The Calimesa ASR Project involves the construction of several injection and extraction wells to fully utilize the recycled water produced from the Salinity and Groundwater Enhancement (SAGE) Project. These wells will allow for the storage of recycled water and extraction of drinking water in the Calimesa area.

Estimated Project Cost: \$6,250,000

- **Calimesa Regional Recycled Water Pipeline Project** - The Calimesa Regional Recycled Water Pipeline Project involves the construction of a recycled water transmission pipeline that will provide recycled water to dual-plumbed homes in Calimesa and supply recycled water to the Calimesa ASR Project.

Estimated Project Cost \$5,500,000

- **R-12.5 Recycled Water Reservoir** - The R-12.5 Recycled Water Reservoir is a proposed recycled water reservoir that will support the dual-plumbed communities currently under construction in the Calimesa area.

Estimated Project Cost \$2,250,000

- **County Line Sewer Mainline Improvements** - Developments within the Calimesa area will require a new 15" sewer mainline in County Line Road to the Wochholz Regional Water Recycling Facility. The District will be oversizing this sewer mainline to divert existing sewer flows to the Wochholz Regional Recycled Water Filtration Facility.

Estimated Project Cost \$2,000,000

- **WRWRF Energy Resiliency Project** - The District is preparing to add energy resiliency equipment at the Wochholz Regional Water Recycling Facility that will include solar panels, battery storage equipment, and a natural gas generator. In order to construction this microgrid facility, the District will extend natural gas service to the Wochholz Regional Water Recycling Facility.

Estimated Project Cost \$1,500,000

Summary of Existing Debt and Proposed Capital Projects

Existing Sewer Division Debt Balance	\$30,553,405
Salinity and Groundwater Enhancement (SAGE) Project	\$21,500,000
Calimesa Aquifer Storage and Recovery Project Wells	\$6,250,000
Calimesa Regional Recycled Water Pipeline Project	\$5,500,000
R-12.5 Recycled Water Reservoir	\$2,250,000
County Line Sewer Mainline Improvements	\$2,000,000
WRWRF Energy Resiliency Project	\$1,500,000
Total	~\$70,000,000

IV. SCOPE OF SERVICES

The financial Advisor selected by the District will be responsible for providing a broad array of services that will result in the successful execution of the complete financial transaction. The financial advisory firm selected will not be permitted to underwrite any of the District's refinancing obligations.

The selected financial advisor shall provide qualified personnel for services that will include, but may not be limited to the following:

- Review and recommend financing alternatives that will assist the District in the successful refinancing of existing sewer enterprise debt.
- Examine, evaluate, and formulate a sound and flexible financing program which may include short-term and/or long-term financing options, considering the District's objectives, strategic goals, and the climate in the capital markets.
- Advise and assist the District in the development of the structure and timing of the issuance of bonds in accordance with applicable laws, customs, and practices governing such issuance for both the refinancing and financing of the proposed capital improvement projects.
- Advise on the merits of competitive, negotiated, or private placement of a debt issuance.
- Assist in the preparation of appropriate information to prospective bond and note investors.
- Assist in the preparation of any presentation before rating agencies.
- Assist in the preparation of requests for proposals and in the evaluation of the selection of a bond underwriter, bond counsel, financial printing, and paying agent or trustee.
- Assume responsibility for preparing and advertising of requests for bids to private lenders, providing information as to the manner of bid procedures, and managing competitive bidding procedures in the event of the private placement of bonds.

- Attend board meetings, workshops and any other meetings as required involving the District's financial interests.
- Participate in staff meetings and/or conference calls relating to the issuance of debt.
- Prepare and maintain projected debt service, debt outstanding, and other schedules related to the debt issuance for use in annual budgeting processes and official statements.
- Provide other technical assistance on debt financings, bond ratings, and financing alternatives as requested by the District.
- Provide analysis and recommendations on investments for bond proceeds, including project, debt service reserve, and debt service funds.
- Provide post-issuance compliance services, including assistance with continuing disclosure statement and arbitrate rebate compliance, if required.
- Perform other tasks as may be requested or required to ensure a successful financial transaction on behalf of the District.

V. TERMS AND CONDITIONS

The District reserves the right to reject any and all proposals. The District shall not be responsible for costs incurred in connection with any proposals submitted to the District. In addition, the District reserves the right to request clarification on information submitted, and to request additional information from any firm submitting a proposal for consideration.

The contract resulting from acceptance and selection of a financial advisor by the District shall be in the form of a professional services agreement and shall reflect the specifications in this Request for Proposal. A copy of the proposed contract is attached hereto as Attachment B. The selected Consultant will enter into a contract with the District based upon the contents of the Request for Proposal and the Consultant's proposal. The Consultant shall carefully review the contract and include with the proposal a description of any exceptions requested. If there are no exceptions, a statement to that effect shall be included in the proposal.

The District reserves the right to reject any proposed modifications to the Request for Proposal and the contract that does not conform to the specifications contained in this Request for Proposal and which is not approved by the District's legal counsel.

VI. REQUIRED PROPOSAL CONTENT

A. Company Information

1. Describe the experience of your firm in providing public sector financial advisory services. Identify the total number of professionals employed by your firm who serve as financial advisors to public sector entities.

2. Identify the number of public sector entities for which your firm currently is under contract to serve as financial advisor and provide the number and volume of debt issuance transactions completed pursuant to such contracts during the period 2017-2021. Further, identify the number and volume of municipal bond market transactions and private placement transactions.
3. Provide a detailed list of public sector entities (and their outstanding debt) within the State of California for which your firm currently provides financial advisory services as contemplated in the scope of work that are comparable to the Yucaipa Valley Water District.
4. Identify the location of the office for the individuals who will be assigned to the District and the total number of professionals in the office who serve as financial advisors to public sector entities.

B. Individual Qualifications

1. Identify the individual who will initially serve as the primary point of contact with the District under this contract and the other individuals of the team who are expected to work on the refinancing transaction. Describe the type of work each is expected to perform.
2. Provide brief biographical information for each of these individuals that identifies their educational background, work history, and past responsibilities serving in similar financial advisory roles.
3. Provide five references (name, title, employer, address, phone number, and email address) that will be able to provide additional information about the designated person who will serve as the primary point of contact from the firm.

C. Approach and Proposed Methodology

1. Discuss the firm's understanding of the District's financial situation, including ideas on how the District should approach refinancing issues such as bond market versus private placement, a shortened or lengthened term, anticipated annual debt service payments, credit strategies and investor marketing strategies.
2. Provide any additional information that would distinguish the services and opportunities provided by your firm.

D. Disclosures

1. Identify the amounts and types of insurance carried, including the deductible amount, to cover errors and omissions, improper judgments, or negligence.

2. Disclose any finder's fees, fee splitting, payments to consultants, or other contractual arrangements of the firm that could present a real or perceived conflict of interest.
 3. Disclose any pending investigation of the company or enforcement or disciplinary actions taken within the past five years by the SEC or other regulatory body.
- E. Fee Proposal
1. Provide a fixed fee for the services identified in the Scope of Services with all reimbursable expenses included in the fixed fee amount. Distinguish between the components of the fixed fee relating to refinancing services and ongoing post-issuance compliance (if applicable).
- The District shall not be responsible for costs incurred by an individual or firm submitting a proposal pursuant to this RFP and such costs shall not be included in the Fee Proposal.
- The fixed price shall remain firm and irrevocable for sixty (60) days following the RFP due date.
- F. Proposal Authorization
1. The Proposal Authorization provided as Attachment A must be completed, signed, and returned with the proposal.

VII. PROPOSAL EVALUATION AND SELECTION CRITERIA

During the evaluation process, the District may invite Consultants to an interview conducted by a selection panel made up of District staff and board members. The number of firms to be invited for interviews is at the discretion of the District. The interview format and details will be included in the interview invitation letter.

Evaluations will be based on the content of the Request for Proposals outlined herein which may be weighted by the District in a manner it deems appropriate. All proposals will be evaluated using the same criteria. The fundamental criterion used will be:

- A. Responsiveness to the Request for Proposals - The District will consider all the material submitted to determine whether the Consultant's response follows this document.
- B. Ability to Perform Required Services - The District will consider all the relevant material submitted by each Consultant, and other relevant material it may otherwise obtain to determine whether the Consultant is capable of providing services of the type and scope specific to this Request for Proposals.
- C. Fees - The proposed fee schedule will be evaluated.

- D. Interviews - The District may conduct interviews as part of the final selection process.

The District may negotiate a contract with the most qualified and responsive firm with a compensation level which the District determines is fair and reasonable. Failing to reach an agreement with a desired firm will result in the termination of negotiations and a new negotiation process with the next most desirable firm in order to obtain the services at a fair and reasonable price. The District may continue to negotiate with the firms until a firm is selected and a contract is executed. Alternatively, the District may reject all proposals.

Attachments:

- Attachment A - Proposal Authorization
- Attachment B - Agreement for Professional Services

Attachment A

**Yucaipa Valley Water District
Proposal Authorization**

I certify that I am authorized to submit a binding proposal on behalf of my firm and this proposal conforms to the required specifications unless specifically noted and attached to this form.

Company Name: _____

Submitted by: _____

Name

Title

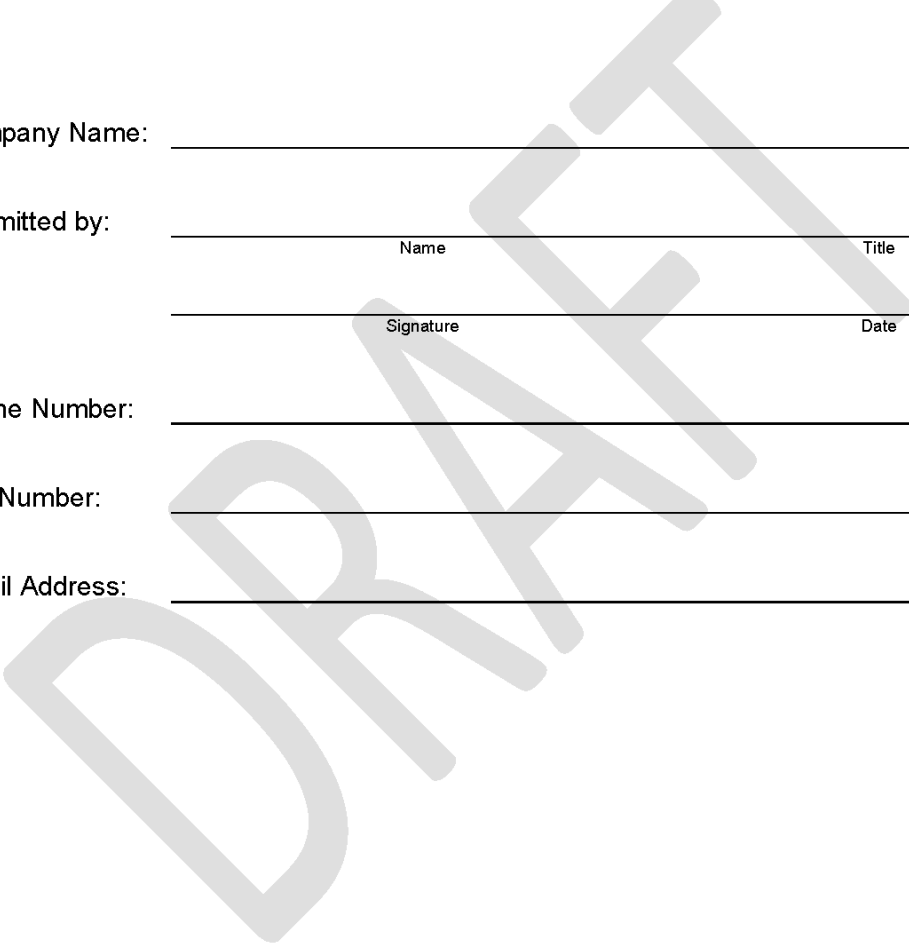
Signature

Date

Phone Number: _____

Fax Number: _____

Email Address: _____



Attachment B

**Yucaipa Valley Water District
Professional Services Agreement**

DRAFT

Professional Services Agreement

THIS AGREEMENT is made and effective as of the ____ day of _____, 20__, by and between the YUCAIPA VALLEY WATER DISTRICT ("OWNER") whose address is 12770 Second Street, Yucaipa, California 92399-0730 and _____, whose address is _____ ("CONTRACTOR").

RECITALS

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the parties to this Agreement:

- A. OWNER desires to engage the services of CONTRACTOR to perform services as may be assigned, from time to time, by OWNER.
- B. The specific services to be performed by CONTRACTOR shall be described in written Task Orders issued by OWNER to CONTRACTOR pursuant to this Agreement.
- C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and has represented and warrants to OWNER that CONTRACTOR possesses the necessary skills, qualifications, personnel, and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, OWNER and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall terminate on the fourth anniversary thereof, unless extended or sooner terminated as provided for herein.
2. Services to be Performed by CONTRACTOR. CONTRACTOR agrees to provide such services as may be assigned, from time to time, in writing by OWNER, in accordance with the "Scope of Services" attached hereto as **Exhibit "A."** Each such assignment shall be made in the form of a written Task Order, a sample form of which is attached hereto as **Exhibit "B"**.

2.01 Each Task Order shall be prepared in consultation between OWNER and CONTRACTOR. The primary purpose of each Task Order is to maximize cost accountability and control. Each Task Order shall describe one or more tasks that shall be completed within the fiscal year the Task Order is issued. No Task Order shall be issued without the approval of the OWNER's General Manager. In the event the services authorized under a Task Order cannot be performed within the fiscal year the Task Order was issued, a supplemental or subsequent Task Order may be issued for the next-succeeding fiscal year, upon the approval of the OWNER's General Manager. Each Task

Order shall include, among other things, an estimated cost of the service(s) to be performed, which cost shall be matched to identifiable and available revenue, the number of hours estimated to perform the service(s), and an itemization of anticipated reimbursable expenses. Approved Task Orders may be terminated at any time, for any reason or no reason, by OWNER, and the CONTRACTOR shall be compensated for services rendered prior to such termination, in accordance with the provisions of paragraph 4 below.

2.02 The content of all Task Orders shall be negotiated by OWNER and CONTRACTOR. In the event OWNER and CONTRACTOR cannot agree upon the terms of a Task Order, the OWNER reserves the right to contract with a third party for the services contemplated by the Task Order, notwithstanding this Agreement and the Scope of Services described in Exhibit "A."

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform each such assignment; provided, however, that CONTRACTOR shall not subcontract any of the work to be performed without the consent of OWNER.

4. Compensation.

4.01 In consideration for the services to be performed by CONTRACTOR, OWNER agrees to pay CONTRACTOR as provided for in a Task Order and shall be based upon CONTRACTOR's schedule of regular hourly rates customarily charged by CONTRACTOR to its clients. The current schedule of rates is attached hereto as Exhibit "C". CONTRACTOR shall not increase any rate without the prior written consent of the OWNER. All authorized rate increases shall only apply prospectively to Task Orders issued after the date of each increase.

4.02 OWNER shall only reimburse CONTRACTOR for reasonable and necessary expenses incurred by CONTRACTOR in the performance of services for OWNER according to a schedule of reimbursable expenses specifically approved by the OWNER in writing.

4.03 CONTRACTOR shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the OWNER, in writing.

4.04 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, CONTRACTOR agrees that payment of compensation earned shall be made within 30 business days after receipt of a detailed, corrected, written invoice describing in reasonable detail, to the extent applicable, the services performed, the time spent performing such services, the hourly rate charged therefor, the identity of individuals performing such services for the benefit of OWNER, and materials consumed or used. Such invoice shall also include a detailed itemization of authorized expenses incurred.

4.05 Undisputed invoices not paid within 30 days of receipt as provided in the Task Order shall accrue interest commencing on the 31st day until paid, at the rate of 0.5% per month.

5. Obligations of Contractor.

5.01 CONTRACTOR agrees to perform all assigned services in accordance with the terms and conditions of this Agreement and those specified in each Task Order.

5.02 Except as otherwise provided for in each Task Order, CONTRACTOR will supply all personnel, materials and equipment required to perform the assigned services.

5.03 CONTRACTOR shall keep OWNER informed as to the progress of the work assigned under each Task Order, by means of regular and frequent consultations. Additionally, when requested by OWNER, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the services assigned by OWNER. Therefore, CONTRACTOR hereby covenants and agrees to:

a. Obtain a comprehensive general liability insurance policy in an amount of not less than \$2 million per occurrence for all coverage naming OWNER as an additional insured.

b. Optional Insurance Coverage: Choose and check one: Required ___/Not Required ___; Obtain a policy of errors and omissions insurance in a minimum amount of \$1 million per occurrence to cover any negligent acts, errors or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any services for OWNER.

c. Comply with all applicable local, state, and federal laws, rules and regulations regarding, by way of example and not by limitation, nondiscrimination, and payment of wages.

d. Provide worker's compensation insurance for CONTRACTOR's employees and agents with limits as prescribed by law.

CONTRACTOR waives all rights of subrogation against OWNER. Evidence of all insurance coverage shall be provided to OWNER prior to issuance of the first Job Card. Such policies shall be issued by a highly rated insurer (minimum Best's Ins. Guide rating of "A:VII") licensed to do business in California and shall provide that they shall not be cancelled or amended without 30 days' prior written notice to OWNER. Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that all such insurance is in addition to CONTRACTOR's obligation to fully indemnify and hold OWNER completely free and harmless from and against any and all claims arising out of any, loss, injury or damage to property or persons caused by the negligent acts or omissions of CONTRACTOR in performing services assigned by OWNER.

5.05 CONTRACTOR and OWNER agree that OWNER, its employees, agents, and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to OWNER. CONTRACTOR acknowledges that OWNER would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect OWNER as set forth here.

5.05.1 To the full extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless OWNER, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by owner, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits, and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of OWNER. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by OWNER when requested by CONTRACTOR, OWNER shall furnish such information and documentation that may be required or useful to contradict that OWNER's employees, agents or officials are employees of CONTRACTOR.

5.05.2 Without affecting the rights of OWNER under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless OWNER as set forth above for liability attributable to the sole fault of OWNER, provided such sole fault is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where OWNER is shown to have been solely at fault and not in instances where CONTRACTOR is solely or partially at fault or in instances where OWNER's fault accounts for only a percentage of the liability involved. In those instances, the obligation of CONTRACTOR will be all-inclusive and OWNER will be indemnified for all liability incurred, even though a percentage of liability is attributable to conduct of OWNER. CONTRACTOR acknowledges that its obligation pursuant to this Section extends to liability attributable to OWNER, if that liability is less than the sole fault of OWNER. CONTRACTOR has no obligation under this Agreement for liability proven in a court of competent jurisdiction or by written agreement between the parties to be the sole fault of OWNER.

5.06 In the event that OWNER requests that specific employees or agents of CONTRACTOR supervise or otherwise perform the services specified in each Task Order, CONTRACTOR shall ensure that such individual (or individuals) shall be appointed and assigned the responsibility of performing the services. In the event an authorized

individual is unable to continue to perform by reason of death, illness or termination of employment CONTRACTOR shall appoint another individual who shall reasonably be acceptable to OWNER.

5.07 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state, and federal laws, rules, and regulations.

5.08 CONTRACTOR shall be solely responsible for obtaining all permits, licenses, and approvals necessary or applicable to the performance of services under this Agreement, unless otherwise expressly provided for in any Task Order issued pursuant to this Agreement. In the event OWNER is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.09 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.10 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.11 Background Investigations. CONTRACTOR acknowledges that certain of CONTRACTOR's employees perform services that have the potential for endangering the health and safety of members of the general public and have unrestricted access to sensitive OWNER operations and facilities which, if improperly operated or maintained, could result in personal injury or death to themselves, co-workers, and the public. Therefore, the CONTRACTOR hereby agrees, at its sole cost and expense, to develop and implement an employee security system and program that includes, but is not limited to, the following:

- a. A personal history statement.
- b. Reference checks.
- c. Photographs.
- d. Fingerprinting.
- e. Background investigation, including information from the California Department of Justice and the Department of Motor Vehicles.

6. Obligations of Owner.

6.01 OWNER shall do the following in a manner so as not to unreasonably hinder the performance of services by CONTRACTOR:

- a. Provide information, requirements and criteria supporting each Task Order.
- b. Furnish all existing studies, reports and other available data and items pertinent to each Task Order that are in OWNER's possession.
- c. Designate a person to act as a liaison between CONTRACTOR and the OWNER.

7. Additional Services, Changes and Deletions.

7.01 During the term of this Agreement, the OWNER's General Manager may, from time to time, and without affecting the validity of this Agreement or any Task Order issued thereunder, order changes, deletions, and additional services by the issuance of a written change order or supplemental or revised Task Order, provided that OWNER shall not increase the service obligations of CONTRACTOR without the written consent of CONTRACTOR.

7.02 In the event CONTRACTOR performs additional or different services than those described in any Task Order or authorized change order without the prior written approval of the OWNER's General Manager, CONTRACTOR shall not be compensated for such services.

7.03 CONTRACTOR shall promptly advise the OWNER'S General Manager as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of services to be provided pursuant to this Agreement. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the OWNER's General Manager.

7.04 In the event that OWNER orders services deleted or reduced, compensation shall likewise be deleted or reduced by a fair and reasonable amount and CONTRACTOR shall only be compensated for services actually performed. In the event additional services are properly authorized, payment for the same shall be made as provided in Section 4 above.

8. Termination of Agreement.

8.01 In the event the time specified for completion of work under a Task Order exceeds the term of this Agreement, the term of this Agreement shall be automatically extended for such additional time as is necessary to complete such Task Order, and thereupon this Agreement shall automatically terminate without further notice.

8.02 Notwithstanding any other provision of this Agreement, OWNER, at its sole option, may terminate this Agreement at any time by giving 20 days' written notice to CONTRACTOR, whether or not a Task Order has been issued to CONTRACTOR.

8.03 In the event of termination, the payment of monies due CONTRACTOR for work performed prior to the effective date of such termination shall be paid within 30 business days after receipt of an invoice as provided in this Agreement. Upon payment for such

services, CONTRACTOR agrees to promptly provide and deliver to OWNER all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to OWNER.

9. Status of Contractor.

9.01 CONTRACTOR shall perform the services assigned by OWNER in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of OWNER. CONTRACTOR shall be under the control of OWNER only as to the result to be accomplished and the personnel assigned to perform services. However, CONTRACTOR shall regularly confer with OWNER's General Manager as provided for in this Agreement.

9.02 CONTRACTOR hereby specifically represents and warrants to OWNER that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

10. Ownership of Documents; Audit.

10.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed, or obtained by CONTRACTOR in connection with the performance of services assigned to it by OWNER shall become the sole property of OWNER, and CONTRACTOR shall promptly deliver all such materials to OWNER. At the OWNER's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to OWNER upon request, at no cost to OWNER. If OWNER uses such documents for any purpose other than for which they were prepared without CONTRACTOR's prior written approval, OWNER hereby waives any claims against CONTRACTOR and will hold CONTRACTOR harmless from any claim or liability for injury or loss arising from OWNER's unauthorized use.

10.02 Subject to applicable federal and state laws, rules and regulations, OWNER shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not use for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of OWNER.

10.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as OWNER may deem necessary, CONTRACTOR shall make available to OWNER's agents for examination all of such records and shall permit OWNER's agents to audit, examine and reproduce such records.

11. Miscellaneous Provisions.

11.01 This Agreement supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by CONTRACTOR for OWNER and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

11.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of OWNER. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

11.03 CONTRACTOR shall comply with all applicable local, state, and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the services authorized hereunder.

11.04 If required by law, CONTRACTOR shall file Conflict of Interest Statements with OWNER.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

OWNER:

CONTRACTOR:

Yucaipa Valley Water District

By:

By:

Title:

President, Board of Directors

Title:



Date: March 2, 2021

Prepared By: Joseph B. Zoba, General Manager
Allison Edmisten, Chief Financial Officer

Subject: Adoption of Resolution No. 2021-12 Declaring the Official Intent to Reimburse Project Expenditures with Bond Proceeds and Related Actions

Recommendation: That the Board adopt Resolution No. 2021-12.

The District staff is gathering information to assist the Board of Directors in its determination of whether bond financing should be used to fund the construction of several large scale capital improvement projects. The current project list consists of the following:

- **Salinity and Groundwater Enhancement (SAGE) Project** - The SAGE Project involves the relocation and expansion of the existing reverse osmosis membrane treatment system at the Wochholz Regional Water Recycling Facility. The related facilities for this equipment will also include a tertiary clarifier, reverse osmosis flush tank, decarbonator, and clean in place systems. The purpose of the SAGE Project is to purify the recycled water produced by the Wochholz Regional Water Recycling Facility to allow for groundwater injection and recharge.
Estimated Project Cost: \$21,500,000
- **Calimesa Aquifer Storage and Recovery (ASR) Project** - The Calimesa ASR Project involves the construction of several injection and extraction wells to fully utilize the recycled water produced from the Salinity and Groundwater Enhancement (SAGE) Project. These wells will allow for the storage of recycled water and extraction of drinking water in the Calimesa area.
Estimated Project Cost: \$6,250,000
- **Calimesa Regional Recycled Water Pipeline Project** - The Calimesa Regional Recycled Water Pipeline Project involves the construction of a recycled water transmission pipeline that will provide recycled water to dual-plumbed homes in Calimesa and supply recycled water to the Calimesa ASR Project.
Estimated Project Cost \$5,500,000
- **R-12.5 Recycled Water Reservoir** - The R-12.5 Recycled Water Reservoir is a proposed recycled water reservoir that will support the dual-plumbed communities currently under construction in the Calimesa area.
Estimated Project Cost \$2,250,000
- **County Line Sewer Mainline Improvements** - Developments within the Calimesa area will require a new 15" sewer mainline in County Line Road to the Wochholz Regional

Water Recycling Facility. The District will be oversizing this sewer mainline to divert existing sewer flows to the Wochholz Regional Recycled Water Filtration Facility.

Estimated Project Cost \$2,000,000

- **WRWRF Energy Resiliency Project** - The District is preparing to add energy resiliency equipment at the Wochholz Regional Water Recycling Facility that will include solar panels, battery storage equipment, and a natural gas generator. In order to construction this microgrid facility, the District will extend natural gas service to the Wochholz Regional Water Recycling Facility.

Estimated Project Cost \$1,500,000

Summary of Existing Debt and Proposed Capital Projects

Existing Sewer Division Debt Balance	\$30,553,405
Salinity and Groundwater Enhancement (SAGE) Project	\$21,500,000
Calimesa Aquifer Storage and Recovery Project Wells	\$6,250,000
Calimesa Regional Recycled Water Pipeline Project	\$5,500,000
R-12.5 Recycled Water Reservoir	\$2,250,000
County Line Sewer Mainline Improvements	\$2,000,000
WRWRF Energy Resiliency Project	<u>\$1,500,000</u>
Total	~\$70,000,000

To preserve the ability to recover costs incurred prior to the issuance of bonds, it is important to adopt the attached resolution to make sure near-term expenditures are consistent with Treasury regulations.

RESOLUTION NO. 2021-12

A RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT DECLARING ITS OFFICIAL INTENT TO REIMBURSE PROJECT EXPENDITURES WITH BOND PROCEEDS AND RELATED ACTIONS

WHEREAS, the Yucaipa Valley Water District (the "District") intends to provide for the issuance and sale of special tax, special assessment, or other bonds (the "Bonds") to finance certain capital costs within the Sewer Enterprise Fund.

WHEREAS, the anticipated Bonds will be used to finance the following projects:

- **Salinity and Groundwater Enhancement (SAGE) Project** - The SAGE Project involves the relocation and expansion of the existing reverse osmosis membrane treatment system at the Wochholz Regional Water Recycling Facility. The related facilities for this equipment will also include a tertiary clarifier, reverse osmosis flush tank, decarbonator, and clean in place systems. The purpose of the SAGE Project is to purify the recycled water produced by the Wochholz Regional Water Recycling Facility to allow for groundwater injection and recharge.
- **Calimesa Aquifer Storage and Recovery (ASR) Project** - The Calimesa ASR Project involves the construction of several injection and extraction wells to fully utilize the recycled water produced from the Salinity and Groundwater Enhancement (SAGE) Project. These wells will allow for the storage of recycled water and extraction of drinking water in the Calimesa area.
- **Calimesa Regional Recycled Water Pipeline Project** - The Calimesa Regional Recycled Water Pipeline Project involves the construction of a recycled water transmission pipeline that will provide recycled water to dual-plumbed homes in Calimesa and supply recycled water to the Calimesa ASR Project.
- **R-12.5 Recycled Water Reservoir** - The R-12.5 Recycled Water Reservoir is a proposed recycled water reservoir that will support the dual-plumbed communities currently under construction in the Calimesa area.
- **County Line Sewer Mainline Improvements** - Developments within the Calimesa area will require a new 15" sewer mainline in County Line Road to the Wochholz Regional Water Recycling Facility. The District will be oversizing this sewer mainline to divert existing sewer flows to the Wochholz Regional Recycled Water Filtration Facility.
- **WRWRF Energy Resiliency Project** - The District is preparing to add energy resiliency equipment at the Wochholz Regional Water Recycling Facility that will include solar panels, battery storage equipment, and a natural gas generator. In order to construction this microgrid facility, the District will extend natural gas service to the Wochholz Regional Water Recycling Facility.

WHEREAS, beginning the 60-day period prior to the date hereof, the District has paid or incurred, or expects to pay or incur, costs with respect to the Improvements prior to the issuance of the Bonds.

WHEREAS, in order to reimburse for the payment, or pay unpaid costs, of the Improvements, the District anticipates the debt obligations in an amount not expected to exceed \$70 million for the purpose of financing the Improvements and other capital costs and development fees.

WHEREAS, proceeds of such debt obligations (including the Bonds) will be allocated to reimbursement expenditures no later than 18 months after the later of (i) the date the cost is paid, or (ii) the date the Improvements are placed in service or abandoned (but in no event more than three years after the cost is paid).

WHEREAS, the District is the applicable authorized entity to declare its reasonable official intent to reimburse prior expenditures for the Improvements with proceeds of indebtedness.

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the District to declare its reasonable official intent to reimburse prior expenditures for the Improvements with proceeds of indebtedness.

WHEREAS, the District wishes to declare its official intent to use proceeds of indebtedness (such as the Bonds) to reimburse expenditures paid with the Improvements before any obligations are issued and to finance the Improvements on a long-term basis with the proceeds of such indebtedness.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE YUCAIPA VALLEY WATER DISTRICT HEREBY RESOLVES AND APPROVES AS FOLLOWS:

SECTION 1. All of the recitals herein contained are true and correct and the Board of Directors (the "Board of Directors") so finds.

SECTION 2. This Resolution is adopted by the Board of Directors solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. Unless otherwise defined, terms used herein shall have the meaning set forth in the Internal Revenue Code of 1986 and in Section 1.150-2 of the Treasury Regulations. This Resolution does not bind the District to make any expenditure, incur any indebtedness, or proceed with the Project.

SECTION 3. The officers, employees and agents of the District are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the actions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

SECTION 4. All actions heretofore taken by the officers, employees, and agents of the District with respect to the actions set forth above are hereby approved, confirmed, and ratified.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 2nd day of March 2021.

YUCAIPA VALLEY WATER DISTRICT

Chris Mann, President of the Board

ATTEST:

Joseph B. Zoba, Secretary of the Board



Date: February 16, 2021

Prepared By: Allison M. Edmisten, Chief Financial Officer

Subject: Transfer from Reserve Funds for Specialized Legal and Consulting Services Related to Various Water, Sewer, and Recycled Water Projects

Recommendation: That the Board adopt Resolution No. 2021-13.

Periodically, projects arise that require the use of specialized legal services for litigation, contract review, regulatory coordination, water rights, construction management, and related project assistance. These special projects are outside of the routine legal counsel services that paid by the annual operating budget.

The Board of Directors has authorized District staff to engage legal counsel on various special projects for the District. The District staff has relied on these specialized legal consultants to protect the interests of our community.

The attached resolution will authorize the ongoing reimbursement of specialized legal expenses from the water, sewer, and/or recycled water reserve funds for non-routine legal related services.

RESOLUTION NO. 2021-13

**RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT
TRANSFERRING FUNDS FOR SPECIALIZED LEGAL SERVICES FROM THE
DRINKING WATER, SEWER, AND/OR RECYCLED FUNDS**

WHEREAS, the Yucaipa Valley Water District recognizes the importance of funding projects and programs within the District with funds set aside for this purpose, and

WHEREAS, the Board of Directors and General Manager has authorized and will continue to utilize specialized legal consultation services for litigation, contract review, water rights, regulatory coordination, construction management, related project assistance, and to assist with other issues as they may arise.

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

- Section 1: The Chief Financial Officer is authorized to transfer funds from the Water Fund Infrastructure Reserves (02-000-10311) to fund specialized legal service expenditures for various projects associated with the Water Division.
- Section 2: The Chief Financial Officer is authorized to transfer funds from the Sewer Fund Infrastructure Reserves (03-000-10311) to fund specialized legal service expenditures for various projects associated with the Sewer Division.
- Section 3: The Chief Financial Officer is authorized to transfer funds from the Recycled Water Fund Infrastructure Reserves (04-000-10311) to fund specialized legal service expenditures for various projects associated with the Recycled Water Division.
- Section 4: The authorization contained herein for the General Manager and Chief Financial Officer shall continue until rescinded or modified by the Board of Directors.

PASSED, APPROVED and ADOPTED this 2nd day of March 2021.

YUCAIPA VALLEY WATER DISTRICT

Chris Mann, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager



Date: March 2, 2021

Prepared By: Allison M. Edmisten, Chief Financial Officer

Subject: Transfer from Drinking Water Reserve Funds for the Installation of a Secondary Bulk Storage Chemical Tank at the Yucaipa Valley Regional Water Filtration Facility

Recommendation: That the Board adopt Resolution No. 2021-14.

At the board meeting on February 16, 2021, [Director Memorandum 21-027], the Board approved the installation of the secondary bulk chemical storage tank by Pascal & Ludwig. The purpose of this memorandum is to authorize the transfer of reserve funds for the installation of this tank.

RESOLUTION NO. 2021-14

**RESOLUTION OF THE YUCAIPA VALLEY WATER DISTRICT
TRANSFERRING FUNDS WITHIN THE WATER FUND AS
TRANSFER NO. 16 FOR FISCAL YEAR 2021**

WHEREAS, the Yucaipa Valley Water District recognizes the importance of funding projects and programs within the District with funds set aside for this purpose, and

WHEREAS, the Board of Directors has authorized the installation of a secondary bulk chemical tank at the Yucaipa Valley Regional Water Filtration Facility for a sum not to exceed \$62,450 [Director Memorandum No. 21-027] and authorized the use of reserve funds for this expenditure [Director Memorandum No. 21-040].

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

Section 1: Fund Transfer No. 16 in the amount of \$62,450 from the Water Fund Infrastructure Reserves (02-000-10311) to fund the installation of a secondary bulk chemical tank for the Yucaipa Valley Regional Water Filtration Facility.

PASSED, APPROVED and ADOPTED this 2nd day of March 2021.

YUCAIPA VALLEY WATER DISTRICT

Chris Mann, President Board of Directors

ATTEST:

Joseph B. Zoba, General Manager

Board Reports and 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

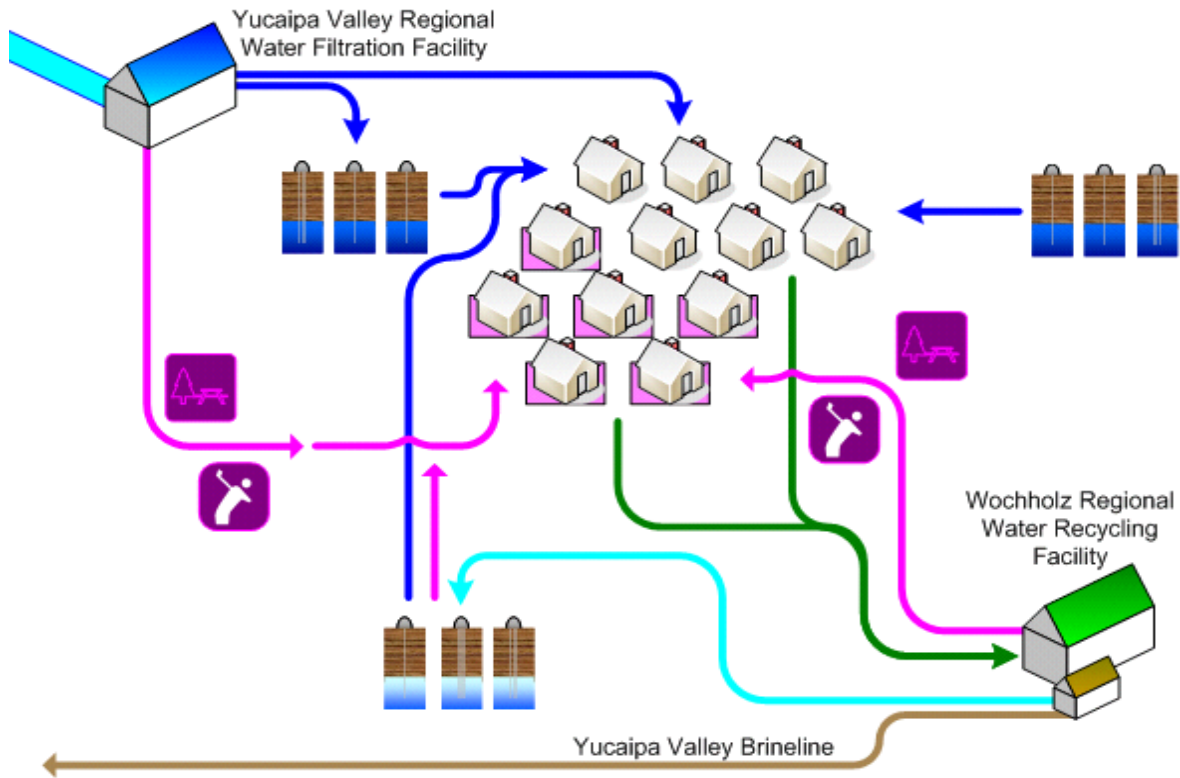
Water System: 223 miles of drinking water pipelines
2,033 fire hydrants
27 reservoirs - 34 million gallons of storage capacity
18 pressure zones
2.958 billion gallon annual drinking water demand
Two water filtration facilities:
- 1 mgd at Oak Glen Surface Water Filtration Facility
- 12 mgd at Yucaipa 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
-----------------------	--------------------------------

- 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
----------------------------	-------------------

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